

SELWOOD HOUSING SOCIETY LIMITED

England & Wales · Charity number 1141124

Details

Status Registered

Legal form Charitable company

Company number [04168336](#)

Registered 2011-04-04

Register [View on the Charity Commission register](#)

Contact

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Trowbridge
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Activities

Objects: THE OBJECTS SET OUT IN THE GOVERNING DOCUMENT ARE AS FOLLOWS:PROVIDING HOUSES OR HOSTELS AND ANY ASSOCIATED AMENITIES FOR PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS;PROVIDING FOR AGED,DISABLED,(WHETHER MENTALLY OR PHYSICALLY)OR CHRONICALLY SICK PERSONS IN NEED THEREOF HOUSES OR HOSTELS AND ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS;PROVIDING SERVICES,ADVICE OR ASSISTANCE UPON TERMS APPROPRIATE TO THEIR MEANS TO AGED,DISABLED (WHETHER MENTALLY OR PHYSICALLY)OR CHRONICALLY SICK PERSONS IN NEED THEREOF AND PROVIDING ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS;THE RELIEF OF POVERTY AMONGST THE RESIDENTS OF THE LOCAL AUTHORITY AREAS IN WHICH THE COMPANY OWNS OR MANAGES HOUSING STOCK;THE ADVANCEMENT OF EDUCATION,TRAINING OR RETRAINING,PARTICULARLY AMONG UNEMPLOYED PEOPLE AND PROVIDING UNEMPLOYED PEOPLE WITH WORK EXPERIENCE;THE MAINTENANCE,IMPROVEMENT OR PROVISION OF PUBLIC AMENITIES FOR THE PUBLIC BENEFIT IN THE INTERESTS OF REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION IN WHICH THE COMPANY OWNS OR MANAGES HOUSING STOCK;AND/OR SUCH OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY CONSISTENT WITH THE OBJECTS ABOVE AS THE DIRECTORS SHALL IN THEIR ABSOLUTE DISCRETION DETERMINE.

Activities: The principal activities of Selwood Housing are the provision of social housing, the letting, management and maintenance of dwellings for people in housing need and the provision of support services in Wiltshire and Somerset. The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Bath And North East Somerset
- Somerset
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£60,478,000	£52,702,000	£294,271,000	328
2024-03-31	£56,236,000	£49,055,000	£286,857,000	311
2023-03-31	£47,672,000	£41,561,000	£280,055,000	312
2022-03-31	£45,498,000	£39,477,000	£269,203,000	341
2021-03-31	£42,230,000	£34,113,000	£258,983,000	329

Trustees

Name	Role	Appointed
David William Hobdey		2024-12-02
Hannah Laura Jones		2022-10-06
Koo Chai Young Li Mow Ching		2022-10-06
Maureen Janet Robinson		2024-12-02
Paul BRYAN		2025-11-03
Philip Whitehead		2022-10-06
Richard Yates		2019-10-02
Samuel James Whatley		2024-12-02
Stella Jane Shepherd		2019-08-01

SELWOOD HOUSING SOCIETY LIMITED

England & Wales - Charity number 1141124

Accounts

Annual report and financial statements 2024/25



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Directors, executive officers, advisors, and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Sheila Lewis * to 31/12/24

Stella Shepherd **

Hannah Jones

Koo Chai Young Li Mow Ching *** chair

Samuel Whatley from 01/12/2024

Maureen Robinson from 02/12/24

*Chair to 31/12/24

** vice chair

*** chair from 01/01/25

Lisa Nicholls to 01/10/24

Chris Butters

Richard Yates

Nicola Setchell to 01/05/24

Philip Whitehead

David Hobdey from 02/12/24

Executive officers

Group chief executive

Group chief financial officer

Group transformation and people director

Group operations director

Group development director

Barry Hughes

Mark Mayler

Ria Bristow

Verena Buchanan

Paul Walsh

Registered office

Bryer Ash Business Park

Bradford Road

Trowbridge

Wiltshire BA14 8RT

Advisors and bankers

Independent auditor

Beever and Struthers

20 Colmore Circus

Queensway

Birmingham

B4 6AT

Internal auditors

TIAA Limited

Artillery House

Fort Fareham

Newgate Ln

Fareham

PO14 1AH

Principal funder

Nationwide Building Society

Kings Park Road

Moulton Park

Northampton

NN3 6NW

Principal bankers

Lloyds Bank

64 Fore Street

Trowbridge

Wiltshire

BA14 8EU

Principal legal advisors

Trowers & Hamlins

The Senate

Southernhay Gardens

Exeter

EX1 1UG

Capsticks Solicitors

LLP

1 St George's Road

London

SW19 4DR

Anthony Collins

Solicitors

143 Edmund Street

Birmingham

B3 2ES

Charity commission registration No. 1141124

Company limited by guarantee - registration No. 4168336

Registered with the Regulator of Social Housing – registration No. LH4097

Welcome from the chair of our board of directors

Overview

It's a sincere pleasure to introduce our 2024-25 annual report and financial statement in my first year as Chair.

Over the last 12 months, we have continued to see rapidly increasing expectations placed on housing associations from both government and customers. These are set against an equally challenging economic environment with a period of high inflation pushing up our operating costs and higher interest rates increasing our borrowing cost. Below inflation customer rent increases this year added further stress to our financial model.

Despite this difficult external environment, our people have worked hard supporting customers and delivering robust performance. Provisional results from the second year of tenant satisfaction measures are a testament to this. We scored highly across both customer satisfaction and performance measures, placing us in the top 10% of our peer housing associations.

Investing in our homes

Our energy improvements programme continued with the retrofitting of our least energy efficient homes making them warmer, healthier, and more affordable for customers to heat. Since the programme launched in 2023, we have successfully upgraded 145 homes. The award of £2.5 million in March 2025 from the government's Warm Homes: Social Housing fund (WH:SHF) Wave 3, alongside our match funding means we can schedule energy upgrades to a further 214 homes.

In 2024, we made the difficult decision to demolish several blocks of flats across two sites in Warminster when our investigations revealed that the scope and cost of repairs to the blocks was larger than anticipated and that a programme of repairs and replacement was no longer possible. We supported all fifty customers living in these flats to find new homes.

Following a consultation with residents, we announced redevelopment plans for the site that will provide up to 18 new homes for up to 60 customers.

Maintaining the standards of our existing customer homes remains a priority and in the last 12 months our teams installed 80 new bathrooms and a record 400 new kitchens!

Our teams also achieved an above target response time for repairs in customer homes completing 99.6% of emergency repairs and 85.2% of non-emergency repairs within target.

Building new homes

New data published by the National Housing Federation, Crisis and Shelter warns of the critical need to boost investment in social housing. The housing crisis is worsening rapidly with some local authority waiting lists now exceeding 100 years for a family-sized social home.

We are committed to playing our part as this crisis continues to escalate. In the last year, we've built 125 new properties, providing stable homes for up to 458 people. This is in addition to the more than 378 households we welcomed to our existing homes.

With a further 500 homes in the pipeline across twenty locations, we are making substantial progress towards our plans to build 1,700 more local affordable homes by 2034. Energy efficiency remains a priority with 100% of our new homes achieving EPC 'B' or above.

Despite the challenging market, we also achieved our joint highest shared ownership sales helping 64 families on to the housing ladder and providing a surplus of £2M to reinvest.

Supporting our customers and communities

In September, we invited customers to take part in our customer conversation survey to find out their priorities for Selwood Housing. Of almost 1200 responses received, 84% of customers said they felt safe in their neighbourhood and most felt they had a well-maintained home with a repairs appointment system that worked well for them.

Almost a quarter said they found it difficult to heat their homes due to the cost of energy bills, so we were pleased to secure £25,000 from Wiltshire Council's Household Support fund. This funding enabled us to provide support to customers in 250 low-income households struggling with essential costs. Helping our customers maintain their tenancies has allowed us to minimise rent arrears to 0.6%, one of the lowest in the social housing sector.

Throughout the year, we also invited customers to share their ideas about ways to improve our services and decision making. We offered at least one involvement opportunity every month with customers sharing their voices on services and policies including our development strategy, contractors' code of conduct, antisocial behaviour, succession policy and Selwood Housing's values.

Our Stronger Communities fund gave £30,000, plus an additional £233,000 in match-funding from local and national grants, to support twenty projects run by local charities and community groups. This included renovating outdoor nursery spaces, a community pantry and funding courses to help young people transition into independent living.

As part of our Priority Neighbourhoods initiative, we completed the installation of CCTV cameras on Westleigh Estate in Warminster, helping to make the estate a safer and more welcoming place for all its residents. The project, in partnership with Wiltshire Council, Warminster Town Council and Wiltshire Police, was in response to concerns raised by customers about antisocial behaviour and safety.

Supporting our people to deliver services

Thanks to the hard work and commitment of our people who continue to deliver in an extraordinarily complex environment, our service delivery and financial performance results for the year were excellent.

Our teams successfully delivered a range of complex improvement projects including migrating our IT infrastructure to the cloud, the launch of the first phase of Dynamics, our new housing management platform, plus the implementation of contracts with new building material suppliers. These will help increase our efficiency and deliver procurement savings in the region of £1m annually, releasing funds to invest in new and improved homes for the future.

With our staff consistently demonstrating their passion and dedication to our customers, we continued to invest in training, development and extending professional skills.

In June, we held an in-person all staff event where we shared our plans and thanked our people. This was also an opportunity for staff to review Selwood Housing's values, which define and underpin how we work. As a result of their suggestions and further input from customers, we agreed new values to take us forward. We also launched our Big Welcome, a new week-long induction to help new starters settle in and understand the organisation and their roles faster.

Our staff turnover rates improved significantly this year, reducing from 25% to 15% at year end. We were also pleased to retain our Investors in People Gold, increase our monthly staff survey score average and reduce sickness levels.

Looking forward

Our recently published corporate strategy for 2025–2028 outlines the targets we seek to achieve in the areas that are most important to our customers - repairs, safety, and the environmental efficiency of our homes.

There are considerable challenges ahead, but I am confident that our people will continue to demonstrate exceptional commitment and tenacity to deliver quality homes and services for our customers.



Koo Chai Young Li Mow Ching
Chair

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025

The group board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2025.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited, and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a board of non-executive directors (the board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath and North East Somerset, and the parts of the county of Somerset which are within one hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 7,291 properties and are the largest social landlord in the West of Wiltshire.

The Regulator of Social Housing refreshed their assessment of Selwood's compliance with the Governance and Financial Viability Standard in December 2024 which resulted in Selwood Housing retaining our G1 governance rating and V2 viability rating.

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Overview of the business *continued*

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd was our property repairs and improvement company which was integrated into Selwood Housing on the 1 July 2021. No activity remains in the company and so is now dormant.

Cottsbury Homes Ltd is a company that develops homes for market sale. It is not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing. The company also develops some land led schemes to golden brick stage.

Objectives and strategy

The board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. The board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by four guiding principles:

- To ensure our people are motivated, skilled, and able to deliver for our customers.
- To deliver excellent value for money homes and services.
- To respond quickly and effectively to our customers' needs and the changing environment we operate in.
- To retain our local focus which is one of our key strengths.

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years.

Our key challenge is:

"To be able to deliver quickly on a wide range of complicated, changing targets to meet rising expectations from customers and others"

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Coordinate and prioritise our work.
- Create the right culture.
- Work in the right way.
- Build partnerships.
- Be flexible by design.

The specific targets for 2025/26 are:

- Ensure that our homes are safe, in line with all relevant legislation.
- Our asset management strategy outlines our approach to reaching our environmental targets, which are for all our properties to be at SAP C level by 2030 and carbon-neutral by 2050.
- Build 1,700 new homes from 2023-2033. We have delivered 296 homes in the first two years.
- Deliver our project portfolio to time and budget.
- Maintain G1 and V1 or V2 ratings with the Regulator of Social Housing and achieve a C1 grading when we are inspected.
- Continue to comply with all regulatory standards and relevant legislation.
- Deliver the targets we've set against the regulatory value for money and tenant satisfaction measures.
- Deliver the other targets we've set relating to our people and culture.
- We will continue to have a wide range of involvement opportunities including focus groups, our scrutiny team, our customer complaints panel and customers on our board.
- We have a clear approach to equality, diversity and inclusion and will implement our action plan during 2025-2028.
- We have retained Investor in People Gold and are targeting continued improvement in our next assessment in 2027.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Objectives and strategy *continued*

Selwood Housing's values

Our recently updated values, following reviews with our customers and our staff are:

- We are customer driven
 - We keep the customer at the heart of what you do.
 - We act with empathy and fairness and build trust through your actions.
- We take accountability
 - We own our work and decisions.
 - We follow through on commitments and learn from mistakes.
- We champion communication
 - We use clear, honest, and inclusive communication.
 - We adapt our message to our audience and avoid jargon.
- We develop and learn
 - We welcome new ideas and change.
 - We take personal responsibility for our growth and support others in theirs

Operational performance

Financial review

The group turnover in the year was £57m (2024: £53m). This represents an increase of 8% (2024: increase of 15%).

Operating costs are higher than last year at £40m (2024: £38m), this is mainly due to inflationary increases and the completion of some large, planned programmes of work in year. Operating costs include depreciation charges of £9.0m (2024: £9.0m), a key accounting estimate. No impairment losses have been recognised in the year. In 2024 £1m was recognised in respect of two blocks of flats in Warminster that the Board had approved for demolition.

The surplus from the sale of properties was in line with last year at £3.4m (2024: £3.4m) due to the continued disposal programme in line with our current asset management strategy. The properties sold included a mix of right to buy, right to acquire, staircasing and open market sales. Selwood Housing remains committed to considering the suitability and efficiency of our properties.

The overall surplus for the Group in the year is £7.4m, (2024: £6.8m), higher than last year despite increased operational and interest costs.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Operational performance *continued*

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £588m as of 31 March 2025 (2024: £562m). This increase was a combination of the addition of newly developed homes and works to existing properties.

The pension fund shows an unadjusted net asset surplus of £8.32 million but has been restricted to £nil (2024: liability £nil), as the recoverability of this asset would require a right to reduce employer contributions or to request a refund from the fund. Neither of these options are available.

The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £466m at 31 March 2025 (2024: £471m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Selwood Housing finances its property assets through a loan facility of £94.1m (2024: £101.8m) made available by Nationwide Building Society, a £50m (2024: £50m) facility from Affordable Housing Finance Plc (AHF), a £55m (2024: £55m) facility from Lloyds Bank Plc and a £20m facility from MORhomes Plc. At 31 March 2025 £74.1m (2024: £81.8m) of the Nationwide facility had been drawn down. This left £20m (2024: £20m) available from Nationwide. £50m (2024: £50m) of the AHF funding had been drawn down at year end, £49.5m had been drawn from the Lloyds Bank facility (2024: £32.5m) and £20m from Morhomes Plc (2024: £20m)

The board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing, and hedging. In the financial year net cash inflow from operating activities of £23m (2024: £15.2m) helped to fund net cash spend of £18.9m (2024: £26.2m) on developing new homes before receipt of social housing grant.

In the 2024/25 corporate plan Selwood Housing had several key areas of focus. Our achievements against each of those areas during 2024/25 include the following:

- Maintaining our G1V2 rating for the year.
- Maintaining upper quartile results for the second year of tenant satisfaction measures.
- Finalising a new fixed rate £75m long term funding agreement with the Affordable Housing Guarantee Scheme which completed in early May 2025 at a competitive rate in difficult market conditions.
- Securing a further £2.5m funding from the warm homes: social housing fund, wave 3 to retrofit energy efficient components to around 200 homes by 2028.
- Delivering a surplus that was better than budget despite the impact of higher-than-expected cost inflation and interest rates.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Operational performance *continued*

- Maintaining a very strong arrears performance that was 0.6% - a record low for the fourth year in a row.
- Achieving our best ever set of compliance results, with all at or around 100% compliant.
- Moving our IT infrastructure to the cloud, improving system capabilities and security, saving around £200,000 per year.
- Delivering around £500,000 worth of savings with our new building materials suppliers through more efficient processes and better pricing.
- Delivering another exceptional kitchens programme with 401 properties on time and in line with budget expectations.
- Retaining our gold Investors in People accreditation with higher overall results.
- Reducing our staff turnover to below our target of 15%.

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant regarding its loan facilities with Nationwide Building Society and Lloyds Bank plc. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business using an online tool, Decision Time. The risk register for Selwood Housing and all its subsidiaries is regularly reviewed by the board.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Key risks *continued*

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. The register covers both strategic and operational risks. The major strategic risk areas and mitigating controls identified on the risk register are:

Risk Area	Key Controls/Actions
Lack of financial resilience to withstand changing socioeconomic environment	- Budget and business plan approved by the board and reported on regularly. - Financial plan stress tested with various scenarios. - Value for money strategy with regular review. - New contracts in place for key repairs and maintenance suppliers. - Contracts for supply of goods and services are regularly reviewed. - Identify and monitor appropriate benchmarking.
Landlord Health and Safety – Failure to adhere to legislative, regulatory and best practice compliance requirements	- Weekly reports to executive team meetings on all key compliance areas. - Quarterly reports to Group assets and development committee. - External audits carried out by independent bodies - Extensive training plans for all staff involved in health and safety activities. - Insurance cover of contractors obtained as part of contract negotiation and set up and then monitored by assets team
Risk that people and culture do not allow us to deliver strategic objectives	- Executive portfolio board in place to prioritise projects and agree resource allocation. - Project Brief and Business Case approval process in place. - Personal performance review process, incorporating skills and development plans. - Management development and training in place. - Professional development for relevant staff. - Flexible working policy determines approach to hybrid working. - Training and development programmes for digital skills.
New homes delivery does not meet corporate plan targets	- Development strategy approved by the board and progress reviewed on a quarterly basis by Group assets and development committee. - Comprehensive monitoring and reporting of progress with the development programme. - Sites, suppliers, and key materials reviewed daily. - Regular dialogues with relevant local authorities, agents, developers, and landowners to seek future opportunities. - Design and quality specifications meet the Selwood Housing strategy.
Asset management – providing homes that are decent, warm and meet required need	- Asset management strategy and plan reported to Group Asset and Development Committee (GADC) on a quarterly basis. - Provision for expenditure in financial plan to get properties to EPC C by 2030 and net zero carbon by 2050. - Internal stock condition survey target in place. - Budgeting and forecast process and subsequent monitoring. - Contract management and procurement processes in place. - Damp and mould action plan monitored by GADC. - Internal stock condition survey target of 205 per annum
Risk of Cyber security attack	- ICT and data protection policies in place. - Internal periodic reviews to ensure appropriate security levels in place. - Disciplinary procedures in place. - New 24/7 security operations centre in place with cloud partners to improve monitoring and resilience - Virtual network firewalls strengthened to prevent generic attacks - Business continuity plan includes plan to address cyber risks.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Environmental, Social & Governance (ESG) matters

Selwood Housing is dedicated to achieving its environmental, social, and governance (ESG) objectives by providing affordable homes both presently and in the future. We ensure that these homes meet the highest possible environmental standards while complying with our regulatory and governance requirements. In 2024, Selwood issued its third ESG report, using the newly revised version 2 of the Sustainability Reporting Standard (SRS). This report aligns with our key strategies for constructing new homes and managing our existing properties.

Environmental

Selwood Housing aims to ensure all homes meet SAP C standard by 2030, integrating low carbon and renewable technologies to achieve net-zero carbon targets by 2050. We build new properties to high environmental standards and invest in improving existing ones. Our key performance indicator is the average SAP rating of all housing properties, measuring their environmental performance.

Streamlined Energy and Carbon Reporting

Selwood Housing has created a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the 2019 SECR Regulations. This third-party verified report compares current emissions to the previous financial year for annual reporting, with all emissions shown as carbon dioxide equivalents (CO2e) rounded to two decimal places.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Energy efficiency action statement

Reported emissions and energy use data for 1 st April 2024 – 31 st March 2025		
	Current reporting year 1 st April 2024 – 31 st March 2025	Previous reporting year 1 st April 2023 – 31 st March 2024
Emissions from combustion of gas tCO ₂ e (Scope 1) [mandatory]	200.26 tonnes CO₂e 12.40 tonnes CO ₂ e office usage 14.08 tonnes CO ₂ e communal areas 173.78 tonnes CO ₂ e communal heating systems	214.20 tonnes CO₂e 11.25 tonnes CO ₂ e office usage 13.75 tonnes CO ₂ e communal areas 189.20 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	357.06 tonnes CO₂e 357.06 tonnes CO ₂ e DLO	311.08 tonnes CO₂e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) [mandatory]	32.22 tonnes CO₂e	31.78 tonnes CO₂e
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	166.29 tonnes CO₂e 12.79 tonnes CO ₂ e office usage 153.50 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	172.94 tonnes CO₂e 17.17 tonnes CO ₂ e office usage 155.77 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above - [mandatory]	755.82 tonnes CO₂e	730.00 tonnes CO₂e
Energy consumption used to calculate above emissions: kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Gas: 1,405,612.30 kWh Electricity: 806,139 kWh Transport fuel: 1,405,612 kWh Business travel: 134,012 kWh Total: 3,437,683.82 kWh	Gas: 1,170,970 kWh Electricity: 835,169 kWh Transport fuel: 1,301,138 kWh Business travel: 130,661 kWh Total: 3,437,938 kWh
Intensity ratio: tCO ₂ e gross figure based on mandatory fields above [mandatory]	119.02 kg CO ₂ e per home managed (exc. office emissions) 14.50 Office intensity: kg CO ₂ e per m ²	110.89 kg CO ₂ e per home managed (exc. office emissions) Office intensity: 17.22 kg CO ₂ e per m ²
Methodology [mandatory]	SHIFT methodology SECR Reporting SHIFT Environment Using DEFRA (2024) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2024. Comparison data from the previous year's SECR is using DEFRA 2023 Conversion Factors.	

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Energy efficiency action statement *continued*

Emissions from purchased electricity (Scope 2, market-based factor): tCO ₂ e [optional]	Only reporting on location based	Only reporting on location based
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	14.70 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>	14.96 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>
Emissions from employee business travel for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	32.22 tonnes CO₂e 32.22 tonnes CO ₂ e employee vehicles 0.00 (Nil) tonnes CO ₂ e public transport	31.78 tonnes CO₂e 31.78 tonnes CO ₂ e employee vehicles 0.00 tonnes CO ₂ e public transport
Emissions from leased assets, franchises, and outsourced activities (Scope 3) / tCO ₂ e [optional]	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 13,251.38 tonnes in total, or 2.19 tonnes per home managed.	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,041.41 tonnes in total, or 2.47 tonnes per home managed.
Total gross Scope 3 emissions / tCO ₂ e [optional]	13,298.29 tonnes CO ₂ e	16,088.15 tonnes CO ₂ e
Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO ₂ e [optional]	14,021.90 tonnes CO ₂ e	16,786.38 tonnes CO ₂ e
Additional intensity ratio: tCO ₂ e net figure / e.g., £100,000 revenue [optional]	2.28 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded	2.55 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded
Third Party verification [optional]	SHIFT Environment	

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Energy efficiency action statement *continued*

During the period 1st April 2024 to 31st March 2025, we installed:

- windows in 95 properties
- 391 gas boiler upgrades
- 145 electric heating systems
- completed upgrades on 82 properties with SHDF funding

Some of the work in the upgrades listed above form part of the programme of works that is utilising the £1.4m Social Housing decarbonisation funding (SHDF) that was secured last year to deliver fabric first decarbonisation of our properties that have an EPC rating below EPC C. During the year we successfully secured £2.5m of new funding through the Warm homes social housing fund which we will match to extend our programme over the next three years.

Social

Affordability

The Valuation Office Agency sets the Local Housing Allowance (LHA) affordability criteria at the 30th centile point between what, in the local rent officer's opinion, are the highest and lowest non-exceptional rent in a Broad Rental Market Area. These statistics are used as a reference point for housing benefit and are a good indication of rent levels which are affordable in an area. Our valuer's have compared our rents with the average sector rent and LHA in the same localities. Selwood Housing's rents are demonstrably lower than those of other housing associations in the same area and are affordable when compared with the local housing allowance.

Customer Involvement & Communities Team

The I&C team's work continues to evolve as the work it delivers is key to Selwood Housing meeting the requirements of the Transparency, Influence & Accountability Standard introduced by the Regulator for Social Housing in April of this year. Our key aim is to bring clear customers' voices and views into service design through inclusive, efficient, and effective methods whilst flexibly responding to the needs of the business. This has been a strong year, building on our foundations as a team in 2023. We have renewed our team's strategy which we are taking to Board in July. We have involved customers during the recent revision. This report highlights some of the major achievements and details how we are meeting our regulatory requirements.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Scrutiny

The Marketing and Communications team have now acted on all actions taken forward from the scrutiny team's review into operational communications. The results include:

- a communications guidance document for staff.
- a set of 23 new templates for the most important and sensitive customer letters we send out.
- 'communications champions' within the business with continued training for them.

Their follow-up review into Damp & Mould services was approved by board in July 2024. The scrutiny team then carried out a review to inform the new Asset Management Strategy and focused on Planned Programme prioritisation. The team reported their findings to Board in March 2025. The recommendations focused more on how we communicate to customers throughout the process. All seven recommendations were agreed by management, six have been completed and the final one has been scheduled. They have just started their new review into General Needs Caretaking.

Four new members have joined during 2024-2025 and have all undergone induction and mandatory training. The team have continued to develop their knowledge and skills through TPAS membership and courses and sent delegates to three of the regional & national Tenant Engagement Conferences in May, July and October, giving them an opportunity to network with other scrutiny members from across the country.

Working with the business performance & insight team we produce an information pack to share with the scrutiny team ahead of quarterly business meetings, so that they have the key information on 'Rant & Rave' transactional customer surveys, Tenant Satisfaction Measure data and finance & performance ahead of the meeting presentations.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Together with Tenants

Selwood Housing adopted the National Housing Federation's Together with Tenants Charter in 2022. In April 2024 we agreed a new action plan with the scrutiny team and managers across the business as to how we meet the charter's commitments. We have added actions against the new 7th commitment of Equality, Diversity & Inclusion. Ahead of each quarterly business meeting the I&C team provide our scrutiny team with written updates on the progress of each action within the plan. This allows them time to reflect, discuss and bring questions/challenges to the quarterly business meeting. Each member takes ownership of monitoring one or two commitments.

Customer involvement

We now ensure that all creations or rewrites of customer-facing policies and strategies incorporate customer voice. We have developed strong working relationships with heads of service and are increasing the understanding of what we do and the importance of hearing and considering the needs and views of those who live in our housing.

Over 2024-2025 we have worked on one strategy, ten policies and four customer experiences plus a code of conduct and fire safety assessment. Customers have also helped us revise our company values. These have been delivered through a mixture of in-person and online focus groups, community pop-ups, digital questionnaires, surveys and opinion polls with a total of 195 participants.

Communications - 'Warm List' and newsletter

Our Customer Involvement newsletter is sent to the I&C 'warm list' which is a list of customers who have signed up to hear more about involvement. It contains details of all forthcoming involvement opportunities plus updates on recent projects which we call our 'you said, we did' reporting. This maintains regular engagement, interest and recognises the value of our volunteers and the importance Selwood Housing puts on hearing their customers' voices. We have started trialling a quarterly postal newsletter to 227 customers and monthly electronic newsletters to 1440 customers with open rate of above 50%.

Customer Conversation 2024

This is our household survey that is carried out every three years, aimed at understanding our customers priorities and responses to a series of questions, the results of which are then used to shape our thinking and influence our services and policies. We sent out 8593 copies of the survey: one to each individual tenant (including joint tenants) and to all shared ownership customers. We received 1,192 responses (789 online and 403 postal returns).

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Customer Conversation 2024 *continued*

The survey asked for feedback on our main service areas, and we had a response rate of 14% providing a solid level of representation. The margin of error, using a confidence level of 95% and based on 1192 responses received out of a population of 8593 surveys sent out, is +/- 2.63%. Most respondents (over 80%) were aware of customer involvement opportunities, with nearly 10% of the remainder keen to know more. We are currently monitoring an action plan based on customers' responses.

Equality, Diversity & Inclusion

We have started collecting EDI information anonymously from involved customers who are willing to share their details. This helps us benchmark the diversity of those we are reaching, so that we can improve engagement in demographics not attending. We are part of the new EDI project and recently used the Customer Conversation 2024 to collect new & updated data so that we can better understand their needs and direct our services in line with new consumer standards.

Complaints Forum

The complaints' staffing team has grown and taken on full ownership of the customer forum. The forum was established in 2022-2023 following a recommendation from a scrutiny review. The I&C team worked with the complaints manager to create the forum and its processes. We continue to help with advice, promotion and the recruitment of new customers. There are six members that meet quarterly to review five recently closed complaints and score how they were managed against set criteria.

Sheltered Forum

We also helped the initiation and set-up of a new Sheltered Housing Forum, as with the complaints' forum, the sheltered staffing team have taken on facilitation of this.

Decarbonisation project – resident engagement:

We supported the bid writing for Wave 3 of the Decarbonisation project.

Warminster Rehousing

We supported the customer consultation stage with advice, drop-ins, 121 visits and managing phone & email correspondence.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Communities

We supported the legacy project from the Warminster Priority Neighbourhoods' project of 2023-2024. We led on applying for grants and secured £15,000 from the Area Board, the Police & Crime Commissioner and the Town Council. These monies have funded a joint project with Wiltshire Police to install & manage CCTV in one of our neighbourhoods with high criminal activity and anti-social behaviour.

We have renewed our funding commitment to local charity, Trowbridge Futures, for another three years at the same amount. This £30,000 contract helps fund a neighbourhood connector who is working across our three main housing estates in Trowbridge. They facilitate and promote a kindness cafe, veterans' group, cookery sessions and a community fridge which feeds 180 people a week on one of our larger estates. They have been hosting pop up health clinics with the NHS, helping to reach those who struggle to access public services for a variety of reasons such as social isolation and mobility issues. Visitors to the pop-up clinics have received vaccinations, blood pressure readings and general health advice including diet and nutrition. The team have been working with Wiltshire Council to host accessible and manageable fitness sessions and the demand from local residents has been high.

Stronger Communities Funding

During 2024-2025 we distributed £30,325 from our Stronger Communities Fund to enable 20 community projects across 8 towns & villages where we have our housing stock. We have recently held a customer focus group to inform the renewal of the Stronger Communities Funding Policy which is revised every 3 years.

We have worked with the procurement team to reinstall the social value clause in appropriate high value contracts of over £1 million. Contract Managers and Procurement now have a process in place to engage with the I&C team pre-award; payments will be made on an annual basis, on the anniversary of the contract's commencement. This decision will guarantee ongoing funding to boost the Stronger Community Fund and allow us to continue supporting our communities. We have joined a local funding network to further promote the fund to a wider area of our housing stock.

As part of our application process, we continue to request details of total project cost, breakdown of all costs and how much of the project is self-funded. We also ask if they're applying to other grant funders and what amount they've requested. In most cases, being approved for one grant will often unlock access to another grant, therefore helping secure more funding for the community. We only pay out once any necessary match-funding is confirmed so that we know the project is viable. We can then calculate how much money has been brought into our communities in total. Accumulatively these 20 projects secured an additional £233,596 in addition to the money donated from us, that was spent in our communities.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Resident Support

Selwood Housing's charitable donations were £28.5k (2024: £28.5k) during the year to 31 March 2025. In addition to this we allow various community groups to utilise two garages free of charge and we lease The Hub to Trowbridge Town Council for a peppercorn rent. We estimate the rental income foregone on these to be equal to donations of around £9.5k (2024: £9k).

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2020). The code was reviewed and adopted by the board in December 2021. The board concluded that we are fully compliant with the code.

Staff wellbeing

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment, and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff, we then ensure they are motivated, skilled, and able to deliver for our customers and provide an excellent service. This is a guiding principle in our corporate strategy, as described above.

Selwood Housing provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern through our monthly pulse survey. The executive team also take part in a monthly live question and answer session with all staff. The group supports the employment of a diverse workforce, both in recruitment and in the retention of employees.

Board and executive composition

At 31 March 2025 Selwood Housing's board was made up of four females and five male directors. The senior management team was made up of three male and two female members.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Committees of the group board

During the year the following committees were in operation:

- The group audit and finance committee have oversight of external and internal audit, the financing and treasury position of Selwood Housing, changes to specific policies and reviews the fraud register at each meeting. At 31 March 2025 the members of the group audit and finance committee were Chris Butters, Stella Shepherd, Richard Yates, Philip Whitehead and Samuel Whatley.
- The group asset and development committee consider and makes recommendations to the board in respect of matters relating to repairs, planned and cyclical works, development, compliance, and any other property related matter that needs board consideration. At 31 March 2025 the members of the group asset and development committee were David Hobdey, Koo Chai Young Li Mow Ching, Hannah Jones and Maureen Robinson.

All other matters including strategy, funding decisions, business planning and other major strategic decisions are considered directly by the full group board.

Board and executive directors

The group board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The board is responsible for the governance of Selwood Housing Group. Their role in practice may be summarised as:

- Providing leadership
- Setting policy and strategic aims
- Monitoring performance
- Management of risk
- Uphold Selwood Housing Group's values

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of everyone's performance over the year and an assessment of training, skills, and development needs.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Board and executive directors *continued*

Each board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2025, the executive directors consisted of the group chief executive, the group chief financial officer, the group operations director, the group development director, the group transformation and people director.

Insurance policies indemnify board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited based on selecting skill sets, the demographic make-up and experience that are required for the existing board.

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate board members and the group transformation and people director against the board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair, and inclusive. Each new board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some board members choose not to reclaim their travel costs.

Payments to board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Any changes in remuneration do not take effect until approved by the company in the general meeting and increases to board members' remuneration do not take effect more frequently than once every three years.

The board decides the pay and benefits of the executive directors and agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff. Selwood Housing contributes to the schemes on behalf of all eligible staff and does not offer alternative benefits such as cars.

There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Regulatory standards

The board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in March 2025, and the board concluded that Selwood Housing complies with the standard.

Value for Money

Selwood Housing Group's approach to value for money (VfM)

Value for money forms one of the key pillars of our principles and values as outlined in our corporate strategy:

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for money *continued*



Our VfM strategy was reviewed in 2024 and updated targets agreed with the board in October 2024.

The aims of our value for money strategy are:

- To achieve the appropriate balance of performance, satisfaction, and cost in the delivery of our strategy differentiating between service areas.
- To measure the value for money that Selwood Housing delivers at a headline level using the Regulator of Social Housing value for money key performance indicators.
- To measure where we are against appropriate comparators for other areas in our strategy, and
- To set annual targets to achieve our desired position.

Value for money for Selwood Housing includes considering:

- Making best use of our assets
- Changing how we work so we need fewer resources to deliver the same service, freeing up resources for other priorities.
- Adopting the best way for delivering our services, which could be delivered internally or through external partners or suppliers.
- Making better use of the data we hold and using this to make our services better value.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *continued*

- Contributing positively to the country's finances by reducing the call on welfare benefits through charging below market rents.
- The social impact of our homes and services.
- Improving the energy efficiency of our homes and thereby reducing energy costs for our customers.

Value for Money Standard (VfM)

The Regulator of Social Housing (RSH) issued the VfM Standard in April 2018 which includes a requirement for registered providers to publish their performance against a series of common metrics with which to measure economy, efficiency and effectiveness as set by the Regulator. The table below compares our performance over the last three years with our Housemark peer group, the RSH global accounts performance and our targets for next year.

Performance Metric	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target	2023/24 Housemark Median *	2023/24 Sector Median **
Business health % efficiency							
Operating margin - Overall	18.1%	17.7%	18.1%	19.5%	17.4%	19.0%	18.5%
Operating margin - Social housing lettings	18.9%	17.8%	17.8%	20.6%	17.2%	21.3%	20.4%
Interest cover % (EBITDA-MRI)	260.4%	109.6%	101.0%	109.3%	94.0%	129.0%	122.0%
Headline social housing cost per unit £ CPU	£4,332	£5,426	£5,961	£5,824	£6,026	£5,089	£5,136
Return on capital employed %	2.1%	2.6%	2.6%	2.8%	2.3%	2.98%	2.8%
Development & investment							
New supply delivered % - Social housing units	2.2%	2.4%	2.0%	1.7%	2.0%	1.5%	1.4%
Gearing %	33.6%	36.0%	37.3%	36.4%	40.2%	48.9%	45.6%
Reinvestment %	7.2%	7.4%	7.2%	6.0%	8.8%	10.1%	7.7%

* Housemark - Peer group median from the leading data and insight company for the UK housing sector.

** Sector median is the latest published sector results (2023/24) reported by the Regulator of Social Housing.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *continued*

The economy remained challenging during the year with interest rates remaining high and inflation volatile, however Selwood's financial performance has remained strong, **achieving value for money results better than target for most of the regulator measures.**

Selwood's headline social housing cost per unit (CPU) increased by 7% from the previous year due to inflation and higher volumes, especially in responsive repairs. This was partly offset by lower materials costs from new supplier agreements finalised at the start of the year. Also, migration to the cloud and revised IT partnership agreements delivered additional savings in the second half of the year.

EBITDA-MRI interest cover (*) remained in line with the previous year, which was much better than expected due in part to the cost savings mentioned earlier and lower interest costs than anticipated. EBITDA-MRI is expected to fall in 25/26 to below 100% as more resource is being focused on our responsive and planned programmes to ensure we meet legislation changes like Awaab's law. We do not have any covenants that are measured by EBITDA-MRI. The EBITDA covenants are being comfortably met at 3x the required cover. We expect this to remain achievable for the full length of the agreements. In May 2025, we completed a £75m fixed loan agreement with Saltaire Housing for the government backed Affordable Housing Grant Scheme (AHGS), drawing £50m, immediately reducing our interest rate risk.

Gearing was better than target and well below Selwood's golden rule target of 50% and the existing loan covenant of 60%. Gearing measures the relationship between debt and tangible fixed housing assets will increase over the next few years as we borrow more money to fund our development programme and meet our environmental targets.

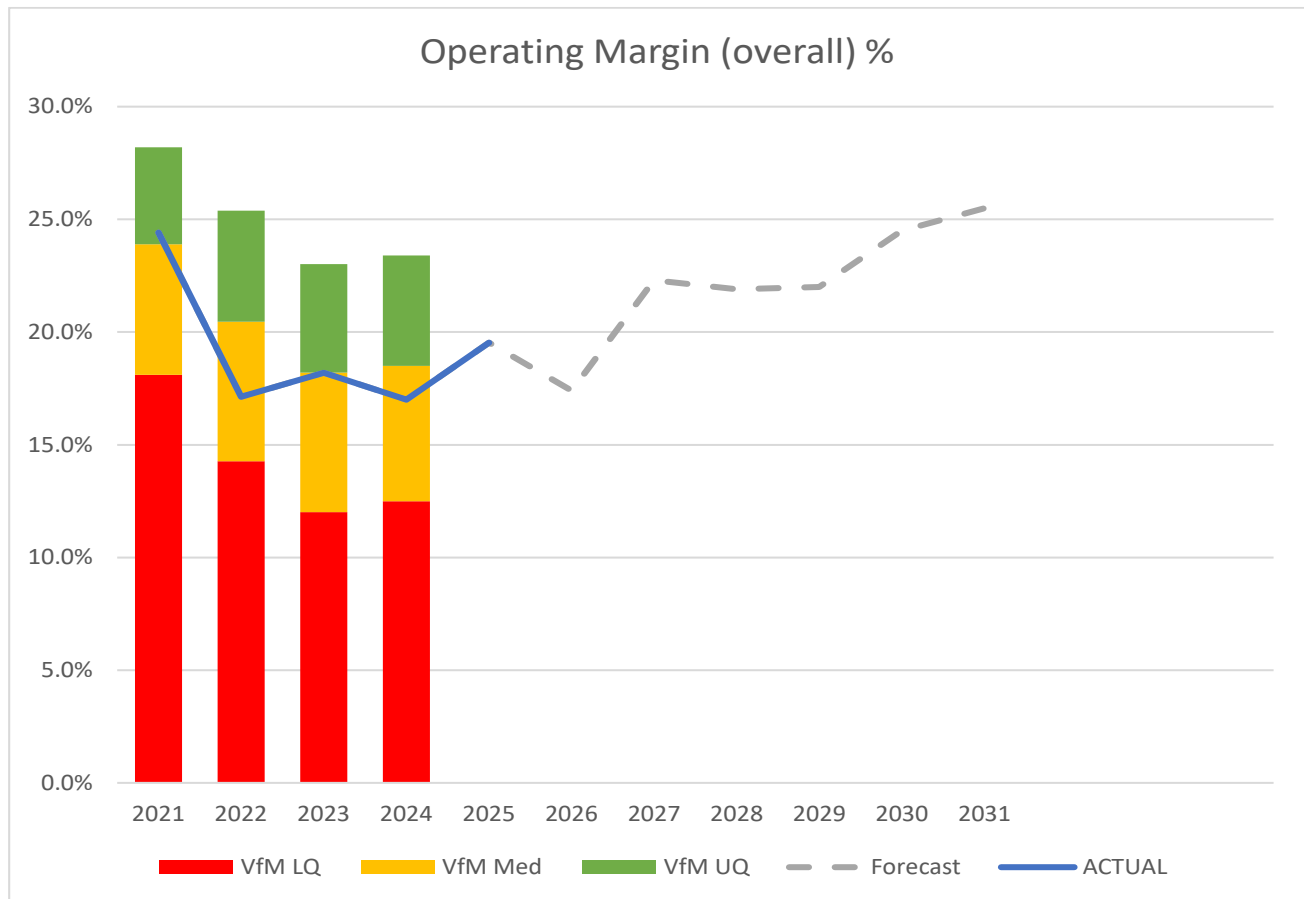
The improved **return on capital employed (ROCE)** was better than target due to an increase in gains from disposal of fixed assets. The board agreed to a targeted disposal strategy based on a variety of considerations such as energy performance, age, condition, and void properties that are not viable for relet without a significant investment beyond their 30-year return. This will continue to result in the disposal of a handful of properties over the coming years which will continue to boost the Selwood ROCE performance.

* EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *continued*



The operating margin has reversed its downward trend from recent years, increasing due to efficiency savings and the reclassification of certain planned decarbonisation projects to capital expenditure. Despite the increased complexity of tasks such as addressing damp and mould issues and fencing, our responsive repairs teams continue to maintain a daily completion rate of approximately three jobs per day per operative.

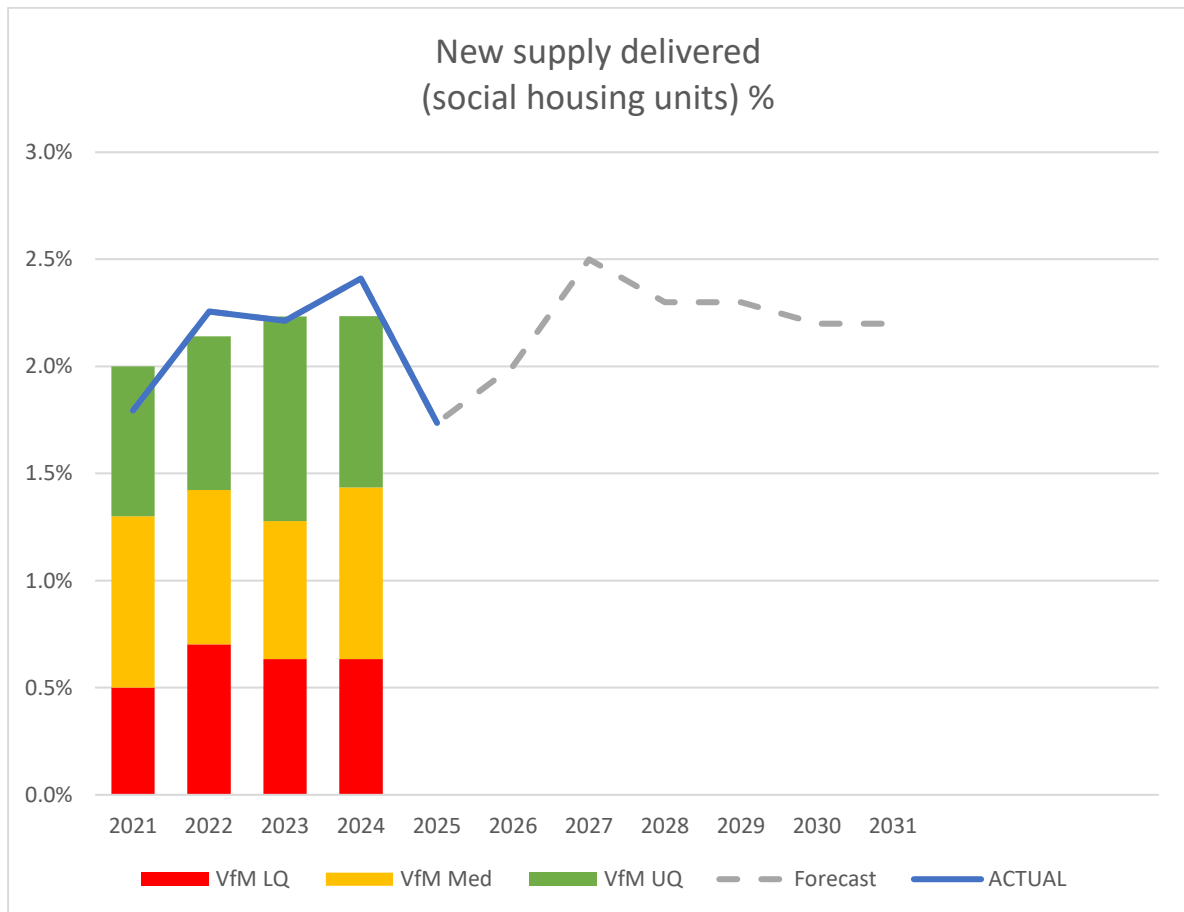
The transformation project, to develop and expand our system capabilities, improve our processes, and explore further efficiencies has also progressed with two modules going live during the year. This project continues to require additional staff and investment in new systems in the short term which impacts our operating margin.

The continuing focus on efficiency and improved systems and processes will help to maintain Selwood's operating margin at their current levels before increasing in the medium term.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money (*continued*)



The **new supply delivery** decreased during the year to achieve 125 new properties. This fall was expected in 24/25 as we reduce the risk of the impact of build cost inflation and possible development delays in the sector. Selwood are still committed to development and our corporate strategy lays out a plan to build 1,700 homes over 10 years, having delivered 296 in the first two years.

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the board are rent loss due to empty properties as a % of rent due and current tenant arrears net of unpaid housing benefit as a % of rent due. These are financial KPIs but also helps us to fulfil our social purpose:

- Good voids performance means that more homes are available for people in housing need.
- An appropriate approach to dealing with current tenant arrears assists our tenants with their security of tenure and their money management skills.

It has been another good year for our lettings team, both in terms of performance and of adapting service delivery to deliver in a changing environment.

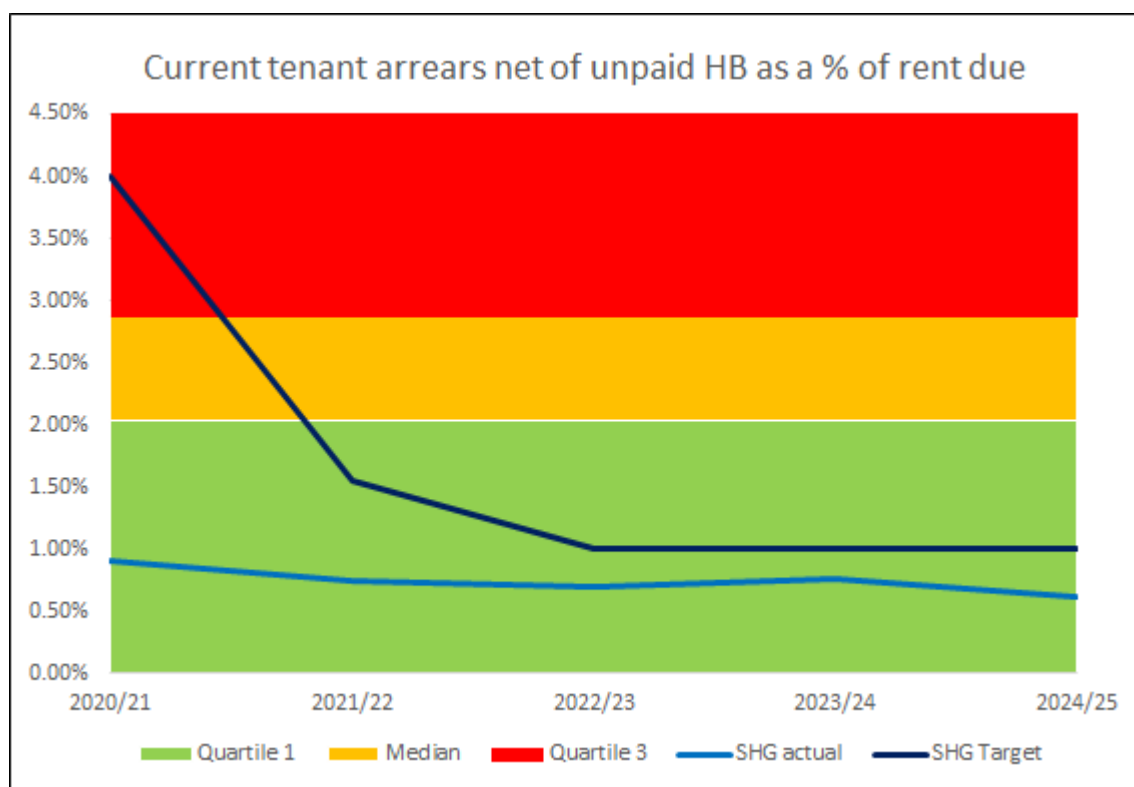
Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money (*continued*)

During the year the team let 378 homes, and the neighbourhoods team facilitated 84 mutual exchanges. At the end of March 2025, the void loss attributable to rented dwellings (including shared ownership) was 0.73% (March 2024 0.96%). The year saw more homes being let outside of our nomination agreements with local authority partners, which allowed us to rehouse 42 rented customers as part of the regeneration of the Alcock Crest and Westleigh sites in Warminster and find efficient and modern homes for existing 25 customers experiencing fuel poverty.

The graph below compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2023/24:



Despite the increased cost of living the collection of rent and service charges remains strong. This is in part due to our robust pre-tenancy assessment of affordability, the firm, consistent and timely intervention of the income team, and timely referrals to our tenancy sustainment coordinators and financial inclusion partners.

The strong collection ethos has shone through again this year with only 6 evictions taking place. The principles of timely support and decisive intervention have resulted in another top-quartile performance from the income team of 0.53% current customer arrears.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *(continued)*

Supporting actions to deliver the 25/26 targets

To support the delivery of the targets set out for the value for money metrics shown above, we will:

- Continue to monitor interest rates to ensure that the cost of carry of debt is as low as possible, balancing borrowing with the requirements of the organisation.
- Utilise the monthly, quarterly and annual peer group data from Housemark to benchmark our performance against peer groups and gain insights for improvement.
- Continue to closely monitor for slowdown in the housing market that could affect shared ownership schemes and the overall operating margin of the Association.
- As inflation continues to impact, consider how Selwood can further maintain the surplus to mitigate the impact whilst still providing good services to our customers.
- Look at ways to improve our return on capital employed (ROCE) as our cost of borrowing rises.
- Analyse headcount and staffing costs by service and benchmark to identify under/over provision.
- Review all vacant posts prior to going out to recruitment ensuring that there is an adequate process in place to confirm need and benefit.
- Deliver the objectives of the procurement strategy.

Tenant Satisfaction Measures

Our tenant satisfaction measures for 2024/25 continue to show strong performance. All survey-based measures remain in the upper quartile of benchmark results seen across the sector this year, with overall satisfaction rising to 87%. These results are based on feedback from 615 customers who completed telephone surveys during the year. Notably, all measures have improved compared to the previous year—except for one, which saw a very slight decrease. The full results are shown below:

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Tenant Satisfaction Measures (*continued*)

Survey measures - LCRA only		Selwood 2023/24	Selwood 2024/25
TP01	Proportion of respondents who report that they are satisfied with the overall service from their landlord.	84.1%	87.0%
TP02	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	82.1%	84.4%
TP03	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	82.5%	82.2%
TP04	Proportion of respondents who report that they are satisfied that their home is well maintained.	83.2%	85.3%
TP05	Proportion of respondents who report that they are satisfied that their home is safe.	87.2%	90.5%
TP06	Proportion of respondents who report that they are satisfied that their landlord listens to tenant views and acts upon them.	72.0%	75.1%
TP07	Proportion of respondents who report that they are satisfied that their landlord keeps them informed about things that matter to them.	89.0%	90.2%
TP08	Proportion of respondents who report that they agree their landlord treats them fairly and with respect.	86.7%	89.9%
TP09	Proportion of respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling.	46.0%	55.3%
TP10	Proportion of respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained.	77.5%	79.6%
TP11	Proportion of respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood.	79.3%	83.8%
TP12	Proportion of respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour.	69.3%	70.0%

The non-survey measures are also positive in either the upper or median quartile of benchmark results that we have seen across the sector with the majority showing improvement on the prior year.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Tenant Satisfaction Measures *(continued)*

Non-survey measures		Selwood 2023/24	Selwood 2024/25
BS01	Proportion of homes for which all required gas safety checks have been carried out.	100.0%	100.0%
BS02	Proportion of homes for which all required fire risk assessments have been carried out.	100.0%	100.0%
BS03	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	90.9%	98.9%
BS04	Proportion of homes for which all required legionella risk assessments have been carried out.	100.0%	100.0%
BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100.0%	100.0%
RP01	Proportion of homes that do not meet the Decent Homes Standard - LCRA only - annual	1.6%	1.0%
RP02 (1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale.	85.2%	85.2%
RP02 (2)	Proportion of emergency responsive repairs completed within the landlord's target timescale	99.7%	99.6%
CH01 (1)	Number of stage one complaints received per 1,000 homes.	58.5	52.0
CH01 (2)	Number of stage two complaints received per 1,000 homes.	9.0	7.4
CH02 (1)	Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	92.6%	98.7%
CH02 (2)	Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	88.0%	98.1%
NM01	Number of anti-social behaviour cases, opened per 1,000 homes.	32.1	48.5
NM01 (2)	Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	0.3	0.3

Section 172 Statement

The board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's strategy and long-term strategic plan
- the approval of the current year budget including rent and service charge changes,
- the approval of the overall 30-year financial plan and stress test scenarios
- the approval of the annual rent and service charge uplifts
- the approval of the procurement strategy
- the approval of the IT strategy
- the approval of the development strategy
- the approval of the communications and marketing strategy
- the approval of the company pay and benefits for staff and CEO
- the adoption of financial regulations and group governance manual
- the review of Selwood's compliance with regulatory standards

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the board's decision-making process, the board considers the potential impact of decisions on relevant stakeholders whilst also having regard to several broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the board has sought to deliver benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Internal controls assurance

The board has 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 manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The board receives and considers annual reports at the group audit and finance committee, group asset and development committee and management on the management of risk and control arrangements. The board review the strategic risk register at each of its meetings and receive the full risk register annually for review. The group audit and finance committee set the plans for internal audits based on the risk register to ensure that appropriate work is being undertaken to mitigate risks with corrective actions, where necessary.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Internal controls assurance *continued*

The process for identifying, evaluating, and managing the strategic risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2024 up to the date of approval of the annual report and financial statements. The system for monitoring risk management is intuitive, interactive and puts emphasis on ensuring that good controls are in place and actions are progressed to deliver improvement in risk scores.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial and procurement regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team.
- Policies and procedures covering all major areas of activity.
- A corporate plan setting out Selwood Housing's mission and key corporate objectives.
- A risk management strategy including a risk register with a procedure for updating, reviewing, and reporting that strategy.
- An internal audit programme linked to the risk register.
- Review of the Regulator of Social Housing (RSH) sector risk profile.
- External audit reports.
- The 30-year business planning model – reviewed at least annually by the board.
- An annual budget agreed before the beginning of each financial year.
- Monthly management accounts and performance reports to the board and the executive team.
- Review of the fraud register at each group audit and finance committee meeting.

The board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and finance committee to review the effectiveness of the system of internal control regularly. The board receives minutes from each committee meeting.

The means by which the group audit and finance committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Internal controls assurance *continued*

The group audit and finance committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Statement of responsibilities of the board

The board are responsible for preparing the strategic report, annual report, and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, 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 charitable company will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Statement of responsibilities of the board *continued*

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the board. The board responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

After making enquiries the board has a reasonable expectation that Selwood Housing has adequate resources to continue in operational existence for the foreseeable future. The board defines the foreseeable future as at least 12 months from the date of signing the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting is planned to be held on 1st October 2025 in the boardroom of Selwood Housing's office and available online.

Independent auditor

A resolution to appoint Selwood Housing's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditor

So far as the board is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approval

The report of the board of directors including the strategic report was approved by the board on 3 July 2024 and signed on its behalf by:



Koo Chai Young Li Mow Ching
Chair
2 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in reserves, , the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's and the Company's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the letter from the chair and Group Strategic Report including the

Selwood Housing Society Ltd

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained during the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

Selwood Housing Society Ltd

override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
20 Colmore Circus
Queensway
Birmingham B4 6AT
Date: 16 July 2025

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2025

		Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
	Note				
Turnover	4	56,922	52,699	56,948	52,772
Cost of sales	4	(5,284)	(5,067)	(5,284)	(5,067)
Operating costs	4	(40,172)	(37,993)	(40,160)	(37,996)
Gain on disposal of fixed assets	11	3,423	3,401	3,423	3,401
Operating surplus		14,889	13,040	14,927	13,110
Other interest receivable and similar income		133	136	116	117
Interest and financing costs	12	(7,263)	(6,007)	(7,263)	(6,007)
Other finance costs	26	14	9	14	9
Movement in fair value of investment properties	16	0	(12)	0	(12)
Surplus before taxation		7,773	7,166	7,794	7,217
Taxation on surplus	13	3	3	0	0
Surplus for the financial year		7,776	7,169	7,794	7,217
Actuarial loss / gain on defined benefit pension scheme	26	(362)	(368)	(362)	(368)
Total comprehensive income for year		7,414	6,801	7,432	6,849

The notes on pages 46 to 88 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated and company statement of financial position at 31 March 2025

		Group	Group	Company	Company
		2025	2024	2025	2024
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	14	514,226	494,602	514,278	494,654
Tangible fixed assets - other	15	4,007	3,655	3,738	3,356
Investment properties	16	340	340	340	340
Investments in companies	17	125	125	3,225	3,225
		518,698	498,722	521,581	501,575
Current assets					
Stocks	19	4,857	6,103	2,871	4,432
Debtors - receivable within 1 year	20	4,203	4,596	4,192	4,288
Cash and cash equivalents	20a	6,731	6,601	5,497	5,594
		15,791	17,300	12,560	14,314
Creditors: amounts falling due within 1 year	21	(20,250)	(17,730)	(20,018)	(17,734)
Net current assets / (liabilities)		(4,459)	(430)	(7,458)	(3,420)
Total assets less current liabilities		514,239	498,292	514,123	498,155
Creditors: amounts falling due after more than 1 year	22	(219,967)	(211,431)	(219,967)	(211,431)
Net assets excluding pension liability		294,272	286,861	294,156	286,724
Provision for deferred tax	30	(1)	(4)	0	0
Pension liability	26	0	0	0	0
Net assets		294,271	286,857	294,156	286,724
Capital and reserves					
Income and expenditure reserve		166,797	157,448	166,682	157,315
Revaluation reserve		127,474	129,409	127,474	129,409
		294,271	286,857	294,156	286,724

The notes on pages 46 to 88 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 2 July 2025



Koo Chai Young Li Mow Ching
Chair



Mark Mayler
Secretary

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2025

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2023	148,692	131,364	280,056
Total comprehensive income for the year	7,169	0	7,169
Actuarial gains on defined benefit pension scheme	(368)	0	(368)
Total comprehensive income	6,801	0	6,801
Transfer from revaluation reserve to income and expenditure	1,955	(1,955)	0
Opening funds March 2024	157,448	129,409	286,857
Total comprehensive income for the year	7,776	0	7,776
Actuarial loss on defined benefit pension scheme	(362)	0	(362)
Total comprehensive income	7,414	0	7,414
Transfer from revaluation reserve to income and expenditure	1,935	(1,935)	(0)
Closing total funds March 2025	166,797	127,474	294,271

The notes on pages 46 to 88 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2025

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2023	148,510	131,364	279,874
Total comprehensive income for the year	7,217	0	7,217
Actuarial gains on defined benefit pension scheme	(368)	0	(368)
Total comprehensive income	6,850	0	6,850
Transfer from revaluation reserve to income and expenditure	1,955	(1,955)	0
Opening funds April 2024	157,315	129,409	286,724
Total comprehensive income for the year	7,794	0	7,794
Actuarial loss on defined benefit pension scheme	(362)	0	(362)
Total comprehensive income	7,432	0	7,432
Transfer from revaluation reserve to income and expenditure	1,935	(1,935)	0
Closing total funds March 2025	166,682	127,474	294,156

The notes on pages 46 to 88 form part of these financial statements.

Selwood Housing Society Ltd

Consolidated statement of cash flows for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Surplus for the financial year		7,773	7,166
Adjustments for:			
Depreciation of fixed assets - housing properties	14	9,067	8,649
Depreciation of fixed assets - other	15	282	273
Amortised grant	23	(562)	(413)
Interest payable and finance costs		7,249	5,998
Interest received		(133)	(136)
Difference between net pension expenses and cash contribution		(348)	(359)
Proceeds from sale of fixed assets- housing properties	11	(5,000)	(5,043)
Decrease /(Increase) in trade and other debtors		393	(1,282)
Decrease /(Increase) in stocks		1,246	(1,263)
Increase in trade and other creditors		1,309	(1,137)
Carrying amount of disposals		1,818	2,712
Movement in fair value of investment properties		0	12
Cash from operations		23,094	15,177
Taxation paid		0	0
Net cash generated from operating activities		23,094	15,177
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	5,000	5,043
Purchase of fixed assets - housing properties	14	(30,503)	(34,106)
Purchase of fixed assets - other	15	(639)	(357)
Purchase of investments		0	0
Receipt of grant	23	1,010	482
Interest received		133	136
Net cash from investing activities		(24,999)	(28,802)
Cashflows from financing activities			
Interest paid	12	(7,263)	(6,007)
Taxation Paid		0	0
New loans		17,000	24,500
Debt issue costs incurred		0	(138)
Repayment of loans	25	(7,702)	(6,849)
Net cash used in financing activities		2,035	11,506
Net (decrease) / increase in cash and cash equivalents		130	(2,119)
Cash and cash equivalents at beginning of year		6,601	8,720
Cash and cash equivalents at end of year		6,731	6,601

Selwood Housing Society Ltd

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Notes to the financial statements For the year ended 31 March 2025

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the group's operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group operates in accordance with its Rules, Standing Orders, Financial Regulations and other governance documentation and complies with all relevant regulatory requirements.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all its subsidiary undertakings for the year. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the board has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year and capitalised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing Society Ltd is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing Society Ltd's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing Society Ltd participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing Society Ltd's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

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

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

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

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows / Doors	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years
Lighting	20 years
Fire Alarms	15 years
Door entry systems	10 years
Electric Heating	20 years
Air Source Heat Pumps	15 years
Guttering, Soffits & Fixings	30 years
Flat Roofs	30 years
External Wall Insulation	100 years
Cavity Wall insulation	30 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Impairment

Housing properties, which are depreciated over a period more than 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Social Housing Decarbonisation Fund

SHDF has been awarded to help Housing Associations upgrade a significant amount of the social housing stock currently below Energy Performance Certificate (EPC) band C up to that standard. It will support the installation of energy performance measures in social homes.

Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property. If SHDF is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)	-	5 years
• Plant and Equipment	-	5 years
• IT tangible assets (Laptops/Tablets)	-	3 years
• Dynamics Housing Management System	-	15 years
• Fixtures & Fittings	-	10 years

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. Due to the immateriality of the movement on the 4 properties held, this has not been reflected in the statements. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs, and other costs. Based on the costs to complete, the board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see notes 14 and 15)**

Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as the Group's experience over several years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Investment properties (see note 16)

Investment properties are professionally valued bi-annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Last valuation Mar 2024.

- Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

4 Particulars of turnover, cost of sales, operating costs, and operating surplus – company

	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating costs 2025 £'000	Surplus on disposal 2025 £'000	Operating surplus /(deficit) 2025 £'000
Social housing lettings (note 5)	48,965	0	38,548	0	10,417
Other social housing activities					
First tranche low-cost home ownership sales	7,275	5,284	226	0	1,765
Gain on disposal of fixed assets	0	0	0	3,423	3,423
Charges for support services	33	0	4	0	29
Development costs not capitalised	0	0	721	0	(721)
	7,308	5,284	951	3,423	4,496
Activities other than social housing activities					
Lettings	13	0	4	0	9
Other	662	0	657	0	5
	675	0	661	0	14
	56,948	5,284	40,160	3,423	14,927

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus on disposal 2024 £'000	Operating surplus /(deficit) 2024 £'000
Social housing lettings (note 5)	44,486	0	36,257	0	8,229
Other social housing activities					
First tranche low-cost home ownership sales	7,576	5,067	249	0	2,260
Gain on disposal of fixed assets	0	0	0	3,401	3,401
Charges for support services	31	0	4	0	27
Development costs not capitalised	0	0	783	0	(783)
	7,607	5,067	1,036	3,401	4,905
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	666	0	700	0	(34)
	679		703	0	(24)
	52,772	5,067	37,996	3,401	13,110

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

4 Particulars of turnover, cost of sales, operating costs, and operating surplus – group

	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating costs 2025 £'000	Surplus on disposal 2025 £'000	Operating surplus /(deficit) 2025 £'000
Social housing lettings (note 5)	48,965	0	38,548	0	10,417
Other social housing activities					
First tranche low-cost home ownership sales	7,275	5,284	226	0	1,765
Gain on disposal of fixed assets	0	0	0	3,423	3,423
Charges for support services	33	0	4	0	29
Development costs not capitalised	0	0	721	0	(721)
	7,308	5,284	951	3,423	4,496
Activities other than social housing activities					
Lettings	13	0	4	0	9
Other	636	0	669	0	(33)
	649	0	673	0	(24)
	56,922	5,284	40,172	3,423	14,889

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus on disposal 2024 £'000	Operating surplus /(deficit) 2024 £'000
Social housing lettings (note 5)	44,486	0	36,257	0	8,229
Other social housing activities					
First tranche low-cost home ownership sales	7,576	5,067	249	0	2,260
Gain on disposal of fixed assets	0	0	0	3,401	3,401
Charges for support services	31	0	4	0	27
Development costs not capitalised	0	0	783	0	(783)
	7,607	5,067	1,036	3,401	4,905
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	593	0	697	0	(104)
	606	0	700	0	(94)
	52,699	5,067	37,993	3,401	13,040

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

5 Income and expenditure from social housing lettings – group

	General needs £'000	Supported & older people's housing £'000	Low-cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2025 £'000	Total 2024 £'000
Income							
Rents net of identifiable service charges	34,272	9,239	2,052	304	775	46,642	42,509
Service charge income	647	1,030	79	0	0	1,756	1,563
Amortised government grants	564	0	0	0	0	564	413
Other grants	3	0	0	0	0	3	1
Turnover from social housing lettings	35,485	10,269	2,132	304	775	48,965	44,486
Expenditure							
Management	4,814	1,819	306	98	96	7,133	6,307
Service charge costs	1,740	842	0	12	10	2,604	2,430
Routine maintenance	5,607	1,729	0	261	40	7,637	6,441
Planned maintenance	5,250	1,589	0	13	28	6,880	6,450
Major repairs expenditure	3,679	1,136	0	10	22	4,847	4,740
Bad debts	89	26	0	0	0	115	94
Depreciation of housing properties:							
-annual charge	7,029	2,038	0	0	0	9,067	8,650
-accelerated on disposal of components	206	60	0	0	0	266	1,144
Operating expenditure on social housing lettings	28,414	9,239	306	394	196	38,548	36,256
Operating surplus / (deficit) on social housing lettings	7,071	1,030	1,826	(90)	579	10,417	8,230
Void Losses	144	98	103	0	36	381	463

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

5 Income and expenditure from social housing lettings – company

	General needs £'000	Supported & older people's housing £'000	Low-cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2025 £'000	Total 2024 £'000
Income							
Rents net of identifiable service charges	34,272	9,239	2,052	304	775	46,642	42,509
Service charge income	647	1,030	79	0	0	1,756	1,563
Amortised government grants	564	0	0	0	0	564	413
Other grants	3	0	0	0	0	3	1
Turnover from social housing lettings	35,485	10,270	2,132	304	775	48,965	44,486
Expenditure							
Management	4,814	1,819	306	98	96	7,133	6,307
Service charge costs	1,740	842	0	12	10	2,604	2,430
Routine maintenance	5,607	1,729	0	261	40	7,637	6,442
Planned maintenance	5,250	1,589	0	13	28	6,880	6,450
Major repairs expenditure	3,679	1,136	0	10	22	4,847	4,740
Bad debts	89	26	0	0	0	115	94
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	7,029	2,038	0	0	0	9,067	8,650
-accelerated on disposal of components	206	60	0	0	0	266	1,144
Operating expenditure on social housing lettings	28,414	9,239	306	394	196	38,548	36,257
Operating surplus / (deficit) on social housing lettings	7,071	1,031	1,826	(90)	579	10,417	8,229
Void Losses	144	98	103		36	381	463

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2025 Number	Group & Company 2024 Number
General needs housing:		
- social	4,170	4,187
- affordable	1,007	944
Low-cost home ownership	483	433
Supported housing	74	76
Housing for older people	701	701
Sheltered units for older people / supported living	714	713
Total social housing units	7,149	7,054
Residential care home bed spaces	46	46
Total owned and managed	7,195	7,100
Leaseholders of sold flats	90	91
Leaseholders units for supported living	4	4
Market rent	2	2
Total owned and managed accommodation	7,291	7,197
Units under construction	310	273

	Group & Company Number
Total owned and managed accommodation as at Apr 24	7,197
Newly built rental accommodation, built by or for Selwood Housing.	125
Sales to the open market	(27)
Right to Buy Disposals	(1)
Right to Acquire Disposals	0
Rental property transferred to Leasehold	0
Fully Stair cased LCHO	(3)
Total owned and managed accommodation as at Mar 25	7,291

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

6 Units of housing stock (continued)

Selwood Housing owns 74 supported housing units (2024:76) and tenancy sustainment support was provided for 9 of these units by Selwood Housing in 2025 (2024:11). The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 46 care home units on our behalf.

Selwood Housing also owns 1,123 garages, 1 shop unit used by Selwood Housing as a resource centre and 1 doctors' surgery.

7 Operating surplus

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000

This is arrived at after charging / (crediting):

Depreciation of housing properties:

-annual charge	9,067	8,649	9,067	8,649
-accelerated depreciation on replaced components	265	139	265	139
Depreciation of other tangible fixed assets	282	273	257	247
Impairment of 2 blocks of flats	0	1,006	0	1,006
Impairment of Office property	0	0	0	0

Auditor's remuneration (excluding VAT):

-fees payable to the group's auditor for the audit of the group's annual accounts	49	32	46	27
- fees for other non-audit services	13	2	13	2

8 Employees

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000

Staff costs (including Executive Team) consist of:

Wages and salaries	12,137	11,067	12,137	11,067
Social security costs	1,178	1,045	1,178	1,045
Cost of defined benefit scheme (see note 26)	188	217	188	217
Cost of defined contribution scheme	867	775	867	775
	<u>14,370</u>	<u>13,104</u>	<u>14,370</u>	<u>13,104</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

8 Employees *continued*

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
Administration	66	62	66	62
Development	11	9	11	9
Maintenance	100	91	100	91
Housing, Support and care	151	149	151	149
	<u>328</u>	<u>311</u>	<u>328</u>	<u>311</u>

9 Directors' and senior executive remuneration

The directors and senior executives are defined as the members of the board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2025 £'000	2024 £'000
Executive directors' emoluments	667	636
Amounts paid to non-executive directors	56	49
Contributions to money purchase pension schemes	12	11
Contributions to defined benefits pension scheme	83	80
	<u>818</u>	<u>776</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

9 Directors' and senior executive remuneration (*continued*)

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2025	2024
	No.	No.
£60,000 - £69,999	16	9
£70,000 - £79,999	10	10
£80,000 - £89,999	1	0
£90,000 - £99,999	0	1
£100,000 - £109,999	2	1
£110,000 - £119,999	1	1
120,000 - 129,999	0	1
130,000 - 139,999	1	0
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0
170,000 - 179,999	0	0
180,000 - 189,999	0	0
190,000 - 199,999	0	0
200,000 - 209,999	0	1
210,000 - 219,999	1	0
	<u>32</u>	<u>24</u>

Benefits have accrued to 3 executive officers under the Wiltshire pension fund defined benefit scheme (2024 – 3) and 1 director accrued benefits under the group's defined contribution pension scheme during the year (2024 – 1).

The group chief executive received remuneration of £155,134 salary excluding pension contributions plus £55,486 in lieu of pension contributions. This is 6.02 times the median salary of all members of staff (2024: 6.14 times).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

10 Board members

The Chair of the board receives a salary of £11,865 (2024: £10,500) per annum, the committee chairs each receive £1,978 per annum (2024: £1,750), in addition to their basic board member payment. The standard other group board member payment is £4,802 (2024: £4,250). Emoluments paid to board members in 2025 were 0.10% (2024: 0.09%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Finance committee	Group Board
Sheila Lewis * to 31/12/24	10,550	x		x
Koo Chai Young Li Mow Ching * chair from 01/01/25	9,986	x		x
Chris Butters	7,110		x	x
Stella Shepherd **	4,837		x	x
Lisa Nicholls to 01/10/24	2,798	x		x
Richard Yates	4,852		x	x
Hannah Jones	4,810	x		x
Samuel Whatley from 01/12/24	1,741		x	x
Maureen Robinson from 02/12/24	1,747	x		x
Nicola Setchell to 01/05/24	418	x		x
Philip Whitehead	4,802		x	x
David Hobdey from 02/12/24	2,260	x		x
Total	55,911			

* Chair

** Vice Chair

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

11 Surplus on disposal of fixed assets

Group and Company	Right to Buy and Right to Acquire 2025 £'000	Other housing properties 2025 £'000	Staircasing 2025 £'000	Total 2025 £'000	Total 2024 £'000
Disposal proceeds	171	4,472	357	5,000	5,043
Costs of disposals	(49)	(1,321)	(195)	(1,565)	(1,637)
Selling costs	(7)	(2)	(3)	(12)	(5)
Grant recycled	0	0	0	0	0
	115	3,149	159	3,423	3,401
Surplus on disposal of other tangible fixed assets	0	0	0	0	0
	115	3,149	159	3,423	3,401

12 Interest payable and similar charges

Group and company	2025 £'000	2024 £'000
Bank loans and overdrafts	5,611	4,726
All other loans (excluding loans from group entities)	2,176	2,178
Interest capitalised on construction of housing properties	(524)	(897)
	7,263	6,007

13 Taxation on profit from ordinary activities

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Current tax				
UK corporation tax on profits of the year	0	0	0	0
Effect of changes in rates	0	(1)	0	0
Adjustments in respect of previous periods	0	2	0	0
Origination and reversal of timing differences	3	2	0	0
Taxation on profit on ordinary activities	3	3	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

13 Taxation on profit from ordinary activities *(continued)*

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Profit on ordinary activities before tax	7,773	7,166	7,794	7,217
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 25%	(1,943)	(1,792)	(1,949)	(1,804)
Effects of:				
Charitable income	1,924	1,770	1,949	1,804
Gift Aid Payment to parent	22	24	0	0
Expenses not deductible	0	0	0	0
Tax rate changes	0	0	0	0
Current tax charge for year	3	3	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2025 (2024: all freehold).

Group	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2024	511,158	6,739	42,011	2,005	561,913
Construction Costs	0	13,539	0	5,430	18,969
Replaced components - Additions	11,553	(19)	0	0	11,534
Completed Schemes	11,963	(11,963)	6,202	(6,202)	0
Disposals - RTB, RTA & market sales	(1,597)	0	0	0	(1,597)
Disposals - replaced components	(2,254)	0	0	0	(2,254)
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	(203)	0	(203)
Transfers	0	0	(23)	0	(23)
At 31 March 2025	530,823	8,296	47,987	1,233	588,339
<i>Depreciation</i>					
1st April 2024	(66,135)	0	(1,175)	0	(67,310)
Charge for the year	(8,728)	0	(339)	0	(9,067)
Eliminated on disposals	267	0	0	0	267
Replaced components - Disposals	1,989	0	0	0	1,989
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	8	0	8
At 31 March 2025	(72,607)	0	(1,506)	0	(74,113)
Net Book Value at 31 March 2025	458,216	8,296	46,481	1,233	514,226
Net Book Value at 31 March 2024	445,023	6,739	40,836	2,005	494,603

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

14 Tangible fixed assets – housing properties *(continued)*

Company	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2024	511,158	6,773	42,011	2,023	561,965
Construction Costs	0	13,541	0	5,429	18,970
Replaced components - Additions	11,553	(19)	0	0	11,534
Completed Schemes	11,963	(11,963)	6,202	(6,202)	0
Disposals - RTB, RTA & market sales	(1,597)	0	0	0	(1,597)
Disposals - replaced components	(2,254)	0	0	0	(2,254)
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	(203)	0	(203)
Transfers	0	0	(23)	0	(23)
At 31 March 2025	530,823	8,332	47,987	1,250	588,392
<i>Depreciation</i>					
1st April 2024	(66,135)	0	(1,176)	0	(67,311)
Charge for the year	(8,728)	0	(339)	0	(9,067)
Eliminated on disposals	267	0	0	0	267
Replaced components - Disposals	1,989	0	0	0	1,989
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	8	0	8
At 31 March 2025	(72,607)	0	(1,507)	0	(74,114)
Net Book Value at 31 March 2025	458,216	8,332	46,480	1,250	514,278
Net Book Value at 31 March 2024	445,023	6,773	40,835	2,023	494,654

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

14 Tangible fixed assets – housing properties *(continued)*

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Interest capitalised in the year	(524)	(897)	(524)	(897)
Rate used for capitalisation	4%	3%	4%	3%
	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Total social housing grant received or receivable to date				
as follows				
Capital grant - Housing properties	35,119	34,257	35,119	34,257
Recycled Capital Grant Fund	134	129	134	129
Revenue grant - I&E	564	413	564	413
Revenue grant - reserves	5,619	5,055	5,619	5,055
	41,437	39,854	41,437	39,854

Properties held for security

Selwood Housing Society Ltd had property with an existing use value of £290 million pledged as security at 31 March 2025 (£270 million – 2024).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

15 Other tangible fixed assets – group

Group	Freehold Office £'000	Fixtures & Fittings £'000	Plant & & Equipment £'000	Motor Vehicles £'000	IT £'000	Laptops & Tablets £'000	Dynamics - Housing Mgmt Sys £'000	Total £'000
Cost								
At 1 April 2024	3,556	52	550	13	2,325	130	711	7,337
Additions	0	0	0	0	185	170	284	639
Disposals	0	0	(5)	0	0	0	0	(5)
At 31 March 2025	3,556	52	545	13	2,510	300	995	7,971
Accumulated Depreciation								
At 1 April 2024	(1,363)	(28)	(251)	(13)	(2,014)	(13)	0	(3,682)
Charged in year	(56)	(5)	(25)	0	(110)	(80)	(6)	(282)
Disposals	0	0	0	0	0	0	0	0
At 31 March 2025	(1,419)	(33)	(276)	(13)	(2,124)	(93)	(6)	(3,964)
Net book value at 31 March 2025	2,137	19	269	0	386	207	989	4,007
Net book value at 31 March 2024	2,193	25	299	0	311	117	711	3,655

Freehold office includes freehold land at cost of £360,000 (2024: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

15 Other tangible fixed assets – company

Company	Freehold Office £'000	Fixtures & Fittings £'000	Plant & Equipment £'000	Motor Vehicles £'000	IT £'000	Laptops & Tablets £'000	Dynamics - Housing Mgmt Sys £'000	Total £'000
Cost								
At 1 April 2024	3,556	52	6	13	2,325	130	711	6,793
Additions	0	0	0	0	185	170	284	639
Disposals	0	0	0	0	0	0	0	0
At 31 March 2025	3,556	52	6	13	2,510	300	995	7,432
Accumulated Depreciation								
At 1 April 2024	(1,363)	(28)	(6)	(13)	(2,014)	(13)	0	(3,437)
Charged in year	(56)	(5)	0	0	(110)	(80)	(6)	(257)
Disposals	0	0	0	0	0	0	0	0
At 31 March 2025	(1,419)	(33)	(6)	(13)	(2,124)	(93)	(6)	(3,694)
Net book value at 31 March 2025	2,137	19	0	0	386	207	989	3,738
Net book value at 31 March 2024	2,193	25	0	0	1,022	117	0	3,356

Freehold office includes freehold land at cost of £360,000 (2024: £360,000) which is not depreciated.

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2024	216	124	340
Revaluations	0	0	0
At 31 March 2025	216	124	340

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

16 Investment properties *continued*

The group's investment properties were last valued on 31 March 2024 at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

17 Fixed asset investments

<i>Cost or valuation</i>	Group £'000	Company £'000
At 1 April 2024	125	3,225
Additions	0	0
At 31 March 2025	<u>125</u>	<u>3,225</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

18 Subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity	Number of shares
Silcoa Ltd	England	100%	Dormant	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	2,500,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

19 Properties for sale & other stock

Group	First tranche shared ownership properties 2025 £'000	Other Stock 2025 £'000	Total 2025 £'000	Total 2024 £'000
Completed properties	1,834	0	1,834	2,921
Other	0	204	204	163
Properties under construction	833	1,986	2,819	3,019
	2,667	2,190	4,857	6,103

Company	First tranche shared ownership properties 2025 £'000	Other Stock 2025 £'000	Total 2025 £'000	Total 2024 £'000
Completed properties	1,834	0	1,834	2,921
Other	0	204	204	163
Properties under construction	833	0	833	1,348
	2,667	204	2,871	4,432

Properties developed for sale include capitalised interest of £51k (2024 - £71k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

20 Debtors

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Due within one year				
Arrears of rent and service charges	620	638	620	638
Less: Provision for doubtful debts	(299)	(366)	(299)	(366)
	321	272	321	272
Amounts owed by group undertakings	0	0	0	0
Other debtors	2,244	2,683	2,240	2,381
Prepayments and accrued income	1,638	1,641	1,631	1,635
	4,203	4,596	4,192	4,288

The other debtors figure includes £485k (2024: £541k) in respect of 22 days' (2024:21 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Cash	5,426	5,274	4,866	4,938
Deposit accounts	1,305	1,327	631	656
	6,731	6,601	5,497	5,594

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

21 Creditors: Amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Trade creditors	1,677	1,147	1,448	1,147
Rent and service charges received in advance	1,290	702	1,290	702
Amounts owed to group undertakings	0	0	7	9
Taxation and social security	298	288	298	288
Other creditors	613	651	613	652
Accruals and deferred income	7,099	6,825	7,089	6,819
Loans due within 1 year	8,791	7,702	8,791	7,702
Recycled Capital Grant	0	9	0	9
Deferred Capital grant	482	406	482	406
	<u>20,250</u>	<u>17,730</u>	<u>20,018</u>	<u>17,734</u>

22 Creditors: Amounts falling due after more than one year

Group and company

	2025 £'000	2024 £'000
Loans and borrowings (note 25)	185,180	176,944
Deferred capital grant (note 23)	34,638	34,257
Disposal proceeds fund (note 24)	0	0
Recycled capital grant (note 24)	134	120
Sinking fund balances	15	110
	<u>219,967</u>	<u>211,431</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

23 Deferred capital grant

Group and company	2025 £'000	2024 £'000
At 1 April	34,257	34,518
Grants received in the year	300	482
SHDF grants received in year	710	0
Grants recycled from the recycled capital grant fund	9	76
Released to income in the year	(562)	(413)
Reversal of release to income < 1 year	406	0
To be released to income < 1 year (note 21)	0	(406)
At 31 March	35,120	34,257

24 Recycled capital grant

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 1 April	129	205	129	205
Additions:				
Grants Recycled	4	97	4	97
Interest	10	3	10	3
Withdrawals:				
New build	(9)	(176)	(9)	(176)
At 31 March	134	129	134	129
Amounts 3 years or older where repayment may be required	0	0	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

25 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2025 £'000	Total 2025 £'000	Total 2024 £'000
In one year or less, or on demand	8,791	8,791	7,702
In more than one year but not more than two years	10,240	10,240	8,791
In more than two years but not more than five years	86,710	86,710	66,336
In more than five years	88,230	88,230	101,817
Total debt	193,971	193,971	184,646

New funding of £75m was approved in FY24/25 with AHGS.

The loans bear interest at fixed rates ranging from 1.8% to 5.08% or at variable rates calculated at a margin above the Sterling Overnight Index Average. The current loan outstanding is made up of £120m fixed and £73.5m variable, against agreed facilities of £219m (2024 - £226.7m). At 31 March 2025 the group had undrawn loan facilities of £20m (2023 - £20m) with Nationwide and £5.5m (2023 £22m) with Lloyds.

26 Pension obligations

Group and Company

The Wiltshire Pension Fund ("WPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WPF are held separately from those of Selwood Housing in independently administered funds. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WPF by Selwood Housing for the year ended 31 March 2025 were £569,034 (2024: £575,165) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £343,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations (*continued*)

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2025 % per annum	31 March 2024 % per annum
Discount rate	5.75	4.85
Future salary increases	3.40	3.25
Future pension increases	2.90	2.75

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 15% weighting of 2023 data, a 15% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0% and a long-term rate of improvement of 1.25% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2025 No. of years	2024 No. of years
Current pensioners:		
Males	21	21.3
Females	24	24.3
Future pensioners: *		
Males	21.7	23.8
Females	25.2	25.8

Commutation

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations (*continued*)

Amounts recognised in the statement of financial position

	2025 £'000	2024 £'000
Present value of funded obligations relating to Selwood Housing	(20,450)	(23,313)
Fair value of plan assets relating to Selwood Housing	28,770	28,431
Unrecognised Asset	(8,320)	(5,118)
Net Deficit	0	0

Analysis of the amount (credited)/charged to the statement of comprehensive income:

	2025 £'000	2024 £'000
Current service cost	188	217
Expected return on pension scheme assets	(1,367)	(1,247)
Interest on pension scheme liabilities	1,105	1,097
Total operating charge	(74)	67

Of the above amount, £14,000 (2024: £9,000) was credited to other finance charges. £348,000 (2024: £359,000) was credited to operating surplus. Net interest income of £262k is adjusted by £248k as part of asset ceiling cap reducing net interest to £14k.

Changes in fair value of employer assets

	2025 £'000	2024 £'000
Opening fair value of employer assets	28,431	26,289
Contributions by the Employer	570	576
Actuarial loss / gain	(511)	985
Administration Expenses	(34)	0
Benefits paid	(1,125)	(740)
Contributions by members	72	74
Interest	1,367	1,247
Closing fair value of employer assets	28,770	28,431

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations *(continued)*

Changes in present value of defined benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation	23,313	23,324
Current service cost	188	217
Interest cost	1,105	1,097
Actuarial losses	(3,103)	(659)
Estimated benefits paid	(1,125)	(740)
Contributions by members	72	74
Closing defined benefit obligation	20,450	23,313

Major categories of plan assets as a percentage of total plan assets:

	2025	2024
Equities	40%	56%
Bonds	36%	29%
Property	23%	14%
Cash	1%	1%

Fair value of employer assets

	2025 £'000	2024 £'000
Equities	11,570	15,921
Bonds	10,235	8,245
Property	6,529	3,980
Cash	436	284
	28,770	28,430

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Present value of defined benefit obligation	(20,450)	(23,313)	(23,324)	(32,863)	(34,807)
Fair value of scheme assets	28,770	28,431	26,289	28,122	26,017
Surplus/(Deficit) on scheme	8,320	5,118	2,965	(4,741)	(8,790)
Experience adjustments on plan liabilities	146	(776)	(1,743)	(68)	298
Experience adjustments on plan assets	(511)	985	(2,457)	1,606	3,269
Cumulative actuarial gains/losses	9,328	6,736	5,092	(2,609)	(6,788)

Projected pension expense for the year to 31 March 2026

	£'000
Projected Current Service Cost	147
Net Interest on the defined liability / asset	(17)
Administration Expenses	34
Total	164

The gain is adjusted to reflect asset ceiling adjustment of £2,954k. A loss of £362k is charged to SoCI.

The estimated employer contributions for the year to 31 March 2026 are approximately £569,000.

Defined Contribution Scheme

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. All existing and new colleagues are eligible to join. The costs associated with providing this scheme are outlined in note 8.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

27 Operating leases

At 31 March 2025, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Not later than 1 year	634	545	634	545
later than 1 year and no later than 5 years	2977	952	2977	952
Later than 5 years	0	0	0	0
Total	3,611	1,497	3611	1497

Amounts receivable as Lessor	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Not later than 1 year	1	1	1	1
later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	1	1	1	1

28 Capital commitments

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Commitments contracted but not provided for in the accounts	90,438	81,671	90,438	81,671
Commitments approved by the Board but not contracted for	109,152	95,886	109,152	95,886
	199,590	177,557	199,590	177,557

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

28 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

29 Related party transactions

The directors Stella Shepherd, Richard Yates and Hannah Jones are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms, and they are not able to use their position to their advantage.

The director Philip Whitehead is also a councillor of Wiltshire Council. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements.

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. Selwood Housing also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Gift Aid	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Silcoa Ltd	0	0	2	1
Selwood DevCo Ltd	0	0	83	134
Cottsbury Homes Ltd	0	0	11	1
	0	0	96	136

Payable by Selwood Housing to Subsidiaries:	Other Charges	
	2025	2024
	£'000	£'000
Silcoa Ltd	0	0
Selwood DevCo Ltd	40	59
	40	59

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

Other intra-group charges

No other intra-group charges are payable to the society from subsidiaries. Charges from subsidiaries to the society are for goods and services provided.

30 Provision for liabilities – Deferred Tax

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 31 March 2024	4	7	0	0
Charge / (Credit)	(3)	(3)	0	0
Origination and reversal of timing differences	0	0	0	0
At 31 March 2025	1	4	0	0

31 Net debt reconciliation

	01 April 2024 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2025 £'000
Group				
Cash and cash equivalents	6,601	130	0	6,731
Loans and borrowings	(184,647)	(9,298)	(27)	(193,972)
	(178,046)	(9,168)	(27)	(187,241)
Company				
Cash and cash equivalents	5,594	(97)	0	5,497
Loans and borrowings	(184,646)	(9,298)	(27)	(193,971)
	(179,052)	(9,395)	(27)	(188,474)

Annual report and financial statements 2024/25



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Directors, executive officers, advisors, and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Sheila Lewis * to 31/12/24

Stella Shepherd **

Hannah Jones

Koo Chai Young Li Mow Ching *** chair

Samuel Whatley from 01/12/2024

Maureen Robinson from 02/12/24

*Chair to 31/12/24

** vice chair

*** chair from 01/01/25

Lisa Nicholls to 01/10/24

Chris Butters

Richard Yates

Nicola Setchell to 01/05/24

Philip Whitehead

David Hobdey from 02/12/24

Executive officers

Group chief executive

Group chief financial officer

Group transformation and people director

Group operations director

Group development director

Barry Hughes

Mark Mayler

Ria Bristow

Verena Buchanan

Paul Walsh

Registered office

Bryer Ash Business Park

Bradford Road

Trowbridge

Wiltshire BA14 8RT

Advisors and bankers

Independent auditor

Beever and Struthers

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Nationwide Building Society

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Principal bankers

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Principal legal advisors

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SW19 4DR

Anthony Collins

Solicitors

143 Edmund Street

Birmingham

B3 2ES

Charity commission registration No. 1141124

Company limited by guarantee - registration No. 4168336

Registered with the Regulator of Social Housing – registration No. LH4097

Welcome from the chair of our board of directors

Overview

It's a sincere pleasure to introduce our 2024-25 annual report and financial statement in my first year as Chair.

Over the last 12 months, we have continued to see rapidly increasing expectations placed on housing associations from both government and customers. These are set against an equally challenging economic environment with a period of high inflation pushing up our operating costs and higher interest rates increasing our borrowing cost. Below inflation customer rent increases this year added further stress to our financial model.

Despite this difficult external environment, our people have worked hard supporting customers and delivering robust performance. Provisional results from the second year of tenant satisfaction measures are a testament to this. We scored highly across both customer satisfaction and performance measures, placing us in the top 10% of our peer housing associations.

Investing in our homes

Our energy improvements programme continued with the retrofitting of our least energy efficient homes making them warmer, healthier, and more affordable for customers to heat. Since the programme launched in 2023, we have successfully upgraded 145 homes. The award of £2.5 million in March 2025 from the government's Warm Homes: Social Housing fund (WH:SHF) Wave 3, alongside our match funding means we can schedule energy upgrades to a further 214 homes.

In 2024, we made the difficult decision to demolish several blocks of flats across two sites in Warminster when our investigations revealed that the scope and cost of repairs to the blocks was larger than anticipated and that a programme of repairs and replacement was no longer possible. We supported all fifty customers living in these flats to find new homes.

Following a consultation with residents, we announced redevelopment plans for the site that will provide up to 18 new homes for up to 60 customers.

Maintaining the standards of our existing customer homes remains a priority and in the last 12 months our teams installed 80 new bathrooms and a record 400 new kitchens!

Our teams also achieved an above target response time for repairs in customer homes completing 99.6% of emergency repairs and 85.2% of non-emergency repairs within target.

Building new homes

New data published by the National Housing Federation, Crisis and Shelter warns of the critical need to boost investment in social housing. The housing crisis is worsening rapidly with some local authority waiting lists now exceeding 100 years for a family-sized social home.

We are committed to playing our part as this crisis continues to escalate. In the last year, we've built 125 new properties, providing stable homes for up to 458 people. This is in addition to the more than 378 households we welcomed to our existing homes.

With a further 500 homes in the pipeline across twenty locations, we are making substantial progress towards our plans to build 1,700 more local affordable homes by 2034. Energy efficiency remains a priority with 100% of our new homes achieving EPC 'B' or above.

Despite the challenging market, we also achieved our joint highest shared ownership sales helping 64 families on to the housing ladder and providing a surplus of £2M to reinvest.

Supporting our customers and communities

In September, we invited customers to take part in our customer conversation survey to find out their priorities for Selwood Housing. Of almost 1200 responses received, 84% of customers said they felt safe in their neighbourhood and most felt they had a well-maintained home with a repairs appointment system that worked well for them.

Almost a quarter said they found it difficult to heat their homes due to the cost of energy bills, so we were pleased to secure £25,000 from Wiltshire Council's Household Support fund. This funding enabled us to provide support to customers in 250 low-income households struggling with essential costs. Helping our customers maintain their tenancies has allowed us to minimise rent arrears to 0.6%, one of the lowest in the social housing sector.

Throughout the year, we also invited customers to share their ideas about ways to improve our services and decision making. We offered at least one involvement opportunity every month with customers sharing their voices on services and policies including our development strategy, contractors' code of conduct, antisocial behaviour, succession policy and Selwood Housing's values.

Our Stronger Communities fund gave £30,000, plus an additional £233,000 in match-funding from local and national grants, to support twenty projects run by local charities and community groups. This included renovating outdoor nursery spaces, a community pantry and funding courses to help young people transition into independent living.

As part of our Priority Neighbourhoods initiative, we completed the installation of CCTV cameras on Westleigh Estate in Warminster, helping to make the estate a safer and more welcoming place for all its residents. The project, in partnership with Wiltshire Council, Warminster Town Council and Wiltshire Police, was in response to concerns raised by customers about antisocial behaviour and safety.

Supporting our people to deliver services

Thanks to the hard work and commitment of our people who continue to deliver in an extraordinarily complex environment, our service delivery and financial performance results for the year were excellent.

Our teams successfully delivered a range of complex improvement projects including migrating our IT infrastructure to the cloud, the launch of the first phase of Dynamics, our new housing management platform, plus the implementation of contracts with new building material suppliers. These will help increase our efficiency and deliver procurement savings in the region of £1m annually, releasing funds to invest in new and improved homes for the future.

With our staff consistently demonstrating their passion and dedication to our customers, we continued to invest in training, development and extending professional skills.

In June, we held an in-person all staff event where we shared our plans and thanked our people. This was also an opportunity for staff to review Selwood Housing's values, which define and underpin how we work. As a result of their suggestions and further input from customers, we agreed new values to take us forward. We also launched our Big Welcome, a new week-long induction to help new starters settle in and understand the organisation and their roles faster.

Our staff turnover rates improved significantly this year, reducing from 25% to 15% at year end. We were also pleased to retain our Investors in People Gold, increase our monthly staff survey score average and reduce sickness levels.

Looking forward

Our recently published corporate strategy for 2025–2028 outlines the targets we seek to achieve in the areas that are most important to our customers - repairs, safety, and the environmental efficiency of our homes.

There are considerable challenges ahead, but I am confident that our people will continue to demonstrate exceptional commitment and tenacity to deliver quality homes and services for our customers.



Koo Chai Young Li Mow Ching
Chair

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025

The group board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2025.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited, and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a board of non-executive directors (the board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath and North East Somerset, and the parts of the county of Somerset which are within one hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 7,291 properties and are the largest social landlord in the West of Wiltshire.

The Regulator of Social Housing refreshed their assessment of Selwood's compliance with the Governance and Financial Viability Standard in December 2024 which resulted in Selwood Housing retaining our G1 governance rating and V2 viability rating.

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Overview of the business *continued*

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd was our property repairs and improvement company which was integrated into Selwood Housing on the 1 July 2021. No activity remains in the company and so is now dormant.

Cottsbury Homes Ltd is a company that develops homes for market sale. It is not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing. The company also develops some land led schemes to golden brick stage.

Objectives and strategy

The board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. The board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by four guiding principles:

- To ensure our people are motivated, skilled, and able to deliver for our customers.
- To deliver excellent value for money homes and services.
- To respond quickly and effectively to our customers' needs and the changing environment we operate in.
- To retain our local focus which is one of our key strengths.

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years.

Our key challenge is:

"To be able to deliver quickly on a wide range of complicated, changing targets to meet rising expectations from customers and others"

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Coordinate and prioritise our work.
- Create the right culture.
- Work in the right way.
- Build partnerships.
- Be flexible by design.

The specific targets for 2025/26 are:

- Ensure that our homes are safe, in line with all relevant legislation.
- Our asset management strategy outlines our approach to reaching our environmental targets, which are for all our properties to be at SAP C level by 2030 and carbon-neutral by 2050.
- Build 1,700 new homes from 2023-2033. We have delivered 296 homes in the first two years.
- Deliver our project portfolio to time and budget.
- Maintain G1 and V1 or V2 ratings with the Regulator of Social Housing and achieve a C1 grading when we are inspected.
- Continue to comply with all regulatory standards and relevant legislation.
- Deliver the targets we've set against the regulatory value for money and tenant satisfaction measures.
- Deliver the other targets we've set relating to our people and culture.
- We will continue to have a wide range of involvement opportunities including focus groups, our scrutiny team, our customer complaints panel and customers on our board.
- We have a clear approach to equality, diversity and inclusion and will implement our action plan during 2025-2028.
- We have retained Investor in People Gold and are targeting continued improvement in our next assessment in 2027.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Objectives and strategy *continued*

Selwood Housing's values

Our recently updated values, following reviews with our customers and our staff are:

- We are customer driven
 - We keep the customer at the heart of what you do.
 - We act with empathy and fairness and build trust through your actions.
- We take accountability
 - We own our work and decisions.
 - We follow through on commitments and learn from mistakes.
- We champion communication
 - We use clear, honest, and inclusive communication.
 - We adapt our message to our audience and avoid jargon.
- We develop and learn
 - We welcome new ideas and change.
 - We take personal responsibility for our growth and support others in theirs

Operational performance

Financial review

The group turnover in the year was £57m (2024: £53m). This represents an increase of 8% (2024: increase of 15%).

Operating costs are higher than last year at £40m (2024: £38m), this is mainly due to inflationary increases and the completion of some large, planned programmes of work in year. Operating costs include depreciation charges of £9.0m (2024: £9.0m), a key accounting estimate. No impairment losses have been recognised in the year. In 2024 £1m was recognised in respect of two blocks of flats in Warminster that the Board had approved for demolition.

The surplus from the sale of properties was in line with last year at £3.4m (2024: £3.4m) due to the continued disposal programme in line with our current asset management strategy. The properties sold included a mix of right to buy, right to acquire, staircasing and open market sales. Selwood Housing remains committed to considering the suitability and efficiency of our properties.

The overall surplus for the Group in the year is £7.4m, (2024: £6.8m), higher than last year despite increased operational and interest costs.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Operational performance *continued*

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £588m as of 31 March 2025 (2024: £562m). This increase was a combination of the addition of newly developed homes and works to existing properties.

The pension fund shows an unadjusted net asset surplus of £8.32 million but has been restricted to £nil (2024: liability £nil), as the recoverability of this asset would require a right to reduce employer contributions or to request a refund from the fund. Neither of these options are available.

The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £466m at 31 March 2025 (2024: £471m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Selwood Housing finances its property assets through a loan facility of £94.1m (2024: £101.8m) made available by Nationwide Building Society, a £50m (2024: £50m) facility from Affordable Housing Finance Plc (AHF), a £55m (2024: £55m) facility from Lloyds Bank Plc and a £20m facility from MORhomes Plc. At 31 March 2025 £74.1m (2024: £81.8m) of the Nationwide facility had been drawn down. This left £20m (2024: £20m) available from Nationwide. £50m (2024: £50m) of the AHF funding had been drawn down at year end, £49.5m had been drawn from the Lloyds Bank facility (2024: £32.5m) and £20m from Morhomes Plc (2024: £20m)

The board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing, and hedging. In the financial year net cash inflow from operating activities of £23m (2024: £15.2m) helped to fund net cash spend of £18.9m (2024: £26.2m) on developing new homes before receipt of social housing grant.

In the 2024/25 corporate plan Selwood Housing had several key areas of focus. Our achievements against each of those areas during 2024/25 include the following:

- Maintaining our G1V2 rating for the year.
- Maintaining upper quartile results for the second year of tenant satisfaction measures.
- Finalising a new fixed rate £75m long term funding agreement with the Affordable Housing Guarantee Scheme which completed in early May 2025 at a competitive rate in difficult market conditions.
- Securing a further £2.5m funding from the warm homes: social housing fund, wave 3 to retrofit energy efficient components to around 200 homes by 2028.
- Delivering a surplus that was better than budget despite the impact of higher-than-expected cost inflation and interest rates.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Operational performance *continued*

- Maintaining a very strong arrears performance that was 0.6% - a record low for the fourth year in a row.
- Achieving our best ever set of compliance results, with all at or around 100% compliant.
- Moving our IT infrastructure to the cloud, improving system capabilities and security, saving around £200,000 per year.
- Delivering around £500,000 worth of savings with our new building materials suppliers through more efficient processes and better pricing.
- Delivering another exceptional kitchens programme with 401 properties on time and in line with budget expectations.
- Retaining our gold Investors in People accreditation with higher overall results.
- Reducing our staff turnover to below our target of 15%.

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant regarding its loan facilities with Nationwide Building Society and Lloyds Bank plc. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business using an online tool, Decision Time. The risk register for Selwood Housing and all its subsidiaries is regularly reviewed by the board.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Key risks *continued*

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. The register covers both strategic and operational risks. The major strategic risk areas and mitigating controls identified on the risk register are:

Risk Area	Key Controls/Actions
Lack of financial resilience to withstand changing socioeconomic environment	- Budget and business plan approved by the board and reported on regularly. - Financial plan stress tested with various scenarios. - Value for money strategy with regular review. - New contracts in place for key repairs and maintenance suppliers. - Contracts for supply of goods and services are regularly reviewed. - Identify and monitor appropriate benchmarking.
Landlord Health and Safety – Failure to adhere to legislative, regulatory and best practice compliance requirements	- Weekly reports to executive team meetings on all key compliance areas. - Quarterly reports to Group assets and development committee. - External audits carried out by independent bodies - Extensive training plans for all staff involved in health and safety activities. - Insurance cover of contractors obtained as part of contract negotiation and set up and then monitored by assets team
Risk that people and culture do not allow us to deliver strategic objectives	- Executive portfolio board in place to prioritise projects and agree resource allocation. - Project Brief and Business Case approval process in place. - Personal performance review process, incorporating skills and development plans. - Management development and training in place. - Professional development for relevant staff. - Flexible working policy determines approach to hybrid working. - Training and development programmes for digital skills.
New homes delivery does not meet corporate plan targets	- Development strategy approved by the board and progress reviewed on a quarterly basis by Group assets and development committee. - Comprehensive monitoring and reporting of progress with the development programme. - Sites, suppliers, and key materials reviewed daily. - Regular dialogues with relevant local authorities, agents, developers, and landowners to seek future opportunities. - Design and quality specifications meet the Selwood Housing strategy.
Asset management – providing homes that are decent, warm and meet required need	- Asset management strategy and plan reported to Group Asset and Development Committee (GADC) on a quarterly basis. - Provision for expenditure in financial plan to get properties to EPC C by 2030 and net zero carbon by 2050. - Internal stock condition survey target in place. - Budgeting and forecast process and subsequent monitoring. - Contract management and procurement processes in place. - Damp and mould action plan monitored by GADC. - Internal stock condition survey target of 205 per annum
Risk of Cyber security attack	- ICT and data protection policies in place. - Internal periodic reviews to ensure appropriate security levels in place. - Disciplinary procedures in place. - New 24/7 security operations centre in place with cloud partners to improve monitoring and resilience - Virtual network firewalls strengthened to prevent generic attacks - Business continuity plan includes plan to address cyber risks.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Environmental, Social & Governance (ESG) matters

Selwood Housing is dedicated to achieving its environmental, social, and governance (ESG) objectives by providing affordable homes both presently and in the future. We ensure that these homes meet the highest possible environmental standards while complying with our regulatory and governance requirements. In 2024, Selwood issued its third ESG report, using the newly revised version 2 of the Sustainability Reporting Standard (SRS). This report aligns with our key strategies for constructing new homes and managing our existing properties.

Environmental

Selwood Housing aims to ensure all homes meet SAP C standard by 2030, integrating low carbon and renewable technologies to achieve net-zero carbon targets by 2050. We build new properties to high environmental standards and invest in improving existing ones. Our key performance indicator is the average SAP rating of all housing properties, measuring their environmental performance.

Streamlined Energy and Carbon Reporting

Selwood Housing has created a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the 2019 SECR Regulations. This third-party verified report compares current emissions to the previous financial year for annual reporting, with all emissions shown as carbon dioxide equivalents (CO₂e) rounded to two decimal places.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Energy efficiency action statement

Reported emissions and energy use data for 1 st April 2024 – 31 st March 2025		
	Current reporting year 1 st April 2024 – 31 st March 2025	Previous reporting year 1 st April 2023 – 31 st March 2024
Emissions from combustion of gas tCO ₂ e (Scope 1) [mandatory]	200.26 tonnes CO₂e 12.40 tonnes CO ₂ e office usage 14.08 tonnes CO ₂ e communal areas 173.78 tonnes CO ₂ e communal heating systems	214.20 tonnes CO₂e 11.25 tonnes CO ₂ e office usage 13.75 tonnes CO ₂ e communal areas 189.20 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	357.06 tonnes CO₂e 357.06 tonnes CO ₂ e DLO	311.08 tonnes CO₂e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) [mandatory]	32.22 tonnes CO₂e	31.78 tonnes CO₂e
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	166.29 tonnes CO₂e 12.79 tonnes CO ₂ e office usage 153.50 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	172.94 tonnes CO₂e 17.17 tonnes CO ₂ e office usage 155.77 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above - [mandatory]	755.82 tonnes CO₂e	730.00 tonnes CO₂e
Energy consumption used to calculate above emissions: kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Gas: 1,405,612.30 kWh Electricity: 806,139 kWh Transport fuel: 1,405,612 kWh Business travel: 134,012 kWh Total: 3,437,683.82 kWh	Gas: 1,170,970 kWh Electricity: 835,169 kWh Transport fuel: 1,301,138 kWh Business travel: 130,661 kWh Total: 3,437,938 kWh
Intensity ratio: tCO ₂ e gross figure based on mandatory fields above [mandatory]	119.02 kg CO ₂ e per home managed (exc. office emissions) 14.50 Office intensity: kg CO ₂ e per m ²	110.89 kg CO ₂ e per home managed (exc. office emissions) Office intensity: 17.22 kg CO ₂ e per m ²
Methodology [mandatory]	SHIFT methodology SECR Reporting SHIFT Environment Using DEFRA (2024) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2024. Comparison data from the previous year's SECR is using DEFRA 2023 Conversion Factors.	

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Energy efficiency action statement *continued*

Emissions from purchased electricity (Scope 2, market-based factor): tCO ₂ e [optional]	Only reporting on location based	Only reporting on location based
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	14.70 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>	14.96 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>
Emissions from employee business travel for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	32.22 tonnes CO₂e 32.22 tonnes CO ₂ e employee vehicles 0.00 (Nil) tonnes CO ₂ e public transport	31.78 tonnes CO₂e 31.78 tonnes CO ₂ e employee vehicles 0.00 tonnes CO ₂ e public transport
Emissions from leased assets, franchises, and outsourced activities (Scope 3) / tCO ₂ e [optional]	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 13,251.38 tonnes in total, or 2.19 tonnes per home managed.	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,041.41 tonnes in total, or 2.47 tonnes per home managed.
Total gross Scope 3 emissions / tCO ₂ e [optional]	13,298.29 tonnes CO ₂ e	16,088.15 tonnes CO ₂ e
Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO ₂ e [optional]	14,021.90 tonnes CO ₂ e	16,786.38 tonnes CO ₂ e
Additional intensity ratio: tCO ₂ e net figure / e.g., £100,000 revenue [optional]	2.28 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded	2.55 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded
Third Party verification [optional]	SHIFT Environment	

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Energy efficiency action statement *continued*

During the period 1st April 2024 to 31st March 2025, we installed:

- windows in 95 properties
- 391 gas boiler upgrades
- 145 electric heating systems
- completed upgrades on 82 properties with SHDF funding

Some of the work in the upgrades listed above form part of the programme of works that is utilising the £1.4m Social Housing decarbonisation funding (SHDF) that was secured last year to deliver fabric first decarbonisation of our properties that have an EPC rating below EPC C. During the year we successfully secured £2.5m of new funding through the Warm homes social housing fund which we will match to extend our programme over the next three years.

Social

Affordability

The Valuation Office Agency sets the Local Housing Allowance (LHA) affordability criteria at the 30th centile point between what, in the local rent officer's opinion, are the highest and lowest non-exceptional rent in a Broad Rental Market Area. These statistics are used as a reference point for housing benefit and are a good indication of rent levels which are affordable in an area. Our valuer's have compared our rents with the average sector rent and LHA in the same localities. Selwood Housing's rents are demonstrably lower than those of other housing associations in the same area and are affordable when compared with the local housing allowance.

Customer Involvement & Communities Team

The I&C team's work continues to evolve as the work it delivers is key to Selwood Housing meeting the requirements of the Transparency, Influence & Accountability Standard introduced by the Regulator for Social Housing in April of this year. Our key aim is to bring clear customers' voices and views into service design through inclusive, efficient, and effective methods whilst flexibly responding to the needs of the business. This has been a strong year, building on our foundations as a team in 2023. We have renewed our team's strategy which we are taking to Board in July. We have involved customers during the recent revision. This report highlights some of the major achievements and details how we are meeting our regulatory requirements.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Scrutiny

The Marketing and Communications team have now acted on all actions taken forward from the scrutiny team's review into operational communications. The results include:

- a communications guidance document for staff.
- a set of 23 new templates for the most important and sensitive customer letters we send out.
- 'communications champions' within the business with continued training for them.

Their follow-up review into Damp & Mould services was approved by board in July 2024. The scrutiny team then carried out a review to inform the new Asset Management Strategy and focused on Planned Programme prioritisation. The team reported their findings to Board in March 2025. The recommendations focused more on how we communicate to customers throughout the process. All seven recommendations were agreed by management, six have been completed and the final one has been scheduled. They have just started their new review into General Needs Caretaking.

Four new members have joined during 2024-2025 and have all undergone induction and mandatory training. The team have continued to develop their knowledge and skills through TPAS membership and courses and sent delegates to three of the regional & national Tenant Engagement Conferences in May, July and October, giving them an opportunity to network with other scrutiny members from across the country.

Working with the business performance & insight team we produce an information pack to share with the scrutiny team ahead of quarterly business meetings, so that they have the key information on 'Rant & Rave' transactional customer surveys, Tenant Satisfaction Measure data and finance & performance ahead of the meeting presentations.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Together with Tenants

Selwood Housing adopted the National Housing Federation's Together with Tenants Charter in 2022. In April 2024 we agreed a new action plan with the scrutiny team and managers across the business as to how we meet the charter's commitments. We have added actions against the new 7th commitment of Equality, Diversity & Inclusion. Ahead of each quarterly business meeting the I&C team provide our scrutiny team with written updates on the progress of each action within the plan. This allows them time to reflect, discuss and bring questions/challenges to the quarterly business meeting. Each member takes ownership of monitoring one or two commitments.

Customer involvement

We now ensure that all creations or rewrites of customer-facing policies and strategies incorporate customer voice. We have developed strong working relationships with heads of service and are increasing the understanding of what we do and the importance of hearing and considering the needs and views of those who live in our housing.

Over 2024-2025 we have worked on one strategy, ten policies and four customer experiences plus a code of conduct and fire safety assessment. Customers have also helped us revise our company values. These have been delivered through a mixture of in-person and online focus groups, community pop-ups, digital questionnaires, surveys and opinion polls with a total of 195 participants.

Communications - 'Warm List' and newsletter

Our Customer Involvement newsletter is sent to the I&C 'warm list' which is a list of customers who have signed up to hear more about involvement. It contains details of all forthcoming involvement opportunities plus updates on recent projects which we call our 'you said, we did' reporting. This maintains regular engagement, interest and recognises the value of our volunteers and the importance Selwood Housing puts on hearing their customers' voices. We have started trialling a quarterly postal newsletter to 227 customers and monthly electronic newsletters to 1440 customers with open rate of above 50%.

Customer Conversation 2024

This is our household survey that is carried out every three years, aimed at understanding our customers priorities and responses to a series of questions, the results of which are then used to shape our thinking and influence our services and policies. We sent out 8593 copies of the survey: one to each individual tenant (including joint tenants) and to all shared ownership customers. We received 1,192 responses (789 online and 403 postal returns).

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Customer Conversation 2024 *continued*

The survey asked for feedback on our main service areas, and we had a response rate of 14% providing a solid level of representation. The margin of error, using a confidence level of 95% and based on 1192 responses received out of a population of 8593 surveys sent out, is +/- 2.63%. Most respondents (over 80%) were aware of customer involvement opportunities, with nearly 10% of the remainder keen to know more. We are currently monitoring an action plan based on customers' responses.

Equality, Diversity & Inclusion

We have started collecting EDI information anonymously from involved customers who are willing to share their details. This helps us benchmark the diversity of those we are reaching, so that we can improve engagement in demographics not attending. We are part of the new EDI project and recently used the Customer Conversation 2024 to collect new & updated data so that we can better understand their needs and direct our services in line with new consumer standards.

Complaints Forum

The complaints' staffing team has grown and taken on full ownership of the customer forum. The forum was established in 2022-2023 following a recommendation from a scrutiny review. The I&C team worked with the complaints manager to create the forum and its processes. We continue to help with advice, promotion and the recruitment of new customers. There are six members that meet quarterly to review five recently closed complaints and score how they were managed against set criteria.

Sheltered Forum

We also helped the initiation and set-up of a new Sheltered Housing Forum, as with the complaints' forum, the sheltered staffing team have taken on facilitation of this.

Decarbonisation project – resident engagement:

We supported the bid writing for Wave 3 of the Decarbonisation project.

Warminster Rehousing

We supported the customer consultation stage with advice, drop-ins, 121 visits and managing phone & email correspondence.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Communities

We supported the legacy project from the Warminster Priority Neighbourhoods' project of 2023-2024. We led on applying for grants and secured £15,000 from the Area Board, the Police & Crime Commissioner and the Town Council. These monies have funded a joint project with Wiltshire Police to install & manage CCTV in one of our neighbourhoods with high criminal activity and anti-social behaviour.

We have renewed our funding commitment to local charity, Trowbridge Futures, for another three years at the same amount. This £30,000 contract helps fund a neighbourhood connector who is working across our three main housing estates in Trowbridge. They facilitate and promote a kindness cafe, veterans' group, cookery sessions and a community fridge which feeds 180 people a week on one of our larger estates. They have been hosting pop up health clinics with the NHS, helping to reach those who struggle to access public services for a variety of reasons such as social isolation and mobility issues. Visitors to the pop-up clinics have received vaccinations, blood pressure readings and general health advice including diet and nutrition. The team have been working with Wiltshire Council to host accessible and manageable fitness sessions and the demand from local residents has been high.

Stronger Communities Funding

During 2024-2025 we distributed £30,325 from our Stronger Communities Fund to enable 20 community projects across 8 towns & villages where we have our housing stock. We have recently held a customer focus group to inform the renewal of the Stronger Communities Funding Policy which is revised every 3 years.

We have worked with the procurement team to reinstall the social value clause in appropriate high value contracts of over £1 million. Contract Managers and Procurement now have a process in place to engage with the I&C team pre-award; payments will be made on an annual basis, on the anniversary of the contract's commencement. This decision will guarantee ongoing funding to boost the Stronger Community Fund and allow us to continue supporting our communities. We have joined a local funding network to further promote the fund to a wider area of our housing stock.

As part of our application process, we continue to request details of total project cost, breakdown of all costs and how much of the project is self-funded. We also ask if they're applying to other grant funders and what amount they've requested. In most cases, being approved for one grant will often unlock access to another grant, therefore helping secure more funding for the community. We only pay out once any necessary match-funding is confirmed so that we know the project is viable. We can then calculate how much money has been brought into our communities in total. Accumulatively these 20 projects secured an additional £233,596 in addition to the money donated from us, that was spent in our communities.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Resident Support

Selwood Housing's charitable donations were £28.5k (2024: £28.5k) during the year to 31 March 2025. In addition to this we allow various community groups to utilise two garages free of charge and we lease The Hub to Trowbridge Town Council for a peppercorn rent. We estimate the rental income foregone on these to be equal to donations of around £9.5k (2024: £9k).

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2020). The code was reviewed and adopted by the board in December 2021. The board concluded that we are fully compliant with the code.

Staff wellbeing

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment, and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff, we then ensure they are motivated, skilled, and able to deliver for our customers and provide an excellent service. This is a guiding principle in our corporate strategy, as described above.

Selwood Housing provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern through our monthly pulse survey. The executive team also take part in a monthly live question and answer session with all staff. The group supports the employment of a diverse workforce, both in recruitment and in the retention of employees.

Board and executive composition

At 31 March 2025 Selwood Housing's board was made up of four females and five male directors. The senior management team was made up of three male and two female members.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Committees of the group board

During the year the following committees were in operation:

- The group audit and finance committee have oversight of external and internal audit, the financing and treasury position of Selwood Housing, changes to specific policies and reviews the fraud register at each meeting. At 31 March 2025 the members of the group audit and finance committee were Chris Butters, Stella Shepherd, Richard Yates, Philip Whitehead and Samuel Whatley.
- The group asset and development committee consider and makes recommendations to the board in respect of matters relating to repairs, planned and cyclical works, development, compliance, and any other property related matter that needs board consideration. At 31 March 2025 the members of the group asset and development committee were David Hobdey, Koo Chai Young Li Mow Ching, Hannah Jones and Maureen Robinson.

All other matters including strategy, funding decisions, business planning and other major strategic decisions are considered directly by the full group board.

Board and executive directors

The group board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The board is responsible for the governance of Selwood Housing Group. Their role in practice may be summarised as:

- Providing leadership
- Setting policy and strategic aims
- Monitoring performance
- Management of risk
- Uphold Selwood Housing Group's values

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of everyone's performance over the year and an assessment of training, skills, and development needs.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Board and executive directors *continued*

Each board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2025, the executive directors consisted of the group chief executive, the group chief financial officer, the group operations director, the group development director, the group transformation and people director.

Insurance policies indemnify board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited based on selecting skill sets, the demographic make-up and experience that are required for the existing board.

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate board members and the group transformation and people director against the board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair, and inclusive. Each new board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some board members choose not to reclaim their travel costs.

Payments to board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Any changes in remuneration do not take effect until approved by the company in the general meeting and increases to board members' remuneration do not take effect more frequently than once every three years.

The board decides the pay and benefits of the executive directors and agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff. Selwood Housing contributes to the schemes on behalf of all eligible staff and does not offer alternative benefits such as cars.

There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Regulatory standards

The board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in March 2025, and the board concluded that Selwood Housing complies with the standard.

Value for Money

Selwood Housing Group's approach to value for money (VfM)

Value for money forms one of the key pillars of our principles and values as outlined in our corporate strategy:

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for money *continued*



Our VfM strategy was reviewed in 2024 and updated targets agreed with the board in October 2024.

The aims of our value for money strategy are:

- To achieve the appropriate balance of performance, satisfaction, and cost in the delivery of our strategy differentiating between service areas.
- To measure the value for money that Selwood Housing delivers at a headline level using the Regulator of Social Housing value for money key performance indicators.
- To measure where we are against appropriate comparators for other areas in our strategy, and
- To set annual targets to achieve our desired position.

Value for money for Selwood Housing includes considering:

- Making best use of our assets
- Changing how we work so we need fewer resources to deliver the same service, freeing up resources for other priorities.
- Adopting the best way for delivering our services, which could be delivered internally or through external partners or suppliers.
- Making better use of the data we hold and using this to make our services better value.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *continued*

- Contributing positively to the country's finances by reducing the call on welfare benefits through charging below market rents.
- The social impact of our homes and services.
- Improving the energy efficiency of our homes and thereby reducing energy costs for our customers.

Value for Money Standard (VfM)

The Regulator of Social Housing (RSH) issued the VfM Standard in April 2018 which includes a requirement for registered providers to publish their performance against a series of common metrics with which to measure economy, efficiency and effectiveness as set by the Regulator. The table below compares our performance over the last three years with our Housemark peer group, the RSH global accounts performance and our targets for next year.

Performance Metric	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target	2023/24 Housemark Median *	2023/24 Sector Median **
Business health % efficiency							
Operating margin - Overall	18.1%	17.7%	18.1%	19.5%	17.4%	19.0%	18.5%
Operating margin - Social housing lettings	18.9%	17.8%	17.8%	20.6%	17.2%	21.3%	20.4%
Interest cover % (EBITDA-MRI)	260.4%	109.6%	101.0%	109.3%	94.0%	129.0%	122.0%
Headline social housing cost per unit £ CPU	£4,332	£5,426	£5,961	£5,824	£6,026	£5,089	£5,136
Return on capital employed %	2.1%	2.6%	2.6%	2.8%	2.3%	2.98%	2.8%
Development & investment							
New supply delivered % - Social housing units	2.2%	2.4%	2.0%	1.7%	2.0%	1.5%	1.4%
Gearing %	33.6%	36.0%	37.3%	36.4%	40.2%	48.9%	45.6%
Reinvestment %	7.2%	7.4%	7.2%	6.0%	8.8%	10.1%	7.7%

* Housemark - Peer group median from the leading data and insight company for the UK housing sector.

** Sector median is the latest published sector results (2023/24) reported by the Regulator of Social Housing.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *continued*

The economy remained challenging during the year with interest rates remaining high and inflation volatile, however Selwood's financial performance has remained strong, **achieving value for money results better than target for most of the regulator measures.**

Selwood's headline social housing cost per unit (CPU) increased by 7% from the previous year due to inflation and higher volumes, especially in responsive repairs. This was partly offset by lower materials costs from new supplier agreements finalised at the start of the year. Also, migration to the cloud and revised IT partnership agreements delivered additional savings in the second half of the year.

EBITDA-MRI interest cover (*) remained in line with the previous year, which was much better than expected due in part to the cost savings mentioned earlier and lower interest costs than anticipated. EBITDA-MRI is expected to fall in 25/26 to below 100% as more resource is being focused on our responsive and planned programmes to ensure we meet legislation changes like Awaab's law. We do not have any covenants that are measured by EBITDA-MRI. The EBITDA covenants are being comfortably met at 3x the required cover. We expect this to remain achievable for the full length of the agreements. In May 2025, we completed a £75m fixed loan agreement with Saltaire Housing for the government backed Affordable Housing Grant Scheme (AHGS), drawing £50m, immediately reducing our interest rate risk.

Gearing was better than target and well below Selwood's golden rule target of 50% and the existing loan covenant of 60%. Gearing measures the relationship between debt and tangible fixed housing assets will increase over the next few years as we borrow more money to fund our development programme and meet our environmental targets.

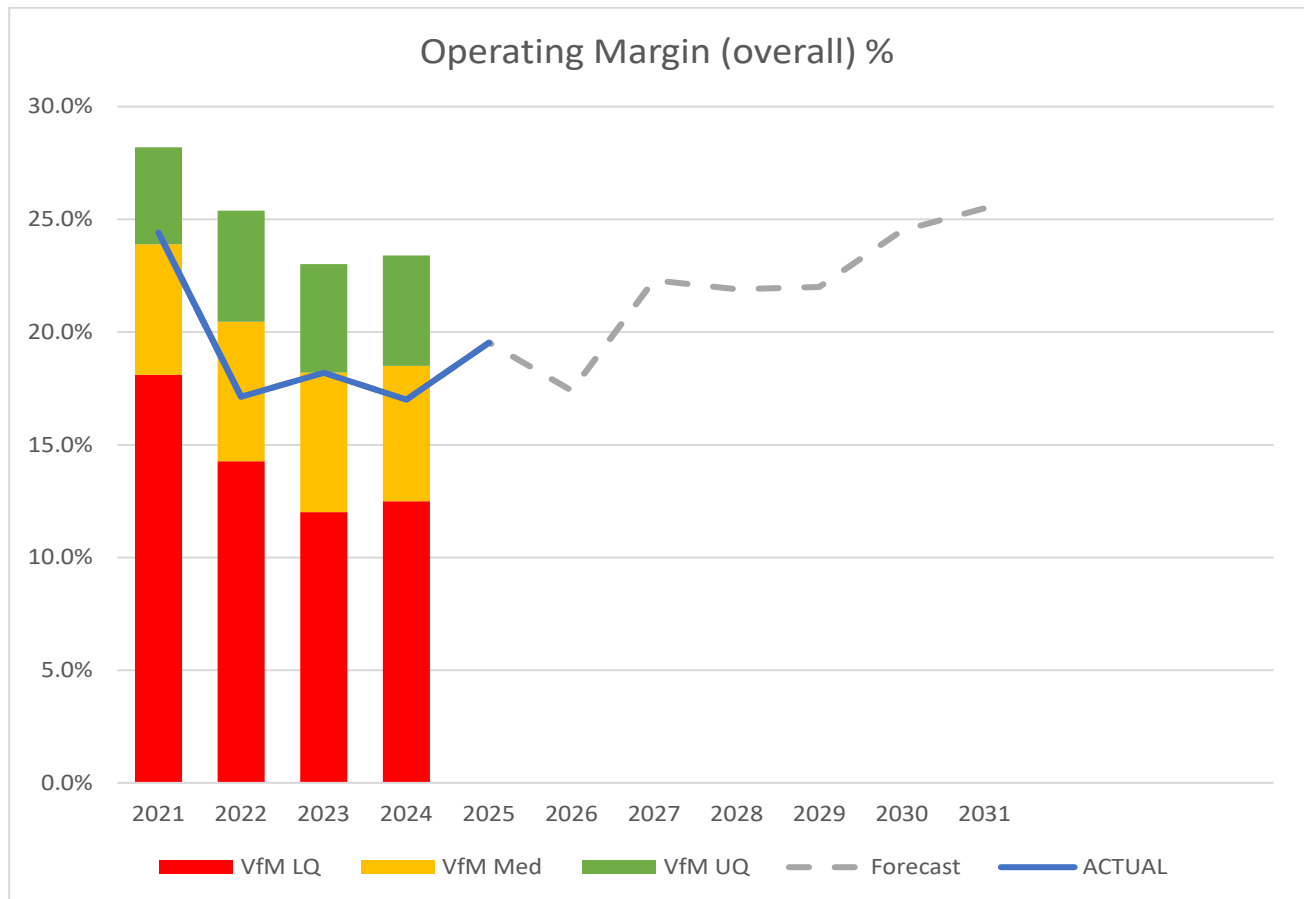
The improved **return on capital employed (ROCE)** was better than target due to an increase in gains from disposal of fixed assets. The board agreed to a targeted disposal strategy based on a variety of considerations such as energy performance, age, condition, and void properties that are not viable for relet without a significant investment beyond their 30-year return. This will continue to result in the disposal of a handful of properties over the coming years which will continue to boost the Selwood ROCE performance.

* EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *continued*



The operating margin has reversed its downward trend from recent years, increasing due to efficiency savings and the reclassification of certain planned decarbonisation projects to capital expenditure. Despite the increased complexity of tasks such as addressing damp and mould issues and fencing, our responsive repairs teams continue to maintain a daily completion rate of approximately three jobs per day per operative.

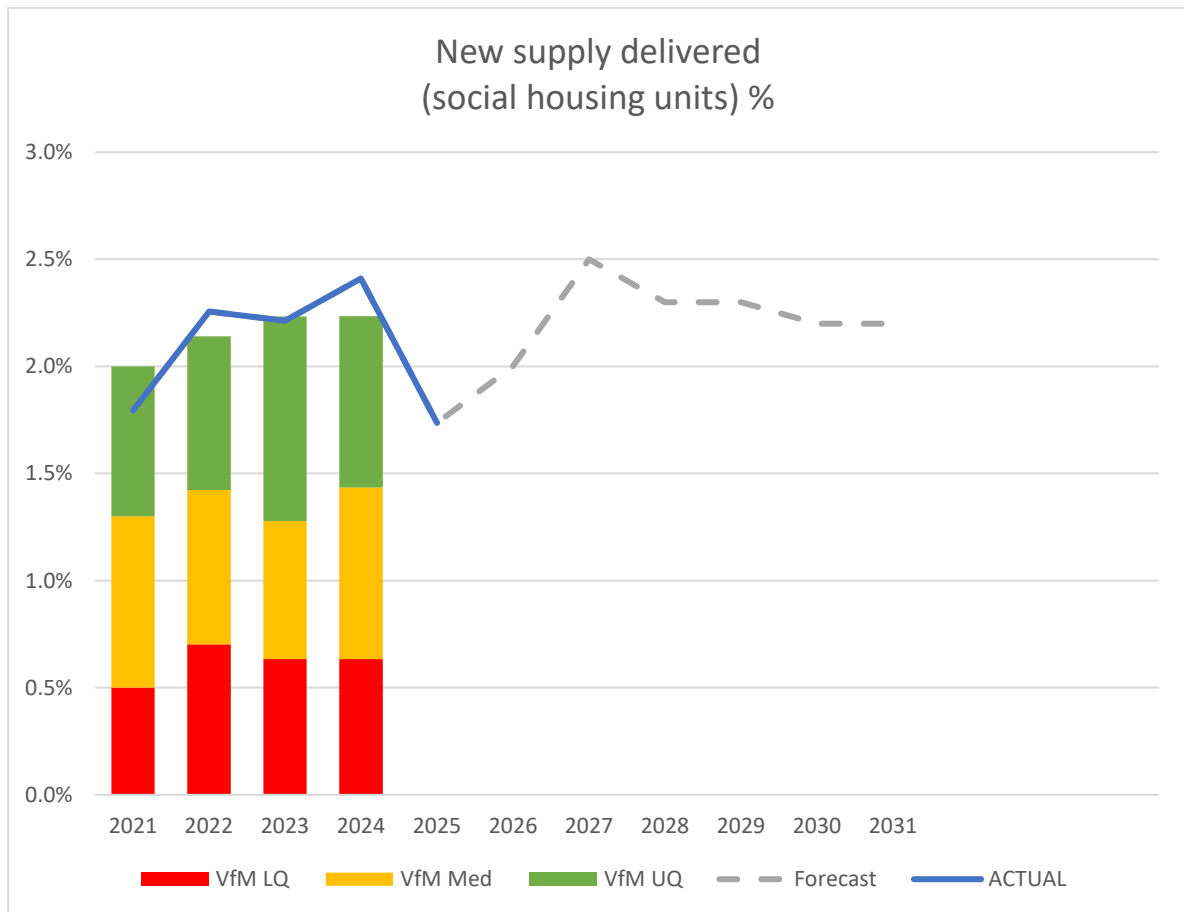
The transformation project, to develop and expand our system capabilities, improve our processes, and explore further efficiencies has also progressed with two modules going live during the year. This project continues to require additional staff and investment in new systems in the short term which impacts our operating margin.

The continuing focus on efficiency and improved systems and processes will help to maintain Selwood's operating margin at their current levels before increasing in the medium term.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money (*continued*)



The **new supply delivery** decreased during the year to achieve 125 new properties. This fall was expected in 24/25 as we reduce the risk of the impact of build cost inflation and possible development delays in the sector. Selwood are still committed to development and our corporate strategy lays out a plan to build 1,700 homes over 10 years, having delivered 296 in the first two years.

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the board are rent loss due to empty properties as a % of rent due and current tenant arrears net of unpaid housing benefit as a % of rent due. These are financial KPIs but also helps us to fulfil our social purpose:

- Good voids performance means that more homes are available for people in housing need.
- An appropriate approach to dealing with current tenant arrears assists our tenants with their security of tenure and their money management skills.

It has been another good year for our lettings team, both in terms of performance and of adapting service delivery to deliver in a changing environment.

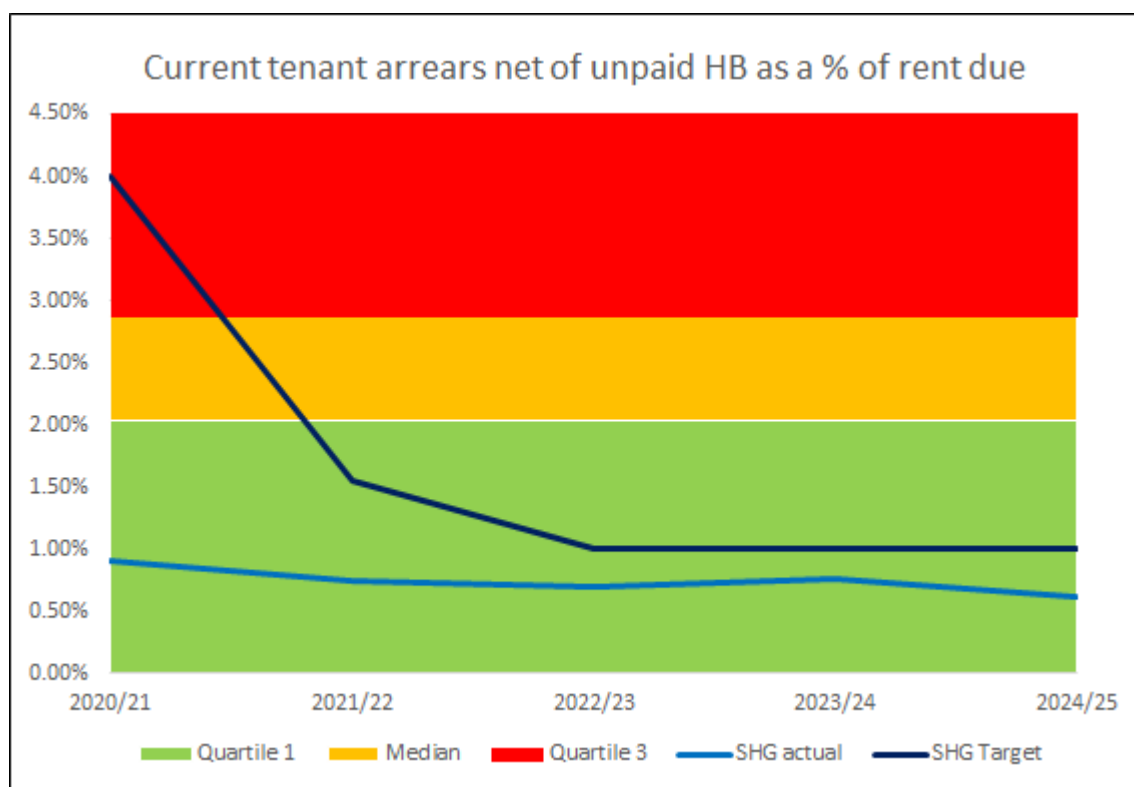
Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money (*continued*)

During the year the team let 378 homes, and the neighbourhoods team facilitated 84 mutual exchanges. At the end of March 2025, the void loss attributable to rented dwellings (including shared ownership) was 0.73% (March 2024 0.96%). The year saw more homes being let outside of our nomination agreements with local authority partners, which allowed us to rehouse 42 rented customers as part of the regeneration of the Alcock Crest and Westleigh sites in Warminster and find efficient and modern homes for existing 25 customers experiencing fuel poverty.

The graph below compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2023/24:



Despite the increased cost of living the collection of rent and service charges remains strong. This is in part due to our robust pre-tenancy assessment of affordability, the firm, consistent and timely intervention of the income team, and timely referrals to our tenancy sustainment coordinators and financial inclusion partners.

The strong collection ethos has shone through again this year with only 6 evictions taking place. The principles of timely support and decisive intervention have resulted in another top-quartile performance from the income team of 0.53% current customer arrears.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Value for Money *(continued)*

Supporting actions to deliver the 25/26 targets

To support the delivery of the targets set out for the value for money metrics shown above, we will:

- Continue to monitor interest rates to ensure that the cost of carry of debt is as low as possible, balancing borrowing with the requirements of the organisation.
- Utilise the monthly, quarterly and annual peer group data from Housemark to benchmark our performance against peer groups and gain insights for improvement.
- Continue to closely monitor for slowdown in the housing market that could affect shared ownership schemes and the overall operating margin of the Association.
- As inflation continues to impact, consider how Selwood can further maintain the surplus to mitigate the impact whilst still providing good services to our customers.
- Look at ways to improve our return on capital employed (ROCE) as our cost of borrowing rises.
- Analyse headcount and staffing costs by service and benchmark to identify under/over provision.
- Review all vacant posts prior to going out to recruitment ensuring that there is an adequate process in place to confirm need and benefit.
- Deliver the objectives of the procurement strategy.

Tenant Satisfaction Measures

Our tenant satisfaction measures for 2024/25 continue to show strong performance. All survey-based measures remain in the upper quartile of benchmark results seen across the sector this year, with overall satisfaction rising to 87%. These results are based on feedback from 615 customers who completed telephone surveys during the year. Notably, all measures have improved compared to the previous year—except for one, which saw a very slight decrease. The full results are shown below:

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Tenant Satisfaction Measures (*continued*)

Survey measures - LCRA only		Selwood 2023/24	Selwood 2024/25
TP01	Proportion of respondents who report that they are satisfied with the overall service from their landlord.	84.1%	87.0%
TP02	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	82.1%	84.4%
TP03	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	82.5%	82.2%
TP04	Proportion of respondents who report that they are satisfied that their home is well maintained.	83.2%	85.3%
TP05	Proportion of respondents who report that they are satisfied that their home is safe.	87.2%	90.5%
TP06	Proportion of respondents who report that they are satisfied that their landlord listens to tenant views and acts upon them.	72.0%	75.1%
TP07	Proportion of respondents who report that they are satisfied that their landlord keeps them informed about things that matter to them.	89.0%	90.2%
TP08	Proportion of respondents who report that they agree their landlord treats them fairly and with respect.	86.7%	89.9%
TP09	Proportion of respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling.	46.0%	55.3%
TP10	Proportion of respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained.	77.5%	79.6%
TP11	Proportion of respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood.	79.3%	83.8%
TP12	Proportion of respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour.	69.3%	70.0%

The non-survey measures are also positive in either the upper or median quartile of benchmark results that we have seen across the sector with the majority showing improvement on the prior year.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Tenant Satisfaction Measures *(continued)*

Non-survey measures		Selwood 2023/24	Selwood 2024/25
BS01	Proportion of homes for which all required gas safety checks have been carried out.	100.0%	100.0%
BS02	Proportion of homes for which all required fire risk assessments have been carried out.	100.0%	100.0%
BS03	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	90.9%	98.9%
BS04	Proportion of homes for which all required legionella risk assessments have been carried out.	100.0%	100.0%
BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100.0%	100.0%
RP01	Proportion of homes that do not meet the Decent Homes Standard - LCRA only - annual	1.6%	1.0%
RP02 (1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale.	85.2%	85.2%
RP02 (2)	Proportion of emergency responsive repairs completed within the landlord's target timescale	99.7%	99.6%
CH01 (1)	Number of stage one complaints received per 1,000 homes.	58.5	52.0
CH01 (2)	Number of stage two complaints received per 1,000 homes.	9.0	7.4
CH02 (1)	Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	92.6%	98.7%
CH02 (2)	Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	88.0%	98.1%
NM01	Number of anti-social behaviour cases, opened per 1,000 homes.	32.1	48.5
NM01 (2)	Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	0.3	0.3

Section 172 Statement

The board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's strategy and long-term strategic plan
- the approval of the current year budget including rent and service charge changes,
- the approval of the overall 30-year financial plan and stress test scenarios
- the approval of the annual rent and service charge uplifts
- the approval of the procurement strategy
- the approval of the IT strategy
- the approval of the development strategy
- the approval of the communications and marketing strategy
- the approval of the company pay and benefits for staff and CEO
- the adoption of financial regulations and group governance manual
- the review of Selwood's compliance with regulatory standards

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the board's decision-making process, the board considers the potential impact of decisions on relevant stakeholders whilst also having regard to several broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the board has sought to deliver benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Internal controls assurance

The board has 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 manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The board receives and considers annual reports at the group audit and finance committee, group asset and development committee and management on the management of risk and control arrangements. The board review the strategic risk register at each of its meetings and receive the full risk register annually for review. The group audit and finance committee set the plans for internal audits based on the risk register to ensure that appropriate work is being undertaken to mitigate risks with corrective actions, where necessary.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Internal controls assurance *continued*

The process for identifying, evaluating, and managing the strategic risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2024 up to the date of approval of the annual report and financial statements. The system for monitoring risk management is intuitive, interactive and puts emphasis on ensuring that good controls are in place and actions are progressed to deliver improvement in risk scores.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial and procurement regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team.
- Policies and procedures covering all major areas of activity.
- A corporate plan setting out Selwood Housing's mission and key corporate objectives.
- A risk management strategy including a risk register with a procedure for updating, reviewing, and reporting that strategy.
- An internal audit programme linked to the risk register.
- Review of the Regulator of Social Housing (RSH) sector risk profile.
- External audit reports.
- The 30-year business planning model – reviewed at least annually by the board.
- An annual budget agreed before the beginning of each financial year.
- Monthly management accounts and performance reports to the board and the executive team.
- Review of the fraud register at each group audit and finance committee meeting.

The board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and finance committee to review the effectiveness of the system of internal control regularly. The board receives minutes from each committee meeting.

The means by which the group audit and finance committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Internal controls assurance *continued*

The group audit and finance committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Statement of responsibilities of the board

The board are responsible for preparing the strategic report, annual report, and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, 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 charitable company will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2025 *continued*

Statement of responsibilities of the board *continued*

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the board. The board responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

After making enquiries the board has a reasonable expectation that Selwood Housing has adequate resources to continue in operational existence for the foreseeable future. The board defines the foreseeable future as at least 12 months from the date of signing the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting is planned to be held on 1st October 2025 in the boardroom of Selwood Housing's office and available online.

Independent auditor

A resolution to appoint Selwood Housing's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditor

So far as the board is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approval

The report of the board of directors including the strategic report was approved by the board on 3 July 2024 and signed on its behalf by:



Koo Chai Young Li Mow Ching
Chair
2 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in reserves, , the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's and the Company's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the letter from the chair and Group Strategic Report including the

Selwood Housing Society Ltd

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained during the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

Selwood Housing Society Ltd

override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
20 Colmore Circus
Queensway
Birmingham B4 6AT
Date: 16 July 2025

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2025

		Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
	Note				
Turnover	4	56,922	52,699	56,948	52,772
Cost of sales	4	(5,284)	(5,067)	(5,284)	(5,067)
Operating costs	4	(40,172)	(37,993)	(40,160)	(37,996)
Gain on disposal of fixed assets	11	3,423	3,401	3,423	3,401
Operating surplus		14,889	13,040	14,927	13,110
Other interest receivable and similar income		133	136	116	117
Interest and financing costs	12	(7,263)	(6,007)	(7,263)	(6,007)
Other finance costs	26	14	9	14	9
Movement in fair value of investment properties	16	0	(12)	0	(12)
Surplus before taxation		7,773	7,166	7,794	7,217
Taxation on surplus	13	3	3	0	0
Surplus for the financial year		7,776	7,169	7,794	7,217
Actuarial loss / gain on defined benefit pension scheme	26	(362)	(368)	(362)	(368)
Total comprehensive income for year		7,414	6,801	7,432	6,849

The notes on pages 46 to 88 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated and company statement of financial position at 31 March 2025

		Group	Group	Company	Company
		2025	2024	2025	2024
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	14	514,226	494,602	514,278	494,654
Tangible fixed assets - other	15	4,007	3,655	3,738	3,356
Investment properties	16	340	340	340	340
Investments in companies	17	125	125	3,225	3,225
		518,698	498,722	521,581	501,575
Current assets					
Stocks	19	4,857	6,103	2,871	4,432
Debtors - receivable within 1 year	20	4,203	4,596	4,192	4,288
Cash and cash equivalents	20a	6,731	6,601	5,497	5,594
		15,791	17,300	12,560	14,314
Creditors: amounts falling due within 1 year	21	(20,250)	(17,730)	(20,018)	(17,734)
Net current assets / (liabilities)		(4,459)	(430)	(7,458)	(3,420)
Total assets less current liabilities		514,239	498,292	514,123	498,155
Creditors: amounts falling due after more than 1 year	22	(219,967)	(211,431)	(219,967)	(211,431)
Net assets excluding pension liability		294,272	286,861	294,156	286,724
Provision for deferred tax	30	(1)	(4)	0	0
Pension liability	26	0	0	0	0
Net assets		294,271	286,857	294,156	286,724
Capital and reserves					
Income and expenditure reserve		166,797	157,448	166,682	157,315
Revaluation reserve		127,474	129,409	127,474	129,409
		294,271	286,857	294,156	286,724

The notes on pages 46 to 88 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 2 July 2025



Koo Chai Young Li Mow Ching
Chair



Mark Mayler
Secretary

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2025

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2023	148,692	131,364	280,056
Total comprehensive income for the year	7,169	0	7,169
Actuarial gains on defined benefit pension scheme	(368)	0	(368)
Total comprehensive income	6,801	0	6,801
Transfer from revaluation reserve to income and expenditure	1,955	(1,955)	0
Opening funds March 2024	157,448	129,409	286,857
Total comprehensive income for the year	7,776	0	7,776
Actuarial loss on defined benefit pension scheme	(362)	0	(362)
Total comprehensive income	7,414	0	7,414
Transfer from revaluation reserve to income and expenditure	1,935	(1,935)	(0)
Closing total funds March 2025	166,797	127,474	294,271

The notes on pages 46 to 88 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2025

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2023	148,510	131,364	279,874
Total comprehensive income for the year	7,217	0	7,217
Actuarial gains on defined benefit pension scheme	(368)	0	(368)
Total comprehensive income	6,850	0	6,850
Transfer from revaluation reserve to income and expenditure	1,955	(1,955)	0
Opening funds April 2024	157,315	129,409	286,724
Total comprehensive income for the year	7,794	0	7,794
Actuarial loss on defined benefit pension scheme	(362)	0	(362)
Total comprehensive income	7,432	0	7,432
Transfer from revaluation reserve to income and expenditure	1,935	(1,935)	0
Closing total funds March 2025	166,682	127,474	294,156

The notes on pages 46 to 88 form part of these financial statements.

Selwood Housing Society Ltd

Consolidated statement of cash flows for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Surplus for the financial year		7,773	7,166
Adjustments for:			
Depreciation of fixed assets - housing properties	14	9,067	8,649
Depreciation of fixed assets - other	15	282	273
Amortised grant	23	(562)	(413)
Interest payable and finance costs		7,249	5,998
Interest received		(133)	(136)
Difference between net pension expenses and cash contribution		(348)	(359)
Proceeds from sale of fixed assets- housing properties	11	(5,000)	(5,043)
Decrease /(Increase) in trade and other debtors		393	(1,282)
Decrease /(Increase) in stocks		1,246	(1,263)
Increase in trade and other creditors		1,309	(1,137)
Carrying amount of disposals		1,818	2,712
Movement in fair value of investment properties		0	12
Cash from operations		23,094	15,177
Taxation paid		0	0
Net cash generated from operating activities		23,094	15,177
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	5,000	5,043
Purchase of fixed assets - housing properties	14	(30,503)	(34,106)
Purchase of fixed assets - other	15	(639)	(357)
Purchase of investments		0	0
Receipt of grant	23	1,010	482
Interest received		133	136
Net cash from investing activities		(24,999)	(28,802)
Cashflows from financing activities			
Interest paid	12	(7,263)	(6,007)
Taxation Paid		0	0
New loans		17,000	24,500
Debt issue costs incurred		0	(138)
Repayment of loans	25	(7,702)	(6,849)
Net cash used in financing activities		2,035	11,506
Net (decrease) / increase in cash and cash equivalents		130	(2,119)
Cash and cash equivalents at beginning of year		6,601	8,720
Cash and cash equivalents at end of year		6,731	6,601

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2025

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Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2025

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the group's operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group operates in accordance with its Rules, Standing Orders, Financial Regulations and other governance documentation and complies with all relevant regulatory requirements.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all its subsidiary undertakings for the year. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the board has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year and capitalised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing Society Ltd is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing Society Ltd's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing Society Ltd participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing Society Ltd's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

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

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

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

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows / Doors	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years
Lighting	20 years
Fire Alarms	15 years
Door entry systems	10 years
Electric Heating	20 years
Air Source Heat Pumps	15 years
Guttering, Soffits & Fixings	30 years
Flat Roofs	30 years
External Wall Insulation	100 years
Cavity Wall insulation	30 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Impairment

Housing properties, which are depreciated over a period more than 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Social Housing Decarbonisation Fund

SHDF has been awarded to help Housing Associations upgrade a significant amount of the social housing stock currently below Energy Performance Certificate (EPC) band C up to that standard. It will support the installation of energy performance measures in social homes.

Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property. If SHDF is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)	-	5 years
• Plant and Equipment	-	5 years
• IT tangible assets (Laptops/Tablets)	-	3 years
• Dynamics Housing Management System	-	15 years
• Fixtures & Fittings	-	10 years

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. Due to the immateriality of the movement on the 4 properties held, this has not been reflected in the statements. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

2 Accounting policies (*continued*)

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs, and other costs. Based on the costs to complete, the board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see notes 14 and 15)**

Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as the Group's experience over several years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Investment properties (see note 16)

Investment properties are professionally valued bi-annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Last valuation Mar 2024.

- Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

4 Particulars of turnover, cost of sales, operating costs, and operating surplus – company

	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating costs 2025 £'000	Surplus on disposal 2025 £'000	Operating surplus /(deficit) 2025 £'000
Social housing lettings (note 5)	48,965	0	38,548	0	10,417
Other social housing activities					
First tranche low-cost home ownership sales	7,275	5,284	226	0	1,765
Gain on disposal of fixed assets	0	0	0	3,423	3,423
Charges for support services	33	0	4	0	29
Development costs not capitalised	0	0	721	0	(721)
	7,308	5,284	951	3,423	4,496
Activities other than social housing activities					
Lettings	13	0	4	0	9
Other	662	0	657	0	5
	675	0	661	0	14
	56,948	5,284	40,160	3,423	14,927

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus on disposal 2024 £'000	Operating surplus /(deficit) 2024 £'000
Social housing lettings (note 5)	44,486	0	36,257	0	8,229
Other social housing activities					
First tranche low-cost home ownership sales	7,576	5,067	249	0	2,260
Gain on disposal of fixed assets	0	0	0	3,401	3,401
Charges for support services	31	0	4	0	27
Development costs not capitalised	0	0	783	0	(783)
	7,607	5,067	1,036	3,401	4,905
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	666	0	700	0	(34)
	679		703	0	(24)
	52,772	5,067	37,996	3,401	13,110

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

4 Particulars of turnover, cost of sales, operating costs, and operating surplus – group

	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating costs 2025 £'000	Surplus on disposal 2025 £'000	Operating surplus /(deficit) 2025 £'000
Social housing lettings (note 5)	48,965	0	38,548	0	10,417
Other social housing activities					
First tranche low-cost home ownership sales	7,275	5,284	226	0	1,765
Gain on disposal of fixed assets	0	0	0	3,423	3,423
Charges for support services	33	0	4	0	29
Development costs not capitalised	0	0	721	0	(721)
	7,308	5,284	951	3,423	4,496
Activities other than social housing activities					
Lettings	13	0	4	0	9
Other	636	0	669	0	(33)
	649	0	673	0	(24)
	56,922	5,284	40,172	3,423	14,889

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus on disposal 2024 £'000	Operating surplus /(deficit) 2024 £'000
Social housing lettings (note 5)	44,486	0	36,257	0	8,229
Other social housing activities					
First tranche low-cost home ownership sales	7,576	5,067	249	0	2,260
Gain on disposal of fixed assets	0	0	0	3,401	3,401
Charges for support services	31	0	4	0	27
Development costs not capitalised	0	0	783	0	(783)
	7,607	5,067	1,036	3,401	4,905
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	593	0	697	0	(104)
	606	0	700	0	(94)
	52,699	5,067	37,993	3,401	13,040

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

5 Income and expenditure from social housing lettings – group

	General needs £'000	Supported & older people's housing £'000	Low-cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2025 £'000	Total 2024 £'000
Income							
Rents net of identifiable service charges	34,272	9,239	2,052	304	775	46,642	42,509
Service charge income	647	1,030	79	0	0	1,756	1,563
Amortised government grants	564	0	0	0	0	564	413
Other grants	3	0	0	0	0	3	1
Turnover from social housing lettings	35,485	10,269	2,132	304	775	48,965	44,486
Expenditure							
Management	4,814	1,819	306	98	96	7,133	6,307
Service charge costs	1,740	842	0	12	10	2,604	2,430
Routine maintenance	5,607	1,729	0	261	40	7,637	6,441
Planned maintenance	5,250	1,589	0	13	28	6,880	6,450
Major repairs expenditure	3,679	1,136	0	10	22	4,847	4,740
Bad debts	89	26	0	0	0	115	94
Depreciation of housing properties:							
-annual charge	7,029	2,038	0	0	0	9,067	8,650
-accelerated on disposal of components	206	60	0	0	0	266	1,144
Operating expenditure on social housing lettings	28,414	9,239	306	394	196	38,548	36,256
Operating surplus / (deficit) on social housing lettings	7,071	1,030	1,826	(90)	579	10,417	8,230
Void Losses	144	98	103	0	36	381	463

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

5 Income and expenditure from social housing lettings – company

	General needs £'000	Supported & older people's housing £'000	Low-cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2025 £'000	Total 2024 £'000
Income							
Rents net of identifiable service charges	34,272	9,239	2,052	304	775	46,642	42,509
Service charge income	647	1,030	79	0	0	1,756	1,563
Amortised government grants	564	0	0	0	0	564	413
Other grants	3	0	0	0	0	3	1
Turnover from social housing lettings	35,485	10,270	2,132	304	775	48,965	44,486
Expenditure							
Management	4,814	1,819	306	98	96	7,133	6,307
Service charge costs	1,740	842	0	12	10	2,604	2,430
Routine maintenance	5,607	1,729	0	261	40	7,637	6,442
Planned maintenance	5,250	1,589	0	13	28	6,880	6,450
Major repairs expenditure	3,679	1,136	0	10	22	4,847	4,740
Bad debts	89	26	0	0	0	115	94
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	7,029	2,038	0	0	0	9,067	8,650
-accelerated on disposal of components	206	60	0	0	0	266	1,144
Operating expenditure on social housing lettings	28,414	9,239	306	394	196	38,548	36,257
Operating surplus / (deficit) on social housing lettings	7,071	1,031	1,826	(90)	579	10,417	8,229
Void Losses	144	98	103		36	381	463

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2025 Number	Group & Company 2024 Number
General needs housing:		
- social	4,170	4,187
- affordable	1,007	944
Low-cost home ownership	483	433
Supported housing	74	76
Housing for older people	701	701
Sheltered units for older people / supported living	714	713
Total social housing units	7,149	7,054
Residential care home bed spaces	46	46
Total owned and managed	7,195	7,100
Leaseholders of sold flats	90	91
Leaseholders units for supported living	4	4
Market rent	2	2
Total owned and managed accommodation	7,291	7,197
Units under construction	310	273

	Group & Company Number
Total owned and managed accommodation as at Apr 24	7,197
Newly built rental accommodation, built by or for Selwood Housing.	125
Sales to the open market	(27)
Right to Buy Disposals	(1)
Right to Acquire Disposals	0
Rental property transferred to Leasehold	0
Fully Stair cased LCHO	(3)
Total owned and managed accommodation as at Mar 25	7,291

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

6 Units of housing stock (continued)

Selwood Housing owns 74 supported housing units (2024:76) and tenancy sustainment support was provided for 9 of these units by Selwood Housing in 2025 (2024:11). The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 46 care home units on our behalf.

Selwood Housing also owns 1,123 garages, 1 shop unit used by Selwood Housing as a resource centre and 1 doctors' surgery.

7 Operating surplus

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000

This is arrived at after charging / (crediting):

Depreciation of housing properties:

-annual charge	9,067	8,649	9,067	8,649
-accelerated depreciation on replaced components	265	139	265	139
Depreciation of other tangible fixed assets	282	273	257	247
Impairment of 2 blocks of flats	0	1,006	0	1,006
Impairment of Office property	0	0	0	0

Auditor's remuneration (excluding VAT):

-fees payable to the group's auditor for the audit of the group's annual accounts	49	32	46	27
- fees for other non-audit services	13	2	13	2

8 Employees

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000

Staff costs (including Executive Team) consist of:

Wages and salaries	12,137	11,067	12,137	11,067
Social security costs	1,178	1,045	1,178	1,045
Cost of defined benefit scheme (see note 26)	188	217	188	217
Cost of defined contribution scheme	867	775	867	775
	<u>14,370</u>	<u>13,104</u>	<u>14,370</u>	<u>13,104</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

8 Employees *continued*

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
Administration	66	62	66	62
Development	11	9	11	9
Maintenance	100	91	100	91
Housing, Support and care	151	149	151	149
	<u>328</u>	<u>311</u>	<u>328</u>	<u>311</u>

9 Directors' and senior executive remuneration

The directors and senior executives are defined as the members of the board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2025 £'000	2024 £'000
Executive directors' emoluments	667	636
Amounts paid to non-executive directors	56	49
Contributions to money purchase pension schemes	12	11
Contributions to defined benefits pension scheme	83	80
	<u>818</u>	<u>776</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

9 Directors' and senior executive remuneration (*continued*)

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2025	2024
	No.	No.
£60,000 - £69,999	16	9
£70,000 - £79,999	10	10
£80,000 - £89,999	1	0
£90,000 - £99,999	0	1
£100,000 - £109,999	2	1
£110,000 - £119,999	1	1
120,000 - 129,999	0	1
130,000 - 139,999	1	0
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0
170,000 - 179,999	0	0
180,000 - 189,999	0	0
190,000 - 199,999	0	0
200,000 - 209,999	0	1
210,000 - 219,999	1	0
	<u>32</u>	<u>24</u>

Benefits have accrued to 3 executive officers under the Wiltshire pension fund defined benefit scheme (2024 – 3) and 1 director accrued benefits under the group's defined contribution pension scheme during the year (2024 – 1).

The group chief executive received remuneration of £155,134 salary excluding pension contributions plus £55,486 in lieu of pension contributions. This is 6.02 times the median salary of all members of staff (2024: 6.14 times).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

10 Board members

The Chair of the board receives a salary of £11,865 (2024: £10,500) per annum, the committee chairs each receive £1,978 per annum (2024: £1,750), in addition to their basic board member payment. The standard other group board member payment is £4,802 (2024: £4,250). Emoluments paid to board members in 2025 were 0.10% (2024: 0.09%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Finance committee	Group Board
Sheila Lewis * to 31/12/24	10,550	x		x
Koo Chai Young Li Mow Ching * chair from 01/01/25	9,986	x		x
Chris Butters	7,110		x	x
Stella Shepherd **	4,837		x	x
Lisa Nicholls to 01/10/24	2,798	x		x
Richard Yates	4,852		x	x
Hannah Jones	4,810	x		x
Samuel Whatley from 01/12/24	1,741		x	x
Maureen Robinson from 02/12/24	1,747	x		x
Nicola Setchell to 01/05/24	418	x		x
Philip Whitehead	4,802		x	x
David Hobdey from 02/12/24	2,260	x		x
Total	55,911			

* Chair

** Vice Chair

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

11 Surplus on disposal of fixed assets

Group and Company	Right to Buy and Right to Acquire 2025 £'000	Other housing properties 2025 £'000	Staircasing 2025 £'000	Total 2025 £'000	Total 2024 £'000
Disposal proceeds	171	4,472	357	5,000	5,043
Costs of disposals	(49)	(1,321)	(195)	(1,565)	(1,637)
Selling costs	(7)	(2)	(3)	(12)	(5)
Grant recycled	0	0	0	0	0
	115	3,149	159	3,423	3,401
Surplus on disposal of other tangible fixed assets	0	0	0	0	0
	115	3,149	159	3,423	3,401

12 Interest payable and similar charges

Group and company	2025 £'000	2024 £'000
Bank loans and overdrafts	5,611	4,726
All other loans (excluding loans from group entities)	2,176	2,178
Interest capitalised on construction of housing properties	(524)	(897)
	7,263	6,007

13 Taxation on profit from ordinary activities

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Current tax				
UK corporation tax on profits of the year	0	0	0	0
Effect of changes in rates	0	(1)	0	0
Adjustments in respect of previous periods	0	2	0	0
Origination and reversal of timing differences	3	2	0	0
Taxation on profit on ordinary activities	3	3	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

13 Taxation on profit from ordinary activities (*continued*)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Profit on ordinary activities before tax	7,773	7,166	7,794	7,217
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 25%	(1,943)	(1,792)	(1,949)	(1,804)
Effects of:				
Charitable income	1,924	1,770	1,949	1,804
Gift Aid Payment to parent	22	24	0	0
Expenses not deductible	0	0	0	0
Tax rate changes	0	0	0	0
Current tax charge for year	3	3	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2025 (2024: all freehold).

Group	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2024	511,158	6,739	42,011	2,005	561,913
Construction Costs	0	13,539	0	5,430	18,969
Replaced components - Additions	11,553	(19)	0	0	11,534
Completed Schemes	11,963	(11,963)	6,202	(6,202)	0
Disposals - RTB, RTA & market sales	(1,597)	0	0	0	(1,597)
Disposals - replaced components	(2,254)	0	0	0	(2,254)
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	(203)	0	(203)
Transfers	0	0	(23)	0	(23)
At 31 March 2025	530,823	8,296	47,987	1,233	588,339
<i>Depreciation</i>					
1st April 2024	(66,135)	0	(1,175)	0	(67,310)
Charge for the year	(8,728)	0	(339)	0	(9,067)
Eliminated on disposals	267	0	0	0	267
Replaced components - Disposals	1,989	0	0	0	1,989
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	8	0	8
At 31 March 2025	(72,607)	0	(1,506)	0	(74,113)
Net Book Value at 31 March 2025	458,216	8,296	46,481	1,233	514,226
Net Book Value at 31 March 2024	445,023	6,739	40,836	2,005	494,603

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

14 Tangible fixed assets – housing properties *(continued)*

Company	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2024	511,158	6,773	42,011	2,023	561,965
Construction Costs	0	13,541	0	5,429	18,970
Replaced components - Additions	11,553	(19)	0	0	11,534
Completed Schemes	11,963	(11,963)	6,202	(6,202)	0
Disposals - RTB, RTA & market sales	(1,597)	0	0	0	(1,597)
Disposals - replaced components	(2,254)	0	0	0	(2,254)
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	(203)	0	(203)
Transfers	0	0	(23)	0	(23)
At 31 March 2025	530,823	8,332	47,987	1,250	588,392
<i>Depreciation</i>					
1st April 2024	(66,135)	0	(1,176)	0	(67,311)
Charge for the year	(8,728)	0	(339)	0	(9,067)
Eliminated on disposals	267	0	0	0	267
Replaced components - Disposals	1,989	0	0	0	1,989
Impairment of 2 blocks of flats	0	0	0	0	0
Disposals - staircasing	0	0	8	0	8
At 31 March 2025	(72,607)	0	(1,507)	0	(74,114)
Net Book Value at 31 March 2025	458,216	8,332	46,480	1,250	514,278
Net Book Value at 31 March 2024	445,023	6,773	40,835	2,023	494,654

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

14 Tangible fixed assets – housing properties *(continued)*

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Interest capitalised in the year	(524)	(897)	(524)	(897)
Rate used for capitalisation	4%	3%	4%	3%
	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Total social housing grant received or receivable to date				
as follows				
Capital grant - Housing properties	35,119	34,257	35,119	34,257
Recycled Capital Grant Fund	134	129	134	129
Revenue grant - I&E	564	413	564	413
Revenue grant - reserves	5,619	5,055	5,619	5,055
	41,437	39,854	41,437	39,854

Properties held for security

Selwood Housing Society Ltd had property with an existing use value of £290 million pledged as security at 31 March 2025 (£270 million – 2024).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

15 Other tangible fixed assets – group

Group	Freehold Office £'000	Fixtures & Fittings £'000	Plant & & Equipment £'000	Motor Vehicles £'000	IT £'000	Laptops & Tablets £'000	Dynamics - Housing Mgmt Sys £'000	Total £'000
Cost								
At 1 April 2024	3,556	52	550	13	2,325	130	711	7,337
Additions	0	0	0	0	185	170	284	639
Disposals	0	0	(5)	0	0	0	0	(5)
At 31 March 2025	3,556	52	545	13	2,510	300	995	7,971
Accumulated Depreciation								
At 1 April 2024	(1,363)	(28)	(251)	(13)	(2,014)	(13)	0	(3,682)
Charged in year	(56)	(5)	(25)	0	(110)	(80)	(6)	(282)
Disposals	0	0	0	0	0	0	0	0
At 31 March 2025	(1,419)	(33)	(276)	(13)	(2,124)	(93)	(6)	(3,964)
Net book value at 31 March 2025	2,137	19	269	0	386	207	989	4,007
Net book value at 31 March 2024	2,193	25	299	0	311	117	711	3,655

Freehold office includes freehold land at cost of £360,000 (2024: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

15 Other tangible fixed assets – company

Company	Freehold Office £'000	Fixtures & Fittings £'000	Plant & Equipment £'000	Motor Vehicles £'000	IT £'000	Laptops & Tablets £'000	Dynamics - Housing Mgmt Sys £'000	Total £'000
Cost								
At 1 April 2024	3,556	52	6	13	2,325	130	711	6,793
Additions	0	0	0	0	185	170	284	639
Disposals	0	0	0	0	0	0	0	0
At 31 March 2025	3,556	52	6	13	2,510	300	995	7,432
Accumulated Depreciation								
At 1 April 2024	(1,363)	(28)	(6)	(13)	(2,014)	(13)	0	(3,437)
Charged in year	(56)	(5)	0	0	(110)	(80)	(6)	(257)
Disposals	0	0	0	0	0	0	0	0
At 31 March 2025	(1,419)	(33)	(6)	(13)	(2,124)	(93)	(6)	(3,694)
Net book value at 31 March 2025	2,137	19	0	0	386	207	989	3,738
Net book value at 31 March 2024	2,193	25	0	0	1,022	117	0	3,356

Freehold office includes freehold land at cost of £360,000 (2024: £360,000) which is not depreciated.

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2024	216	124	340
Revaluations	0	0	0
At 31 March 2025	216	124	340

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

16 Investment properties *continued*

The group's investment properties were last valued on 31 March 2024 at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

17 Fixed asset investments

<i>Cost or valuation</i>	Group £'000	Company £'000
At 1 April 2024	125	3,225
Additions	0	0
At 31 March 2025	<u>125</u>	<u>3,225</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

18 Subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity	Number of shares
Silcoa Ltd	England	100%	Dormant	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	2,500,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

19 Properties for sale & other stock

Group	First tranche shared ownership properties 2025 £'000	Other Stock 2025 £'000	Total 2025 £'000	Total 2024 £'000
Completed properties	1,834	0	1,834	2,921
Other	0	204	204	163
Properties under construction	833	1,986	2,819	3,019
	2,667	2,190	4,857	6,103

Company	First tranche shared ownership properties 2025 £'000	Other Stock 2025 £'000	Total 2025 £'000	Total 2024 £'000
Completed properties	1,834	0	1,834	2,921
Other	0	204	204	163
Properties under construction	833	0	833	1,348
	2,667	204	2,871	4,432

Properties developed for sale include capitalised interest of £51k (2024 - £71k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

20 Debtors

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Due within one year				
Arrears of rent and service charges	620	638	620	638
Less: Provision for doubtful debts	(299)	(366)	(299)	(366)
	321	272	321	272
Amounts owed by group undertakings	0	0	0	0
Other debtors	2,244	2,683	2,240	2,381
Prepayments and accrued income	1,638	1,641	1,631	1,635
	4,203	4,596	4,192	4,288

The other debtors figure includes £485k (2024: £541k) in respect of 22 days' (2024:21 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Cash	5,426	5,274	4,866	4,938
Deposit accounts	1,305	1,327	631	656
	6,731	6,601	5,497	5,594

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

21 Creditors: Amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Trade creditors	1,677	1,147	1,448	1,147
Rent and service charges received in advance	1,290	702	1,290	702
Amounts owed to group undertakings	0	0	7	9
Taxation and social security	298	288	298	288
Other creditors	613	651	613	652
Accruals and deferred income	7,099	6,825	7,089	6,819
Loans due within 1 year	8,791	7,702	8,791	7,702
Recycled Capital Grant	0	9	0	9
Deferred Capital grant	482	406	482	406
	<u>20,250</u>	<u>17,730</u>	<u>20,018</u>	<u>17,734</u>

22 Creditors: Amounts falling due after more than one year

Group and company

	2025 £'000	2024 £'000
Loans and borrowings (note 25)	185,180	176,944
Deferred capital grant (note 23)	34,638	34,257
Disposal proceeds fund (note 24)	0	0
Recycled capital grant (note 24)	134	120
Sinking fund balances	15	110
	<u>219,967</u>	<u>211,431</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

23 Deferred capital grant

Group and company	2025 £'000	2024 £'000
At 1 April	34,257	34,518
Grants received in the year	300	482
SHDF grants received in year	710	0
Grants recycled from the recycled capital grant fund	9	76
Released to income in the year	(562)	(413)
Reversal of release to income < 1 year	406	0
To be released to income < 1 year (note 21)	0	(406)
At 31 March	35,120	34,257

24 Recycled capital grant

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 1 April	129	205	129	205
Additions:				
Grants Recycled	4	97	4	97
Interest	10	3	10	3
Withdrawals:				
New build	(9)	(176)	(9)	(176)
At 31 March	134	129	134	129
Amounts 3 years or older where repayment may be required	0	0	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

25 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2025 £'000	Total 2025 £'000	Total 2024 £'000
In one year or less, or on demand	8,791	8,791	7,702
In more than one year but not more than two years	10,240	10,240	8,791
In more than two years but not more than five years	86,710	86,710	66,336
In more than five years	88,230	88,230	101,817
Total debt	193,971	193,971	184,646

New funding of £75m was approved in FY24/25 with AHGS.

The loans bear interest at fixed rates ranging from 1.8% to 5.08% or at variable rates calculated at a margin above the Sterling Overnight Index Average. The current loan outstanding is made up of £120m fixed and £73.5m variable, against agreed facilities of £219m (2024 - £226.7m). At 31 March 2025 the group had undrawn loan facilities of £20m (2023 - £20m) with Nationwide and £5.5m (2023 £22m) with Lloyds.

26 Pension obligations

Group and Company

The Wiltshire Pension Fund ("WPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WPF are held separately from those of Selwood Housing in independently administered funds. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WPF by Selwood Housing for the year ended 31 March 2025 were £569,034 (2024: £575,165) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £343,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations (*continued*)

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2025 % per annum	31 March 2024 % per annum
Discount rate	5.75	4.85
Future salary increases	3.40	3.25
Future pension increases	2.90	2.75

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 15% weighting of 2023 data, a 15% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0% and a long-term rate of improvement of 1.25% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2025 No. of years	2024 No. of years
Current pensioners:		
Males	21	21.3
Females	24	24.3
Future pensioners: *		
Males	21.7	23.8
Females	25.2	25.8

Commutation

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations (*continued*)

Amounts recognised in the statement of financial position

	2025 £'000	2024 £'000
Present value of funded obligations relating to Selwood Housing	(20,450)	(23,313)
Fair value of plan assets relating to Selwood Housing	28,770	28,431
Unrecognised Asset	(8,320)	(5,118)
Net Deficit	0	0

Analysis of the amount (credited)/charged to the statement of comprehensive income:

	2025 £'000	2024 £'000
Current service cost	188	217
Expected return on pension scheme assets	(1,367)	(1,247)
Interest on pension scheme liabilities	1,105	1,097
Total operating charge	(74)	67

Of the above amount, £14,000 (2024: £9,000) was credited to other finance charges. £348,000 (2024: £359,000) was credited to operating surplus. Net interest income of £262k is adjusted by £248k as part of asset ceiling cap reducing net interest to £14k.

Changes in fair value of employer assets

	2025 £'000	2024 £'000
Opening fair value of employer assets	28,431	26,289
Contributions by the Employer	570	576
Actuarial loss / gain	(511)	985
Administration Expenses	(34)	0
Benefits paid	(1,125)	(740)
Contributions by members	72	74
Interest	1,367	1,247
Closing fair value of employer assets	28,770	28,431

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations *(continued)*

Changes in present value of defined benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation	23,313	23,324
Current service cost	188	217
Interest cost	1,105	1,097
Actuarial losses	(3,103)	(659)
Estimated benefits paid	(1,125)	(740)
Contributions by members	72	74
Closing defined benefit obligation	20,450	23,313

Major categories of plan assets as a percentage of total plan assets:

	2025	2024
Equities	40%	56%
Bonds	36%	29%
Property	23%	14%
Cash	1%	1%

Fair value of employer assets

	2025 £'000	2024 £'000
Equities	11,570	15,921
Bonds	10,235	8,245
Property	6,529	3,980
Cash	436	284
	28,770	28,430

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

26 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Present value of defined benefit obligation	(20,450)	(23,313)	(23,324)	(32,863)	(34,807)
Fair value of scheme assets	28,770	28,431	26,289	28,122	26,017
Surplus/(Deficit) on scheme	8,320	5,118	2,965	(4,741)	(8,790)
Experience adjustments on plan liabilities	146	(776)	(1,743)	(68)	298
Experience adjustments on plan assets	(511)	985	(2,457)	1,606	3,269
Cumulative actuarial gains/losses	9,328	6,736	5,092	(2,609)	(6,788)

Projected pension expense for the year to 31 March 2026

	£'000
Projected Current Service Cost	147
Net Interest on the defined liability / asset	(17)
Administration Expenses	34
Total	164

The gain is adjusted to reflect asset ceiling adjustment of £2,954k. A loss of £362k is charged to SoCI.

The estimated employer contributions for the year to 31 March 2026 are approximately £569,000.

Defined Contribution Scheme

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. All existing and new colleagues are eligible to join. The costs associated with providing this scheme are outlined in note 8.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

27 Operating leases

At 31 March 2025, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Not later than 1 year	634	545	634	545
later than 1 year and no later than 5 years	2977	952	2977	952
Later than 5 years	0	0	0	0
Total	3,611	1,497	3611	1497

Amounts receivable as Lessor	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Not later than 1 year	1	1	1	1
later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	1	1	1	1

28 Capital commitments

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Commitments contracted but not provided for in the accounts	90,438	81,671	90,438	81,671
Commitments approved by the Board but not contracted for	109,152	95,886	109,152	95,886
	199,590	177,557	199,590	177,557

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

28 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

29 Related party transactions

The directors Stella Shepherd, Richard Yates and Hannah Jones are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms, and they are not able to use their position to their advantage.

The director Philip Whitehead is also a councillor of Wiltshire Council. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements.

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. Selwood Housing also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Gift Aid	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Silcoa Ltd	0	0	2	1
Selwood DevCo Ltd	0	0	83	134
Cottsbury Homes Ltd	0	0	11	1
	0	0	96	136

Payable by Selwood Housing to Subsidiaries:	Other Charges	
	2025	2024
	£'000	£'000
Silcoa Ltd	0	0
Selwood DevCo Ltd	40	59
	40	59

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2025

Other intra-group charges

No other intra-group charges are payable to the society from subsidiaries. Charges from subsidiaries to the society are for goods and services provided.

30 Provision for liabilities – Deferred Tax

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 31 March 2024	4	7	0	0
Charge / (Credit)	(3)	(3)	0	0
Origination and reversal of timing differences	0	0	0	0
At 31 March 2025	1	4	0	0

31 Net debt reconciliation

	01 April 2024 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2025 £'000
Group				
Cash and cash equivalents	6,601	130	0	6,731
Loans and borrowings	(184,647)	(9,298)	(27)	(193,972)
	(178,046)	(9,168)	(27)	(187,241)
Company				
Cash and cash equivalents	5,594	(97)	0	5,497
Loans and borrowings	(184,646)	(9,298)	(27)	(193,971)
	(179,052)	(9,395)	(27)	(188,474)



AUDIT PLAN OVERVIEW

Year ending 31 March 2025

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Introduction

Our audit of the financial statements of Selwood Housing Society Limited (the parent) and its 100% owned subsidiaries (Silcoa Limited, Cottsbury Homes Limited and Selwood DevCo Limited) is substantially complete. These companies comprise “the Group” for the purpose of this report.

The purpose of this letter is to bring to your attention the findings from our audit.

In order to comply with the provisions of the International Standard on Auditing (ISA) 260 – ‘Communication of Audit Matters with those Charged with Governance’ we report to management on the findings of our audit, with particular reference to:

- views about the qualitative aspects of the Group’s accounting practices and financial reporting;
- views about the quantitative aspects of the Group’s accounting practices and financial reporting;
- unadjusted misstatements;
- matters specifically required by other Auditing Standards to be communicated to those charged with governance (such as fraud and error);
- expected modifications to the auditor’s report;
- the letter of representation;
- significant deficiencies in the accounting and internal control systems; and
- any other relevant and material matters relating to the audit.

We also take this opportunity to comment on the Group’s performance for the year and to confirm our professional integrity, objectivity and independence.

We see effective communication with the Board and Group Audit and Finance Committee as being a key part of our audit, and it is important that there is effective two way communication. We welcome any feedback or questions regarding the conduct of the audit process.

This report is not intended to cover every matter which came to our attention during the audit. We do not accept any responsibility for any reliance placed on it by third parties. Our procedures are designed to support our audit opinion and cannot be relied upon to identify any weakness in systems or controls which may exist.

We would like to take this opportunity to formally record our appreciation for the assistance and co-operation provided to us by the Finance Team who assisted us during the course of our audit.

Beever and Struthers

Beever and Struthers

Key Audit Areas

Audit issue per audit plan overview	Audit procedures and results
Loan Covenants and Treasury Management – Elevated audit risk The current economic and political climate is challenging, with the prospect of costs continuing to rise in excess of increases in rental income. We will review covenant reporting by management throughout the audit process. At our audit planning meeting Management confirmed there were no reported issues on compliance with loan covenants. Management also confirmed they are in the final stages of securing up to £75m from AHGS, which ensures there are sufficient funds to finance development activity.	At the interim stage of the audit we: - ensured we had all current funding agreements and covenant definitions; - accessed the controls around intra group loans and charges; - reviewed the current Treasury Management Policy and Strategy; - reviewed short and long-term cash flow monitoring procedures; - reviewed performance verses budget for the year; and - assessed the monitoring arrangements in place for loan covenant compliance. At the final audit we: - agreed loans to accounting records and to external loan confirmations; - reviewed the Group's 2025/26 budget and the underlying assumptions; - reviewed and challenged longer-term budgets, business plans and cash flow forecasts in line with the requirements of ISA 570; - tested management's calculations of loan covenant compliance; and - reviewed disclosures in the Strategic Report including the Report of the Board, in relation to the Group's going concern assessment. During the clearance meeting on 15th May 2025 management confirmed they have secured the £75m funding from AHGS at a rate of 4.7% and have drawn down £50m. This has not had an impact on the audit for year end 31 March 2025 but will be reviewed during our audit for year ending 31 March 2026. We found no issues of concern in this area.
Property Sales – Elevated audit risk At 31 March 2025 property sales proceeds were £4.6m from the sale of 27 properties. 26 of these were open market sales generating proceeds of £4.43m with a surplus of £3.1m. There was 1 RTB sale in year generating sales proceeds of £171k with a surplus of £122k. Shared ownership sales generated proceeds of £7.3m with a surplus of £1.8m.	At the interim stage of the audit we: - tested a sample of sales to date across tenures and agreed the methodology applied; and - reviewed the systems for monitoring progress of developments against budget. At the final audit we: - further tested samples across tenure types of the surplus on disposal, including outright sales, any intra group transfers and low-cost home ownership sales; - reviewed the accounting treatment, and sample testing, of any RTB sales completed in the year; and - reviewed the carrying value of the Group's work-in-progress at the year-end to ensure it is stated as its

Key Audit Areas

Audit issue per audit plan overview	Audit procedures and results
	selling price less costs to complete and sell. This included an assessment of the profitability on the current schemes. We found no issues of concern in this area.

Key Audit Areas

Audit issue per audit plan overview	Audit procedures and results
Housing Properties – Elevated audit risk The audit risks for housing properties include: • Additions, including expenditure on replaced components, are not authorised or are not recorded correctly. • Additions to housing properties are not complete. • Costs that are capitalised are not valid capital costs. • The carrying amount of housing properties at the year-end is impaired. • Components which have been replaced are not removed from the carrying value. • The depreciation charge is incorrectly calculated; and • Disposals of properties, including grant treatment, are not posted correctly.	At the interim stage of the audit we: • Substantively tested additions, including property acquisitions and expenditure on replaced components and the capitalisation of any directly attributable development overheads, to ensure authorised and recorded correctly; • Evaluated and tested the key controls over development appraisal assumptions; • Tested a sample of component replacements to ensure that the old asset has been correctly removed from the asset register; • Reviewed the controls over budget setting and review; and • Reviewed the useful economic lives of components to ensure they remain appropriate. At the final audit we: • Performed further substantive testing, as necessary, of additions and disposals; • Agreed the movements in the housing property note to the asset register; • Considered whether there is any evidence of impairment and reviewed the Group's assessment of impairment if a trigger for this review exists; • Performed a proof in total test on the depreciation charge for the year; • Assessed the accounting policies for capitalising any development overheads and interest on loans; • Checked that material accruals have been made for development expenditure incurred up to 31 March but not yet invoiced; and • Reviewed recognition of grants received, grants allocated to completed schemes and any amounts repayable included in liabilities. We found no issues of concern in this area.

Key Audit Areas

Audit issue per audit plan overview	Audit procedures and results
Defined Benefit Pension Scheme – Elevated audit risk The Group participates in The Wiltshire Pension Fund, a local government defined benefit pension scheme (LGPS). The scheme actuary will value the pension liabilities for Section 28 of FRS 102 purposes and this will be included in the financial statements at 31 March 2025. At the 31 March 2023 the pension scheme valuation showed the scheme had moved into an asset position of £2.965m. In order to reflect this asset, Selwood must be able to demonstrate that the asset is recoverable – for example through reduced future contributions or refunds from the Scheme. We agreed we would not reflect the asset and so wrote down to zero in the financial statements. This approach was consistently followed at 31 March 2024 when the net asset position was £5.1m.	At the interim stage if the audit we: • Discussed the process and arrangements for obtaining the Section 28 of FRS 102 valuation from the scheme actuary, including the instructions given to the actuary. At the final audit visit we: • Reviewed the LGPS information provided by the actuary to the Group and consider the disclosure implications; • Reviewed the LGPS actuarial valuation and the assumptions made by the actuary to ensure assumptions are consistent with those used in 2023/24, or that any changes are understood and were reasonable. This assets split within the scheme will also be considered in our review ; • Reviewed the accuracy of the LGPS journals processed at the year-end; and • Reviewed the disclosures and the notes to the accounts at the final audit visit to ensure they comply with Section 28 of FRS 102. At the 31 March 2025 the pension scheme valuation showed the scheme had now moved into an asset position of £8.3m. Whilst we have not seen an asset ceiling report, we have not seen evidence that this asset is recoverable, and it has therefore been capped at £nil. We are comfortable with this treatment, and it is in line with sector practice. Our work in this area is ongoing as we are awaiting a response to our letters from Barnett Waddingham and Wiltshire Pension Fund. We are comfortable with the numbers but have found two disclosures which could make clearer the impact of the asset ceiling adjustment.

Key Audit Areas

Audit issue per audit plan overview	Audit procedures and results
Assessment of Fraud Risk – Significant audit risk ISA 240 “The Auditor’s responsibility to consider fraud” requires us to consider the risk of fraud and the impact that this has on our audit approach. In addition, ISA 700 “Forming an Opinion and Reporting on Financial Statements”, means auditors are required to explain in the auditor’s report to what extent the audit was considered capable of detecting irregularities, including fraud. There is a presumed significant risk of fraud in two areas: Revenue Recognition Material misstatements due to fraudulent reporting often result from an overstatement of revenues, for example through premature revenue recognition or recording fictitious revenues. The auditor therefore presumes that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks. For the Group the main income stream is rental income. The processing of rent charges is highly automated and rent changes are restricted. We therefore have initially assessed the risk of fraud in the recognition of rental income as low and expect to rebut the assumption that this area is a significant risk. Management Override Under ISA 240 there is a presumed risk of management override of the system of internal controls. Material misstatements can arise from management overriding the controls which are in place or by manipulating the results to achieve targets and the expectations of the stakeholders.	Our audit is designed to provide reasonable assurance that the accounts are free from material misstatement whether caused by fraud or error. We reviewed revenue recognition and management control override in detail. As part of the audit planning we: • met management to discuss fraud related risks and the risk of material misstatement in the financial statements; • reviewed the Group’s anti-fraud policies; • assessed which laws and regulations were most significant to the Group; • gained an understanding of the Group’s policies and procedures on compliance with laws and regulations; • reviewed the legal and regulatory framework applicable to the Group; and • reviewed any relevant internal audit work. During the audit fieldwork: • substantively tested income from rents and service charges and other material sources of income, for example sales of properties; • assessed the controls over the maintenance of supplier details and changes to bank account details; • assessed the IT control environment; • used data analytics in our review of manual journals posted in the year; • tested cut off on the rent debit and receipts of cash and housing benefits and other material sources of income; • considered the manipulation of the financial results through the use of journals and management estimates, such as provisions and accruals; and • performed a final review of the fraud register and considered the Group’s compliance with relevant laws and regulations. We have no issues to report from testing performed thus far. We have requested further documentation on some sample items but do not anticipate any issues at this stage.

Key Audit Areas

Audit issue per audit plan overview	Audit procedures and results
Key Judgements and Estimates – links to other audit risks The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for revenues and expenses during the year. Given its nature, this area is a key audit focus. ISA 540 “Auditing Accounting Estimates and Related Disclosures” also places additional emphasis on scepticism in the audit process, with its importance increasing when accounting estimates are subject to a greater degree of estimation uncertainty or are affected to a greater degree by complexity, subjectivity, or other inherent risk factors.	Our testing is designed to assess whether the key judgements and estimates have been made appropriately in line with our knowledge of the Group and the sector and are disclosed satisfactorily in the financial statements. Details of the audit testing is included across a number of the key audit areas in this section, and included: • reviewing the Group’s 2025/26 budget and longer-term cash flow forecasts and the underlying assumptions; • considering whether there is evidence of impairment and any subsequent workings; • reviewing of the Group’s capitalisation policy and whether expenditure is treated as either capital or revenue; • reviewing of the categorisation of housing properties; • performing a proof in total test on the depreciation charge for the year including a review of estimated assets; • performed a proof in total test on the grant amortisation charge for the year including the basis on which it is amortised; • checking that material accruals have been made for material development expenditure incurred up to 31 March but not yet invoiced; • assessed the reasonableness of rental arrears bad debt provision at 31 March 2024 (prior year) compared to the rent losses experienced in the current year; and • reviewing the LGPS actuarial valuations and the assumptions made by the actuaries to ensure assumptions are consistent with wider sector expectations, including our own actuarial advice, or that any differences are understood and are reasonable. There are no other issues to note in this area.

Overview of Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025 £'000	2024 £'000		
Turnover	56,922	52,699	»»	Turnover has risen £4.2m, income from social housing lettings has risen by £4.5m due to the rent increase of 7.7% applied at the start of the year and an increase in unit numbers. Income from the sale of first tranche shared ownership has decreased by £0.3m.
Cost of sales	(5,284)	(5,067)	»»	Cost of sales have increased by £0.2m due to the decrease in LCHO margin driven by a mix of properties sold and development location. Same number of LCHO sales in each year.
Operating costs	(40,172)	(37,993)	»»	Operating costs has increased by £2.2m, maintenance costs increased by £2m, due inflationary price increases, annual payrise across the board and increase in headcount. Also a higher volume of work delivered across the property team.
Surplus on disposal of fixed assets	3,423	3,401	»»	Surplus on disposal of fixed assets has remained consistent from the prior year. There was 1 additional property sale in current year but proceeds driven by property and location.
Other interest receivable and similar income	133	136	»»	Normal fluctuations due to cash balance held
Interest and financing costs	(7,263)	(6,007)	»»	New funding and rising interest rates have caused interest costs to increase.
Other finance costs	14	9	»»	This is in line with the actuarial valuation.
Change in valuation of investment properties	0	(12)	»»	No revaluation undertaken this FY as not deemed necessary every year as not material (only hold 4 investment properties)
Taxation	-	3	»»	No material changes in taxable activities which remain very low. The 2025 tax charge has yet to be finalised.
Actuarial (loss)/ gain on defined benefit pension scheme	(362)	(368)	»»	The actuarial loss reported in the financial statements is in line with the actuarial valuation provided by Barnett Waddingham.
Total Comprehensive Income	7,411	6,801		

Overview of Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025 £'000	2024 £'000		
Tangible fixed assets	518,233	498,257	»»	Fixed assets have increased by £20.0m compared to last year, this is due to development of new housing and capital works to existing homes, net of the depreciation charge for the year. There has also been some additional spend on Dynamics in the current year.
Investment properties	340	340	»»	No revaluation undertaken this FY as not deemed necessary every year as not material (only hold 4 investment properties) and therefore no movement
Investment in group companies	125	125	»»	No movement.
Current assets	15,791	17,300	»»	Current assets have decreased by £1.5m. This is due to lower level of completed properties held for sale at the year end.
Creditors: amounts falling due within one year	(20,250)	(17,730)	»»	Creditors within one year have increased by £2.5m mainly due to loan payments due within 1 year being £1m higher, and an increase in rent and service charges in advance
Creditors: amounts falling due after more than one year	(219,967)	(211,431)	»»	The movement is mainly due to an increase in borrowings.
Pension liability	-	-	»»	This is in line with the actuarial valuation by Barnett Waddingham. The pension asset has been written down to zero in line with prior years.
Other provisions	(4)	(4)	»»	Deferred tax provision, we are yet to receive the 2025 tax computations
Reserves	294,268	286,857	»»	Increase in reserves relates to the surplus for the year from the SOCI.

Independence

Ethics and Independence

In the UK and Ireland, auditors are subject to the ethical requirements of the Financial Reporting Council's 2024 Revised Ethical Standards for Auditors.

International Standard on Auditing (UK and Ireland) 260 Communication with those Charged with Governance and good practice require us to confirm the following to those charged with governance:

- We confirm that we are independent.
- We confirm that we are unaware of any relationships which may bear on our objectivity and independence.
- We have provided details of any non-audit services provided to Selwood Housing Group and the fees charged in relation to non-audit services.
- We confirm that we comply with the requirements of the Financial Reporting Council's Ethical standards in relation to the supply of non-audit services by an audit firm.

The Group Audit and Finance Committee should take an active role in considering whether the external auditor's independence might be impaired by the provision of non-audit services.

Relationships which may Bear on Objectivity and Independence

We are aware of no such relationships.

Non-Audit Services

In addition to our work as the Group's external auditor, we have also performed the following:

- Grant certifications;
- VAT review; and
- Corporation tax compliance work for the Group.

The fees for these services is estimated to be approximately £11k. This work is carried out by separate teams from the audit team. We are confident that these additional services do not prejudice our independence and objectivity as the Group's external auditor.

Conclusion

We therefore confirm that we are independent and that we comply with the requirements of the Financial Reporting Council's Ethical standards in relation to the supply of non-audit services by an audit firm.

Independence

Accounting Policies

FRS102 requires that entities should review their accounting policies regularly to ensure that they are appropriate to its particular circumstances for the purposes of giving a true and fair view. The Group Audit and Finance Committee plays a key role in this process.

We have reviewed the Group's accounting policies as stated in the financial statements in detail and confirm that we judge them to be appropriate to provide relevant, reliable, comparable, and understandable information.

Going Concern

The financial statements have been prepared on a going concern basis.

We have obtained the information that the Board has reviewed in assessing whether the going concern assumption is appropriate and tested the assumptions underlying this information. We are satisfied that the Board's use of the going concern assumption is appropriate. We will need to keep this matter under review until the date of signing of the financial statements due to the on-going uncertainty brought about by the current economic climate.

Accounting Estimates

Key accounting estimates in the financial statements concern actuarial assumptions, depreciation rates, the level of bad and doubtful debt provision against tenant arrears and impairment provisions.

We confirm that estimates have been made appropriately in line with our knowledge of the Group and the Sector and are disclosed satisfactorily in the financial statements.

Financial Statement Disclosures

We confirm that we judge the disclosures throughout the financial statements to be neutral, consistent and provide sufficient clarity to the user.

Matters Discussed with Management

There were no significant matters arising from the audit that were discussed with management at the clearance meeting held on 15 May 2025 other than as referred to elsewhere in this report.

Significant Difficulties Encountered During the Audit

There were no significant difficulties encountered during the audit.

Timing of Transactions

Our audit work confirmed that material transactions were recorded in the correct accounting periods. Accruals and prepayments were made for material items.

Group Strategic and Board Reports

We have not yet reviewed the other information in the narrative reporting sections of the financial statements. We will review and confirm that there is no material inconsistency between it and the financial statements upon receipt of a completed report.

Management Representation Letter and Audit Opinion

In accordance with ISA 580, we obtain written representation from management that they acknowledge their responsibility for preparing the accounts and have made all information available to us.

We will present our management representation letter for the Group for signing at the same time as the financial statements are signed.

We are intending to provide an unqualified audit opinion on the financial statements for the Group and its subsidiaries for the year ended 31 March 2025, subject to receipt of the following:

- Receipt and review of the Group Strategic and Board Reports
- Receipt and review of capital commitments sample evidence
- Receipt and review of additional journals evidence
- Receipt of tax computations for the year
- Receipt and review of the consolidation schedule
- Receipt and review of management's impairment review
- Receipt of the signed representation letter.
- Final review of post-balance sheet events and management information relating to financial performance and going concern.

Materiality and Audit Adjustments

Materiality

ISA 260 requires us to report to management on all uncorrected misstatements identified during the audit, and to include in this report how we have calculated materiality, and any misstatements identified during the audit which have been corrected.

Materiality may be revised throughout the course of the audit, where we become aware of information during the audit that would have resulted in a different determination of materiality at the outset.

We are not required to report on corrected or uncorrected misstatements we believe are clearly trivial.

Materiality is calculated using 2% of turnover, except for Silcoa and Cottsbury where materiality is based on balance sheet assets. Triviality is the value above which we report errors to you. A summary of the final assessment of materiality is as follows:

	Turnover £'000	Materiality £'000	Triviality £'000
Selwood Housing Society Limited	56,922	1,138	57
Silcoa Limited (asset based)	180	8.4	0.3
Selwood Devco Limited	109	2.2	0.1
Cottsbury Homes Limited (asset based)	511	15.3	0.8

Disclosure adjustments

The accounts presented for audit were of high quality and largely compliant with FRS102, the SORP 2018 and the Accounting Direction 2022. A small number of presentational adjustments were made to the financial statements over the course of the audit, following discussion with the finance team. These included:

- A number of rounding differences in respect of notes that did not tie back to the primary statements.
- Inclusion of a statement that all relevant laws have been complied with.
- A small number of references to comparators for 2023 rather than 2024

Uncorrected Misstatements

There were no uncorrected misstatements for any entities in the Group.

Corrected Misstatements

There were no corrected misstatements for any entities in the Group.

Accounting and Internal Control Systems

ISA 265 requires that we report to those charged with governance any significant deficiencies in internal control that we identify in the course of our audit work. Significant deficiencies are those deficiencies that we have identified during the audit and concluded are of sufficient importance to merit being communicated to those charged with governance.

In accordance with Revised ISA 315, we undertook a review of the Group's self-assessment against the requirements set out in our IT General Controls (ITGCs) audit programme. Our review of the Group's self-assessment did not identify any areas of significant weakness where we felt that we needed to perform additional testing as part of our audit.

Audit Findings

We are pleased to report that overall, we found that the Group's systems and internal financial controls were operating effectively. There were no significant deficiencies identified as a result of our work.

SELWOOD HOUSING SOCIETY LIMITED

England & Wales - Charity number 1141124

Accounts

Annual report and financial statements 2023/24



Selwood
Housing



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Directors, executive officers, advisors, and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Sheila Lewis *

Stella Shepherd **

David Knight to 04/10/23

Hannah Jones

Koo Chai Young Li Mow Ching

*chair

** vice chair

Lisa Nicholls from 04/10/23

Chris Butters

Richard Yates

Valerie Lee to 04/10/23

Nicola Setchell from 04/10/23 to 01/05/24

Philip Whitehead

Executive officers

Group chief executive

Group finance director

Group transformation and people director

Group operations director

Group development director

Barry Hughes

Mark Mayler

Ria Bristow

Verena Buchanan

Paul Walsh

Registered office

Bryer Ash Business Park

Bradford Road

Trowbridge

Wiltshire BA14 8RT

Advisors and bankers

Independent auditor

Beever and Struthers
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Internal auditors

TIAA Limited
Artillery House
Fort Fareham
Newgate Ln
Fareham
PO14 1AH

Principal funder

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Principal bankers

Lloyds Bank
64 Fore Street
Trowbridge
Wiltshire
BA14 8EU

Principal legal advisors

Trowers & Hamlin
The Senate
Southernhay Gardens
Exeter
EX1 1UG

Capsticks Solicitors
LLP
1 St George's Road
London
SW19 4DR

Anthony Collins
Solicitors
143 Edmund Street
Birmingham
B3 2ES

Charity commission registration No. 1141124

Company limited by guarantee - registration No. 4168336

Registered with the Regulator of Social Housing – registration No. LH4097

Selwood Housing Society Ltd

Welcome from the Chair of our Board of directors

Overview

A year of considerable investment in local affordable homes and in supporting our communities and customers.

I am pleased to introduce our 2023-24 annual report and financial statements, in my last full year as Chair.

We are happy with the progress we have made this year, particularly set against the continued challenging economic backdrop, both for us and for our customers.

Sector-wide challenges affecting all housing associations continued including another below inflation rent cap, ongoing inflationary and higher interest rate pressures and ever-increasing cost of living challenges.

Our people have worked tirelessly over the past year to support our customers, as shown in the excellent performance we have delivered.

This is also the first year of reporting the **new tenant satisfaction measures** (TSMs) from the Regulator of Social Housing. We're pleased that our full year customer survey results show an **84% overall customer satisfaction** rate with our services. We also scored *very highly* for keeping residents informed (89%), provision of a safe home (87%) and treating residents with respect (87%). These results place us in the top 25% of housing associations nationally and in our in our peer group that have completed their returns to date.

Building new homes

The National Housing Federation (NHF) estimates, 1.5 million families will be on the waiting list for social housing by 2030, a rise of almost a third. We know the difference a safe secure home can make to families, and we are committed to playing our part as the housing crisis continues to escalate.

In October, we secured an additional £25m loan from Lloyds Bank enabling us to press on with our plans to build 1,700 more local affordable homes by 2034. During the year we built **171 new homes**, which represents an increase of **11%** when compared with new homes built last year.

This included our regeneration of a derelict site in Polebarn Road, Trowbridge. Situated at the centre of a historic conservation area and surrounded by listed heritage buildings, customers moved into these new social rent and shared ownership homes at McDonogh Court in March.

We also completed our first EPC A rated scheme at Platinum Court, another regeneration of a key corner site at Studley Green in Trowbridge.

Selwood Housing Society Ltd

Overall, we welcomed 661 people into new build Selwood Housing homes this year. That's in addition to the more than 300 households we welcomed to our existing homes.

Investing in our homes.

In 23/24 we also made substantial investments in our existing homes, to improve energy efficiency and meet net zero carbon targets, eradicate damp and mould and to improve the quality and safety of our customers' homes.

Our plan to bring over 1,500 homes to EPC C rating or above by 2030 is well underway. In April 2023 we received an award of £1.4 million from the social housing decarbonisation fund. Combined with our £4.3 million co-funding, this enabled us to begin a programme of improvements to our least energy efficient properties including loft, cavity and external wall insulation as well as photovoltaic panels and air source heat pumps. Our investment will help make our customers' homes warmer and address fuel poverty.

We prioritised customers experiencing damp and mould issues, with a significant investment of around £500k ring fenced. New monitoring devices such as the 'surveyor cube' have been introduced to help our specialist surveyors work closely with customers implementing more targeted and effective solutions to stop damp and mould.

We installed 481 new bathrooms and kitchens and 229 new windows, all well ahead of our targets for the year.

We have worked hard to improve our response time for repairs in customer homes completing over 99% of emergency repairs and almost 95% of non-emergency repairs within target, well ahead of our sector peers.

Supporting our communities and customers

Our priority neighbourhoods during 2023-24 were two communities in Warminster and Westbury, where initiatives included a community garden makeover and neighbourhood impact days.

Following concerns raised by customers and residents about antisocial behaviour and safety during our community 'door knock' consultation in July, we applied for grant funding to install CCTV on the Westleigh Estate. With funding approved, this multi-agency project is set to increase the wellbeing and safety of all residents.

We also funded several wider community projects as part of our Stronger Communities Fund, including refurbishing a skatepark, funding fun runs and pop-up youth cafes. In addition, our people have brought communities together, for example our Manor Court sheltered housing community are now working closing with a local primary school on an eco-project.

Selwood Housing Society Ltd

We supported our customers in maintaining their tenancies, particularly when facing financial hardship because of the cost-of-living crisis. Practical help included our membership of Wiltshire Money, referrals to other charities and providing benefit eligibility advice. Working in this way has helped to us maintain a low level of rent arrears at just **0.76%**.

Supporting our people to deliver our services

We believe that being truly local makes us different, with over 75% of our team living in the communities where we have homes. We have continued to invest in training, development and extending professional skills.

Staff consistently demonstrate their passion and dedication to our customers. The customer services team responded to a total of 47,392 calls and approximately 12,000 emails, and the planning team booked and organised a staggering 27,000 repairs jobs.

Our real time Rant & Rave customer feedback platform tells us instantly what customers think of the repair service received. We're delighted that in 2023/24, 91% of customers rated their repair as a 4, or 5, out of 5.

We are listening to our customers, responding to what they say and continuing to drive our performance forwards.

During the year, we also pressed ahead with work to improve and create new digital services, so we can deliver an even better experience of working with and at Selwood Housing.

Outlook

Looking ahead, we will invest further in our homes, prioritising those areas that we know are most important to our customers – repairs, safety, and environmental efficiency. We're also committed to achieve our new tenant satisfaction measures, providing quality homes and services to our customers. And with a current pipeline of 300 new homes, we can deliver more affordable homes for local people.

Finally, I would like to thank all colleagues at Selwood Housing, who have worked hard over the past year to deliver these excellent results and to all our partners and stakeholders for their continued support.



Sheila Lewis
Chair

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024

The group Board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2024.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited, and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a Board of non-executive directors (the Board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath and North East Somerset, and the parts of the county of Somerset which are within one hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 7,196 properties and are the largest social landlord in the West of Wiltshire.

The Regulator of Social Housing refreshed their assessment of Selwood's compliance with the Governance and Financial Viability Standard in December 2023 which resulted in Selwood Housing retaining our G1 governance rating and V2 viability rating.

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Overview of the business *continued*

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd was our property repairs and improvement company which was integrated into Selwood Housing on the 1 July 2021. No activity remains in the company and so is now dormant.

Cottsbury Homes Ltd is a company that develops homes for market sale. It is not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing.

Objectives and strategy

The Board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. The Board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by four guiding principles:

- To ensure our people are motivated, skilled, and able to deliver for our customers.
- To deliver excellent value for money homes and services.
- To respond quickly and effectively to our customers' needs and the changing environment we operate in.
- To retain our local focus which is one of our key strengths.

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years.

Our key challenge is:

"To be able to deliver quickly on a wide range of complicated, changing targets to meet rising customer expectations"

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Coordinate and prioritise our work.
- Create the right culture.
- Work in the right way.
- Build partnerships.
- Be flexible by design.

The specific targets for 2024/25 are:

- Ensure that our homes are safe, in line with all relevant legislation.
- Our asset management strategy outlines our approach to reaching our environmental targets, which are for all our properties to be at SAP C level by 2030 and carbon-neutral by 2050.
- Build 1,700 new homes in the next ten years.
- Deliver our Horizon programme of transformation to time and budget achieving the targeted outcomes. Horizon is our programme of work, to create new inclusive digital services, so we deliver an even better experience of working with and at Selwood Housing.
- Deliver our other projects to time and budget.
- Maintain compliant consumer, governance and viability ratings with the Regulator of Social Housing
- Continue to comply with all regulatory standards.
- Deliver the targets we've set against the regulatory value for money and tenant satisfaction measures.
- Deliver the other targets we've set relating to our people and culture.
- We have signed up to and will implement the requirements of Together with Tenants.
- We have a clear approach to equality, diversity and inclusion and will implement our action plan during 2023-2025.
- We have now achieved Investor in People Gold and are targeting moving up to Platinum in our next assessment in 2024.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Objectives and strategy *continued*

Selwood Housing's values

- Customer focused: By focusing on our customers, we are able to provide a high-quality service with integrity.
- One team: By working as 'One Team' we consider others. It also allows us to work collaboratively to successfully achieve a common goal.
- Honesty: By being honest we can fix issues before they become problems.
- Dynamic: By being dynamic we are able to come up with new ways of doing things, think outside the box and come up with solutions to any existing or potential problems.

Operational performance

Financial review

The group turnover in the year was £53m (2023: £46m). This represents an increase of 15% (2023: increase of 4%).

Operating costs are higher than last year at £38m (2023: £34.1m), this is mainly due to inflationary increases and the completion of some large, planned programmes of work in year. Operating costs include depreciation charges of £9.0m (2023: £9.0m), a key accounting estimate. Impairment losses have been recognised in the year totalling £1,006k in respect of two blocks of flats in Warminster that the Board have approved for demolition. (2023: £433k).

The surplus from the sale of properties was higher than last year at £3.4m (2023: £1.6m) due to selling more properties in line with our current asset management and disposal strategies. The properties' sold included a mix of right to buy, right to acquire, staircasing and open market sales. Selwood Housing remains committed to considering the suitability and efficiency of our properties.

The overall surplus for the Group in the year is £7.1m, (2023: £6.1m), higher than last year despite increased operational and interest costs.

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £564m as at 31 March 2024 (2023: £533m). This increase was a combination of the addition of newly developed homes and works to existing properties.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Operational performance *continued*

The pension asset of £28.4m has been restricted to £nil (2023: liability £nil) as the recoverability of this asset would require a right to reduce employer contributions or to request a refund from the fund. Neither of these options are available.

The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £471m at 31 March 2024 (2023: £433m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Selwood Housing finances its property assets through a loan facility of £101.8m (2023: £108.6m) made available by Nationwide Building Society, a £50m (2023: £50m) facility from Affordable Housing Finance Plc (AHF), a £55m (2023: £30m) facility from Lloyds Bank Plc and a £20m facility from MORhomes Plc. At 31 March 2024 £81.8m (2023: £88.6m) of the Nationwide facility had been drawn down. This left £20m (2023: £20m) available from Nationwide. £50m (2023: £50m) of the AHF funding had been drawn down at year end, £32.5m had been drawn from the Lloyds Bank facility (2023: £8m) and £20m from MORhomes Plc (2023: £20m)

The Board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing, and hedging. In the financial year net cash inflow from operating activities of £16.8m (2023: £17m) helped to fund net cash spend of £26.2m (2023: £28.1m) on developing new homes before receipt of social housing grant.

In the 2023/24 corporate plan Selwood Housing had several key areas of focus. Our achievements against each of those areas during 2023/24 include the following:

- Maintaining our G1V2 rating for the year.
- Achieving upper quartile results for the first tenant satisfaction measures.
- Securing an increased revolving credit facility of £55m with Lloyds bank to fund new properties.
- Completing the first year of the social housing decarbonisation fund (SHDF) property improvements on time and within budget.
- Delivering a surplus that was better than budget despite the impact of higher-than-expected cost inflation and interest rates.
- Maintaining a very strong arrears performance that was sub 0.8% - a record low for the third year in a row.
- Achieving 100% compliance for our gas servicing.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Operational performance *continued*

- Completing new building supplier contracts with three preferred suppliers to secure pricing on over 500 of our most commonly used materials.
- Maintaining our responsive repairs productivity to over 3 jobs completed per day.
- Delivering the largest ever kitchens programme for over 400 properties on time and in line with budget expectations.

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant regarding its loan facilities with Nationwide Building Society and Lloyds Bank plc. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the Board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business using an online tool, Decision Time. The risk register for Selwood Housing and all its subsidiaries is regularly reviewed by the Board.

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. The register covers both strategic and operational risks.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Key risks *continued*

The major strategic risk areas and mitigating controls identified on the risk register are:

Risk Area	Key Controls/Actions
Lack of financial resilience to withstand changing socioeconomic environment	- Budget and business plan approved by the Board and reported on regularly. - Financial plan stress tested with various scenarios. - Value for money strategy with regular review. - New contracts in place for key repairs and maintenance suppliers. - Contracts for supply of goods and services are regularly reviewed. - Identify and monitor appropriate benchmarking.
Asset management – providing homes that are decent, warm and meet required need	- Asset management strategy and plan reported to Group Asset and Development Committee (GADC) on a quarterly basis. - Provision for expenditure in financial plan to get properties to EPC C by 2030 and net zero carbon by 2050. - Internal stock condition survey target in place. - Budgeting and forecast process and subsequent monitoring. - Contract management and procurement processes in place. - Damp and mould action plan monitored by GADC. - Internal stock condition survey target of 205 per annum
Risk that people and culture do not allow us to deliver strategic objectives	- Executive portfolio Board in place to prioritise projects and agree resource allocation. - Project Brief and Business Case approval process in place. - Personal performance review process, incorporating skills and development plans. - Management development and training in place. - Professional development for relevant staff. - Flexible working policy determines approach to hybrid working. - Training and development programmes for digital skills.
New homes delivery does not meet corporate plan targets	- Development strategy approved by the Board and progress reviewed on a quarterly basis by GADC. - Comprehensive monitoring and reporting of progress with the development programme. - Sites, suppliers, and key materials reviewed daily. - Regular dialogues with relevant local authorities, agents, developers, and landowners to seek future opportunities. - Design and quality specifications meet the Selwood Housing strategy.
Technology failures that disrupt business (excluding cyber-attack)	- Management plan developed on back of service strategy. - Policies and procedures in place and reviewed against framework. - Regular account management meetings with third party suppliers. - Portal in place for new Dynamics based upgrades. - Documentation of all legacy systems in place
Risk of Cyber security attack	- ICT and data protection policies in place. - Internal periodic reviews to ensure appropriate security levels in place. - Disciplinary procedures in place. - Vulnerability scanner to review potential security issues. - Business continuity plan includes plan to address cyber risks.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Environmental, Social & Governance (ESG) matters

Selwood Housing is committed to its environmental, social and governance aims in providing affordable homes both now and into the future, delivering these to high environmental standards possible whilst meeting our regulatory and governance requirements. Selwood issued our second ESG report in 2023 after adopting the principles of the sustainability for reporting standard (SRS) and aligning to key strategies including how we build new and manage our existing homes.

Environmental

Selwood Housing has developed a carbon reduction strategy and action plan that aims to ensure all homes meet SAP C standard by 2030 and introduces new low carbon and renewable technologies to meet the 2050 net carbon zero targets. Our newly developed properties achieve very high environmental standards, and we are continuing to invest to improve the environmental performance of our existing housing properties. One of our key performance indicators is the average SAP rating achieved across all housing properties, which is a measure of their environmental performance.

Streamlined Energy and Carbon Reporting

Selwood Housing have generated a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the latest SECR Regulations (2019). This report presents a full 3rd party verified SECR statement, compared to the previous financial year's usage, for use in Selwood Housing's annual reporting. All emissions throughout this report are displayed in terms of carbon dioxide equivalents (CO₂e) and have been rounded to 2 decimal places.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Energy efficiency action statement

Reported emissions and energy use data for 1 st April 2023 – 31 st March 2024		
	Current reporting year 1 st April 2023 – 31 st March 2024	Previous reporting year 1 st April 2022 – 31 st March 2023
Energy consumption used to calculate emissions: /kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy Sources	*Gas: 1,170,970 kWh *Electricity: 835,169 kWh Transport fuel: 1,301,138 kWh Total: 3,307,277 kWh	Gas: 1,361,941 kWh Electricity: 985,237 kWh Transport fuel: 1,631,429 kWh Total: 3,978,607 kWh
Emissions from combustion of gas tCO ₂ e (Scope 1) [mandatory]	214.20 tonnes CO₂e¹ 11.25 tonnes CO ₂ e office usage 13.75 tonnes CO ₂ e communal areas 189.20 tonnes CO ₂ e communal heating systems	248.61 tonnes CO₂e 11.26 tonnes CO ₂ e office usage 27.16 tonnes CO ₂ e communal areas 210.19 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	311.08 tonnes CO₂e (in-house maintenance fleet)	393.31 tonnes CO₂e (in-house maintenance fleet)
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	172.94 tonnes CO₂e¹ 17.17 tonnes CO ₂ e office usage 155.77 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	190.52 tonnes CO₂e 10.01 tonnes CO ₂ e office usage 180.51 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above - [mandatory]	698.23 tonnes CO₂e <i>Excludes scope 3 emissions</i>	832.44 tonnes CO₂e <i>Excludes scope 3 emissions</i>
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above/ e.g. £100,000 revenue [mandatory]	101.75 kgCO ₂ per home managed (exc. office emissions) Office intensity: 17.22 kgCO ₂ per m ² (includes T&D losses)	124.39 kgCO ₂ per home managed (exc. office emissions) Office intensity: 12.25 kgCO ₂ per m ² (includes T&D losses)
Methodology [mandatory]	SHIFT methodology SECR Reporting SHIFT Environment Using DEFRA (2023) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2023. Comparison data from the previous year's SECR is using DEFRA 2022 Conversion Factors.	

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Energy efficiency action statement *continued*

Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, market-based) / tCO ₂ e [optional]	Only reporting on location based	Only reporting on location based
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	14.96 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>	17.43 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>
Emissions from employee business travel for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	31.78 tonnes CO₂e 31.78 tonnes CO ₂ e employee vehicles 0.00 (Nil) tonnes CO ₂ e public transport	32.09 tonnes CO₂e 32.03 tonnes CO ₂ e employee vehicles 0.06 tonnes CO ₂ e public transport
Emissions from leased assets, franchises, and outsourced activities (Scope 3) / tCO ₂ e [optional]	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,041.41 tonnes in total, or 2.47 tonnes per home managed.	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,733.13 tonnes in total, or 2.61 tonnes per home managed.
Total gross Scope 3 emissions / tCO ₂ e [optional]	16,088.15 tonnes CO₂e	16,782.65 tonnes CO₂e
Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO ₂ e [optional]	16,786.38 tonnes CO₂e	17,615.09 tonnes CO₂e
Additional intensity ratio: tCO ₂ e net figure / e.g. £100,000 revenue [optional]	2.55 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.	2.70 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.
Third Party verification [optional]	SHIFT Environment	

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Energy efficiency action statement *continued*

During the period 1st April 2023 to 31st March 2024, we installed:

- windows in 229 properties
- 220 gas boiler upgrades
- 124 electric heating systems including 51 on off gas bungalows
- completed upgrades on 78 off gas bungalows

Some of the work in the upgrades listed above form part of the programme of works that is utilising the £1.4m Social Housing Decarbonisation Funding (SHDF) that was secured during the year to deliver fabric first decarbonisation of our properties that have an EPC rating below EPC C. This work will continue throughout 2024, completing in March 2025. We have already started to plan for the next SHDF wave of funding (wave 3) to continue our programme beyond 2025. This will support our target of ensuring all our properties are EPC C and above by 2030.

Social

Affordability

The Valuation Office Agency sets the Local Housing Allowance (LHA) affordability criteria at the 30th centile point between what, in the local rent officer's opinion, are the highest and lowest non-exceptional rent in a Broad Rental Market Area. These statistics are used as a reference point for housing benefit and are a good indication of rent levels which are affordable in an area. Our valuer's have compared our rents with the average sector rent and LHA in the same localities. Selwood Housing's rents are demonstrably lower than those of other housing associations in the same area and are affordable when compared with the local housing allowance.

Scrutiny

At the start of the financial year there was a complete change in personnel of the Involvement & Communities Team and considerable change in personnel of the scrutiny team. Whilst this impacted heavily on time and resource for a period, it has meant an exciting transition with the two teams growing together. I&C have supported the remaining members, including the new chair, to recruit new volunteers and form a fully functioning team. A recruitment drive in April saw two new members join. They have all undergone induction, mandatory training and continuous development training. They are all members of TPAS (the national organisation on tenant participation and engagement experts). A new vice chair was recently elected.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

The scrutiny team have been monitoring progress from their completed review into operational customer communications. Their recommendations have seen the creation of:

- a communications guidance document for staff.
- a set of 23 new templates for the most important and sensitive customer letters we send out.
- 'communications champions' within the business with continued training for them.

The team then undertook a further review into Selwood Housing's Damp & Mould Services. Working with TPAS, the review was carried out using their new 'bootcamp' method in a one-day workshop. Seven additional customers attended and alongside the scrutiny team members they reviewed and discussed the new service that had been presented to them by staff and managers. They analysed what worked and where there were gaps. Nine recommendations were then proposed at that session and seven have been adopted. The scrutiny team then carried out a phone survey to hear from a wider representation of our customer-base before completing their report which is currently with management for a response ahead of submission to Board.

Working with the business performance & insight team we produce an information pack to share with the scrutiny team ahead of quarterly business meetings, so that they have the key information on 'Rant & Rave' customer surveys, Tenant Satisfaction Measure data and finance & performance ahead of the meeting presentations. We created a new Sharepoint site for the scrutiny team which helps with transparency of information sharing, teamwork and ensures higher security of shared documents. All of this helps scrutiny keep informed so they can best question our services and operation.

Together with Tenants:

Selwood Housing have adopted the National Housing Federation's Together with Tenants Charter. We agreed an action plan with the scrutiny team and with heads of service as to how we meet the charter's 6 commitments. Ahead of each quarterly business meeting the I&C team provide our scrutiny team with written updates on the progress of each action within the plan. This allows them time to reflect, discuss and bring questions/challenges to the quarterly business meeting.

Involvement:

Customers who have signed up to our Make a Difference list (a 'warm list' of over 1000 customers who wish to hear more about involvement opportunities) were invited to participate in four task & finish involvement projects over the year. 23 customers were involved in these in-person and digital sessions:

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Involvement: *continued*

- July 2023: EDI Customer policy review, five customers attended an in-person focus group (with another inputting online). Five recommendations and suggestions were taken on Board including use of Plain English and improved channels of communication.
- September-November 2023: Reporting a Repair, seven customers attended an in-person focus group feeding back on the communication of our repairs offer and advising what needed to be conveyed to customers. At a second stage they then shared their views on the creation of a webpage to help finalise the message.
- February-March 2024: four customers took part in a digital review of the Tree Policy, helping improve communication of key messages in the policy itself and through the website.
- March 2024: six customers helped develop a new policy on how Selwood Housing deal with Unacceptable Behaviour, in line with recommendations from the Ombudsman. A new policy has now been implemented.

In June 2023 the I&C team worked with the Marketing & Communications team to create a new Customer Involvement newsletter. The I&C team now send this monthly mailout to the 1,050 customers on our make a difference list, advertising forthcoming opportunities to get involved and sharing 'You Said, We Did' feedback on recent projects and policy reviews. This maintains regular engagement, interest and recognises the value of our volunteers and the importance Selwood Housing puts on hearing our customers' voices. We currently have an open rate of above 50% for our monthly mailouts. We continue to work closely with the Marketing & Communications team to promote our work both internally & externally through our OurPlace team page, the Website 'Get Involved' pages, articles in the Customer Newsletter, on our Socials and in Staff Brief, including the recent Meet the I&C Team video.

Since the new I&C team have been in place we have started collecting EDI information anonymously from involved customers who are willing to share their details. This is to benchmark the diversity of those we are reaching, so that we can make necessary adjustments to improve engagement. We will start to evaluate this as part of our ongoing benchmarking, at the end of each quarter.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Complaints Forum:

Initial support for the newly created customer complaints forum: support in their quarterly meetings (for first 3 quarters until established), funding and administration of expenses & incentives, reporting & promotion of their work as well as advice & support to their coordinator on volunteer management and engagement. We have helped recruit three new customers, so now there are six permanently involved members in the group that every quarter review the process of five recently closed complaints and score them against set criteria. The complaints' coordinator and head of housing review this and relevant action is taken.

Decarbonisation project – resident engagement:

In September the I&C team organised, promoted and facilitated a drop-in session for customers who would be having decarbonisation energy upgrades in their home. This gave them the opportunity to engage with the management team and contractors and have their questions or any concerns answered. 17 customers attended this event. The I&C team also provided resources for all residents that detailed information about how to best make use of the new systems for example how to benefit from solar panels. The I&C team created an FAQs sheet following this drop-in session and then door-knocked all properties of customers who couldn't attend and shared that information with them, giving another opportunity for questions to the contractors and property team. In October the I&C team supported the property team and contractors to door-knock all properties at the second phase of the decarbonisation scheme to remind customers of the forthcoming surveys and to answer any initial queries. The I&C team then shadowed contractors in property surveys and took part in a training session on using new heating systems. We continue to be part of the ongoing Steering Group and have further resident engagement and support planned for the further phases of the project.

Communities:

The I&C team are a key partner in the priority neighbourhoods' project, working in Westbury and Warminster communities during 2023. We supported practical community tasks such as estate walkabouts and clear-ups and attended the regular project team meetings. The I&C team have led on the marketing & communications of the project with promotion of events as well as internal & external publicity of successes. We created an initial stakeholder mapping exercise and have engaged with key stakeholders, starting initial conversations and building relationships to create legacy after the project finishes. We have shared funding to enable two projects to go ahead: improvements to a community hub in Westbury and accessibility to a community garden in Warminster. We are currently supporting the Warminster project in applying for Area Board, and Police & Crime Commissioner grants, having already secured £5,000 from the Town Council.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Communities: *continued*

These monies will fund a joint project with Wiltshire Police to install & manage CCTV in one of our neighbourhoods with high criminal activity and anti-social behaviour.

Stronger Communities Funding:

As a new team we looked at processes and criteria to ensure that the funding we distribute is best directed at our customers and in our neighbourhoods. We have made the process more efficient with four application windows open throughout the year. During 2023-2024 we distributed £22,835 from our Stronger Communities Fund to enable 15 community projects across 10 towns & villages where we have our housing stock.

Q1 of 2023-2024: £3,380 for 4 projects:

- Alzheimer's Memory Café in Westbury
- Julian House fun-run in Trowbridge Park
- Studley Green Primary School trip for SEN children
- Prize donation to 4Youth Active Fest

Q2 of 2023-2024: £3,510 for 3 projects:

- Bradford on Avon Bowls Club
- Purple Elephant children's festival in Frome
- Pop-up youth café on Studley Green

Q3 of 2023-2024: £9,945 for 5 projects:

- Old Sarum Community Pantry
- Step-Up Pre-School in Dilton Marsh
- Disabled facilities at Westwood Social Club
- YMCA Green Shoots Nursery on Studley Green
- Doorway homeless charity in Chippenham

Q4 of 2023-2024: £6,000 for 3 projects:

- Group 5 charity (West Wiltshire)
- Flooring for Trowbridge Future community hub flooring
- Wiltshire Search & Rescue

We also worked with the Priority Neighbourhoods' Project to fund two additional projects at £2,000 each:

- Bradley Road community garden in Warminster
- Westbury community project

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Stronger Communities Funding: *continued*

As part of our application process we request details of total project cost, breakdown of all costs and how much of the project is self-funded. We also ask if they're applying to other grant funders and what amount they've requested. In most cases, being approved for one grant will often unlock access to another grant, therefore helping secure more funding for the community. We only pay out once any necessary match-funding is confirmed so that we know the project is viable. We can then calculate how much money has been brought into our communities in total. Accumulatively these 15 projects secured an additional £170,446 in addition to the money donated from us, to be spent in our communities.

We are into the third and final year of a three-year funding commitment to local charity, Trowbridge Futures. This £30,000 contract helps fund a neighbourhood connector who is working across our three main housing estates in Trowbridge. Amongst other things they support a kindness cafe, veterans' group, community fridge and cookery sessions. They undertake door knocking as part of a community conversation project, have supported the development of a community association and centre. They have worked with the local authority's migration and resettlement team to support delivery of English language courses.

The new I&C team have worked with the Procurement team to reinstall the social value clause in appropriate high value contracts. It is proposed social value inclusion should be considered in high value arrangements over £1 million where the benefits are known to be available and worthwhile. Payments will be made on an annual basis, on the anniversary of the contract's commencement. This decision will guarantee ongoing funding to boost the Stronger Community Fund and allow us to continue supporting our communities.

Resident Support

Selwood Housing's charitable donations were £28.5k (2023: £18k) during the year to 31 March 2024. In addition to this we allow various community groups to utilise two garages free of charge and we lease The Hub to Trowbridge Town Council for a peppercorn rent. We estimate the rental income foregone on these to be equal to donations of around £9k (2023: £7k).

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2020). The code was reviewed and adopted by the Board in December 2021. The Board concluded that we are fully compliant with the code.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Staff wellbeing

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment, and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff, we then ensure they are motivated, skilled, and able to deliver for our customers and provide an excellent service. This is a guiding principle in our corporate strategy, as described above.

Selwood Housing provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern through our monthly pulse survey. The executive team also take part in a monthly live question and answer session with all staff. The group supports the employment of a diverse workforce, both in recruitment and in the retention of employees.

Board and executive composition

At 31 March 2024 Selwood Housing's Board was made up of six females and three male directors. The senior management team was made up of three male and two female members.

Committees of the group Board

During the year the following committees were in operation:

- The group audit and finance committee have oversight of external and internal audit, the financing and treasury position of Selwood Housing, monitoring of stage 3 complaints, changes to specific policies and reviews the fraud register at each meeting. At 31 March 2024 the members of the group audit and finance committee were Chris Butters, Stella Shepherd, Richard Yates, Philip Whitehead and Nicola Setchell. Nicola Setchell left the Board on the 01 May 2024.
- The group asset and development committee consider and makes recommendations to the Board in respect of matters relating to repairs, planned and cyclical works, development, compliance, and any other property related matter that needs Board consideration. At 31 March 2024 the members of the group asset and development committee were Sheila Lewis, Marie Li Mow Ching, Hannah Jones and Lisa Nicholls.

All other matters including strategy and business planning and other financial matters are considered directly by the full group Board.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Board and executive directors

The group Board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group Board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The Board is responsible for the governance of Selwood Housing Group. Their role in practice may be summarised as:

- Providing leadership
- Setting policy and strategic aims
- Monitoring performance
- Management of risk
- Uphold Selwood Housing Group's values

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of everyone's performance over the year and an assessment of training, skills, and development needs.

Each Board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the Board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2024, the executive directors consisted of the group chief executive, the group finance director, the group development director, the group operations director, the group transformation and people director.

Insurance policies indemnify Board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited based on selecting skill sets, the demographic make-up and experience that are required for the existing Board.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Board and executive directors *continued*

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate Board members and the group transformation and people director against the Board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair, and inclusive. Each new Board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some Board members choose not to reclaim their travel costs.

Payments to Board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Any changes in remuneration do not take effect until approved by the company in the general meeting and increases to Board members' remuneration do not take effect more frequently than once every three years.

The Board decides the pay and benefits of the executive directors and agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff. Selwood Housing contributes to the schemes on behalf of all eligible staff and does not offer alternative benefits such as cars.

There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Regulatory standards

The Board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in December 2023 and the Board concluded that Selwood Housing complies with the standard.

Value for Money

Selwood Housing Group's approach to value for money (VfM)

Value for money forms one of the key pillars of our principles and values as outlined in our corporate strategy:



Our VfM strategy was reviewed in 2024 and updated targets agreed with the Board in October 2024.

The aims of our value for money strategy are:

- To achieve the appropriate balance of performance, satisfaction, and cost in the delivery of our strategy differentiating between service areas.
- To measure the value for money that Selwood Housing delivers at a headline level using the Regulator of Social Housing value for money key performance indicators.
- To measure where we are against appropriate comparators for other areas in our strategy, and
- To set annual targets to achieve our desired position.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Value for money for Selwood Housing includes considering:

- Making best use of our assets
- Changing how we work so we need fewer resources to deliver the same service, freeing up resources for other priorities.
- Adopting the best way for delivering our services, which could be delivered internally or through external partners or suppliers.
- Making better use of the data we hold and using this to make our services better value.
- Contributing positively to the country's finances by reducing the call on welfare benefits through charging below market rents.
- The social impact of our homes and services.
- Improving the energy efficiency of our homes and thereby reducing energy costs for our customers.

Value for Money Standard (VfM)

The Regulator of Social Housing (RSH) issued a new VfM Standard in April 2018 which includes a requirement for registered providers to publish their performance against a series of common metrics with which to measure economy, efficiency and effectiveness as set by the Regulator. The table below compares our performance over the last three years with our Housemark peer group, the RSH global accounts performance and our targets for next year.

Performance Metric	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target	2022/23 Housemark Median *	2022/23 Sector Median **
Business health % efficiency							
Operating margin - Overall	17.1%	18.1%	17.5%	18.5%	18.1%	19.2%	18.2%
Operating margin - Social housing lettings	18.8%	18.9%	16.4%	18.3%	17.8%	20.0%	19.8%
Interest cover % (EBITDA-MRI)	311.3%	260.4%	102.7%	126.1%	101%	126.6%	128.4%
Headline social housing cost per unit £ CPU	£4,343	£4,332	£5,548	£5,208	£5,961	£4,291	£4,586
Return on capital employed %	1.9%	2.1%	2.5%	2.6%	2.6%	3.5%	2.8%
Development & investment							
New supply delivered % - Social housing units	2.3%	2.2%	2.1%	2.4%	2.0%	1.5%	1.3%
Gearing %	31.7%	33.6%	36.7%	35.5%	37.3%	48.8%	45.3%
Reinvestment %	5.4%	7.2%	7.0%	7.4%	7.2%	8.3%	6.7%

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Value for Money *continued*

* Housemark - Peer group median from the leading data and insight company for the UK housing sector.

** Sector median is the latest published sector results (2022/23) reported by the Regulator of Social Housing.

Despite a challenging economic environment where inflation remained high for the year and interest rates maintained their 16-year record high levels, Selwood's financial performance has been exceptional, **achieving value for money results better than target for all 8 regulator measures.**

Selwood's **headline social housing cost per unit (CPU)** rose by 20% on the previous year however this was only partly due to the inflationary pressures seen in new contracts and higher staffing costs. The vast majority was due to higher volumes of work delivered by the teams in both responsive and planned repairs. An example being the kitchens teams completing more kitchens and bathrooms than forecast.

EBITDA-MRI interest cover (*) fell as expected due to the higher interest costs, however they were 25 basis points better than target and we expect to be able to deliver an EBITDA-MRI higher than 100% in 24/25. We do not have any covenants that are measured by EBITDA-MRI, having amended all of these the previous year. The EBITDA covenants are being comfortably met at almost 4x the required cover. We expect this to remain achievable for the full length of the agreements. We have already started to look at more fixed funding options to hedge the current variable interest rate risks that continue to persist.

Gearing was better than target and well below Selwood's golden rule target of 50% and the existing loan covenant of 60%. Gearing measures, the relationship between debt and tangible fixed housing assets, and will increase over the next few years as we borrow more money to fund our development programme and meet our environmental targets.

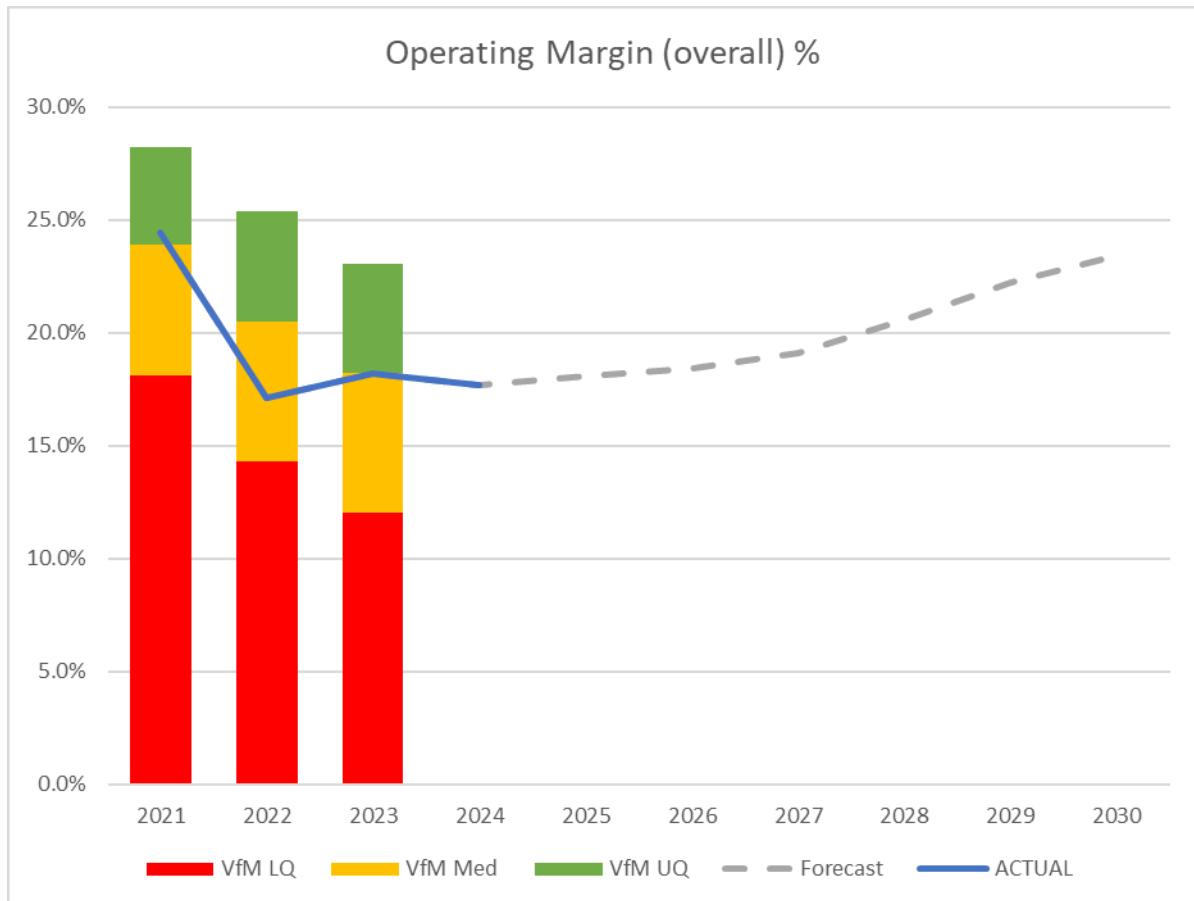
The improved **return on capital employed (ROCE)** was better than target due to an increase in gains from disposal of fixed assets. The Board agreed to a targeted disposal strategy for properties with low energy efficiency, homes suffering from significant damp and mould issues and other high onward investment requirements. This will result in the disposal of a handful of properties over the coming years which will continue to boost the Selwood ROCE performance.

* EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Value for Money *continued*



The **operating margin** declined slightly but not to the levels expected for the year. Our efficiency continues to improve with our responsive repairs' teams increasing jobs completed per day to 3.2 from 3 jobs per operative per day in the previous year. The successful procurement for three suppliers for our significant building materials spend was completed late in the year but is expected to drive savings into the future across the course of the next 3-5 years.

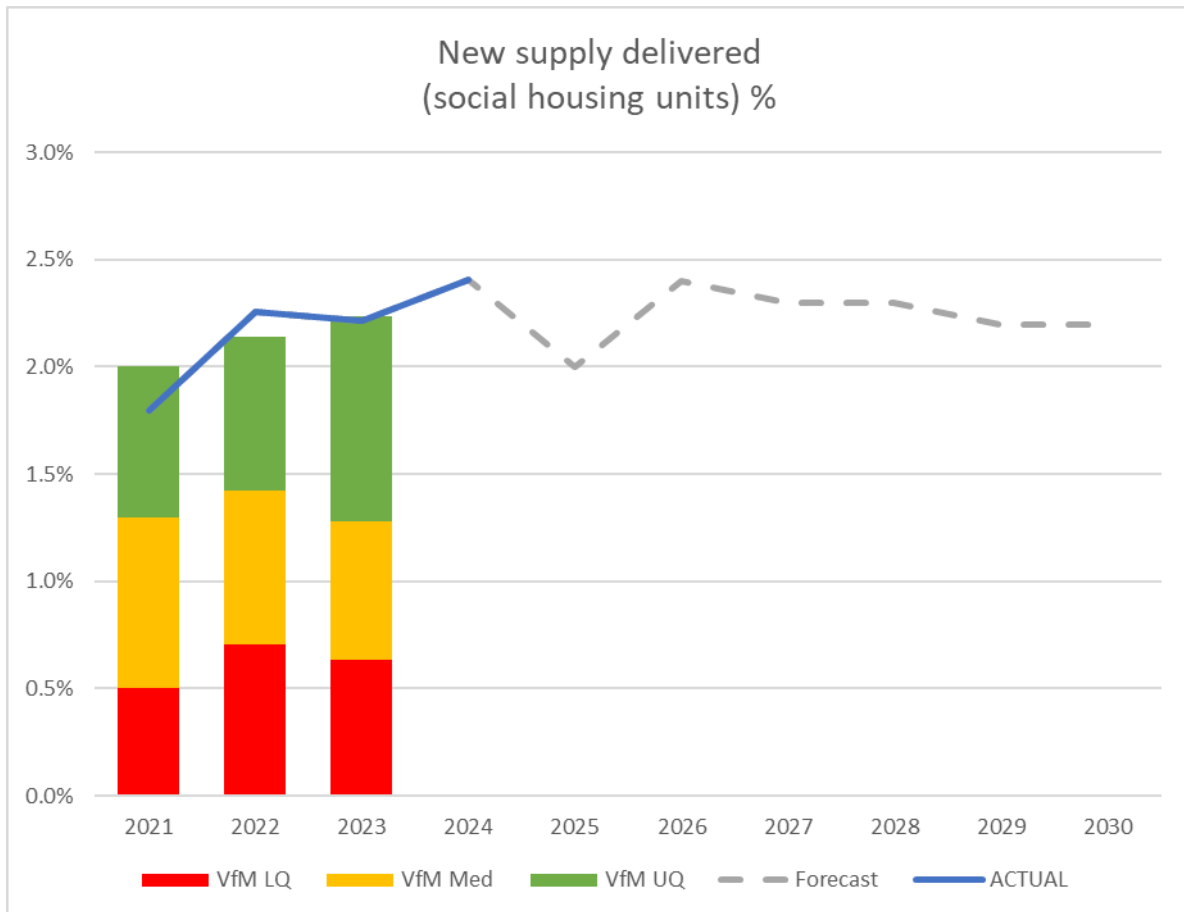
The transformation project, to develop and expand our system capabilities, improve our processes, and explore further efficiencies has also progressed and in time will also improve the efficiency of our operations. This project continues to require additional staff and investment in new systems in the short term which impacts our operating margin.

It is anticipated that the activities outlined above will help to maintain Selwood's operating margin at their current levels before increasing in the medium term.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Value for Money (*continued*)



The **new supply delivery** increased during the year to achieve 171 new properties. This is expected to fall to the 150-property target in 24/25 as we reduce the risk of the impact of build cost inflation and possible development delays in the sector. Selwood are still committed to development and our corporate strategy lays out a plan to build 1,700 homes over the next 10 years. This, combined with our commitment to invest in our existing properties, is shown in our **re-investment percentage** remaining above the median benchmark. Shared ownership demand remains strong, and the Board has agreed to increase to 40% shared ownership for all newly developed properties from the previous 30% level. We will continue to monitor this in our performance triggers to mitigate any risk of unsold properties.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

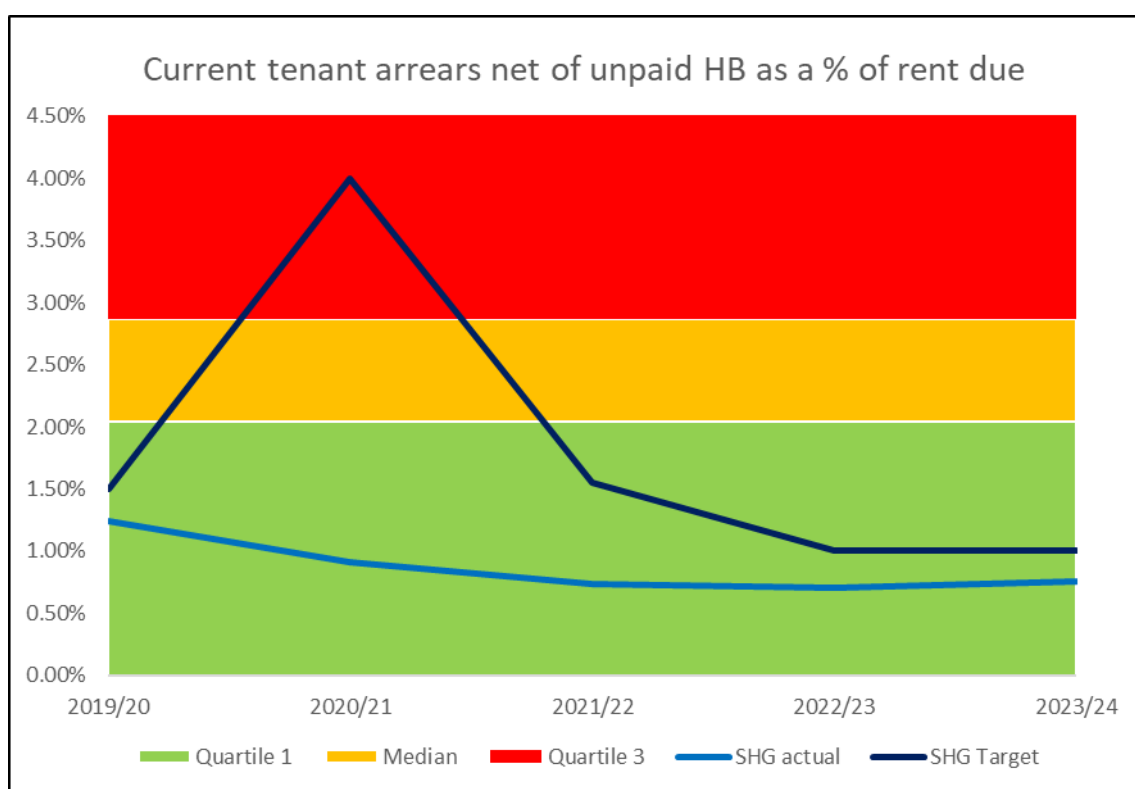
Value for Money (*continued*)

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the Board are rent loss due to empty properties as a % of rent due and current tenant arrears net of unpaid housing benefit as a % of rent due. These are financial KPIs but also helps us to fulfil our social purpose:

- Good voids performance means that more homes are available for people in housing need.
- An appropriate approach to dealing with current tenant arrears assists our tenants with their security of tenure and their money management skills.

It has been another good year for our lettings team, both in terms of performance and of adapting service delivery to deliver in a changing environment. During the year the team let 402 homes and the neighbourhoods team facilitated 96 mutual exchanges. At the end of March 2024, the void loss attributable to rented dwellings (including shared ownership) was 0.96% (March 2023 0.63%).

The graph below compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2023/24:



Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Value for Money *(continued)*

Despite the increased cost of living the collection of rent and service charges remains strong. This is in part due to our robust pre-tenancy assessment of affordability, the firm, consistent and timely intervention of the income team, and timely referrals to our tenancy sustainment coordinators and financial inclusion partners.

The strong collection ethos has shone through again this year with only 5 evictions taking place. The principles of timely support and decisive intervention have resulted in another top-quartile performance from the income team of 0.76% current customer arrears.

2023 has seen the organisation re-join the Housemark benchmarking group. Peer group comparison has validated our income collection performance. Our 2023-year end figure compares favourably against the sector (reported at 3.4%) and a comparable cohort of providers (at 2.9%). Selwood Housing is amongst the best performers in the sector.

Supporting actions to deliver the 24/25 targets

To support the delivery of the targets set out for the value for money metrics shown above, we will:

- As a result of the higher interest rates, ensure that the cost of carry of debt is as low as possible, balancing borrowing with the requirements of the organisation.
- Utilise peer group data from organisations like Housemark to ensure that we are benchmarking against similar organisations providing similar services.
- Continue to closely monitor for slowdown in the housing market that could affect shared ownership schemes and the overall operating margin of the Association.
- As inflation effects take hold, consider how Selwood can further maintain the surplus to mitigate the impact whilst still providing good services to our customers.
- Look at ways to improve our return on capital employed (ROCE) as our cost of borrowing rises.
- Analyse headcount and staffing costs by service and benchmark to identify under/over provision.
- Review all vacant posts prior to going out to recruitment ensuring that there is an adequate process in place to confirm need and benefit.
- Further develop our procurement and contract management processes to achieve the goals of the procurement strategy.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Value for Money (*continued*)

Tenant Satisfaction Measures

Our first set of tenant satisfaction measures to submit to the regulator have been very positive. All our survey measures are in the upper quartile of benchmark results that we have seen across the sector during the year, with overall satisfaction at 84.1%. This is based on feedback from 591 customers completing telephone surveys during the year. The full results are shown below:

2023/24 survey measures - LCRA only		Selwood 2023/24
TP01	Proportion of respondents who report that they are satisfied with the overall service from their landlord.	84.1%
TP02	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	82.1%
TP03	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	82.5%
TP04	Proportion of respondents who report that they are satisfied that their home is well maintained.	83.2%
TP05	Proportion of respondents who report that they are satisfied that their home is safe.	87.2%
TP06	Proportion of respondents who report that they are satisfied that their landlord listens to tenant views and acts upon them.	72.0%
TP07	Proportion of respondents who report that they are satisfied that their landlord keeps them informed about things that matter to them.	89.0%
TP08	Proportion of respondents who report that they agree their landlord treats them fairly and with respect.	86.7%
TP09	Proportion of respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling.	46.0%
TP10	Proportion of respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained.	77.5%
TP11	Proportion of respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood.	79.3%
TP12	Proportion of respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour.	69.3%

The non-survey measures are also positive with the majority in either the upper or median quartile of benchmark results that we have seen across the sector during the year.

Selwood Housing Society Ltd

2023/24 Q3 non-survey measures		Selwood 2023/24
BS01	Proportion of homes for which all required gas safety checks have been carried out.	100.0%
BS02	Proportion of homes for which all required fire risk assessments have been carried out.	100.0%
BS03	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	90.9%
BS04	Proportion of homes for which all required legionella risk assessments have been carried out.	100.0%
BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100.0%
RP01	Proportion of homes that do not meet the Decent Homes Standard - LCRA only - annual	1.6%
RP02 (1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale.	85.2%
RP02 (2)	Proportion of emergency responsive repairs completed within the landlord's target timescale	99.7%
CH01 (1)	Number of stage one complaints received per 1,000 homes.	58.5
CH01 (2)	Number of stage two complaints received per 1,000 homes.	9.4
CH02 (1)	Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	92.6%
CH02 (2)	Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	88.9%
NM01	Number of anti-social behaviour cases, opened per 1,000 homes.	32.1
NM01 (2)	Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	0.3

Section 172 Statement

The Board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's strategy and long-term strategic plan
- the approval of the current year budget including rent and service charge changes,
- the approval of the overall 30-year financial plan and stress test scenarios
- the approval of the disposal strategy
- the approval of the people strategy
- the approval of the data strategy
- the approval of the company pay and benefits for staff and CEO
- the adoption of financial regulations and group governance manual
- the review of Selwood's compliance with regulatory standards

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the Board's decision-making process, the Board considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the Board has sought to deliver benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Internal controls assurance

The Board has 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 manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board receives and considers annual reports at the group audit and finance committee, group asset and development committee and management on the management of risk and control arrangements. The Board review the strategic risk register at each of its meetings and receive the full risk register annually for review. The group audit and finance committee set the plans for internal audits based on the risk register to ensure that appropriate work is being undertaken to mitigate risks with corrective actions, where necessary.

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Internal controls assurance *continued*

The process for identifying, evaluating, and managing the strategic risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2023 up to the date of approval of the annual report and financial statements. The system for monitoring risk management is intuitive, interactive and puts emphasis on ensuring that good controls are in place and actions are progressed to deliver improvement in risk scores.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial and procurement regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team
- Policies and procedures covering all major areas of activity.
- A corporate plan setting out Selwood Housing's mission and key corporate objectives.
- A risk management strategy including a risk register with a procedure for updating, reviewing, and reporting that strategy.
- An internal audit programme linked to the risk register.
- Review of the Regulator of Social Housing (RSH) sector risk profile.
- External audit reports.
- The 30-year business planning model – reviewed at least annually by the Board.
- An annual budget agreed before the beginning of each financial year.
- Monthly management accounts and performance reports to the Board and the executive team.
- Review of the fraud register at each group audit and finance committee meeting.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and finance committee to review the effectiveness of the system of internal control regularly. The Board receives minutes from each committee meeting.

The means by which the group audit and finance committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2024 *continued*

Internal controls assurance *continued*

The group audit and finance committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the Board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The Board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Statement of responsibilities of the Board

The Board are responsible for preparing the strategic report, annual report, and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, 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 charitable company will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Statement of responsibilities of the Board *continued*

The Board members are responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Board. The Board responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

After making enquiries the Board has a reasonable expectation that Selwood Housing has adequate resources to continue in operational existence for the foreseeable future. The Board defines the foreseeable future as at least 12 months from the date of signing the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting is planned to be held on 2nd October 2024 in the Boardroom of Selwood Housing's office and available on line.

Independent auditor

A resolution to appoint Selwood Housing's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditor

So far as the Board is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Selwood Housing Society Ltd

Group strategic report including the report of the Board for the year ended 31 March 2024 *continued*

Approval

The report of the Board of directors including the strategic report was approved by the Board on 3 July 2024 and signed on its behalf by:



Sheila Lewis
Chair
3 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in reserves, , the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2024 and of the Group's and the Company's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the letter from the chair and Group Strategic Report including the

Selwood Housing Society Ltd

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained during the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the statement of responsibilities of the Board set out on page 25, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

Selwood Housing Society Ltd

override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
20 Colmore Circus
Queensway
Birmingham B4 6AT
Date: 09.07.24

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2024

		Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
	Note				
Turnover	4	52,699	45,967	52,772	45,951
Cost of sales	4	(5,067)	(3,455)	(5,067)	(3,455)
Operating costs	4	(37,993)	(34,147)	(37,996)	(34,155)
Gain on disposal of fixed assets	11	3,401	1,652	3,401	1,652
Operating surplus		13,040	10,017	13,110	9,993
Other interest receivable and similar income		136	53	117	49
Interest and financing costs	12	(6,007)	(3,835)	(6,007)	(3,835)
Other finance costs	26	9	(126)	9	(126)
Movement in fair value of investment properties	16	(12)	1	(12)	1
Surplus before taxation		7,166	6,110	7,217	6,082
Taxation on surplus	13	3	2	0	0
Surplus for the financial year		7,169	6,112	7,217	6,082
Actuarial loss / gain on defined benefit pension scheme	26	(368)	4,736	(368)	4,736
Total comprehensive income for year		6,801	10,848	6,849	10,818

The notes on pages 47 to 89 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated and company statement of financial position at 31 March 2024

		Group	Group	Company	Company
		2024	2023	2024	2023
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	14	494,602	471,855	494,654	471,907
Tangible fixed assets - other	15	3,655	3,575	3,356	3,247
Investment properties	16	340	352	340	352
Investments in companies	17	125	125	3,225	2,225
		498,722	475,907	501,575	477,731
Current assets					
Stocks	19	6,103	4,840	4,432	4,840
Debtors - receivable within 1 year	20	4,596	3,177	4,288	3,161
Cash and cash equivalents	20a	6,601	8,720	5,594	6,688
		17,300	16,737	14,314	14,689
Creditors: amounts falling due within 1 year	21	(17,730)	(18,023)	(17,734)	(17,987)
Net current assets / (liabilities)		(430)	(1,286)	(3,420)	(3,298)
Total assets less current liabilities		498,292	474,621	498,155	474,433
Creditors: amounts falling due after more than 1 year	22	(211,431)	(194,559)	(211,431)	(194,559)
Net assets excluding pension liability		286,861	280,062	286,724	279,874
Provision for deferred tax	30	(4)	(7)	0	0
Pension liability	26	0	0	0	0
Net assets		286,857	280,055	286,724	279,874
Capital and reserves					
Income and expenditure reserve		157,448	148,691	157,315	148,510
Revaluation reserve		129,409	131,364	129,409	131,364
		286,857	280,055	286,724	279,874

The notes on pages 47 to 89 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3 July 2024



Sheila Lewis
Chair



Mark Mayler
Secretary

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2024

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2022	136,349	132,858	269,207
Total comprehensive income for the year	6,112	0	6,112
Actuarial gains on defined benefit pension scheme	4,736	0	4,736
Total comprehensive income	10,848	0	10,848
Transfer from revaluation reserve to income and expenditure	1,494	(1,494)	0
Opening funds March 2023	148,691	131,364	280,055
Total comprehensive income for the year	7,169	0	7,169
Actuarial loss on defined benefit pension scheme	(368)	0	(368)
Total comprehensive income	6,801	0	6,801
Transfer from revaluation reserve to income and expenditure	1,955	(1,955)	0
Closing total funds March 2024	157,448	129,409	286,857

The notes on pages 47 to 89 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2024

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2022	136,198	132,858	269,056
Total comprehensive income for the year	6,082	0	6,082
Actuarial gains on defined benefit pension scheme	4,736	0	4,736
Total comprehensive income	10,818	0	10,818
Transfer from revaluation reserve to income and expenditure	1,494	(1,494)	0
Opening funds April 2023	148,510	131,364	279,874
Total comprehensive income for the year	7,217	0	7,217
Actuarial loss on defined benefit pension scheme	(368)	0	(368)
Total comprehensive income	6,850	0	6,850
Transfer from revaluation reserve to income and expenditure	1,955	(1,955)	0
Closing total funds March 2024	157,315	129,409	286,724

The notes on pages 47 to 89 form part of these financial statements.

Selwood Housing Society Ltd

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Surplus for the financial year		7,166	6,110
Adjustments for:			
Depreciation of fixed assets - housing properties	14	8,649	8,063
Depreciation of fixed assets - other	15	273	866
Amortised grant	23	(413)	(385)
Interest payable and finance costs		5,998	3,961
Interest received		(136)	(53)
Difference between net pension expenses and cash contribution		(359)	(131)
Proceeds from sale of fixed assets- housing properties	11	(5,043)	(3,043)
Decrease /(Increase) in trade and other debtors		(1,282)	(5)
Decrease /(Increase) in stocks		(1,263)	(788)
Increase in trade and other creditors		(1,138)	959
Carrying amount of disposals		2,712	1,463
Movement in fair value of investment properties		12	(1)
Cash from operations		15,177	17,016
Taxation paid		0	0
Net cash generated from operating activities		15,177	17,016
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	5,043	3,043
Purchase of fixed assets - housing properties	14	(34,106)	(33,063)
Purchase of fixed assets - other	15	(357)	(691)
Purchase of investments		0	(100)
Receipt of grant	23	482	1,446
Interest received		136	53
Net cash from investing activities		(28,802)	(29,311)
Cashflows from financing activities			
Interest paid	12	(6,007)	(3,835)
Taxation Paid		0	0
New loans		24,500	20,000
Debt issue costs incurred		(138)	377
Repayment of loans	25	(6,849)	(4,390)
Net cash used in financing activities		11,506	12,152
Net (decrease) / increase in cash and cash equivalents		(2,119)	(144)
Cash and cash equivalents at beginning of year		8,720	8,864
Cash and cash equivalents at end of year		6,601	8,720

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2024

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Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2024

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the group's operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all its subsidiary undertakings for the year. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the Board has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year and capitalised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing Society Ltd is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing Society Ltd's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing Society Ltd participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing Society Ltd's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

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

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

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

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years
Lighting	20 years
Fire Alarms	15 years
Door entry systems	10 years
Electric Heat Pumps	15 years
Air Source Heat Pumps	15 years
Guttering, Soffits & Fixings	30 years
Flat Roofs	30 years
External Wall Insulation	100 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Impairment

Housing properties, which are depreciated over a period more than 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)-		5 years
• Plant and Equipment	-	5 years
• IT tangible assets (Laptops/Tablets)	-	3 years

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

2 Accounting policies (*continued*)

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The Board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs, and other costs. Based on the costs to complete, the Board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the Board's best estimate of sales value based on economic conditions within the area of development.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see notes 14 and 15)**

Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as the Group's experience over several years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Investment properties (see note 16)

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations for the commercial units were

- Annual rent per square metre: £86-£135 with a weighted average of £110
- Capitalisation rate: 9.75% - 10% with a weighted average of 9.90%

- Rental and other trade receivables (debtors) (see note 20)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

4 Particulars of turnover, cost of sales, operating costs, and operating surplus – group

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus on disposal 2024 £'000	Operating surplus /(deficit) 2024 £'000
Social housing lettings (note 5)	44,486	0	36,257	0	8,229
Other social housing activities					
First tranche low cost home ownership sales	7,576	5,067	249	0	2,260
Gain on disposal of fixed assets	0	0	0	3,401	3,401
Charges for support services	31	0	4	0	27
Development costs not capitalised	0	0	783	0	(783)
	7,607	5,067	1,036	3,401	4,905
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	593	0	697	0	(104)
	606	0	700	0	(94)
	52,699	5,067	37,993	3,401	13,040

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus on disposal 2023 £'000	Operating surplus /(deficit) 2023 £'000
Social housing lettings (note 5)	40,417	0	32,736	0	7,681
Other social housing activities					
First tranche low cost home ownership sales	5,114	3,455	183	0	1,476
Gain on disposal of fixed assets	0	0	0	1,652	1,652
Charges for support services	25	0	4	0	21
Development costs not capitalised	0	0	734	0	(734)
	5,139	3,455	921	1,652	2,415
Activities other than social housing activities					
Lettings	10	0	4	0	6
Other	401	0	487	0	(86)
	411	0	491	0	(80)
	45,967	3,455	34,148	1,652	10,016

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

4 Particulars of turnover, cost of sales, operating costs, and operating surplus - company

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus on disposal 2024 £'000	Operating surplus /(deficit) 2024 £'000
Social housing lettings (note 5)	44,486	0	36,257	0	8,229
Other social housing activities					
First tranche low cost home ownership sales	7,576	5,067	249	0	2,260
Gain on disposal of fixed assets	0	0	0	3,401	3,401
Charges for support services	31	0	4	0	27
Development costs not capitalised	0	0	783	0	(783)
	7,607	5,067	1,036	3,401	4,905
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	666	0	700	0	(34)
	679		703	0	(24)
	52,772	5,067	37,996	3,401	13,110

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus on disposal 2023 £'000	Operating surplus /(deficit) 2023 £'000
Social housing lettings (note 5)	40,417	0	32,735	0	7,682
Other social housing activities					
First tranche low cost home ownership sales	5,114	3,455	182	0	1,477
Gain on disposal of fixed assets	0	0	0	1,652	1,652
Charges for support services	25	0	4	0	21
Development costs not capitalised	0	0	734	0	(734)
	5,139	3,455	920	1,652	2,416
Activities other than social housing activities					
Lettings	10	0	4	0	6
Other	385	0	496	0	(111)
	395		500	0	(105)
	45,951	3,455	34,155	1,652	9,993

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

5 Income and expenditure from social housing lettings – group

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2024 £'000	Total 2023 £'000
Income							
Rents net of identifiable service charges	31,287	8,564	1,642	287	729	42,509	38,691
Service charge income	595	904	64	0	0	1,563	1,341
Amortised government grants	413	0	0	0	0	413	385
Other grants	1	0	0	0	0	1	0
Turnover from social housing lettings	32,296	9,468	1,706	287	729	44,486	40,417
Expenditure							
Management	4,228	1,642	260	91	86	6,307	6,521
Service charge costs	1,458	950	0	13	9	2,430	2,241
Routine maintenance	4,705	1,462	0	220	54	6,441	6,448
Planned maintenance	4,867	1,547	0	11	25	6,450	5,536
Major repairs expenditure	3,625	1,086	0	9	20	4,740	3,721
Bad debts	73	21	0	0	0	94	98
Depreciation of housing properties:							
-annual charge	6,701	1,949	0	0	0	8,650	8,068
-accelerated on disposal of components	1,113	31	0	0	0	1,144	100
Operating expenditure on social housing lettings	26,770	8,688	260	344	194	36,256	32,736
Operating surplus / (deficit) on social housing lettings	5,526	780	1,446	(57)	535	8,230	7,681
Void Losses	187	118	112	0	46	463	312

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

5 Income and expenditure from social housing lettings – company

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2024 £'000	Total 2023 £'000
Income							
Rents net of identifiable service charges	31,287	8,564	1,642	287	729	42,509	38,691
Service charge income	595	904	64	0	0	1,563	1,341
Amortised government grants	413	0	0	0	0	413	385
Other grants	1	0	0	0	0	1	0
Turnover from social housing lettings	32,296	9,469	1,706	287	729	44,486	40,417
Expenditure							
Management	4,228	1,642	260	91	86	6,307	6,521
Service charge costs	1,458	950	0	13	9	2,430	2,241
Routine maintenance	4,705	1,463	0	220	54	6,442	6,448
Planned maintenance	4,867	1,547	0	11	25	6,450	5,536
Major repairs expenditure	3,625	1,086	0	9	20	4,740	3,721
Bad debts	73	21	0	0	0	94	98
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	6,701	1,949	0	0	0	8,650	8,068
-accelerated on disposal of components	1,113	31	0	0	0	1,144	100
Operating expenditure on social housing lettings	26,770	8,689	260	344	194	36,257	32,733
Operating surplus / (deficit) on social housing lettings	5,526	780	1,446	(57)	535	8,229	7,684
Void Losses	187	118	112	0	46	463	312

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2024 Number	Group & Company 2023 Number
General needs housing:		
- social	4,187	4,192
- affordable	944	861
Low cost home ownership	433	367
Supported housing	76	76
Housing for older people	701	701
Sheltered units for older people / supported living	713	714
Total social housing units	7,054	6,911
Residential care home bed spaces	46	46
Total owned and managed	7,100	6,957
Leaseholders of sold flats	91	90
Leaseholders units for supported living	4	4
Market rent	2	2
Total owned and managed accommodation	7,197	7,053
Units under construction	273	250

	Group & Company Number
Total owned and managed accommodation as at Apr 23	7,053
Newly built rental accommodation, built by or for Selwood Housing.	171
Sales to the open market	(24)
Right to Buy Disposals	(1)
Right to Acquire Disposals	(1)
Rental property transferred to Leasehold	1
Fully Staircased LCHO	(2)
Total owned and managed accommodation as at Mar 24	7,197

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

6 Units of housing stock (*continued*)

Selwood Housing owns 76 supported housing units (2023: 76) and tenancy sustainment support was provided for 11 of these units by Selwood Housing in 2024. The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 46 care home units on our behalf.

Selwood Housing also owns 1,157 garages, 1 shop unit used by Selwood Housing as a resource centre and 1 doctors' surgery.

7 Operating surplus

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000

This is arrived at after charging / (crediting):

Depreciation of housing properties:

-annual charge	8,649	8,063	8,649	8,063
-accelerated depreciation on replaced components	139	100	139	100
Depreciation of other tangible fixed assets	273	433	247	404
Impairment of 2 blocks of flats	1,006	0	1,006	0
Impairment of Office property	0	433	0	433

Auditor's remuneration (excluding VAT):

-fees payable to the group's auditor for the audit of the group's annual accounts	32	27	23	19
- fees for other non-audit services	2	0	2	0

8 Employees

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000

Staff costs (including Executive Team) consist of:

Wages and salaries	11,067	10,615	11,067	10,615
Social security costs	1,045	1,029	1,045	1,029
Cost of defined benefit scheme (see note 26)	217	458	217	458
Cost of defined contribution scheme	775	741	775	741
	<u>13,104</u>	<u>12,843</u>	<u>13,104</u>	<u>12,843</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

8 Employees *continued*

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
Administration	62	61	62	61
Development	9	10	9	10
Maintenance	91	92	91	92
Housing, Support and care	149	149	149	149
	<u>311</u>	<u>312</u>	<u>311</u>	<u>312</u>

9 Directors' and senior executive remuneration

The directors and senior executives are defined as the members of the Board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2024 £'000	2023 £'000
Executive directors' emoluments	636	718
Amounts paid to non-executive directors	49	51
Contributions to money purchase pension schemes	11	10
Contributions to defined benefits pension scheme	80	75
	<u>776</u>	<u>854</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

9 Directors' and senior executive remuneration (*continued*)

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2024	2023
	No.	No.
£60,000 - £69,999	9	5
£70,000 - £79,999	10	7
£80,000 - £89,999	0	0
£90,000 - £99,999	1	2
£100,000 - £109,999	1	1
£110,000 - £119,999	1	1
120,000 - 129,999	1	0
130,000 - 139,999	0	0
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0
170,000 - 179,999	0	0
180,000 - 189,999	0	0
190,000 - 199,999	0	1
200,000 - 210,000	1	0
	<u>24</u>	<u>17</u>

Benefits have accrued to 3 executive officers under the Wiltshire pension fund defined benefit scheme (2023 – 3) and 1 director accrued benefits under the group's defined contribution pension scheme during the year (2023 – 1).

The group chief executive received remuneration of £149,216 salary excluding pension contributions plus £53,370 in lieu of pension contributions. This is 6.14 times the median salary of all members of staff (2023: 6.06 times).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

10 Board members

The Chair of the Board receives a salary of £10,500 (2023: £10,500) per annum, the committee chairs each receive £1,750 per annum (2023: £1,750), in addition to their basic Board member payment. The standard other group Board member payment is £4,250 (2023: £4,250). Emoluments paid to Board members in 2024 were 0.09% (2023: 0.1%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Finance committee	Group Board
Sheila Lewis *	11,014	x		x
Nicci Setchell from 04/10/23	2,093		x	x
Chris Butters	6,000		x	x
Stella Shepherd **	4,250		x	x
Lisa Nicholls from 04/10/23	2,188	x		x
Richard Yates	4,250		x	x
David Knight to 04/10/23	2,173		x	x
Valerie Lee to 04/10/23	3,181	x		x
Hannah Jones	4,250	x		x
Koo Chai Young Li Mow Ching	5,531	x		x
Philip Whitehead	4,250		x	x
Total	49,180			

* Chair

** Vice Chair

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

11 Surplus on disposal of fixed assets

Group and Company	Right to Buy and Right to Acquire 2024 £'000	Other housing properties 2024 £'000	Staircasing 2024 £'000	Total 2024 £'000	Total 2023 £'000
Disposal proceeds	235	4,532	276	5,043	3,043
Costs of disposals	(85)	(1,410)	(142)	(1,637)	(1,357)
Selling costs	2	(4)	(3)	(5)	(24)
Grant recycled	0	0	0	0	0
	152	3,118	131	3,401	1,662
Surplus on disposal of other tangible fixed assets	0	0	0	0	(10)
	152	3,118	131	3,401	1,652

12 Interest payable and similar charges

Group and company	2024 £'000	2023 £'000
Bank loans and overdrafts	4,726	2,618
All other loans (excluding loans from group entities)	2,178	1,861
Interest capitalised on construction of housing properties	(897)	(644)
	6,007	3,835

13 Taxation on profit from ordinary activities

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Current tax				
UK corporation tax on profits of the year	0	0	0	0
Effect of changes in rates	(1)	0	0	0
Adjustments in respect of previous periods	2	0	0	0
Origination and reversal of timing differences	2	2	0	0
Taxation on profit on ordinary activities	3	2	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

13 Taxation on profit from ordinary activities (*continued*)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Profit on ordinary activities before tax	7,166	6,110	7,217	6,082
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 25% (2022: 19%)	(1,792)	(1,161)	(1,804)	(1,156)
Effects of:				
Charitable income	1,770	1,137	1,804	1,156
Gift Aid Payment to parent	24	26	0	0
Expenses not deductible	0	0	0	0
Tax rate changes	0	0	0	0
Current tax charge for year	3	2	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2024 (2023: all freehold).

Group	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2023	480,834	14,434	33,318	3,931	532,517
Construction Costs	0	17,640	0	6,876	24,516
Replaced components - Additions	11,104	(1,513)	0	0	9,591
Completed Schemes	23,822	(23,822)	8,802	(8,802)	0
Disposals - RTB, RTA & market sales	(1,694)	0	0	0	(1,694)
Disposals - replaced components	(1,559)	0	0	0	(1,559)
Impairment of 2 blocks of flats	(1,349)	0	0	0	(1,349)
Disposals - staircasing	0	0	(147)	0	(147)
Transfers	0	0	38	0	38
At 31 March 2024	511,158	6,739	42,011	2,005	561,913
<i>Depreciation</i>					
1st April 2023	(59,778)	0	(884)	0	(60,662)
Charge for the year	(8,353)	0	(296)	0	(8,649)
Eliminated on disposals	233	0	0	0	233
Replaced components - Disposals	1,420	0	0	0	1,420
Impairment of 2 blocks of flats	343	0	0	0	343
Disposals - staircasing	0	0	5	0	5
At 31 March 2024	(66,135)	0	(1,175)	0	(67,310)
Net Book Value at 31 March 2024	445,023	6,739	40,836	2,005	494,602
Net Book Value at 31 March 2023	421,056	14,434	32,434	3,931	471,855

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

14 Tangible fixed assets – housing properties *(continued)*

Company	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2023	480,834	14,469	33,318	3,949	532,570
Construction Costs	0	17,691	0	6,876	24,567
Replaced components - Additions	11,104	(1,565)	0	0	9,539
Completed Schemes	23,822	(23,822)	8,802	(8,802)	0
Disposals - RTB, RTA & market sales	(1,694)	0	0	0	(1,694)
Disposals - replaced components	(1,559)	0	0	0	(1,559)
Impairment of 2 blocks of flats	(1,349)	0	0	0	(1,349)
Disposals - staircasing	0	0	(147)	0	(147)
Transfers	0	0	38	0	38
At 31 March 2024	511,158	6,773	42,011	2,023	561,965
<i>Depreciation</i>					
1st April 2023	(59,778)	0	(885)	0	(60,663)
Charge for the year	(8,353)	0	(296)	0	(8,649)
Eliminated on disposals	233	0	0	0	233
Replaced components - Disposals	1,420	0	0	0	1,420
Impairment of 2 blocks of flats	343	0	0	0	343
Disposals - staircasing	0	0	5	0	5
At 31 March 2024	(66,135)	0	(1,176)	0	(67,311)
Net Book Value at 31 March 2024	445,023	6,773	40,835	2,023	494,654
Net Book Value at 31 March 2023	421,056	14,469	32,433	3,949	471,907

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

14 Tangible fixed assets – housing properties *(continued)*

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Interest capitalised in the year	(897)	(644)	(897)	(644)
Rate used for capitalisation	3%	3%	3%	3%
Total social housing grant received or receivable to date	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
as follows				
Capital grant - Housing properties	34,257	34,518	34,257	34,518
Recycled Capital Grant Fund	129	205	129	205
Revenue grant - I&E	413	385	413	385
Revenue grant - reserves	5,055	4,642	5,055	4,642
	39,854	39,750	39,854	39,750

Properties held for security

Selwood Housing Society Ltd had property with an existing use value of £270 million pledged as security at 31 March 2024 (£239 million – 2023).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

15 Other tangible fixed assets – group

Group	Freehold Office £'000	Fixtures & Fittings £'000	Plant & & Equipment £'000	Motor Vehicles £'000	IT £'000	Laptops & Tablets £'000	Total £'000
Cost							
At 1 April 2023	3,556	52	554	13	2,809	0	6,984
Additions	0	0	0	0	227	130	357
Disposals	0	0	(4)	0	0	0	(4)
At 31 March 2024	3,556	52	550	13	3,036	130	7,337
Accumulated Depreciation							
At 1 April 2023	(1,303)	(22)	(226)	(13)	(1,845)	0	(3,409)
Charged in year	(60)	(5)	(26)	0	(169)	(13)	(273)
Disposals	0	0	0	0	0	0	0
At 31 March 2024	(1,363)	(27)	(252)	(13)	(2,014)	(13)	(3,682)
Net book value at 31 March 2024	2,193	25	298	0	1,022	117	3,655
Net book value at 31 March 2023	2,253	30	328	0	964	0	3,575

Freehold office includes freehold land at cost of £360,000 (2023: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

15 Other tangible fixed assets – company

COMPANY	Freehold Office £'000	Fixtures & Fittings £'000	Plant & Equipment £'000	Motor Vehicles £'000	IT £'000	Laptops & Tablets £'000	Total £'000
Cost							
At 1 April 2023	3,556	52	6	13	2,809	0	6,436
Additions	0	0	0	0	227	130	357
Disposals	0	0	0	0	0	0	0
At 31 March 2024	3,556	52	6	13	3,036	130	6,793
Accumulated Depreciation							
At 1 April 2023	(1,303)	(22)	(6)	(13)	(1,845)	0	(3,189)
Charged in year	(60)	(5)	0	0	(169)	(13)	(247)
Disposals	0	0	0	0	0	0	0
At 31 March 2024	(1,363)	(27)	(6)	(13)	(2,014)	(13)	(3,436)
Net book value at 31 March 2024	2,193	25	0	0	1,022	117	3,357
Net book value at 31 March 2023	2,253	30	0	0	964	0	3,247

Freehold office includes freehold land at cost of £360,000 (2023: £360,000) which is not depreciated.

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2023	225	127	352
Revaluations	(9)	(3)	(12)
At 31 March 2024	216	124	340

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

16 Investment properties *continued*

The group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

The deficit on revaluation of investment property arising £12k (2023 – surplus of £1k) has been credited to the statement of comprehensive income for the year (company and group).

17 Fixed asset investments

	Group £'000	Company £'000
<i>Cost or valuation</i>		
At 1 April 2023	125	2,225
Additions	0	1,000
At 31 March 2024	125	3,225

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

18 Subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of	Proportion of	Nature of business	Nature of entity	Number of shares
	incorporation or registration	/ ordinary share capital held			
Silcoa Ltd *	England	100%	Dormant	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	2,500,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

19 Properties for sale & other stock

Group	First tranche shared ownership properties 2024 £'000	Other Stock 2024 £'000	Total 2024 £'000	Total 2023 £'000
Completed properties	2,921	0	2,921	2,120
Other	0	163	163	88
Properties under construction	1,348	1,671	3,019	2,632
	4,269	1,834	6,103	4,840

Company	First tranche shared ownership properties 2024 £'000	Other Stock 2024 £'000	Total 2024 £'000	Total 2023 £'000
Completed properties	2,921	0	2,921	2,120
Other	0	163	163	88
Properties under construction	1,348	0	1,348	2,632
	4,269	163	4,432	4,840

Properties developed for sale include capitalised interest of £71k (2023 - £26k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

20 Debtors

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Due within one year				
Arrears of rent and service charges	638	492	638	492
Less: Provision for doubtful debts	(366)	(280)	(366)	(280)
	272	212	272	212
Amounts owed by group undertakings	0	0	0	0
Other debtors	2,683	2,077	2,381	2,067
Prepayments and accrued income	1,641	887	1,635	881
	4,596	3,176	4,288	3,160

The other debtors figure includes £541k (2023: £486k) in respect of 21 days' (2023:19 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Cash	5,274	7,425	4,938	6,075
Deposit accounts	1,327	1,295	656	613
	6,601	8,720	5,594	6,688

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

21 Creditors: Amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade creditors	1,147	2,743	1,147	2,742
Rent and service charges received in advance	702	858	702	858
Amounts owed to group undertakings	0	0	9	9
Taxation and social security	288	3	288	0
Other creditors	651	594	652	560
Accruals and deferred income	6,825	6,564	6,819	6,556
Loans due within 1 year	7,702	6,849	7,702	6,849
Recycled Capital Grant	9	28	9	28
Deferred Capital grant	406	385	406	385
	<u>17,730</u>	<u>18,023</u>	<u>17,734</u>	<u>17,987</u>

22 Creditors: Amounts falling due after more than one year

Group and company

	2024 £'000	2023 £'000
Loans and borrowings (note 25)	176,944	160,100
Deferred capital grant (note 23)	34,257	34,134
Recycled capital grant (note 24)	120	177
Sinking fund balances	110	148
	<u>211,431</u>	<u>194,559</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

23 Deferred capital grant

Group and company	2024 £'000	2023 £'000
At 1 April	34,518	33,508
Grants received in the year	482	1,446
Grants accrued	0	0
Grants recycled from the recycled capital grant fund	76	(51)
Released to income in the year	(413)	(385)
To be released to income < 1 year (note 21)	(406)	0
At 31 March	34,257	34,518

24 Recycled capital grant

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
At 1 April	205	150	205	150
Additions:				
Grants Recycled	97	55	97	55
Interest	3	0	3	0
Withdrawals:				
New build	(176)	0	(176)	0
At 31 March	129	205	129	205
Amounts 3 years or older where repayment may be required	0	0	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

25 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2024 £'000	Total 2024 £'000	Total 2023 £'000
In one year or less, or on demand	7,702	7,702	6,849
In more than one year but not more than two years	8,791	8,791	7,702
In more than two years but not more than five years	66,336	66,336	36,888
In more than five years	101,817	101,817	115,510
Total debt	184,646	184,646	166,949

New funding of £25m was secured in 23/24 with Lloyds. This is an extension to the current facility already in place with Lloyds.

The loans bear interest at fixed rates ranging from 1.8% to 5.08% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. The current loan outstanding is made up of £120m fixed and £64.6m variable, against agreed facilities of £226.7m. At 31 March 2024 the group had undrawn loan facilities of £20m (2023 - £20m) with Nationwide and £22.5m (2023 £22m) with Lloyds.

26 Pension obligations

Group and Company

The Wiltshire Pension Fund ("WPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WPF are held separately from those of Selwood Housing in independently administered funds. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WPF by Selwood Housing for the year ended 31 March 2024 were £575,165 (2023: £585,547) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £343,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

26 Pensions obligations (*continued*)

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2024 % per annum	31 March 2023 % per annum
Discount rate	4.85	4.75
Future salary increases	3.25	3.45
Future pension increases	2.75	2.95

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2024 No. of years	2023 No. of years
Current pensioners:		
Males	21.3	21.5
Females	24.3	24.5
Future pensioners: *		
Males	23.8	24
Females	25.8	26.1

Commutation

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

26 Pensions obligations (*continued*)

Amounts recognised in the statement of financial position

	2024 £'000	2023 £'000
Present value of funded obligations relating to Selwood Housing	(23,313)	(23,324)
Fair value of plan assets relating to Selwood Housing	28,431	26,289
Unrecognised Asset	(5,118)	(2,965)
Net Deficit	0	0

Analysis of the amount (credited)/charged to the statement of comprehensive income:

	2024 £'000	2023 £'000
Current service cost	217	458
Expected return on pension scheme assets	(1,247)	(757)
Interest on pension scheme liabilities	1,097	883
Total operating charge	67	584

Of the above amount, £150,000 (2023: £126,000) was credited to other finance charges. £359,000 (2023: £131,000) was credited to operating surplus.

Changes in fair value of employer assets

	2024 £'000	2023 £'000
Opening fair value of employer assets	26,289	28,122
Contributions by the Employer	576	589
Actuarial gains	985	(2,478)
Benefits paid	(740)	(778)
Contributions by members	74	77
Interest	1,247	757
Closing fair value of employer assets	28,431	26,289

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

26 Pensions obligations (*continued*)

Changes in present value of defined benefit obligation

	2024 £'000	2023 £'000
Opening defined benefit obligation	23,324	32,863
Current service cost	217	458
Interest cost	1,097	883
Actuarial losses /(gains)	(659)	(10,179)
Estimated benefits paid	(740)	(778)
Contributions by members	74	77
Closing defined benefit obligation	23,313	23,324

Major categories of plan assets as a percentage of total plan assets:

	2024	2023
Equities	56%	55%
Bonds	29%	31%
Property	14%	13%
Cash	1%	1%

Fair value of employer assets

	2024 £'000	2023 £'000
Equities	15,921	14,458
Bonds	8,245	8,150
Property	3,980	3,418
Cash	284	263
	28,430	26,289

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

26 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of defined benefit obligation	(23,313)	(23,324)	(32,863)	(34,807)	(26,518)
Fair value of scheme assets	28,431	26,289	28,122	26,017	22,039
Surplus/(Deficit) on scheme	5,118	2,965	(4,741)	(8,790)	(4,479)
Experience adjustments on plan liabilities	(776)	(1,743)	(68)	298	1,027
Experience adjustments on plan assets	985	(2,457)	1,606	3,269	(1,681)
Cumulative actuarial gains/losses	6,736	5,092	(2,609)	(6,788)	(2,379)

Projected pension expense for the year to 31 March 2025

	£'000
Projected Current Service Cost	196
Interest on Obligation	1119
Expected Return on Plan Assets	(1,377)
Total	(62)

The estimated employer contributions for the year to 31 March 2025 are approximately £576,000.

Defined Contribution Scheme

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. All existing and new colleagues are eligible to join. The costs associated with providing this scheme are outlined in note 8.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

27 Operating leases

At 31 March 2024, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Not later than 1 year	545	493	545	493
later than 1 year and no later than 5 years	952	1013	952	1013
Later than 5 years	0	0	0	0
Total	1,497	1,506	1497	1506

Amounts receivable as Lessor	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Not later than 1 year	1	1	1	1
later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	1	1	1	1

28 Capital commitments

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Commitments contracted but not provided for in the accounts	81,671	60,907	81,671	60,907
Commitments approved by the Board but not contracted for	95,886	92,218	95,886	92,218
	177,557	153,125	177,557	153,125

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

28 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

29 Related party transactions

The directors Stella Shepherd, Richard Yates and Hannah Jones are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms and they are not able to use their position to their advantage.

The director Philip Whitehead is also a councillor of Wiltshire Council. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the Board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements.

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. Selwood Housing also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Gift Aid	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Silcoa Ltd	0	0	1	0
Selwood DevCo Ltd	0	0	134	46
Cottsbury Homes Ltd	0	0	1	0
	0	0	136	46

Payable by Selwood Housing to Subsidiaries:	Other Charges	
	2024	2023
	£'000	£'000
Silcoa Ltd	0	0
Selwood DevCo Ltd	59	1,050
	59	1,050

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2024

Other intra-group charges

No other intra-group charges are payable to the society from subsidiaries. Charges from subsidiaries to the society are for goods and services provided, such as repairs and maintenance.

30 Provision for liabilities – Deferred Tax

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
At 31 March 2023	7	9	0	0
Charge / (Credit)	(3)	(2)	0	0
Origination and reversal of timing differences	0	0	0	0
At 31 March 2024	4	7	0	0

31 Net debt reconciliation

	01 April 2023 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2024 £'000
Group				
Cash and cash equivalents	8,720	(2,119)	0	6,601
Loans and borrowings	(166,949)	(17,651)	(46)	(184,647)
	(158,229)	(19,770)	(46)	(178,046)
Company				
Cash and cash equivalents	6,688	(1,094)	0	5,594
Loans and borrowings	(166,949)	(17,651)	(46)	(184,646)
	(160,261)	(18,745)	(46)	(179,052)

SELWOOD HOUSING SOCIETY LIMITED

England & Wales - Charity number 1141124

Accounts

Annual report and financial statement 2022/23



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Directors, executive officers, advisors, and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Sheila Lewis *	Richard Britton ** to 06/10/22
Stella Shepherd **	Chris Butters
Steve Oldrieve to 06/10/22	Richard Yates
David Knight	Valerie Lee
Hannah Jones from 06/10/22	Neil Hales-Owen to 29/06/22
Koo Chai Young Li Mow Ching from 06/10/22	Philip Whitehead from 06/10/22
*chair	
** vice chair	

Executive officers

Group chief executive	Barry Hughes
Group finance director	Mark Mayler
Group transformation and people director	Ria Bristow
Group operations director	Verena Buchanan
Group development director	Paul Walsh
Group IT director	John Rogers to 31/03/23

Registered office

Bryer Ash Business Park
Bradford Road
Trowbridge
Wiltshire BA14 8RT

Advisors and bankers

Independent auditor	Beever and Struthers 20 Colmore Circus Queensway Birmingham B4 6AT	Internal auditors	TIAA Limited Artillery House Fort Fareham Newgate Ln Fareham PO14 1AH
Principal funder	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW	Principal bankers	Lloyds Bank 64 Fore Street Trowbridge Wiltshire BA14 8EU
Principal legal advisors	Trowers & Hamlin The Senate Southernhay Gardens Exeter EX1 1UG	Capsticks Solicitors LLP 1 St George's Road London SW19 4DR	Anthony Collins Solicitors 143 Edmund Street Birmingham B3 2ES

Charity commission registration No. 1141124

Company limited by guarantee - registration No. 4168336

Registered with the Regulator of Social Housing – registration No. LH4097

Welcome from the chair of our board of directors

Following on from the pandemic, 2022-23 delivered new challenges for Selwood Housing and its customers.

We had to make tough decisions responding to cost-of-living pressures and rising inflation and interest rates.

The below inflation 7% rent cap for 23/24 added further pressure to an already difficult balance between affordability for our customers and the rising costs to provide our services and invest in our homes.

The Regulator of Social Housing confirmed our G1 governance rating but regraded our viability rating from V1 to V2. Although disappointing, we are just one of 62 housing associations regraded, many of those with active home-building programmes. These changes reflect the difficult economic circumstances facing the sector nationally.

In the face of these challenges, we prioritised our planned investment in areas that would bring substantial benefits to customers, such as energy efficiency.

Our homes and communities

Many more of our customers have faced financial hardship over the past 12 months. Our **tenancy sustainment team** managed a substantial rise in demand which peaked in January when 63 households received additional support to maintain their tenancies. This included support for customers struggling to afford to heat their homes.

Referrals to debt and hardship charities, budget planning, and benefit eligibility advice helped other customers in need. As did practical support, including a scheme providing customers with recycled white goods and another delivering food parcels to housebound customers and those without transport.

Alongside the work of our income team, this support helped minimise rent arrears to just 0.70%, a record low for the third year in a row.

Our **Priority Neighbourhoods** project teams continued to work with local communities in Studley Green (Trowbridge) and Queensway (Melksham). In September, a well-attended family fun day and garden makeover in Studley Green, Trowbridge, marked the end of the year-long initiative in those areas. Encouraged by some very positive outcomes, we plan to take a similar approach supporting two neighbourhoods in Warminster and Westbury through 2023/24.

With a net loss of affordable social homes in England over the last decade and 1.2 million households on the waiting list in 2021/22, our commitment to investing in our communities has never been stronger.

During the year, **we built 154 new homes** with a pledge to build a further 1,700 homes over the next ten years. This 2.2% annual increase is higher than the average growth in our sector.

Selwood Housing Society Ltd

In December, we celebrated a significant milestone, handing over the keys to our 7000th home. As a locally based housing association, this is a proud achievement and we're grateful for the ongoing support of our partners.

In the last year, **we welcomed 553 households** as new customers to Selwood Housing, including those moving to Nunney and Malmesbury, where we provided homes for the first time.

Progress towards our sustainability targets continued with our first fully **EPC 'A' rated** development, John Bull, nearing completion. We published our first environmental, social and governance (ESG) report and adopted the Sustainability Reporting Standard for Social Housing, providing direction and transparency in our ESG reporting.

We continued our dual approach to resolving damp and mould issues, reacting immediately to issues raised by our customers as well as proactively checking properties with historic damp and mould issues to assess whether further work is needed. Funding of around £500k has been ring-fenced to invest in remedial works during 2023/24.

Two dedicated specialist damp and mould surveyors were appointed to help us prioritise our lowest energy efficiency properties. All our surveyors were trained in domestic energy assessment to enable in-house Energy Performance Certificate ('EPC') assessments.

In March, we welcomed the award of £1.4m from the government's **Social Housing Decarbonisation Fund**. Combined with our £4.3m co-funding, we can now begin delivering improvements to these homes over the next two years.

Two sheltered housing refurbishments as well as two major sewerage maintenance upgrades were completed during the year.

Our people and processes

We started to reap the benefits of the previous year's operational team restructure, with productivity increasing from an average of 2.8 jobs per operative per day in April 2022 to 3.1 in February 2023.

Closer team collaboration proved invaluable in ensuring our customers remained safe in their homes with gas servicing achieving an excellent 100% compliance.

A staggering 47K calls and 16K emails were handled by customer support, with 17K response repairs and 12.5K services booked by the planning team.

Rant & Rave, our new real-time customer feedback platform, received 6,500 responses. This information allowed us to identify activities and services where customers said we excelled and areas where we could improve.

The launch of our new **customer complaints forum** helped to improve both the complaints process and our learning from outcomes. We continued developing our

positive complaints culture and rolled out a well-received online complaints training programme to all staff.

Our procurement team successfully implemented new contract guidance and regulations to improve governance and reduce risk around the award of new supplier contracts. This proved timely with multiple contracts awarded during the year, including grounds maintenance and asbestos surveying.

In August, we were pleased to **secure a £20m loan** from MORHomes. The fast turnaround helped us mitigate short-term interest rate risks to continue our work providing local affordable homes.

Looking ahead

The achievements and dedication of our teams over the past few difficult years give me no doubt that they will continue to deliver for our customers and communities, whatever challenges lie ahead.



Sheila Lewis
Chair

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023

The group board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2023.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited, and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a board of non-executive directors (the board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath, North East Somerset, and the parts of the county of Somerset which are within one hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 7,053 properties and are the largest social landlord in the West of Wiltshire.

The Regulator of Social Housing refreshed their assessment of Selwood's compliance with the Governance and Financial Viability Standard in December 2022 which resulted in Selwood Housing retaining our G1 governance rating but regraded our viability rating from V1 to V2.

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Overview of the business *continued*

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd was our property repairs and improvement company which was integrated into Selwood Housing on the 1 July 2021. No activity remains in the company and so is now dormant.

Cottsbury Homes Ltd is a company that develops homes for market sale. It is not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing. In addition, during 22/23 several new properties were partially completed and transferred to Selwood for completion.

Objectives and strategy

The board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. The board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by four guiding principles:

- Ensure our people are motivated, skilled, and able to deliver for our customers
- Deliver excellent value for money homes and services
- To respond quickly and effectively to our customers' needs and the changing environment we operate in
- To retain our local focus which is one of our key strengths

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years.

Our key challenge is:

"To be able to deliver quickly on a wide range of complicated, changing targets to meet rising customer expectations"

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Coordinate and prioritise our work
- Create the right culture
- Work in the right way
- Build partnerships
- Be flexible by design

The specific targets for 2023/24 are:

- Ensure that our homes are safe, in line with all relevant legislation
- Our asset management strategy outlines our approach to reaching our environmental targets, which are for all our properties to be at SAP C level by 2030 and carbon-neutral by 2050
- Build 1,700 new homes in the next ten years
- Deliver our Horizon programme of transformation to time and budget achieving the targeted outcomes. Horizon is our programme of work, to create new inclusive digital services, so we deliver an even better experience of working with and at Selwood Housing
- Deliver our other projects to time and budget
- Maintain compliant governance and viability ratings with the Regulator of Social Housing
- Continue to comply with all regulatory standards
- Deliver the targets we've set against the regulatory value for money and tenant satisfaction measures
- Deliver the other targets we've set relating to our people and culture
- We have signed up to and will implement the requirements of Together with Tenants
- We have a clear approach to equality, diversity and inclusion and will implement our action plan during 2023-2025
- We have now achieved Investor in People Gold and are targeting moving up to Platinum in our next assessment in 2024

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Objectives and strategy *continued*

Selwood Housing's values

- Customer focused: By focusing on our customers, we are able to provide a high-quality service with integrity
- One team: By working as 'One Team' we consider others. It also allows us to work collaboratively to successfully achieve a common goal
- Honesty: By being honest we can fix issues before they become problems
- Dynamic: By being dynamic we can come up with new ways of doing things, think outside the box and come up with solutions to any existing or potential problems

Operational performance

Financial review

The group turnover in the year was £46m (2022: £44.3m). This represents an increase of 4% (2022: increase of 6%).

Operating costs are higher than last year at £34.1m (2022: £32.2m), this is mainly due to inflationary increases, the completion of some large, planned programmes of work in year and catching up on response work delayed by the pandemic. Operating costs include depreciation charges of £9.0m (2022: £8.2m), a key accounting estimate. Impairment losses of £433k have been recognised in the year in respect of office property. (2022: nil).

The surplus from the sale of properties was higher than last year at £1.6m (2022: £1.2m) due to selling more properties. The properties' sold included a mix of right to buy, right to acquire, staircasing and open market sales. Selwood Housing remains committed to considering the suitability and efficiency of our properties.

The overall surplus for the Group in the year is £6.1m, (2022: £6m), largely unchanged from the previous year despite rent increases and additional property sales, as a result of increasing operational & interest costs.

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £533m as at 31 March 2023 (2022: £502m). This increase was a combination of the addition of newly developed homes and works to existing properties.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Operational performance *continued*

The pension asset of £26.3m has been restricted to £nil (2022: liability £4.7m) as the recoverability of this asset would require a right to reduce employer contributions or to request a refund from the fund. Neither of these options are considered to be available.

The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £433m at 31 March 2023 (2022: £415m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Selwood Housing finances its property assets through a loan facility of £108.6m (2022: £113m) made available by Nationwide Building Society, a £50m (2022: £50m) facility from Affordable Housing Finance Plc (AHF), a £30m (2022: £30m) facility from Lloyds Bank Plc and a £20m facility from MORhomes Plc. At 31 March 2023 £88.6m (2022: £93m) of the Nationwide facility had been drawn down. This left £20m (2022: £20m) available from Nationwide. £50m (2022: £50m) of the AHF funding had been drawn down at year end, £8m had been drawn from the Lloyds Bank facility (2022: £6m) and £20m from Morhomes Plc (2022: nil)

The board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing, and hedging. In the financial year net cash inflow from operating activities of £17m (2022: £17.4m) helped to fund net cash spend of £28.1m (2022: £18.1m) on developing new homes before receipt of social housing grant.

In the 2022/23 corporate plan Selwood Housing had several key areas of focus. Our achievements against each of those areas during 2022/23 include the following:

- Maintaining the highest governance rating at our recent in-depth assessment (IDA) review
- Issuing Selwood's first Environmental, Social and Governance report
- Completing our priority neighbourhood projects in Studley Green, Trowbridge and Queensway, Melksham
- Renegotiating our loan covenant agreements to enable Selwood to continue with a development programme and invest in our existing assets.
- Delivering a surplus that was better than forecast despite the impact of higher-than-expected cost inflation and interest rates
- Maintaining a very strong arrears performance that was sub 0.7% - a record low for the third year in a row
- Achieving 100% compliance for our gas servicing and fire risk assessments

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Operational performance *continued*

- Awarded £1.4m of social housing decarbonisation funding for matched investment in our lower rated energy efficient properties to support our asset management strategy
- Improving our responsive repairs productivity to over 3 jobs completed per day (circa 11% improvement)
- Delivering the entire planned kitchens programme for the year on time and in line with budget expectations

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant regarding its loan facilities with Nationwide Building Society and Lloyds Bank plc. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business through the use of an online tool, Decision Time. The risk register for Selwood Housing and all its subsidiaries is regularly reviewed by the board.

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. The register covers both strategic and operational risks.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Key risks *continued*

The major strategic risk areas and mitigating controls identified on the risk register are:

Risk Area	Key Controls/Actions
Lack of financial resilience to withstand changing socioeconomic environment	- Budget and business plan approved by the board and reported on - Financial plan stress tested with various scenarios - Value for money strategy with regular review - New contracts in place for key repairs and maintenance suppliers - Contracts for supply of goods and services are regularly reviewed - Identify and monitor appropriate benchmarking
Asset management – providing homes that are decent, warm and meet required need	- Asset management strategy and plan reported to Group Asset and Development Committee (GADC) on a quarterly basis - Provision for expenditure in financial plan to get properties to EPC C by 2030 and net zero carbon by 2050 - External stock condition survey undertaken - Budgeting and forecast process and subsequent monitoring - Contract management and procurement processes in place - Damp and mould action plan monitored by GADC - Internal stock condition survey target of 205 per annum
Risk that people and culture do not allow us to deliver strategic objectives	- Executive portfolio board in place to prioritise projects and agree resource allocation - Project Brief and Business Case approval process in place - Structured processes for 1-2-1's and annual evaluations - Management development and training in place - Professional development for relevant staff - Flexible working policy determines approach to hybrid working - Training and development programmes for digital skills
New homes delivery does not meet corporate plan targets	- Development strategy approved by the board and progress reviewed on a quarterly basis by GADC - Comprehensive monitoring and reporting of development programme - Sites, suppliers, and key materials reviewed daily - Regular dialogues with relevant local authorities, agents, developers, and landowners to seek future opportunities - Strong links with local planning and housing departments
Technology failures that disrupt business (excluding cyber-attack)	- Implement a cloud-based application - Review hosting options - Implement actions to reduce risk of network outage - Complete implementation of Microsoft Dynamics
Risk of Cyber security attack	- ICT and data protection policies in place - Information dashboard in place - Internal periodic reviews to ensure appropriate security levels in place - Vulnerability scanner to review potential security issues - Business continuity plan includes plan to address cyber risks

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Environmental, Social & Governance (ESG) matters

Selwood Housing is committed to its environmental, social and governance aims in providing affordable homes both now and into the future, delivering these to high environmental standards possible whilst meeting our regulatory and governance requirements. Selwood issued the first ESG report in 2022 and have adopted the principles of the sustainability for reporting standard (SRS) and aligned this to key strategies including how we build new and manage our existing homes.

Environmental

Selwood Housing has developed a carbon reduction strategy and action plan that aims to ensure all homes meet SAP C standard by 2030 and introduces new low carbon and renewable technologies to meet the 2050 net carbon zero targets. Our newly developed properties achieve very high environmental standards, and we are continuing to invest to improve the environmental performance of our existing housing properties. One of our key performance indicators is the average SAP rating achieved across all housing properties, which is a measure of their environmental performance.

Streamlined Energy and Carbon Reporting

Selwood Housing have generated a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the latest SECR Regulations (2019). This report presents a full 3rd party verified SECR statement, compared to the previous financial year's usage, for use in Selwood Housing's annual reporting. All emissions throughout this report are displayed in terms of carbon dioxide equivalents (CO₂e) and have been rounded to 2 decimal places.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Energy efficiency action statement

Reported emissions and energy use data for 1 st April 2022 – 31 st March 2023		
	Current reporting year 1 st April 2022 – 31 st March 2023	Current reporting year 1 st April 2021 – 31 st March 2022
Energy consumption used to calculate emissions: /kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy Sources	*Gas: 1,361,941 kWh *Electricity: 985,237 kWh Transport fuel: 1,631,429 kWh Total: 3,978,607 kWh	Gas: 1,361,941 kWh Electricity: 985,237 kWh Transport fuel: 1,927,848 kWh Total: 4,275,026 kWh
Emissions from combustion of gas tCO ₂ e (Scope 1) [mandatory]	248.61 tonnes CO₂e¹ 11.26 tonnes CO ₂ e office usage 27.16 tonnes CO ₂ e communal areas 210.19 tonnes CO ₂ e communal heating systems	249.45 tonnes CO₂e 11.30 tonnes CO ₂ e office usage 27.25 tonnes CO ₂ e communal areas 210.90 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	393.31 tonnes CO₂e (in-house maintenance fleet)	456.56 tonnes CO₂e (in-house maintenance fleet)
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	190.52 tonnes CO₂e¹ 10.01 tonnes CO ₂ e office usage 180.51 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	209.20 tonnes CO₂e 11.00 tonnes CO ₂ e office usage 198.20 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above - [mandatory]	832.44 tonnes CO₂e <i>Excludes scope 3 emissions</i>	915.21 tonnes CO₂e <i>Excludes scope 3 emissions</i>
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above/ e.g. £100,000 revenue [mandatory]	124.39 kgCO ₂ per home managed (exc. office emissions) Office intensity: 12.25 kgCO ₂ per m ² (includes T&D losses)	138.95 kgCO ₂ per home managed (exc. office emissions) Office intensity: 13.39 kgCO ₂ per m ² (includes T&D losses)
Methodology [mandatory]	SHIFT methodology SECR Reporting SHIFT Environment Using DEFRA (2022) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2022. Comparison data from the previous year's SECR is using DEFRA 2021 Conversion Factors.	

¹ Energy use from buildings is based on previous data (21/22 financial year) due to difficulty obtaining updated figures after changing energy brokers. The 2022 Defra conversion factors have been applied. * Energy consumption is based on previous data (21/22 financial year) due to difficulty obtaining updated figures after changing energy brokers

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Energy efficiency action statement *continued*

Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, market-based) / tCO ₂ e [optional]	Only reporting on location based	Only reporting on location based
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	17.43 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>	18.51 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>
Emissions from employee business travel for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	32.09 tonnes CO₂e 32.03 tonnes CO ₂ e employee vehicles 0.06 tonnes CO ₂ e public transport	23.61 tonnes CO₂e 23.51 tonnes CO ₂ e employee vehicles 0.09 tonnes CO ₂ e public transport
Emissions from leased assets, franchises, and outsourced activities (Scope 3) / tCO ₂ e [optional]	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,733.13 tonnes in total, or 2.61 tonnes per home managed.	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 17,038.13 tonnes in total, or 2.65 tonnes per home managed.
Total gross Scope 3 emissions / tCO ₂ e [optional]	16,782.65 tonnes CO₂e	17,080.25 tonnes CO₂e
Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO ₂ e [optional]	17,615.09 tonnes CO₂e	17,995.46 tonnes CO₂e
Additional intensity ratio: tCO ₂ e net figure / e.g. £100,000 revenue [optional]	2.70 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.	2.80 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.
Third Party verification [optional]	SHIFT Environment	

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Energy efficiency action statement *continued*

During the period 1st April 2022 to 31st March 2023, we installed:

- windows in 194 properties
- 83 gas boiler upgrades
- 68 electric heating systems
- 24 gas boilers in properties with electric heating or solid fuel boilers
- completed upgrades on 59 off gas bungalows

We are also preparing a project to:

- Upgrade a further 77 off gas bungalows using fabric first measures and PV

During 2021 Selwood issued a new asset management strategy. A key priority is to achieve SAP band C in all our properties by 2030. During 2022/23 we have successfully completed two energy efficiency pilots improving 90 homes using a

mixture of fabric first, heating upgrade and PV technology. We are gathering learning on these projects from customers and those involved to form our Social Housing Decarbonisation Fund Wave 2 project which will continue to increase the energy efficiency of our bungalows that are off gas as well as upgrade out EPC E and F properties to EPC C.

Social

Affordability

The Valuation Office Agency sets the Local Housing Allowance (LHA) affordability criteria at the 30th centile point between what, in the local rent officer's opinion, are the highest and lowest non-exceptional rent in a Broad Rental Market Area. These statistics are used as a reference point for housing benefit and are a good indication of rent levels which are affordable in an area. Our valuer's have compared our rents with the average sector rent and LHA in the same localities. Selwood Housing's rents are demonstrably lower than those of other housing associations in the same area and are affordable when compared with the local housing allowance. This is supported by our customer satisfaction results that recorded over 76.6% of customers rating rent as value for money in our 22/23 survey.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Resident Voice

In May and June 2022, we delivered a new, innovative customer training programme called We Are All Selwood Housing. We wanted to increase customer understanding of social housing and how Selwood operates. We also wanted to encourage customers to apply to be either Board or Scrutiny members and give them the knowledge required to perform their best in the application stage. Eleven customers completed the whole four-day programme, with three of them going on to successfully apply to the Scrutiny Team.

Through the year customers were involved in shaping our services and influencing our thinking through 274 interactions across 12 projects that included an assessment of our Pets & Animals policy, the value for money strategy review and redevelopment of our Damp & Mould leaflet. We also held focus groups with customers to assess the usability of the lettings side of our forthcoming customer portal, which will be delivered through the Horizon project.

We supported the Neighbourhood team's pilot of Priority Neighbourhoods in Trowbridge and Melksham, assisting with customer consultation and community events. We worked with the development team to engage the local primary school on Studley Green estate and involve pupils in naming our new development on the old John Bull pub site.

Working with the customer complaints specialist and head of housing we established a new customer complaints forum. This group will support the process of complaint

resolution by ensuring best practice and developing effective approaches to resolving, learning, and improving complaint management. It will give customers more power in holding us to account for the decisions, performance, and conduct.

The scrutiny team delivered a customer-led review into communications. The communications team have since submitted a document to our portfolio board which will start a project to take forward actions which came out of that scrutiny review. Selwood and the scrutiny team have contracted leading tenant engagement experts TPAS to work with us over 2023-2024 on a new more efficient model of scrutiny. The team also continue to monitor our Together with Tenants plan.

We invested over £42,000 of our Stronger Communities Funding across 21 local projects. This enabled the groups we supported to attract another £433,515 of match-funding into our communities and neighbourhoods. Projects included Bradford on Avon Skate Park, Trowbridge Lantern Festival and Alzheimer's Support. We also gave repeat core-funding to Group 5. This is a local charity who provide free furniture and household items to families and individuals in need, we know that our customers are their main users, so we continue to support them. We are into the second year of a three-year funding commitment to local charity, Trowbridge

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Futures, to fund a Neighbourhood Connector who is working across our three main housing estates in Trowbridge.

Resident Support

Selwood Housing's charitable donations were £18k (2022: £21k) during the year to 31 March 2023. In addition to this we lease The Hub to Trowbridge Town Council for a peppercorn rent. We estimate the rental income foregone on these to be equal to donations of around £7k (2022: £8.9k, including 4 garages).

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2020). The code was reviewed and adopted by the board in December 2021. The board concluded that we are fully compliant with the code.

Staff wellbeing

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment, and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff, we then ensure they are motivated, skilled, and able to deliver for our customers and provide an excellent service. This is a guiding principle in our corporate strategy, as described above.

Selwood Housing provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern through our monthly pulse survey. The executive team also take part in a monthly live question and answer session with all staff. The group supports the employment of a diverse workforce, both in recruitment and in the retention of employees.

Board and executive composition

At 31 March 2023 Selwood Housing's board was made up of 5 females and four male directors. The senior management team was made up of four male and two female members.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Committees of the group board

During the year the following committees were in operation:

- The group audit and finance committee have oversight of external and internal audit, the financing and treasury position of Selwood Housing, monitoring of stage 3 complaints, changes to specific policies and reviews the fraud register at each meeting. At 31 March 2023 the members of the group audit and finance committee were Chris Butters, David Knight, Stella Shepherd, Richard Yates and Philip Whitehead.
- The group asset and development committee consider and makes recommendations to the board in respect of matters relating to repairs, planned and cyclical works, development, compliance, and any other property related matter that needs board consideration. At 31 March 2023 the
- members of the group asset and development committee were Sheila Lewis, Valerie Lee, Koo Chai Young Li Mow Ching, and Hannah Jones.

All other matters including strategy and business planning and other financial matters are considered directly by the full group board.

Board and executive directors

The group board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The board is responsible for the governance of Selwood Housing Group. Their role in practice may be summarised as:

- Providing leadership
- Setting policy and strategic aims
- Monitoring performance
- Management of risk
- Uphold Selwood Housing Group's values

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of everyone's performance over the year and an assessment of training, skills, and development needs.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Each board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2023, the executive directors consisted of the group chief executive, the group finance director, the group development director, the group operations director, the group transformation and people director and the group IT director.

The IT director left the organisation on 31 March 2023 and all directorship responsibilities for IT transferred to the group finance director

Insurance policies indemnify board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and

at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited based on selecting skill sets, the demographic make-up and experience that are required for the existing board.

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate board members and the group transformation and people director against the board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair, and inclusive. Each new board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some board members choose not to reclaim their travel costs.

Payments to board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Any changes in remuneration do not take effect until approved by the company in the general meeting and increases to board members' remuneration do not take effect more frequently than once every three years.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

The board decides the pay and benefits of the executive directors and agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff. Selwood Housing contributes to the schemes on behalf of all eligible staff and does not offer alternative benefits such as cars.

There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Regulatory standards

The board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in December 2022 and the board concluded that Selwood Housing complies with the standard.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money

Selwood Housing Group's approach to value for money (VfM)

Value for money forms one of the key pillars of our principles and values as outlined in our corporate strategy:



Our VfM strategy was reviewed in 2022 and agreed with the board in October 2022. It was presented to a group of customers and received some very positive feedback. Details of the review can be found here:

[What is 'value for money'? - Selwood Housing](#)

The aims of our value for money strategy are:

- To achieve the appropriate balance of performance, satisfaction, and cost in the delivery of our strategy differentiating between service areas
- To measure the value for money that Selwood Housing delivers at a headline level using the Regulator of Social Housing value for money key performance indicators
- To measure where we are against appropriate comparators for other areas in our strategy, and
- To set annual targets to achieve our desired position

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*

Value for money for Selwood Housing includes considering:

- Making best use of our assets

Value for Money

- Changing how we work so we need fewer resources to deliver the same service, freeing up resources for other priorities.
- Adopting the best way for delivering our services, which could be delivered internally or through external partners or suppliers.
- Making better use of the data we hold and using this to make our services better value.
- Contributing positively to the country's finances by reducing the call on welfare benefits through charging below market rents
- The social impact of our homes and services
- Improving the energy efficiency of our homes and thereby reducing energy costs for our customers

Value for Money Standard (VfM)

The Regulator of Social Housing (RSH) issued a new VfM Standard in April 2018 which includes a requirement for registered providers to publish their performance against a series of common metrics with which to measure economy, efficiency and effectiveness as set by the Regulator. The table below compares our performance over the last three years with our peer group, Place shapers (PS), the RSH global accounts performance and our targets for next year.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*

Performance Metric	2020/21 Actual	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target	2021/22 PS Median *	2021/22 Sector Median **
Business health % efficiency							
Operating margin - Overall	24.4%	17.1%	11.4%	18.1%	17.5%	24.3%	20.5%
Operating margin - Social housing lettings	23.1%	18.8%	12.8%	18.9%	16.4%	27.2%	23.3%
Interest cover % (EBITDA-MRI)	426.0%	311.3%	122.0%	260.4%	102.7%	185.0%	145.7%
Headline social housing cost per unit £ CPU	£3,732	£4,343	£5,240	£4,332	£5,548	£3,587	£4,150
Return on capital employed %	2.4%	1.9%	1.4%	2.1%	2.5%	3.3%	3.2%
Development & investment							
New supply delivered % - Social housing units	1.8%	2.3%	2.3%	2.2%	2.1%	1.3%	1.4%
Gearing %	31.2%	31.7%	35.9%	33.6%	36.7%	44.9%	44.1%
Reinvestment %	5.3%	5.4%	7.3%	7.2%	7.0%	5.9%	6.5%

* Place shapers – results from a national network of community based social housing providers

** Sector median is the latest published sector results (2021/22) as reported by the Regulator of Social Housing

The past two years have been a challenging time for all organisations across every sector. The global pandemic forced us to change our working practices and be flexible and adaptable in our approach. The subsequent supply chain shortages and the economic crisis that has resulted from the war in Ukraine continues to challenge our value for money aims and have been a main focus. The impacts of inflation are also only just starting to materialise and begin to influence our KPIs.

Given this backdrop, it is perhaps surprising that Selwood's **headline social housing cost per unit (CPU)** has outperformed our 21/22 result and our target for 22/23. However, this has been largely due to delays in our planned maintenance and major repairs programmes following resource shortages and contractor failures that resulted in re-tendering of the activities. Our target for 23/24 reflect an improved resource availability and more realistic mobilisation periods for newly acquired contractors for major works like window replacements and roofing. Selwood board are confident that the new contracts are robust as they have been managed by a larger and more experienced procurement function.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*

EBITDA-MRI interest cover (*) was well ahead of our 22/23 target, due to the reasons above but is expected to fall in 23/24. Selwood board recognised the impact rising interest rates would have on the cost of debt and instructed management to renegotiate our interest cover covenants with lenders. By December 2022, all agreements had been amended to remove MRI from the covenant calculation, moving to an EBITDA only requirement. This means that Selwood now have significant headroom on all of the covenants (e.g. over 2x cover in 22/23), however the board agreed that Selwood would still maintain a minimum cover of 100% for EBITDA-MRI to provide further financial security to the plan.

Gearing was better than target and well below Selwood's golden rule target of 50% and the existing loan covenant of 60%. Gearing measures, the relationship between debt and tangible fixed housing assets and will increase over the next few years as we borrow more money to fund our development programme and meet our environmental targets.

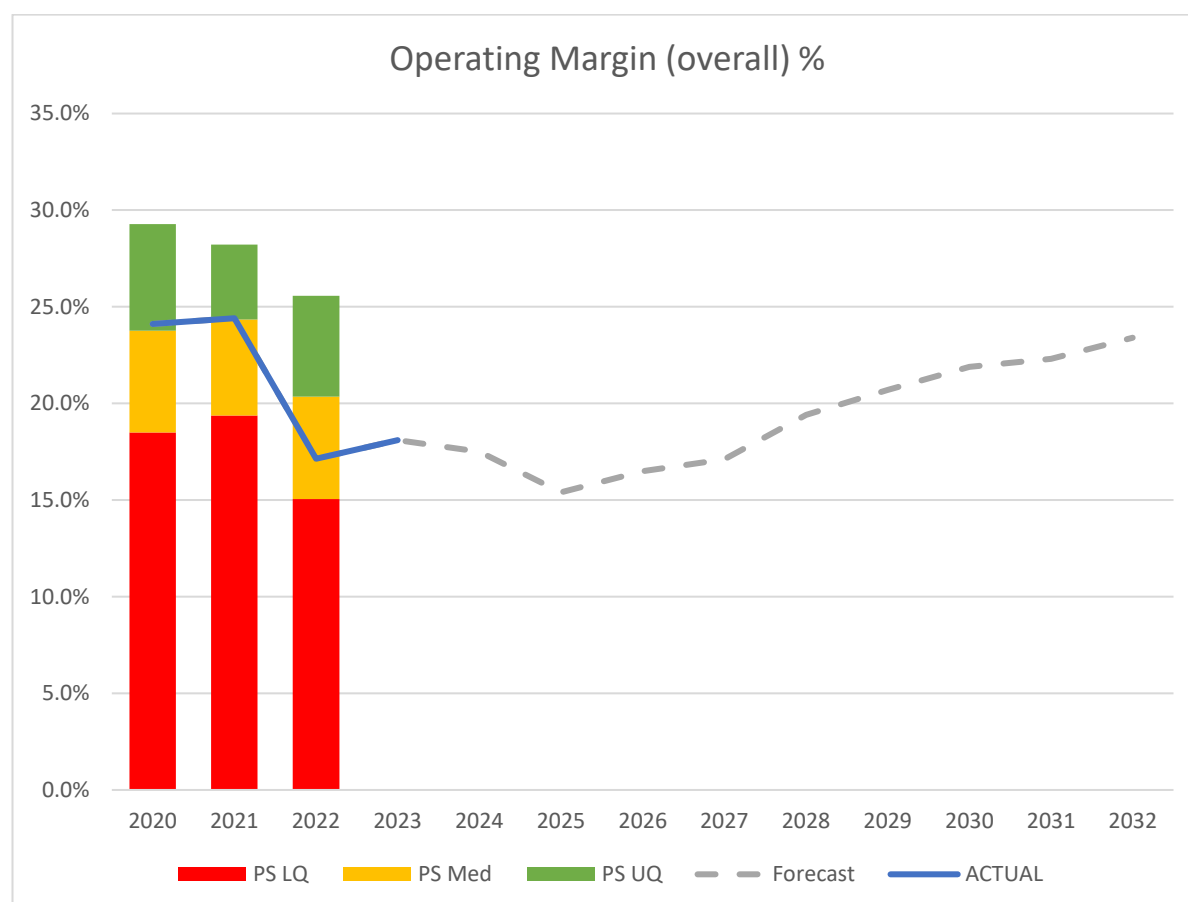
The improved **return on capital employed (ROCE)** was better than target due to an increase in gains from disposals of fixed assets. The board agreed to a targeted disposal strategy for properties that would not meet EPC C levels by 2030 without a significant investment beyond the properties 30-year return. This will result in the disposal of a handful of properties over the coming years which will continue to boost the Selwood ROCE performance.

* EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*



The improved **operating margin** is partly due to the delays in planned programmes as detailed above but also from efficiency gains in our responsive repair teams, improved by circa 11% year on year, and a reduction in maintenance costs on our sheltered housing properties, following previous years' work.

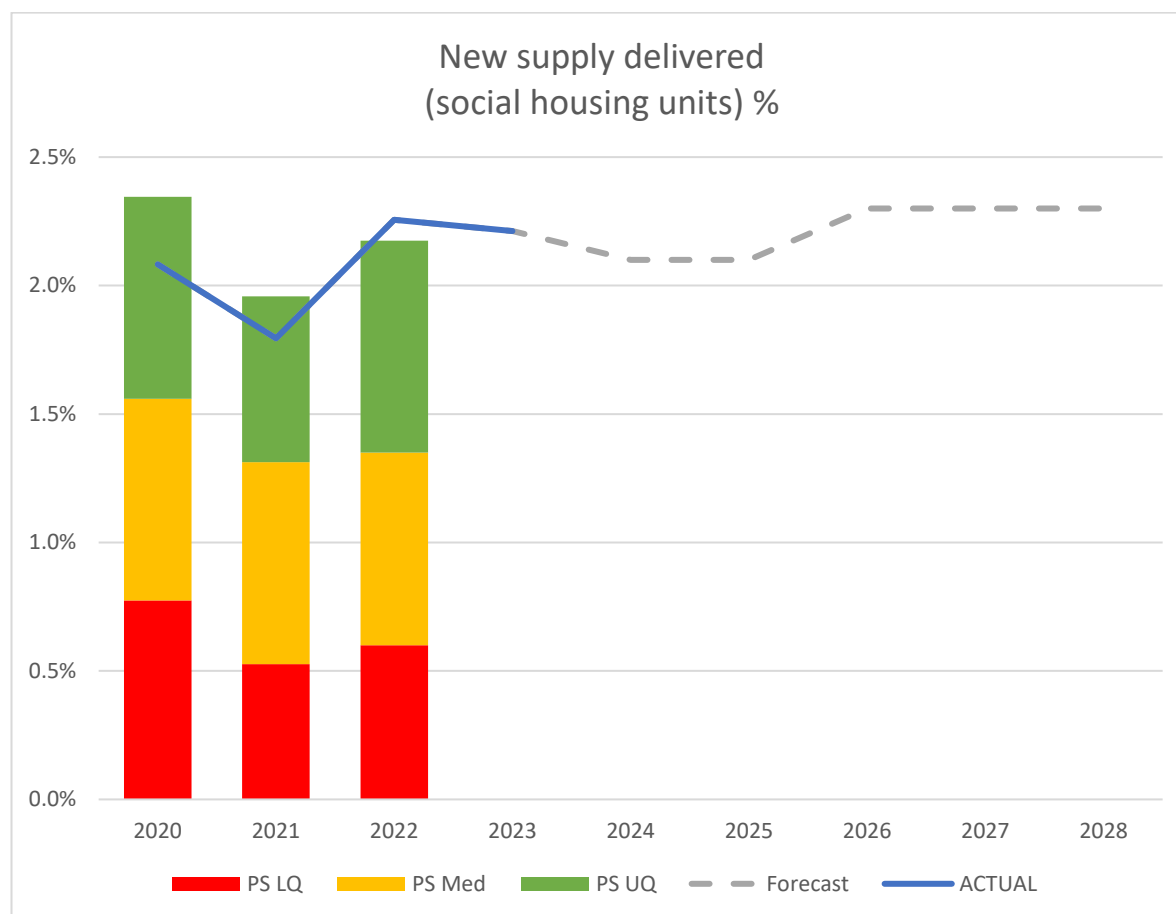
The work on Selwood's major transformation project, Horizon, has also continued. This will allow us to develop and expand our system capabilities, improve our processes, and explore further efficiencies. This project continues to require additional staff and investment in new systems which impacts our operating margin.

It is anticipated that investment in Horizon, additional costs in maintenance for activities relating to damp and mould along with more surveying and further impact of inflation on supply and staffing, will continue to reduce our operating margin for the next 3 years before the benefits of Horizon programme start to reverse the trend.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money (*continued*)



The economic conditions led to management agreeing to slow down the development programme, reducing the **new supply delivery** from 200 to 150 units for the next two years. This is the main reason for the slight fall in the development and investment results compared to the target for the year and prior years. This trend will continue in 23/24 and is reflected in those targets. Selwood are still committed to development and our recent corporate strategy lays out a plan to build 1,700 homes over the next 10 years. This, combined with our commitment to invest in our existing properties is shown in our **re-investment percentage** remaining above the median benchmark. Shared ownership demand still remains strong, and the Board have agreed to maintain our average of 30% shared ownership for all newly developed properties. We will continue to monitor this in our performance triggers to mitigate any risk of unsold properties.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

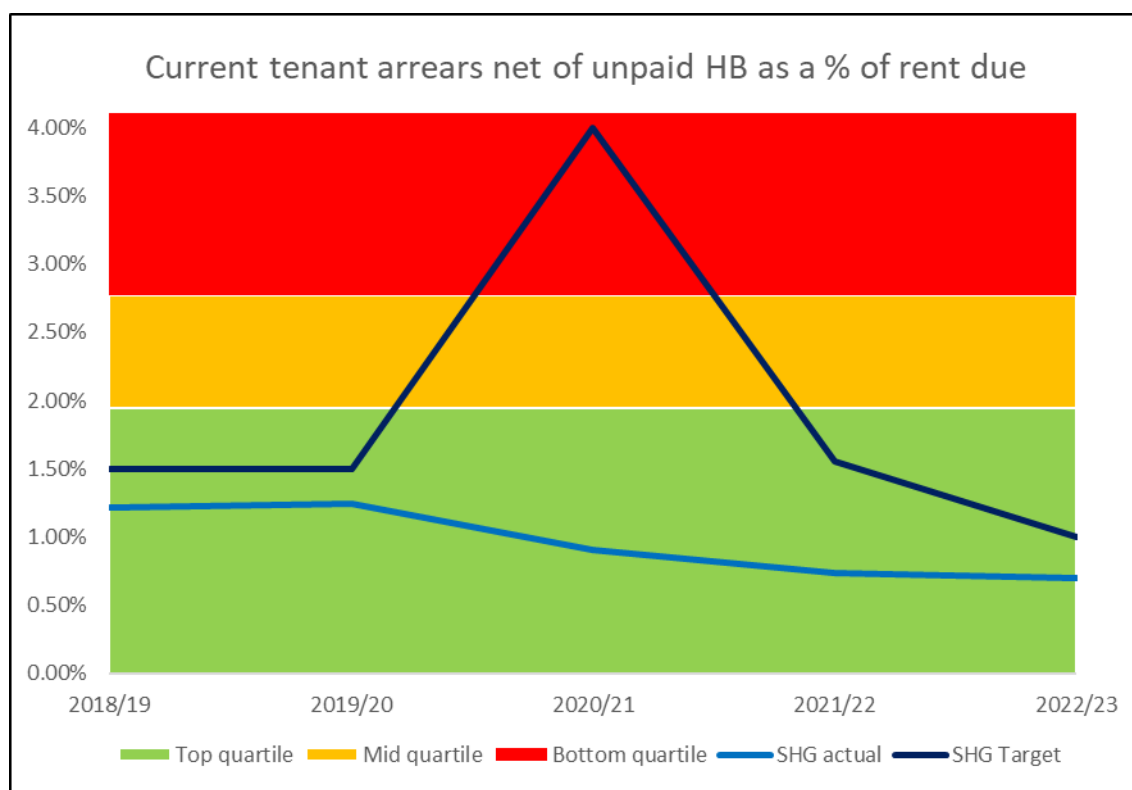
Value for Money (*continued*)

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the board are rent loss due to empty properties as a % of rent due and current tenant arrears net of unpaid housing benefit as a % of rent due. These are financial KPIs but also helps us to fulfil our social purpose:

- Good voids performance means that more homes are available for people in housing need
- An appropriate approach to dealing with current tenant arrears assists our tenants with their security of tenure and their money management skills

It has been another good year for our lettings team, both in terms of performance and of adapting service delivery to embed lessons learned from the pandemic and a changing environment. During the year the team let 399 homes and the neighbourhoods team facilitated 88 mutual exchanges. At the end of March 2023, the void loss attributable to rented dwellings (including shared ownership) was 0.63% (March 2022 0.9%).

The graph below compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2021/22:



Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *(continued)*

Despite the increased cost of living the collection of rent and service charges remains strong. This is in part due to our robust pre-tenancy assessment of affordability, the firm, consistent and timely intervention of the income team, and timely referrals to our tenancy sustainment coordinators and financial inclusion partners.

The decision to contact customers in advance of the unprecedented annual rent increase has been positive; with only a small amount dissatisfaction being recorded and early indications are that rent debt has not increased.

The strong collection ethos has shone through again this year with only 4 evictions taking place. The principles of timely support and decisive intervention have resulted in another top-quartile performance from the income team of 0.7% current customer arrears.

2023 has seen the organisation re-join the Housemark benchmarking group. Peer group comparison has validated our income collection performance. Our 2023 year end figure compares favourably against the sector (reported at 2.7%) and a comparable cohort of providers (at 2.6%). Selwood Housing is amongst the best performers in the sector

Supporting actions to deliver the 23/24 targets

To support the delivery of the targets set out for the value for money metrics shown above, we will:

- As a result of the rising interest rates, ensure that the cost of carry of debt is as low as possible, balancing borrowing with the requirements of the organisation.
- Utilise peer group data from organisations like Housemark to ensure that we are benchmarking against similar organisations providing similar services.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *(continued)*

- Continue to closely monitor for slowdown in the housing market that could affect shared ownership schemes and the overall operating margin of the Association.
- As inflation effects take hold, consider how Selwood can further maintain the surplus to mitigate the impact whilst still providing good services to our customers
- Look at ways to improve our return on capital employed (ROCE) as our cost of borrowing rises.
- Analyse headcount and staffing costs by service and benchmark to identify under/over provision.

Section 172 Statement

The board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's strategy and long-term strategic plan
- the approval of the current year budget including rent and service charge changes,
- the approval of the overall 30-year financial plan and stress test scenarios
- the approval of the development strategy and individual site purchases,
- the approval of the Asset management strategy
- the approval of the company pay and benefits for staff and CEO
- the adoption of 2020 NHF Code of Governance

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the board's decision-making process, the board considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the board has sought to deliver benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Internal controls assurance

The board has 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 manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The board receives and considers annual reports at the group audit and finance committee, group asset and development committee and management on the management of risk and control arrangements. The board review the strategic risk register at each of its meetings and receive the full risk register annually for review. The group audit and finance committee set the plans for internal audits based on the risk register to ensure that appropriate work is being undertaken to mitigate risks with corrective actions, where necessary.

The process for identifying, evaluating, and managing the strategic risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2022 up to the date of approval of the annual report and financial statements. Selwood Housing introduced a new system for monitoring risk management which is more intuitive, interactive and puts emphasis on ensuring that good controls are in place and actions are progressed to deliver improvement in risk scores.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial and procurement regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Internal controls assurance *continued*

- Policies and procedures covering all major areas of activity
- A corporate plan setting out Selwood Housing's mission and key corporate objectives
- A risk management strategy including a risk register with a procedure for updating, reviewing, and reporting that strategy
- An internal audit programme linked to the risk register
- Review of the Regulator of Social Housing (RSH) sector risk profile
- External audit reports
- The 30-year business planning model – reviewed at least annually by the board
- An annual budget agreed before the beginning of each financial year
- Monthly management accounts and performance reports to the board and the executive team
- Review of the fraud register at each group audit and finance committee meeting

The board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and finance committee to review the effectiveness of the system of internal control regularly. The board receives minutes from each committee meeting.

The means by which the group audit and finance committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

The group audit and finance committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Statement of responsibilities of the board

The board are responsible for preparing the strategic report, annual report, and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the board must not approve the financial statements

unless they are satisfied that they give a true and fair view of the situation of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, 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 charitable company will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the board. The board responsibility also extends to the ongoing integrity of the financial statements contained therein.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Going concern

After making enquiries the board has a reasonable expectation that Selwood Housing has adequate resources to continue in operational existence for the foreseeable future. The board defines the foreseeable future as at least 12 months from the date of signing the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting is planned to be held on 4th October 2023 in the boardroom of Selwood Housing's office.

Independent auditor

A resolution to appoint Selwood Housing's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditor

So far as the board is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approval

The report of the board of directors including the strategic report was approved by the board on 5 July 2023 and signed on its behalf by:



Sheila Lewis
Chair
5 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in reserves, , the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2023 and of the Group's and the Company's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the letter from the chair and Group Strategic Report including

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained during the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the statement of responsibilities of the board set out on page 25, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

Selwood Housing Society Ltd

override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
20 Colmore Circus
Queensway
Birmingham B4 6AT
Date: 20 July 2023

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2023

		Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
	Note				
Turnover	4	45,967	44,284	45,951	44,630
Cost of sales	4	(3,455)	(4,458)	(3,455)	(4,457)
Operating costs	4	(34,147)	(32,237)	(34,155)	(32,420)
Gain on disposal of fixed assets	11	1,652	1,208	1,652	1,208
Operating surplus		10,017	8,797	9,993	8,961
Other interest receivable and similar income		53	6	49	5
Interest and financing costs	12	(3,835)	(2,594)	(3,835)	(2,594)
Other finance costs	26	(126)	(175)	(126)	(175)
Movement in fair value of investment properties	16	1	23	1	23
Surplus before taxation		6,110	6,057	6,082	6,220
Taxation on surplus	13	2	(13)	0	0
Surplus for the financial year		6,112	6,044	6,082	6,220
Actuarial gains on defined benefit pension scheme	26	4,736	4,179	4,736	4,179
Total comprehensive income for year		10,848	10,223	10,818	10,399

The notes on pages 44 to 85 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated and company statement of financial position at 31 March 2023

		Group	Group	Company	Company
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	14	471,855	448,308	471,907	448,308
Tangible fixed assets - other	15	3,575	3,760	3,247	3,404
Investment properties	16	352	351	352	351
Investments in companies	17	125	25	2,225	2,125
		475,907	452,444	477,731	454,188
Current assets					
Stocks	19	4,840	4,052	4,840	3,557
Debtors - receivable within 1 year	20	3,177	3,172	3,161	3,165
Cash and cash equivalents	20a	8,720	8,864	6,688	7,422
		16,737	16,088	14,689	14,144
Creditors: amounts falling due within 1 year	21	(17,638)	(14,565)	(17,602)	(14,524)
Net current assets / (liabilities)		(902)	1,523	(2,914)	(380)
Total assets less current liabilities		475,006	453,967	474,818	453,808
Creditors: amounts falling due after more than 1 year	22	(194,944)	(180,012)	(194,944)	(180,012)
Net assets excluding pension liability		280,062	273,955	279,874	273,796
Provision for deferred tax	30	(7)	(9)	0	0
Pension liability	26	0	(4,741)	0	(4,741)
Net assets		280,055	269,205	279,874	269,055
Capital and reserves					
Income and expenditure reserve		148,691	136,347	148,510	136,197
Revaluation reserve		131,364	132,858	131,364	132,858
		280,055	269,205	279,874	269,055

The notes on pages 44 to 88 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 5 July 2023



Sheila Lewis
Chair



Mark Mayler
Secretary

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2023

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2021	124,836	134,147	258,983
Total comprehensive income for the year	6,044	0	6,044
Actuarial gains on defined benefit pension scheme	4,179	0	4,179
Total comprehensive income	10,222	0	10,222
Transfer from revaluation reserve to income and expenditure	1,289	(1,289)	0
Opening funds March 2022	136,347	132,858	269,205
Total comprehensive income for the year	6,112	0	6,112
Actuarial gains on defined benefit pension scheme	4,736	0	4,736
Total comprehensive income	10,848	0	10,848
Transfer from revaluation reserve to income and expenditure	1,494	(1,494)	0
Closing total funds March 2023	148,689	131,364	280,053

The notes on pages 44 to 85 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2023

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2021	124,509	134,147	258,656
Total comprehensive income for the year	6,220	0	6,220
Actuarial gains on defined benefit pension scheme	4,179	0	4,179
Total comprehensive income	10,399	0	10,399
Transfer from revaluation reserve to income and expenditure	1,289	(1,289)	0
Opening funds April 2022	136,197	132,858	269,055
Total comprehensive income for the year	6,082	0	6,082
Actuarial gains on defined benefit pension scheme	4,736	0	4,736
Total comprehensive income	10,818	0	10,818
Transfer from revaluation reserve to income and expenditure	1,494	(1,494)	0
Closing total funds March 2023	148,509	131,364	279,873

The notes on pages 44 to 85 form part of these financial statements.

Selwood Housing Society Ltd

Consolidated statement of cash flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Surplus for the financial year		6,110	6,057
Adjustments for:			
Depreciation of fixed assets - housing properties	14	8,063	7,741
Depreciation of fixed assets - other	15	866	409
Amortised grant	23	(385)	(395)
Interest payable and finance costs		3,961	2,769
Interest received		(53)	(6)
Difference between net pension expenses and cash contribution		(131)	(45)
Proceeds from sale of fixed assets- housing properties	11	(3,043)	(2,275)
Decrease /(Increase) in trade and other debtors		(5)	305
Decrease /(Increase) in stocks		(788)	370
Increase in trade and other creditors		959	1,428
Carrying amount of disposals		1,463	1,014
Movement in fair value of investment properties		(1)	(23)
Cash from operations		17,016	17,350
Taxation paid		0	0
Net cash generated from operating activities		17,016	17,350
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	3,043	2,275
Purchase of fixed assets - housing properties	14	(33,063)	(23,977)
Purchase of fixed assets - other	15	(691)	(167)
Purchase of investments		(100)	0
Receipt of grant	23	1,446	103
Interest received		53	6
Net cash from investing activities		(29,311)	(21,760)
Cashflows from financing activities			
Interest paid	12	(3,835)	(2,594)
Taxation Paid		0	0
New loans		20,000	6,000
Debt issue costs incurred		377	0
Repayment of loans	25	(4,390)	0
Net cash used in financing activities		12,152	3,406
Net (decrease) / increase in cash and cash equivalents		(144)	(1,004)
Cash and cash equivalents at beginning of year		8,864	9,868

The notes on pages 44 to 85 form part of these financial statements.

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2023

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Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2023

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the group's operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all its subsidiary undertakings for the year. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the board has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year and capitalised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing Society Ltd is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing Society Ltd's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing Society Ltd participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing Society Ltd's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

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

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

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

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years
Lighting	20 years
Fire Alarms	15 years
Door entry systems	10 years
Electric Heat Pumps	15 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Impairment

Housing properties, which are depreciated over a period more than 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)-		5 years
• Plant and Equipment	-	5 years

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs, and other costs. Based on the costs to complete, the board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see notes 14 and 15)**

Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as the Group's experience over several years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Investment properties (see note 16)

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations for the commercial units were

- Annual rent per square metre: £86-£139 with a weighted average of £113
- Capitalisation rate: 9.75% - 10% with a weighted average of 9.90%

- Rental and other trade receivables (debtors) (see note 20)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

4 Particulars of turnover, cost of sales, operating costs, and operating surplus - group

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus on disposal 2023 £'000	Operating surplus /(deficit) 2023 £'000
Social housing lettings (note 5)	40,417	0	32,736	0	7,681
Other social housing activities					
First tranche low cost home ownership sales	5,114	3,455	183	0	1,476
Gain on disposal of fixed assets	0	0	0	1,652	1,652
Charges for support services	25	0	4	0	21
Development costs not capitalised	0	0	734	0	(734)
	5,139	3,455	921	1,652	2,415
Activities other than social housing activities					
Lettings	10	0	4	0	6
Other	401	0	487	0	(86)
	411	0	491	0	(80)
	45,967	3,455	34,148	1,652	10,016

	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating costs 2022 £'000	Surplus on disposal 2022 £'000	Operating surplus /(deficit) 2022 £'000
Social housing lettings (note 5)	38,078	0	30,933	0	7,145
Other social housing activities					
First tranche low cost home ownership sales	5,801	4,458	164	0	1,179
Gain on disposal of fixed assets	0	0	0	1,208	1,208
Charges for support services	17	0	4	0	13
Development costs not capitalised	0	0	661	0	(661)
	5,818	4,458	829	1,208	1,739
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	375	0	473	0	(99)
	388	0	476	0	(89)
	44,284	4,458	32,238	1,208	8,796

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

4 Particulars of turnover, cost of sales, operating costs, and operating surplus - company

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus on disposal 2023 £'000	Operating surplus /(deficit) 2023 £'000
Social housing lettings (note 5)	40,417	0	32,735	0	7,682
Other social housing activities					
First tranche low cost home ownership sales	5,114	3,455	182	0	1,477
Gain on disposal of fixed assets	0	0	0	1,652	1,652
Charges for support services	25	0	4	0	21
Development costs not capitalised	0	0	734	0	(734)
	5,139	3,455	920	1,652	2,416
Activities other than social housing activities					
Lettings	10	0	4	0	6
Other	385	0	496	0	(111)
	395		500	0	(105)
	45,951	3,455	34,155	1,652	9,993

	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating costs 2022 £'000	Surplus on disposal 2022 £'000	Operating surplus /(deficit) 2022 £'000
Social housing lettings (note 5)	38,078	0	30,987	0	7,091
Other social housing activities					
First tranche low cost home ownership sales	5,801	4,457	163	0	1,181
Gain on disposal of fixed assets	0	0	0	1,208	1,208
Charges for support services	17	0	4	0	13
Development costs not capitalised	0	0	661	0	(661)
	5,818	4,457	828	1,208	1,741
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	721	0	602	0	119
	734		605	0	129
	44,630	4,457	32,420	1,208	8,961

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

5 Income and expenditure from social housing lettings – group

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2023 £'000	Total 2022 £'000
Income							
Rents net of identifiable service charges	28,564	7,956	1,261	254	655	38,691	36,345
Service charge income	504	787	49	0	0	1,341	1,317
Amortised government grants	385	0	0	0	0	385	385
Other grants	0	0	0	0	0	0	31
Turnover from social housing lettings	29,453	8,744	1,310	254	655	40,417	38,078
Expenditure							
Management	4,408	1,666	265	92	90	6,521	6,166
Service charge costs	1,309	904	0	19	9	2,241	2,333
Routine maintenance	4,686	1,471	0	242	49	6,448	5,274
Planned maintenance	4,209	1,289	0	12	26	5,536	4,912
Major repairs expenditure	2,807	884	0	9	21	3,721	4,506
Bad debts	76	22	0	0	0	98	(70)
Depreciation of housing properties:							
-annual charge	6,228	1,840	0	0	0	8,068	7,741
-accelerated on disposal of components	77	23	0	0	0	100	71
Operating expenditure on social housing lettings	23,800	8,099	268	374	195	32,736	30,933
Operating surplus / (deficit) on social housing lettings	5,653	645	1,043	(120)	460	7,681	7,145
Void Losses	111	98	57	0	45	312	339

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

5 Income and expenditure from social housing lettings – company

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2023 £'000	Total 2022 £'000
Income							
Rents net of identifiable service charges	28,565	7,956	1,261	254	655	38,691	36,345
Service charge income	504	787	49	0	0	1,341	1,317
Amortised government grants	385	0	0	0	0	385	385
Other grants	0	0	0	0	0	0	31
Turnover from social housing lettings	29,454	8,744	1,310	254	655	40,417	38,078
Expenditure							
Management	4,408	1,666	265	92	90	6,521	6,166
Service charge costs	1,309	904	0	19	9	2,241	2,332
Routine maintenance	4,685	1,472	0	242	49	6,448	5,329
Planned maintenance	4,209	1,289	0	12	26	5,536	4,912
Major repairs expenditure	2,807	884	0	9	21	3,721	4,506
Bad debts	76	22	0	0	0	98	(70)
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	6,228	1,840	0	0	0	8,068	7,741
-accelerated on disposal of components	77	23	0	0	0	100	71
Operating expenditure on social housing lettings	23,799	8,100	265	374	195	32,733	30,987
Operating surplus / (deficit) on social housing lettings	5,655	644	1,045	(120)	460	7,684	7,091
Void Losses	111	98	57	0	45	312	339

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2023 Number	Group & Company 2022 Number
General needs housing:		
- social	4,192	4,173
- affordable	861	805
Low cost home ownership	367	308
Supported housing	76	72
Housing for older people	701	701
Sheltered units for older people / supported living	714	714
Total social housing units	6,911	6,773
Residential care home bed spaces	46	49
Total owned and managed	6,957	6,822
Leaseholders of sold flats	90	90
Leaseholders units for supported living	4	4
Market rent	2	2
Total owned and managed accommodation	7,053	6,918
Units under construction	250	299

	Group & Company Number
Total owned and managed accommodation as at Apr 22	6,918
Newly built rental accommodation, built by or for Selwood Housing.	155
Sales to the open market	(3)
Right to Buy Disposals	(4)
Right to Acquire Disposals	(5)
Fully Staircased LCHO	(8)
Total owned and managed accommodation as at Mar 23	7,053

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

6 Units of housing stock (*continued*)

Selwood Housing owns 76 supported housing units (2022: 72) and tenancy sustainment support was provided for 11 of these units by Selwood Housing in 2023. The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 46 care home units on our behalf.

Selwood Housing also owns 1,158 garages, 1 shop unit used by Selwood Housing as a resource centre and 1 doctors' surgery.

7 Operating surplus

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
This is arrived at after charging / (crediting):				
Depreciation of housing properties:				
-annual charge	8,063	7,741	8,063	7,741
-accelerated depreciation on replaced components	100	71	100	71
Depreciation of other tangible fixed assets	433	409	404	381
Impairment of Office property	433	0	433	0
Auditor's remuneration (excluding VAT):				
-fees payable to the group's auditor for the audit of the group's annual accounts	27	27	19	18

8 Employees

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Staff costs (including Executive Team) consist of:				
Wages and salaries	10,615	10,950	10,615	9,827
Social security costs	1,029	964	1,029	866
Cost of defined benefit scheme (see note 26)	458	580	458	580
Cost of defined contribution scheme	741	707	741	657
	<u>12,843</u>	<u>13,201</u>	<u>12,843</u>	<u>11,930</u>

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

8 Employees (*continued*)

	Group 2023	Group 2022	Company 2023	Company 2022
Administration	61	59	61	59
Development	10	10	10	10
Maintenance	92	117	92	87
Housing, Support and care	149	155	149	147
	<u>312</u>	<u>341</u>	<u>312</u>	<u>303</u>

9 Directors' and senior executive remuneration

The directors and senior executives are defined as the members of the board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2023 £'000	2022 £'000
Executive directors' emoluments	718	644
Amounts paid to non-executive directors	51	49
Contributions to money purchase pension schemes	10	9
Contributions to defined benefits pension scheme	75	112
	<u>854</u>	<u>814</u>

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2023 No.	2022 No.
£60,000 - £69,999	5	5
£70,000 - £79,999	7	3
£80,000 - £89,999	0	0
£90,000 - £99,999	2	2
£100,000 - £109,999	1	3
£110,000 - £119,999	1	0
120,000 - 129,999	0	0
130,000 - 139,999	0	1
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0
170,000 - 179,999	0	0
180,000 - 189,999	0	0
190,000 - 199,999	1	0
	<u>17</u>	<u>14</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

9 Directors' and senior executive remuneration (continued)

The CEO left the Wiltshire local government pension scheme as of the 31st March 2022. From 1st April 2022 the CEO salary was adjusted to include the amount that would have been paid into the Wiltshire pension fund as employer contributions on their behalf.

Benefits have accrued to 3 executive officers under the Wiltshire pension fund defined benefit scheme (2022 – 4, including 1 leaver) and 1 director accrued benefits under the group's defined contribution pension scheme during the year (2022 – 1).

The group chief executive's salary is 6.06 times the median salary of all members of staff (2022: 4.68 times).

10 Board members

The Chair of the board receives a salary of £10,500 (2022: £10,500) per annum, the committee chairs each receive £1,750 per annum (2022: £1,750), in addition to their basic board member payment. The standard other group board member payment is £4,250 (2022: £4,250). Emoluments paid to board members in 2023 were 0.1% (2022: 0.1%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Finance committee	Group Board
Sheila Lewis *	12,720	x		x
Richard Britton ** to 06/10/22	3,188		x	x
Chris Butters	5,734		x	x
Stella Shepherd **	4,250		x	x
Steve Oldrieve to 06/10/22	2,192		x	x
Richard Yates	4,250		x	x
David Knight	4,476		x	x
Valerie Lee	6,167	x		x
Neil Hales-Owen to 29/06/22	1,034		x	x
Hannah Jones from 06/10/22	2,086	x		x
Koo Chai Young Li Mow Ching from 06/10/22	2,684	x		x
Philip Whitehead from 06/10/22	2,074		x	x
Total	50,857			

* Chair

** Vice Chair

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

11 Surplus on disposal of fixed assets

Group and Company	Right to Buy and Right to Acquire 2023 £'000	Other housing properties 2023 £'000	Staircasing 2023 £'000	Total 2023 £'000	Total 2022 £'000
Disposal proceeds	1,334	493	1,216	3,043	2,275
Costs of disposals	(509)	(137)	(711)	(1,357)	(1,055)
Selling costs	(11)	(5)	(8)	(24)	(12)
Grant recycled	0	0	0	0	0
	814	351	497	1,662	1,208
Surplus on disposal of other tangible fixed assets	0	0	0	(10)	0
	814	351	497	1,652	1,208

12 Interest payable and similar charges

Group and company	2023 £'000	2022 £'000
Bank loans and overdrafts	2,618	1,580
All other loans (excluding loans from group entities)	1,861	1,342
Interest capitalised on construction of housing properties	(644)	(328)
	3,835	2,594

13 Taxation on profit from ordinary activities

	Group 2023 £'000	Group 2022 £'000
Current tax		
UK corporation tax on profits of the year	0	(10)
Effect of changes in rates	0	(2)
Origination and reversal of timing differences	2	(1)
Taxation on profit on ordinary activities	2	(13)

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

13 Taxation on profit from ordinary activities *(continued)*

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Profit on ordinary activities before tax	6,110	6,057	6,082	6,220
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022: 19%)	(1,161)	(1,151)	(1,156)	(1,182)
Effects of:				
Charitable income	1,137	1,131	1,156	1,182
Gift Aid Payment to parent	26	9	0	0
Expenses not deductible	0	0	0	0
Tax rate changes	0	(2)	0	0
Current tax charge for year	2	(13)	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2023 (2022: all freehold).

Group and company	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2022	459,761	11,276	26,231	4,309	501,577
Construction Costs	0	20,751	0	7,458	28,209
Replaced components - Additions	5,371	(465)	0	0	4,906
Completed Schemes	17,093	(17,093)	7,819	(7,819)	0
Disposals - RTB, RTA & market sales	(739)	0	0	0	(739)
Disposals - replaced components	(651)	0	0	0	(651)
Disposals - staircasing	0	0	(731)	0	(731)
Transfers	0	0	0	0	0
At 31 March 2023	480,834	14,469	33,318	3,949	532,571
<i>Depreciation</i>					
1st April 2022	(52,603)	0	(667)	0	(53,269)
Charge for the year	(7,825)	0	(239)	0	(8,063)
Eliminated on disposals	98	0	0	0	98
Replaced components - Disposals	551	0	0	0	551
Disposals - staircasing	0	0	20	0	20
At 31 March 2023	(59,778)	0	(885)	0	(60,664)
Net Book Value at 31 March 2023	421,056	14,469	32,433	3,949	471,907
Net Book Value at 31 March 2022	407,158	11,276	25,564	4,309	448,308

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

14 Tangible fixed assets – housing properties (*continued*)

Group	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2022	459,761	11,276	26,231	4,309	501,577
Construction Costs	0	20,716	0	7,441	28,157
Replaced components - Additions	5,371	(465)	0	0	4,906
Completed Schemes	17,093	(17,093)	7,819	(7,819)	0
Disposals - RTB, RTA & market sales	(739)	0	0	0	(739)
Disposals - replaced components	(651)	0	0	0	(651)
Disposals - staircasing	0	0	(731)	0	(731)
Transfers	0	0	0	0	0
At 31 March 2023	480,834	14,434	33,318	3,931	532,519
<i>Depreciation</i>					
1st April 2022	(52,603)	0	(667)	0	(53,269)
Charge for the year	(7,825)	0	(239)	0	(8,063)
Eliminated on disposals	98	0	0	0	98
Replaced components - Disposals	551	0	0	0	551
Disposals - staircasing	0	0	20	0	20
At 31 March 2023	(59,778)	0	(885)	0	(60,664)
Net Book Value at 31 March 2023	421,056	14,434	32,433	3,931	471,855
Net Book Value at 31 March 2022	407,158	11,276	25,564	4,309	448,308

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

14 Tangible fixed assets – housing properties (*continued*)

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Interest capitalised in the year	(644)	(328)	(644)	(328)
Rate used for capitalisation	3%	2%	3%	2%
Total social housing grant received or receivable to date	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
as follows				
Capital grant - Housing properties	34,518	33,132	34,518	33,132
Recycled Capital Grant Fund	205	150	205	150
Revenue grant - I&E	385	385	385	385
Revenue grant - reserves	4,642	4,257	4,642	4,257
	39,750	37,924	39,750	37,924

Properties held for security

Selwood Housing Society Ltd had property with an existing use value of £239 million pledged as security at 31 March 2023 (£206 million – 2022).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

15 Other tangible fixed assets – group

Group	Freehold	Fixtures	Plant & & Equipment	Motor	IT	Total
	Office	& Fittings		Vehicles		
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	3,556	52	554	13	2,177	6,352
Additions	0	0	0	0	691	691
Disposals	0	0	0	0	(58)	(58)
At 31 March 2023	3,556	52	554	13	2,810	6,985
Accumulated Depreciation						
At 1 April 2022	(801)	(17)	(198)	(13)	(1,563)	(2,592)
Charged in year	(70)	(5)	(28)	0	(329)	(433)
Impairment	(433)	0	0	0	0	(433)
Disposals	0	0	0	0	47	47
At 31 March 2023	(1,303)	(22)	(226)	(13)	(1,845)	(3,410)
Net book value at 31 March 2023	2,253	30	328	0	965	3,575
Net book value at 31 March 2022	2,755	35	356	0	614	3,760

Freehold office includes freehold land at cost of £360,000 (2022: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

15 Other tangible fixed assets – company

	Freehold	Fixtures	Plant & Equipment	Motor Vehicles	IT	Total
	Office £'000	& Fittings £'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	3,556	52	6	13	2,177	5,804
Transfer	0	0	0	0	0	0
Additions	0	0	0	0	691	691
Disposals	0	0	0	0	(58)	(58)
At 31 March 2023	3,556	52	6	13	2,810	6,437
Accumulated Depreciation						
At 1 April 2022	(801)	(17)	(6)	(13)	(1,563)	(2,400)
Depreciation on Transfer	0	0	0	0	0	0
Charged in year	(70)	(5)	0	0	(329)	(405)
Impairment	(433)	0	0	0	0	(433)
Disposals	0	0	0	0	47	47
At 31 March 2023	(1,303)	(22)	(6)	(13)	(1,845)	(3,190)
Net book value at 31 March 2023	2,253	30	0	0	965	3,247
Net book value at 31 March 2022	2,755	35	0	0	614	3,404

Freehold office includes freehold land at cost of £360,000 (2022: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2022	221	130	351
Disposals	0	0	0
Revaluations	3	(2)	1
At 31 March 2023	224	128	352

The group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

The surplus on revaluation of investment property arising £1k (2022 – surplus of £23k) has been credited to the statement of comprehensive income for the year (company and group).

17 Fixed asset investments

<i>Cost or valuation</i>	Group £'000	Company £'000
At 1 April 2022	25	2,125
Additions	100	100
At 31 March 2023	125	2,225

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

18 Subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity	Number of shares
Silcoa Ltd *	England	100%	Dormant	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	1,500,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

19 Properties for sale & other stock

Group	First tranche shared ownership properties 2023 £'000	Other Stock 2023 £'000	Total 2023 £'000	Total 2022 £'000
Completed properties	2,120	0	2,120	613
Other	0	88	88	72
Properties under construction	2,632	0	2,632	3,367
	4,752	88	4,840	4,052

Company	First tranche shared ownership properties 2023 £'000	Other Stock 2023 £'000	Total 2023 £'000	Total 2022 £'000
Completed properties	2,120	0	2,120	613
Other	0	88	88	72
Properties under construction	2,632	0	2,632	2,872
	4,752	88	4,840	3,557

Properties developed for sale include capitalised interest of £26k (2022 - £21k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

20 Debtors

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Due within one year				
Arrears of rent and service charges	492	638	492	638
Less: Provision for doubtful debts	(280)	(359)	(280)	(359)
	212	279	212	279
Amounts owed by group undertakings	0	0	0	0
Other debtors	2,077	1,875	2,067	1,873
Prepayments and accrued income	887	1,018	881	1,013
	3,176	3,172	3,160	3,165

The other debtors figure includes £486k (2022: £479k) in respect of 19 days' (2022:18 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash	7,425	8,251	6,075	6,809
Deposit accounts	1,295	613	613	613
	8,720	8,864	6,688	7,422

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

21 Creditors: Amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade creditors	2,743	1,237	2,742	1,235
Rent and service charges received in advance	858	868	858	868
Amounts owed to group undertakings	0	0	9	9
Taxation and social security	3	266	0	256
Other creditors	593	838	560	840
Accruals and deferred income	6,564	6,590	6,556	6,550
Loans due within 1 year	6,849	4,390	6,849	4,390
Recycled Capital Grant	28	0	28	0
Deferred Capital grant	385	376	385	376
	<u>18,023</u>	<u>14,565</u>	<u>17,987</u>	<u>14,524</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

22 Creditors: Amounts falling due after more than one year

Group and company

	2023 £'000	2022 £'000
Loans and borrowings (note 25)	160,100	146,576
Deferred capital grant (note 23)	34,134	33,132
Recycled capital grant (note 24)	177	150
Sinking fund balances	148	154
	<u>194,559</u>	<u>180,012</u>

23 Deferred capital grant

Group and company

	2023 £'000	2022 £'000
At 1 April	33,508	33,697
Grants received in the year	1,446	103
Grants accrued	0	0
Grants recycled from the recycled capital grant fund	(51)	104
Released to income in the year	(385)	(395)
At 31 March	<u>34,518</u>	<u>33,508</u>

24 Recycled capital grant

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 1 April	150	254	150	254
Inputs to fund:				
- grants recycled from deferred capital grants	55	123	55	123
Use / allocation of funds:				
- new build	0	(227)	0	(227)
At 31 March	<u>205</u>	<u>150</u>	<u>205</u>	<u>150</u>
Amounts 3 years or older where repayment may be required	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

25 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2023 £'000	Total 2023 £'000	Total 2022 £'000
In one year or less, or on demand	6,849	6,849	4,390
In more than one year but not more than two years	7,702	7,702	6,849
In more than two years but not more than five years	36,888	36,888	32,234
In more than five years	115,510	115,510	107,493
Total debt	166,949	166,949	150,966

New fixed rate funding of £20m was secured in 22/23 with MORHomes.

The loans bear interest at fixed rates ranging from 1.41% to 4.98% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. The current loan outstanding is made up of £120m fixed and £46.6m variable, against agreed facilities of £208.6m. At 31 March 2023 the group had undrawn loan facilities of £20m (2022 - £20m) with Nationwide and £22m (2022 £24m) with Lloyds.

26 Pension obligations

Group and Company

The Wiltshire Pension Fund ("WPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WPF are held separately from those of Selwood Housing in independently administered funds. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WPF by Selwood Housing for the year ended 31 March 2023 were £585,547 (2022: £621,195) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £343,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.75	2.70
Future salary increases	3.45	3.60
Future pension increases	2.95	3.20

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2023 No. of years	2022 No. of years
Current pensioners:		
Males	21.5	21.7
Females	24.5	24.2
Future pensioners: *		
Males	24	22.6
Females	26.1	26

* Figures assume members aged 45 as at the last formal valuation date

Commutation

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Amounts recognised in the statement of financial position

	2023 £'000	2022 £'000
Present value of funded obligations relating to Selwood Housing	(23,324)	(32,863)
Fair value of plan assets relating to Selwood Housing	26,289	28,122
Unrecognised Asset	(2,965)	
Net Deficit	0	(4,741)

Analysis of the amount (credited)/charged to the statement of comprehensive income:

	2023 £'000	2022 £'000
Current service cost	458	580
Expected return on pension scheme assets	(757)	(520)
Interest on pension scheme liabilities	883	695
Total operating charge	584	755

Of the above amount, £126,000 (2022: £175,000) was charged to other finance charges. £131,000 (2022: £45,000) was credited to operating surplus.

Changes in fair value of employer assets

	2023 £'000	2022 £'000
Opening fair value of employer assets	28,122	26,017
Contributions by the Employer	589	625
Actuarial gains	(2,478)	1,606
Benefits paid	(778)	(737)
Contributions by members	77	91
Interest	757	520
Closing fair value of employer assets	26,289	28,122

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Changes in present value of defined benefit obligation

	2023 £'000	2022 £'000
Opening defined benefit obligation	32,863	34,807
Current service cost	458	580
Interest cost	883	695
Actuarial losses /(gains)	(10,179)	(2,573)
Estimated benefits paid	(778)	(737)
Contributions by members	77	91
Closing defined benefit obligation	23,324	32,863

Major categories of plan assets as a percentage of total plan assets:

	2023	2022
Equities	55%	53%
Bonds	31%	33%
Property	13%	13%
Cash	1%	1%

Fair value of employer assets

	2023 £'000	2022 £'000
Equities	14,459	14,905
Bonds	8,150	9,280
Property	3,418	3,656
Cash	263	281
	26,289	28,122

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Present value of defined benefit obligation	(23,324)	(32,863)	(34,807)	(26,518)	(30,074)
Fair value of scheme assets	26,289	28,122	26,017	22,039	22,876
Surplus/(Deficit) on scheme	2,965	(4,741)	(8,790)	(4,479)	(7,198)
Experience adjustments on plan liabilities	(1,743)	(68)	298	1,027	0
Experience adjustments on plan assets	(2,457)	1,606	3,269	(1,681)	1,183
Cumulative actuarial gains/losses	5,092	(2,609)	(6,788)	(2,379)	(5,184)

Projected pension expense for the year to 31 March 2023

	£'000
Projected Current Service Cost	229
Interest on Obligation	1097
Expected Return on Plan Assets	(1,246)
Total	80

The estimated employer contributions for the year to 31 March 2024 are approximately £589,000.

Defined Contribution Scheme

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. All existing and new colleagues are eligible to join. The costs associated with providing this scheme are outlined in note 8.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

27 Operating leases

At 31 March 2023, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Not later than 1 year	493	325	493	325
later than 1 year and no later than 5 years	1013	500	1013	500
Later than 5 years	0	0	0	0
Total	1,506	825	1506	825

Amounts receivable as Lessor	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Not later than 1 year	1	1	1	1
later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	1	1	1	1

28 Capital commitments

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Commitments contracted but not provided for in the accounts	60,907	45,702	60,907	45,702
Commitments approved by the Board but not contracted for	92,218	103,341	92,218	103,341
	153,125	149,042	153,125	149,042

Selwood Housing Society Limited

Notes to the financial statements **For the year ended 31 March 2023**

28 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

29 Related party transactions

The directors Stella Shepherd, Richard Yates and Hannah Jones are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms and they are not able to use their position to their advantage.

The director Philip Whitehead is also a councillor of Wiltshire Council. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. Selwood Housing also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

29 Related party transactions (continued)

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Silcoa Transfer		Gift Aid	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Silcoa Ltd	0	146	0	217	0	219
Selwood DevCo Ltd	0	0	0	0	46	47
Cottsbury Homes Ltd	0	0	0	0	0	3
	0	146	0	217	46	269

Payable by Selwood Housing to Subsidiaries:	Other Charges	
	2023	2022
	£'000	£'000
Silcoa Ltd	0	2,913
Selwood DevCo Ltd	1,050	27
	1,050	2,941

Other intra-group charges

No other intra-group charges are payable to the society from subsidiaries. Charges from subsidiaries to the society are for goods and services provided, such as repairs and maintenance.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

30 Provision for liabilities – Deferred Tax

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 31 March 2022	9	5	0	0
Charge / (Credit)	(2)	4	0	0
Origination and reversal of timing differences	0	0	0	0
At 31 March 2023	7	9	0	0

31 Net debt reconciliation

	01 April 2022 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2023 £'000
Group				
Cash and cash equivalents	8,864	(144)	0	8,720
Loans and borrowings	(150,966)	(15,671)	-312	(166,949)
	(142,102)	(15,815)	(312)	(158,229)
Company				
Cash and cash equivalents	7,422	(734)	0	6,688
Loans and borrowings	(150,966)	(15,671)	(312)	(166,949)
	(143,544)	(16,405)	(312)	(160,261)

Annual report and financial statement 2022/23



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Directors, executive officers, advisors, and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Sheila Lewis *	Richard Britton ** to 06/10/22
Stella Shepherd **	Chris Butters
Steve Oldrieve to 06/10/22	Richard Yates
David Knight	Valerie Lee
Hannah Jones from 06/10/22	Neil Hales-Owen to 29/06/22
Koo Chai Young Li Mow Ching from 06/10/22	Philip Whitehead from 06/10/22
*chair	
** vice chair	

Executive officers

Group chief executive	Barry Hughes
Group finance director	Mark Mayler
Group transformation and people director	Ria Bristow
Group operations director	Verena Buchanan
Group development director	Paul Walsh
Group IT director	John Rogers to 31/03/23

Registered office

Bryer Ash Business Park
Bradford Road
Trowbridge
Wiltshire BA14 8RT

Advisors and bankers

Independent auditor	Beever and Struthers 20 Colmore Circus Queensway Birmingham B4 6AT	Internal auditors	TIAA Limited Artillery House Fort Fareham Newgate Ln Fareham PO14 1AH
Principal funder	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW	Principal bankers	Lloyds Bank 64 Fore Street Trowbridge Wiltshire BA14 8EU
Principal legal advisors	Trowers & Hamlin The Senate Southernhay Gardens Exeter EX1 1UG	Capsticks Solicitors LLP 1 St George's Road London SW19 4DR	Anthony Collins Solicitors 143 Edmund Street Birmingham B3 2ES

Charity commission registration No. 1141124

Company limited by guarantee - registration No. 4168336

Registered with the Regulator of Social Housing – registration No. LH4097

Welcome from the chair of our board of directors

Following on from the pandemic, 2022-23 delivered new challenges for Selwood Housing and its customers.

We had to make tough decisions responding to cost-of-living pressures and rising inflation and interest rates.

The below inflation 7% rent cap for 23/24 added further pressure to an already difficult balance between affordability for our customers and the rising costs to provide our services and invest in our homes.

The Regulator of Social Housing confirmed our G1 governance rating but regraded our viability rating from V1 to V2. Although disappointing, we are just one of 62 housing associations regraded, many of those with active home-building programmes. These changes reflect the difficult economic circumstances facing the sector nationally.

In the face of these challenges, we prioritised our planned investment in areas that would bring substantial benefits to customers, such as energy efficiency.

Our homes and communities

Many more of our customers have faced financial hardship over the past 12 months. Our **tenancy sustainment team** managed a substantial rise in demand which peaked in January when 63 households received additional support to maintain their tenancies. This included support for customers struggling to afford to heat their homes.

Referrals to debt and hardship charities, budget planning, and benefit eligibility advice helped other customers in need. As did practical support, including a scheme providing customers with recycled white goods and another delivering food parcels to housebound customers and those without transport.

Alongside the work of our income team, this support helped minimise rent arrears to just 0.70%, a record low for the third year in a row.

Our **Priority Neighbourhoods** project teams continued to work with local communities in Studley Green (Trowbridge) and Queensway (Melksham). In September, a well-attended family fun day and garden makeover in Studley Green, Trowbridge, marked the end of the year-long initiative in those areas. Encouraged by some very positive outcomes, we plan to take a similar approach supporting two neighbourhoods in Warminster and Westbury through 2023/24.

With a net loss of affordable social homes in England over the last decade and 1.2 million households on the waiting list in 2021/22, our commitment to investing in our communities has never been stronger.

During the year, **we built 154 new homes** with a pledge to build a further 1,700 homes over the next ten years. This 2.2% annual increase is higher than the average growth in our sector.

Selwood Housing Society Ltd

In December, we celebrated a significant milestone, handing over the keys to our 7000th home. As a locally based housing association, this is a proud achievement and we're grateful for the ongoing support of our partners.

In the last year, **we welcomed 553 households** as new customers to Selwood Housing, including those moving to Nunney and Malmesbury, where we provided homes for the first time.

Progress towards our sustainability targets continued with our first fully **EPC 'A' rated** development, John Bull, nearing completion. We published our first environmental, social and governance (ESG) report and adopted the Sustainability Reporting Standard for Social Housing, providing direction and transparency in our ESG reporting.

We continued our dual approach to resolving damp and mould issues, reacting immediately to issues raised by our customers as well as proactively checking properties with historic damp and mould issues to assess whether further work is needed. Funding of around £500k has been ring-fenced to invest in remedial works during 2023/24.

Two dedicated specialist damp and mould surveyors were appointed to help us prioritise our lowest energy efficiency properties. All our surveyors were trained in domestic energy assessment to enable in-house Energy Performance Certificate ('EPC') assessments.

In March, we welcomed the award of £1.4m from the government's **Social Housing Decarbonisation Fund**. Combined with our £4.3m co-funding, we can now begin delivering improvements to these homes over the next two years.

Two sheltered housing refurbishments as well as two major sewerage maintenance upgrades were completed during the year.

Our people and processes

We started to reap the benefits of the previous year's operational team restructure, with productivity increasing from an average of 2.8 jobs per operative per day in April 2022 to 3.1 in February 2023.

Closer team collaboration proved invaluable in ensuring our customers remained safe in their homes with gas servicing achieving an excellent 100% compliance.

A staggering 47K calls and 16K emails were handled by customer support, with 17K response repairs and 12.5K services booked by the planning team.

Rant & Rave, our new real-time customer feedback platform, received 6,500 responses. This information allowed us to identify activities and services where customers said we excelled and areas where we could improve.

The launch of our new **customer complaints forum** helped to improve both the complaints process and our learning from outcomes. We continued developing our

positive complaints culture and rolled out a well-received online complaints training programme to all staff.

Our procurement team successfully implemented new contract guidance and regulations to improve governance and reduce risk around the award of new supplier contracts. This proved timely with multiple contracts awarded during the year, including grounds maintenance and asbestos surveying.

In August, we were pleased to **secure a £20m loan** from MORHomes. The fast turnaround helped us mitigate short-term interest rate risks to continue our work providing local affordable homes.

Looking ahead

The achievements and dedication of our teams over the past few difficult years give me no doubt that they will continue to deliver for our customers and communities, whatever challenges lie ahead.



Sheila Lewis
Chair

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023

The group board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2023.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited, and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a board of non-executive directors (the board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath, North East Somerset, and the parts of the county of Somerset which are within one hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 7,053 properties and are the largest social landlord in the West of Wiltshire.

The Regulator of Social Housing refreshed their assessment of Selwood's compliance with the Governance and Financial Viability Standard in December 2022 which resulted in Selwood Housing retaining our G1 governance rating but regraded our viability rating from V1 to V2.

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Overview of the business *continued*

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd was our property repairs and improvement company which was integrated into Selwood Housing on the 1 July 2021. No activity remains in the company and so is now dormant.

Cottsbury Homes Ltd is a company that develops homes for market sale. It is not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing. In addition, during 22/23 several new properties were partially completed and transferred to Selwood for completion.

Objectives and strategy

The board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. The board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by four guiding principles:

- Ensure our people are motivated, skilled, and able to deliver for our customers
- Deliver excellent value for money homes and services
- To respond quickly and effectively to our customers' needs and the changing environment we operate in
- To retain our local focus which is one of our key strengths

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years.

Our key challenge is:

"To be able to deliver quickly on a wide range of complicated, changing targets to meet rising customer expectations"

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Coordinate and prioritise our work
- Create the right culture
- Work in the right way
- Build partnerships
- Be flexible by design

The specific targets for 2023/24 are:

- Ensure that our homes are safe, in line with all relevant legislation
- Our asset management strategy outlines our approach to reaching our environmental targets, which are for all our properties to be at SAP C level by 2030 and carbon-neutral by 2050
- Build 1,700 new homes in the next ten years
- Deliver our Horizon programme of transformation to time and budget achieving the targeted outcomes. Horizon is our programme of work, to create new inclusive digital services, so we deliver an even better experience of working with and at Selwood Housing
- Deliver our other projects to time and budget
- Maintain compliant governance and viability ratings with the Regulator of Social Housing
- Continue to comply with all regulatory standards
- Deliver the targets we've set against the regulatory value for money and tenant satisfaction measures
- Deliver the other targets we've set relating to our people and culture
- We have signed up to and will implement the requirements of Together with Tenants
- We have a clear approach to equality, diversity and inclusion and will implement our action plan during 2023-2025
- We have now achieved Investor in People Gold and are targeting moving up to Platinum in our next assessment in 2024

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Objectives and strategy *continued*

Selwood Housing's values

- Customer focused: By focusing on our customers, we are able to provide a high-quality service with integrity
- One team: By working as 'One Team' we consider others. It also allows us to work collaboratively to successfully achieve a common goal
- Honesty: By being honest we can fix issues before they become problems
- Dynamic: By being dynamic we can come up with new ways of doing things, think outside the box and come up with solutions to any existing or potential problems

Operational performance

Financial review

The group turnover in the year was £46m (2022: £44.3m). This represents an increase of 4% (2022: increase of 6%).

Operating costs are higher than last year at £34.1m (2022: £32.2m), this is mainly due to inflationary increases, the completion of some large, planned programmes of work in year and catching up on response work delayed by the pandemic. Operating costs include depreciation charges of £9.0m (2022: £8.2m), a key accounting estimate. Impairment losses of £433k have been recognised in the year in respect of office property. (2022: nil).

The surplus from the sale of properties was higher than last year at £1.6m (2022: £1.2m) due to selling more properties. The properties' sold included a mix of right to buy, right to acquire, staircasing and open market sales. Selwood Housing remains committed to considering the suitability and efficiency of our properties.

The overall surplus for the Group in the year is £6.1m, (2022: £6m), largely unchanged from the previous year despite rent increases and additional property sales, as a result of increasing operational & interest costs.

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £533m as at 31 March 2023 (2022: £502m). This increase was a combination of the addition of newly developed homes and works to existing properties.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Operational performance *continued*

The pension asset of £26.3m has been restricted to £nil (2022: liability £4.7m) as the recoverability of this asset would require a right to reduce employer contributions or to request a refund from the fund. Neither of these options are considered to be available.

The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £433m at 31 March 2023 (2022: £415m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Selwood Housing finances its property assets through a loan facility of £108.6m (2022: £113m) made available by Nationwide Building Society, a £50m (2022: £50m) facility from Affordable Housing Finance Plc (AHF), a £30m (2022: £30m) facility from Lloyds Bank Plc and a £20m facility from MORhomes Plc. At 31 March 2023 £88.6m (2022: £93m) of the Nationwide facility had been drawn down. This left £20m (2022: £20m) available from Nationwide. £50m (2022: £50m) of the AHF funding had been drawn down at year end, £8m had been drawn from the Lloyds Bank facility (2022: £6m) and £20m from Morhomes Plc (2022: nil)

The board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing, and hedging. In the financial year net cash inflow from operating activities of £17m (2022: £17.4m) helped to fund net cash spend of £28.1m (2022: £18.1m) on developing new homes before receipt of social housing grant.

In the 2022/23 corporate plan Selwood Housing had several key areas of focus. Our achievements against each of those areas during 2022/23 include the following:

- Maintaining the highest governance rating at our recent in-depth assessment (IDA) review
- Issuing Selwood's first Environmental, Social and Governance report
- Completing our priority neighbourhood projects in Studley Green, Trowbridge and Queensway, Melksham
- Renegotiating our loan covenant agreements to enable Selwood to continue with a development programme and invest in our existing assets.
- Delivering a surplus that was better than forecast despite the impact of higher-than-expected cost inflation and interest rates
- Maintaining a very strong arrears performance that was sub 0.7% - a record low for the third year in a row
- Achieving 100% compliance for our gas servicing and fire risk assessments

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Operational performance *continued*

- Awarded £1.4m of social housing decarbonisation funding for matched investment in our lower rated energy efficient properties to support our asset management strategy
- Improving our responsive repairs productivity to over 3 jobs completed per day (circa 11% improvement)
- Delivering the entire planned kitchens programme for the year on time and in line with budget expectations

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant regarding its loan facilities with Nationwide Building Society and Lloyds Bank plc. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business through the use of an online tool, Decision Time. The risk register for Selwood Housing and all its subsidiaries is regularly reviewed by the board.

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. The register covers both strategic and operational risks.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Key risks *continued*

The major strategic risk areas and mitigating controls identified on the risk register are:

Risk Area	Key Controls/Actions
Lack of financial resilience to withstand changing socioeconomic environment	- Budget and business plan approved by the board and reported on - Financial plan stress tested with various scenarios - Value for money strategy with regular review - New contracts in place for key repairs and maintenance suppliers - Contracts for supply of goods and services are regularly reviewed - Identify and monitor appropriate benchmarking
Asset management – providing homes that are decent, warm and meet required need	- Asset management strategy and plan reported to Group Asset and Development Committee (GADC) on a quarterly basis - Provision for expenditure in financial plan to get properties to EPC C by 2030 and net zero carbon by 2050 - External stock condition survey undertaken - Budgeting and forecast process and subsequent monitoring - Contract management and procurement processes in place - Damp and mould action plan monitored by GADC - Internal stock condition survey target of 205 per annum
Risk that people and culture do not allow us to deliver strategic objectives	- Executive portfolio board in place to prioritise projects and agree resource allocation - Project Brief and Business Case approval process in place - Structured processes for 1-2-1's and annual evaluations - Management development and training in place - Professional development for relevant staff - Flexible working policy determines approach to hybrid working - Training and development programmes for digital skills
New homes delivery does not meet corporate plan targets	- Development strategy approved by the board and progress reviewed on a quarterly basis by GADC - Comprehensive monitoring and reporting of development programme - Sites, suppliers, and key materials reviewed daily - Regular dialogues with relevant local authorities, agents, developers, and landowners to seek future opportunities - Strong links with local planning and housing departments
Technology failures that disrupt business (excluding cyber-attack)	- Implement a cloud-based application - Review hosting options - Implement actions to reduce risk of network outage - Complete implementation of Microsoft Dynamics
Risk of Cyber security attack	- ICT and data protection policies in place - Information dashboard in place - Internal periodic reviews to ensure appropriate security levels in place - Vulnerability scanner to review potential security issues - Business continuity plan includes plan to address cyber risks

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Environmental, Social & Governance (ESG) matters

Selwood Housing is committed to its environmental, social and governance aims in providing affordable homes both now and into the future, delivering these to high environmental standards possible whilst meeting our regulatory and governance requirements. Selwood issued the first ESG report in 2022 and have adopted the principles of the sustainability for reporting standard (SRS) and aligned this to key strategies including how we build new and manage our existing homes.

Environmental

Selwood Housing has developed a carbon reduction strategy and action plan that aims to ensure all homes meet SAP C standard by 2030 and introduces new low carbon and renewable technologies to meet the 2050 net carbon zero targets. Our newly developed properties achieve very high environmental standards, and we are continuing to invest to improve the environmental performance of our existing housing properties. One of our key performance indicators is the average SAP rating achieved across all housing properties, which is a measure of their environmental performance.

Streamlined Energy and Carbon Reporting

Selwood Housing have generated a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the latest SECR Regulations (2019). This report presents a full 3rd party verified SECR statement, compared to the previous financial year's usage, for use in Selwood Housing's annual reporting. All emissions throughout this report are displayed in terms of carbon dioxide equivalents (CO₂e) and have been rounded to 2 decimal places.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Energy efficiency action statement

Reported emissions and energy use data for 1 st April 2022 – 31 st March 2023		
	Current reporting year 1 st April 2022 – 31 st March 2023	Current reporting year 1 st April 2021 – 31 st March 2022
Energy consumption used to calculate emissions: /kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy Sources	*Gas: 1,361,941 kWh *Electricity: 985,237 kWh Transport fuel: 1,631,429 kWh Total: 3,978,607 kWh	Gas: 1,361,941 kWh Electricity: 985,237 kWh Transport fuel: 1,927,848 kWh Total: 4,275,026 kWh
Emissions from combustion of gas tCO ₂ e (Scope 1) [mandatory]	248.61 tonnes CO₂e¹ 11.26 tonnes CO ₂ e office usage 27.16 tonnes CO ₂ e communal areas 210.19 tonnes CO ₂ e communal heating systems	249.45 tonnes CO₂e 11.30 tonnes CO ₂ e office usage 27.25 tonnes CO ₂ e communal areas 210.90 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	393.31 tonnes CO₂e (in-house maintenance fleet)	456.56 tonnes CO₂e (in-house maintenance fleet)
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	190.52 tonnes CO₂e¹ 10.01 tonnes CO ₂ e office usage 180.51 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	209.20 tonnes CO₂e 11.00 tonnes CO ₂ e office usage 198.20 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above - [mandatory]	832.44 tonnes CO₂e <i>Excludes scope 3 emissions</i>	915.21 tonnes CO₂e <i>Excludes scope 3 emissions</i>
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above/ e.g. £100,000 revenue [mandatory]	124.39 kgCO ₂ per home managed (exc. office emissions) Office intensity: 12.25 kgCO ₂ per m ² (includes T&D losses)	138.95 kgCO ₂ per home managed (exc. office emissions) Office intensity: 13.39 kgCO ₂ per m ² (includes T&D losses)
Methodology [mandatory]	SHIFT methodology SECR Reporting SHIFT Environment Using DEFRA (2022) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2022. Comparison data from the previous year's SECR is using DEFRA 2021 Conversion Factors.	

¹ Energy use from buildings is based on previous data (21/22 financial year) due to difficulty obtaining updated figures after changing energy brokers. The 2022 Defra conversion factors have been applied. * Energy consumption is based on previous data (21/22 financial year) due to difficulty obtaining updated figures after changing energy brokers

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Energy efficiency action statement *continued*

Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, market-based) / tCO ₂ e [optional]	Only reporting on location based	Only reporting on location based
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	17.43 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>	18.51 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>
Emissions from employee business travel for which the company does not own or control (Scope 3) / tCO ₂ e [optional]	32.09 tonnes CO₂e 32.03 tonnes CO ₂ e employee vehicles 0.06 tonnes CO ₂ e public transport	23.61 tonnes CO₂e 23.51 tonnes CO ₂ e employee vehicles 0.09 tonnes CO ₂ e public transport
Emissions from leased assets, franchises, and outsourced activities (Scope 3) / tCO ₂ e [optional]	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,733.13 tonnes in total, or 2.61 tonnes per home managed.	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 17,038.13 tonnes in total, or 2.65 tonnes per home managed.
Total gross Scope 3 emissions / tCO ₂ e [optional]	16,782.65 tonnes CO₂e	17,080.25 tonnes CO₂e
Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO ₂ e [optional]	17,615.09 tonnes CO₂e	17,995.46 tonnes CO₂e
Additional intensity ratio: tCO ₂ e net figure / e.g. £100,000 revenue [optional]	2.70 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.	2.80 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.
Third Party verification [optional]	SHIFT Environment	

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Energy efficiency action statement *continued*

During the period 1st April 2022 to 31st March 2023, we installed:

- windows in 194 properties
- 83 gas boiler upgrades
- 68 electric heating systems
- 24 gas boilers in properties with electric heating or solid fuel boilers
- completed upgrades on 59 off gas bungalows

We are also preparing a project to:

- Upgrade a further 77 off gas bungalows using fabric first measures and PV

During 2021 Selwood issued a new asset management strategy. A key priority is to achieve SAP band C in all our properties by 2030. During 2022/23 we have successfully completed two energy efficiency pilots improving 90 homes using a

mixture of fabric first, heating upgrade and PV technology. We are gathering learning on these projects from customers and those involved to form our Social Housing Decarbonisation Fund Wave 2 project which will continue to increase the energy efficiency of our bungalows that are off gas as well as upgrade out EPC E and F properties to EPC C.

Social

Affordability

The Valuation Office Agency sets the Local Housing Allowance (LHA) affordability criteria at the 30th centile point between what, in the local rent officer's opinion, are the highest and lowest non-exceptional rent in a Broad Rental Market Area. These statistics are used as a reference point for housing benefit and are a good indication of rent levels which are affordable in an area. Our valuer's have compared our rents with the average sector rent and LHA in the same localities. Selwood Housing's rents are demonstrably lower than those of other housing associations in the same area and are affordable when compared with the local housing allowance. This is supported by our customer satisfaction results that recorded over 76.6% of customers rating rent as value for money in our 22/23 survey.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Resident Voice

In May and June 2022, we delivered a new, innovative customer training programme called We Are All Selwood Housing. We wanted to increase customer understanding of social housing and how Selwood operates. We also wanted to encourage customers to apply to be either Board or Scrutiny members and give them the knowledge required to perform their best in the application stage. Eleven customers completed the whole four-day programme, with three of them going on to successfully apply to the Scrutiny Team.

Through the year customers were involved in shaping our services and influencing our thinking through 274 interactions across 12 projects that included an assessment of our Pets & Animals policy, the value for money strategy review and redevelopment of our Damp & Mould leaflet. We also held focus groups with customers to assess the usability of the lettings side of our forthcoming customer portal, which will be delivered through the Horizon project.

We supported the Neighbourhood team's pilot of Priority Neighbourhoods in Trowbridge and Melksham, assisting with customer consultation and community events. We worked with the development team to engage the local primary school on Studley Green estate and involve pupils in naming our new development on the old John Bull pub site.

Working with the customer complaints specialist and head of housing we established a new customer complaints forum. This group will support the process of complaint

resolution by ensuring best practice and developing effective approaches to resolving, learning, and improving complaint management. It will give customers more power in holding us to account for the decisions, performance, and conduct.

The scrutiny team delivered a customer-led review into communications. The communications team have since submitted a document to our portfolio board which will start a project to take forward actions which came out of that scrutiny review. Selwood and the scrutiny team have contracted leading tenant engagement experts TPAS to work with us over 2023-2024 on a new more efficient model of scrutiny. The team also continue to monitor our Together with Tenants plan.

We invested over £42,000 of our Stronger Communities Funding across 21 local projects. This enabled the groups we supported to attract another £433,515 of match-funding into our communities and neighbourhoods. Projects included Bradford on Avon Skate Park, Trowbridge Lantern Festival and Alzheimer's Support. We also gave repeat core-funding to Group 5. This is a local charity who provide free furniture and household items to families and individuals in need, we know that our customers are their main users, so we continue to support them. We are into the second year of a three-year funding commitment to local charity, Trowbridge

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Futures, to fund a Neighbourhood Connector who is working across our three main housing estates in Trowbridge.

Resident Support

Selwood Housing's charitable donations were £18k (2022: £21k) during the year to 31 March 2023. In addition to this we lease The Hub to Trowbridge Town Council for a peppercorn rent. We estimate the rental income foregone on these to be equal to donations of around £7k (2022: £8.9k, including 4 garages).

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2020). The code was reviewed and adopted by the board in December 2021. The board concluded that we are fully compliant with the code.

Staff wellbeing

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment, and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff, we then ensure they are motivated, skilled, and able to deliver for our customers and provide an excellent service. This is a guiding principle in our corporate strategy, as described above.

Selwood Housing provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern through our monthly pulse survey. The executive team also take part in a monthly live question and answer session with all staff. The group supports the employment of a diverse workforce, both in recruitment and in the retention of employees.

Board and executive composition

At 31 March 2023 Selwood Housing's board was made up of 5 females and four male directors. The senior management team was made up of four male and two female members.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Committees of the group board

During the year the following committees were in operation:

- The group audit and finance committee have oversight of external and internal audit, the financing and treasury position of Selwood Housing, monitoring of stage 3 complaints, changes to specific policies and reviews the fraud register at each meeting. At 31 March 2023 the members of the group audit and finance committee were Chris Butters, David Knight, Stella Shepherd, Richard Yates and Philip Whitehead.
- The group asset and development committee consider and makes recommendations to the board in respect of matters relating to repairs, planned and cyclical works, development, compliance, and any other property related matter that needs board consideration. At 31 March 2023 the
- members of the group asset and development committee were Sheila Lewis, Valerie Lee, Koo Chai Young Li Mow Ching, and Hannah Jones.

All other matters including strategy and business planning and other financial matters are considered directly by the full group board.

Board and executive directors

The group board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The board is responsible for the governance of Selwood Housing Group. Their role in practice may be summarised as:

- Providing leadership
- Setting policy and strategic aims
- Monitoring performance
- Management of risk
- Uphold Selwood Housing Group's values

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of everyone's performance over the year and an assessment of training, skills, and development needs.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Each board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2023, the executive directors consisted of the group chief executive, the group finance director, the group development director, the group operations director, the group transformation and people director and the group IT director.

The IT director left the organisation on 31 March 2023 and all directorship responsibilities for IT transferred to the group finance director

Insurance policies indemnify board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and

at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited based on selecting skill sets, the demographic make-up and experience that are required for the existing board.

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate board members and the group transformation and people director against the board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair, and inclusive. Each new board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some board members choose not to reclaim their travel costs.

Payments to board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Any changes in remuneration do not take effect until approved by the company in the general meeting and increases to board members' remuneration do not take effect more frequently than once every three years.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

The board decides the pay and benefits of the executive directors and agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff. Selwood Housing contributes to the schemes on behalf of all eligible staff and does not offer alternative benefits such as cars.

There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Regulatory standards

The board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in December 2022 and the board concluded that Selwood Housing complies with the standard.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money

Selwood Housing Group's approach to value for money (VfM)

Value for money forms one of the key pillars of our principles and values as outlined in our corporate strategy:



Our VfM strategy was reviewed in 2022 and agreed with the board in October 2022. It was presented to a group of customers and received some very positive feedback. Details of the review can be found here:

[What is 'value for money'? - Selwood Housing](#)

The aims of our value for money strategy are:

- To achieve the appropriate balance of performance, satisfaction, and cost in the delivery of our strategy differentiating between service areas
- To measure the value for money that Selwood Housing delivers at a headline level using the Regulator of Social Housing value for money key performance indicators
- To measure where we are against appropriate comparators for other areas in our strategy, and
- To set annual targets to achieve our desired position

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*

Value for money for Selwood Housing includes considering:

- Making best use of our assets

Value for Money

- Changing how we work so we need fewer resources to deliver the same service, freeing up resources for other priorities.
- Adopting the best way for delivering our services, which could be delivered internally or through external partners or suppliers.
- Making better use of the data we hold and using this to make our services better value.
- Contributing positively to the country's finances by reducing the call on welfare benefits through charging below market rents
- The social impact of our homes and services
- Improving the energy efficiency of our homes and thereby reducing energy costs for our customers

Value for Money Standard (VfM)

The Regulator of Social Housing (RSH) issued a new VfM Standard in April 2018 which includes a requirement for registered providers to publish their performance against a series of common metrics with which to measure economy, efficiency and effectiveness as set by the Regulator. The table below compares our performance over the last three years with our peer group, Place shapers (PS), the RSH global accounts performance and our targets for next year.

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Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*

Performance Metric	2020/21 Actual	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target	2021/22 PS Median *	2021/22 Sector Median **
Business health % efficiency							
Operating margin - Overall	24.4%	17.1%	11.4%	18.1%	17.5%	24.3%	20.5%
Operating margin - Social housing lettings	23.1%	18.8%	12.8%	18.9%	16.4%	27.2%	23.3%
Interest cover % (EBITDA-MRI)	426.0%	311.3%	122.0%	260.4%	102.7%	185.0%	145.7%
Headline social housing cost per unit £ CPU	£3,732	£4,343	£5,240	£4,332	£5,548	£3,587	£4,150
Return on capital employed %	2.4%	1.9%	1.4%	2.1%	2.5%	3.3%	3.2%
Development & investment							
New supply delivered % - Social housing units	1.8%	2.3%	2.3%	2.2%	2.1%	1.3%	1.4%
Gearing %	31.2%	31.7%	35.9%	33.6%	36.7%	44.9%	44.1%
Reinvestment %	5.3%	5.4%	7.3%	7.2%	7.0%	5.9%	6.5%

* Place shapers – results from a national network of community based social housing providers

** Sector median is the latest published sector results (2021/22) as reported by the Regulator of Social Housing

The past two years have been a challenging time for all organisations across every sector. The global pandemic forced us to change our working practices and be flexible and adaptable in our approach. The subsequent supply chain shortages and the economic crisis that has resulted from the war in Ukraine continues to challenge our value for money aims and have been a main focus. The impacts of inflation are also only just starting to materialise and begin to influence our KPIs.

Given this backdrop, it is perhaps surprising that Selwood's **headline social housing cost per unit (CPU)** has outperformed our 21/22 result and our target for 22/23. However, this has been largely due to delays in our planned maintenance and major repairs programmes following resource shortages and contractor failures that resulted in re-tendering of the activities. Our target for 23/24 reflect an improved resource availability and more realistic mobilisation periods for newly acquired contractors for major works like window replacements and roofing. Selwood board are confident that the new contracts are robust as they have been managed by a larger and more experienced procurement function.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*

EBITDA-MRI interest cover (*) was well ahead of our 22/23 target, due to the reasons above but is expected to fall in 23/24. Selwood board recognised the impact rising interest rates would have on the cost of debt and instructed management to renegotiate our interest cover covenants with lenders. By December 2022, all agreements had been amended to remove MRI from the covenant calculation, moving to an EBITDA only requirement. This means that Selwood now have significant headroom on all of the covenants (e.g. over 2x cover in 22/23), however the board agreed that Selwood would still maintain a minimum cover of 100% for EBITDA-MRI to provide further financial security to the plan.

Gearing was better than target and well below Selwood's golden rule target of 50% and the existing loan covenant of 60%. Gearing measures, the relationship between debt and tangible fixed housing assets and will increase over the next few years as we borrow more money to fund our development programme and meet our environmental targets.

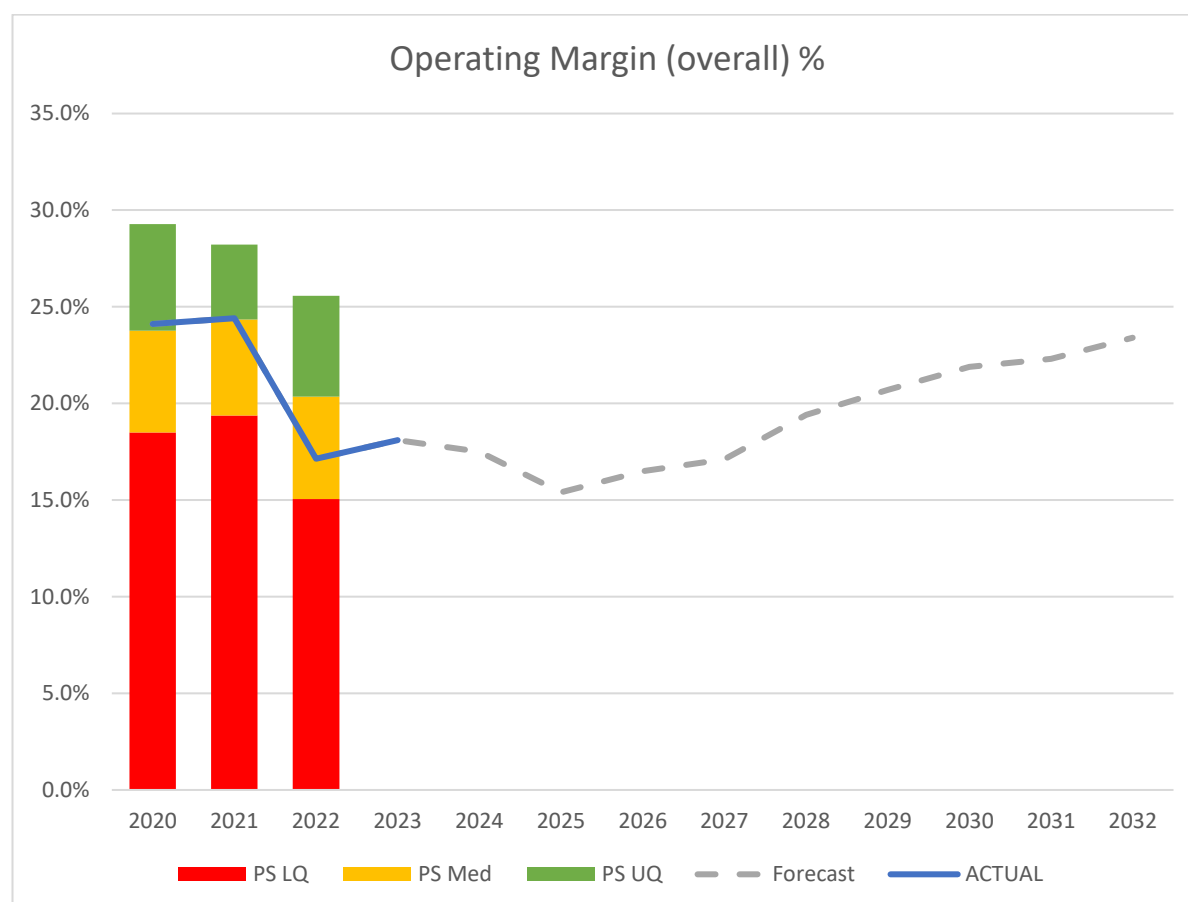
The improved **return on capital employed (ROCE)** was better than target due to an increase in gains from disposals of fixed assets. The board agreed to a targeted disposal strategy for properties that would not meet EPC C levels by 2030 without a significant investment beyond the properties 30-year return. This will result in the disposal of a handful of properties over the coming years which will continue to boost the Selwood ROCE performance.

* EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *continued*



The improved **operating margin** is partly due to the delays in planned programmes as detailed above but also from efficiency gains in our responsive repair teams, improved by circa 11% year on year, and a reduction in maintenance costs on our sheltered housing properties, following previous years' work.

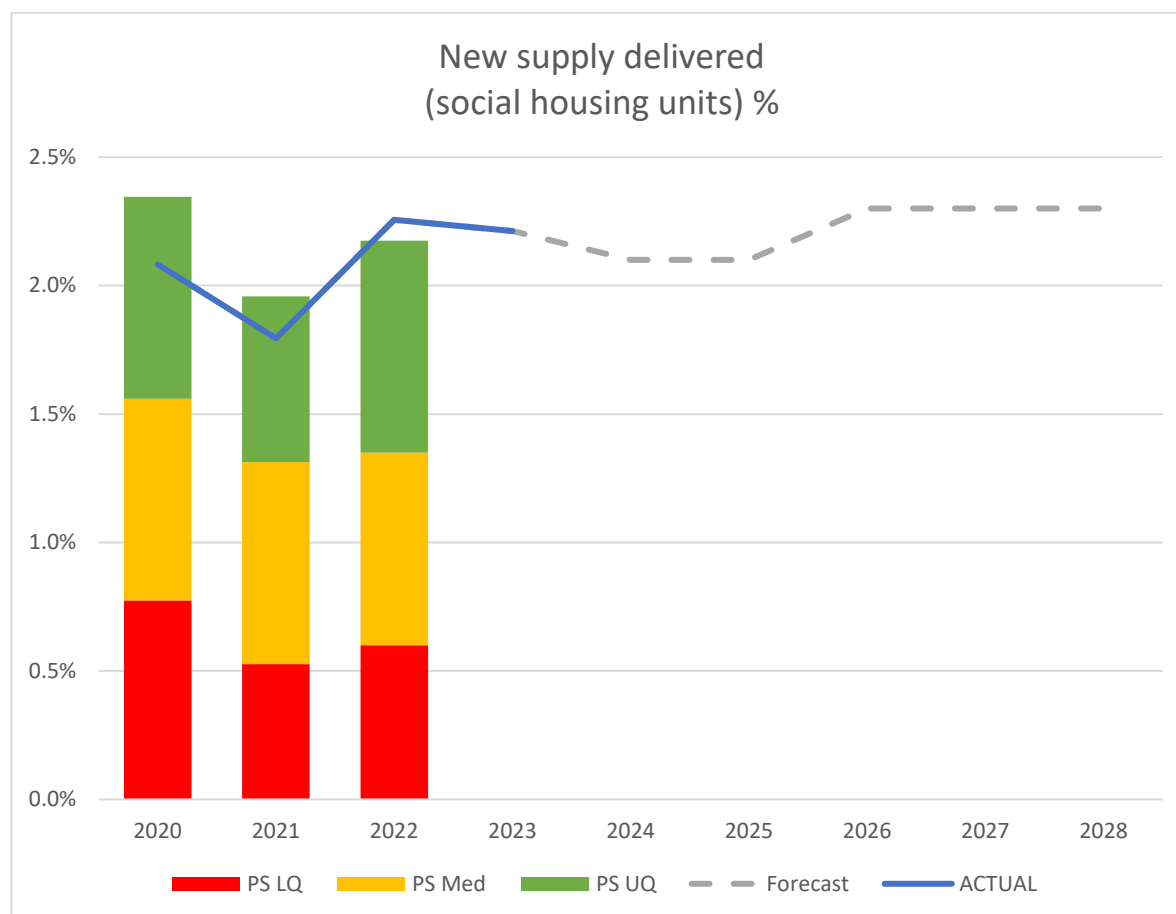
The work on Selwood's major transformation project, Horizon, has also continued. This will allow us to develop and expand our system capabilities, improve our processes, and explore further efficiencies. This project continues to require additional staff and investment in new systems which impacts our operating margin.

It is anticipated that investment in Horizon, additional costs in maintenance for activities relating to damp and mould along with more surveying and further impact of inflation on supply and staffing, will continue to reduce our operating margin for the next 3 years before the benefits of Horizon programme start to reverse the trend.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money (*continued*)



The economic conditions led to management agreeing to slow down the development programme, reducing the **new supply delivery** from 200 to 150 units for the next two years. This is the main reason for the slight fall in the development and investment results compared to the target for the year and prior years. This trend will continue in 23/24 and is reflected in those targets. Selwood are still committed to development and our recent corporate strategy lays out a plan to build 1,700 homes over the next 10 years. This, combined with our commitment to invest in our existing properties is shown in our **re-investment percentage** remaining above the median benchmark. Shared ownership demand still remains strong, and the Board have agreed to maintain our average of 30% shared ownership for all newly developed properties. We will continue to monitor this in our performance triggers to mitigate any risk of unsold properties.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

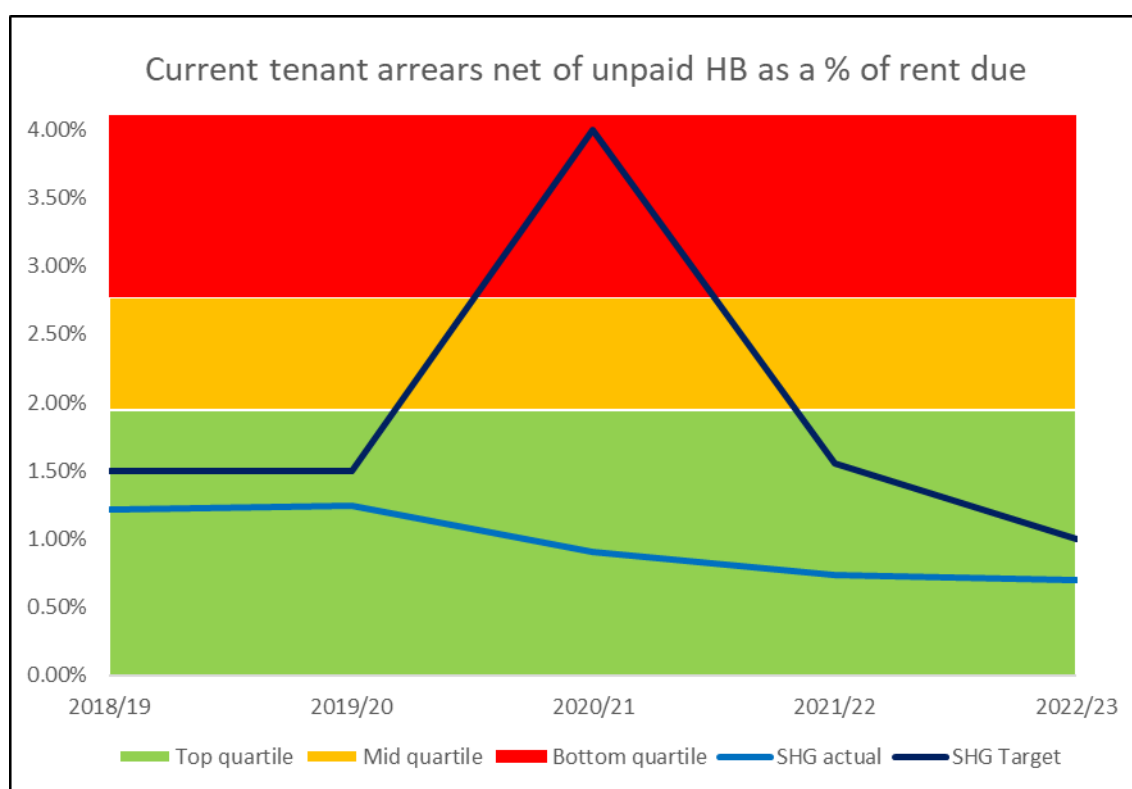
Value for Money (*continued*)

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the board are rent loss due to empty properties as a % of rent due and current tenant arrears net of unpaid housing benefit as a % of rent due. These are financial KPIs but also helps us to fulfil our social purpose:

- Good voids performance means that more homes are available for people in housing need
- An appropriate approach to dealing with current tenant arrears assists our tenants with their security of tenure and their money management skills

It has been another good year for our lettings team, both in terms of performance and of adapting service delivery to embed lessons learned from the pandemic and a changing environment. During the year the team let 399 homes and the neighbourhoods team facilitated 88 mutual exchanges. At the end of March 2023, the void loss attributable to rented dwellings (including shared ownership) was 0.63% (March 2022 0.9%).

The graph below compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2021/22:



Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *(continued)*

Despite the increased cost of living the collection of rent and service charges remains strong. This is in part due to our robust pre-tenancy assessment of affordability, the firm, consistent and timely intervention of the income team, and timely referrals to our tenancy sustainment coordinators and financial inclusion partners.

The decision to contact customers in advance of the unprecedented annual rent increase has been positive; with only a small amount dissatisfaction being recorded and early indications are that rent debt has not increased.

The strong collection ethos has shone through again this year with only 4 evictions taking place. The principles of timely support and decisive intervention have resulted in another top-quartile performance from the income team of 0.7% current customer arrears.

2023 has seen the organisation re-join the Housemark benchmarking group. Peer group comparison has validated our income collection performance. Our 2023 year end figure compares favourably against the sector (reported at 2.7%) and a comparable cohort of providers (at 2.6%). Selwood Housing is amongst the best performers in the sector

Supporting actions to deliver the 23/24 targets

To support the delivery of the targets set out for the value for money metrics shown above, we will:

- As a result of the rising interest rates, ensure that the cost of carry of debt is as low as possible, balancing borrowing with the requirements of the organisation.
- Utilise peer group data from organisations like Housemark to ensure that we are benchmarking against similar organisations providing similar services.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Value for Money *(continued)*

- Continue to closely monitor for slowdown in the housing market that could affect shared ownership schemes and the overall operating margin of the Association.
- As inflation effects take hold, consider how Selwood can further maintain the surplus to mitigate the impact whilst still providing good services to our customers
- Look at ways to improve our return on capital employed (ROCE) as our cost of borrowing rises.
- Analyse headcount and staffing costs by service and benchmark to identify under/over provision.

Section 172 Statement

The board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's strategy and long-term strategic plan
- the approval of the current year budget including rent and service charge changes,
- the approval of the overall 30-year financial plan and stress test scenarios
- the approval of the development strategy and individual site purchases,
- the approval of the Asset management strategy
- the approval of the company pay and benefits for staff and CEO
- the adoption of 2020 NHF Code of Governance

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the board's decision-making process, the board considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the board has sought to deliver benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Internal controls assurance

The board has 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 manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The board receives and considers annual reports at the group audit and finance committee, group asset and development committee and management on the management of risk and control arrangements. The board review the strategic risk register at each of its meetings and receive the full risk register annually for review. The group audit and finance committee set the plans for internal audits based on the risk register to ensure that appropriate work is being undertaken to mitigate risks with corrective actions, where necessary.

The process for identifying, evaluating, and managing the strategic risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2022 up to the date of approval of the annual report and financial statements. Selwood Housing introduced a new system for monitoring risk management which is more intuitive, interactive and puts emphasis on ensuring that good controls are in place and actions are progressed to deliver improvement in risk scores.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial and procurement regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Internal controls assurance *continued*

- Policies and procedures covering all major areas of activity
- A corporate plan setting out Selwood Housing's mission and key corporate objectives
- A risk management strategy including a risk register with a procedure for updating, reviewing, and reporting that strategy
- An internal audit programme linked to the risk register
- Review of the Regulator of Social Housing (RSH) sector risk profile
- External audit reports
- The 30-year business planning model – reviewed at least annually by the board
- An annual budget agreed before the beginning of each financial year
- Monthly management accounts and performance reports to the board and the executive team
- Review of the fraud register at each group audit and finance committee meeting

The board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and finance committee to review the effectiveness of the system of internal control regularly. The board receives minutes from each committee meeting.

The means by which the group audit and finance committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

The group audit and finance committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Statement of responsibilities of the board

The board are responsible for preparing the strategic report, annual report, and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the board must not approve the financial statements

unless they are satisfied that they give a true and fair view of the situation of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, 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 charitable company will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the board. The board responsibility also extends to the ongoing integrity of the financial statements contained therein.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2023 *continued*

Going concern

After making enquiries the board has a reasonable expectation that Selwood Housing has adequate resources to continue in operational existence for the foreseeable future. The board defines the foreseeable future as at least 12 months from the date of signing the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting is planned to be held on 4th October 2023 in the boardroom of Selwood Housing's office.

Independent auditor

A resolution to appoint Selwood Housing's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure of information to auditor

So far as the board is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approval

The report of the board of directors including the strategic report was approved by the board on 5 July 2023 and signed on its behalf by:



Sheila Lewis
Chair
5 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in reserves, , the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2023 and of the Group's and the Company's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the letter from the chair and Group Strategic Report including

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained during the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the statement of responsibilities of the board set out on page 25, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

Selwood Housing Society Ltd

override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
20 Colmore Circus
Queensway
Birmingham B4 6AT
Date: 20 July 2023

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2023

		Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
	Note				
Turnover	4	45,967	44,284	45,951	44,630
Cost of sales	4	(3,455)	(4,458)	(3,455)	(4,457)
Operating costs	4	(34,147)	(32,237)	(34,155)	(32,420)
Gain on disposal of fixed assets	11	1,652	1,208	1,652	1,208
Operating surplus		10,017	8,797	9,993	8,961
Other interest receivable and similar income		53	6	49	5
Interest and financing costs	12	(3,835)	(2,594)	(3,835)	(2,594)
Other finance costs	26	(126)	(175)	(126)	(175)
Movement in fair value of investment properties	16	1	23	1	23
Surplus before taxation		6,110	6,057	6,082	6,220
Taxation on surplus	13	2	(13)	0	0
Surplus for the financial year		6,112	6,044	6,082	6,220
Actuarial gains on defined benefit pension scheme	26	4,736	4,179	4,736	4,179
Total comprehensive income for year		10,848	10,223	10,818	10,399

The notes on pages 44 to 85 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated and company statement of financial position at 31 March 2023

		Group	Group	Company	Company
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	14	471,855	448,308	471,907	448,308
Tangible fixed assets - other	15	3,575	3,760	3,247	3,404
Investment properties	16	352	351	352	351
Investments in companies	17	125	25	2,225	2,125
		475,907	452,444	477,731	454,188
Current assets					
Stocks	19	4,840	4,052	4,840	3,557
Debtors - receivable within 1 year	20	3,177	3,172	3,161	3,165
Cash and cash equivalents	20a	8,720	8,864	6,688	7,422
		16,737	16,088	14,689	14,144
Creditors: amounts falling due within 1 year	21	(17,638)	(14,565)	(17,602)	(14,524)
Net current assets / (liabilities)		(902)	1,523	(2,914)	(380)
Total assets less current liabilities		475,006	453,967	474,818	453,808
Creditors: amounts falling due after more than 1 year	22	(194,944)	(180,012)	(194,944)	(180,012)
Net assets excluding pension liability		280,062	273,955	279,874	273,796
Provision for deferred tax	30	(7)	(9)	0	0
Pension liability	26	0	(4,741)	0	(4,741)
Net assets		280,055	269,205	279,874	269,055
Capital and reserves					
Income and expenditure reserve		148,691	136,347	148,510	136,197
Revaluation reserve		131,364	132,858	131,364	132,858
		280,055	269,205	279,874	269,055

The notes on pages 44 to 88 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 5 July 2023



Sheila Lewis
Chair



Mark Mayler
Secretary

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2023

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2021	124,836	134,147	258,983
Total comprehensive income for the year	6,044	0	6,044
Actuarial gains on defined benefit pension scheme	4,179	0	4,179
Total comprehensive income	10,222	0	10,222
Transfer from revaluation reserve to income and expenditure	1,289	(1,289)	0
Opening funds March 2022	136,347	132,858	269,205
Total comprehensive income for the year	6,112	0	6,112
Actuarial gains on defined benefit pension scheme	4,736	0	4,736
Total comprehensive income	10,848	0	10,848
Transfer from revaluation reserve to income and expenditure	1,494	(1,494)	0
Closing total funds March 2023	148,689	131,364	280,053

The notes on pages 44 to 85 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2023

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2021	124,509	134,147	258,656
Total comprehensive income for the year	6,220	0	6,220
Actuarial gains on defined benefit pension scheme	4,179	0	4,179
Total comprehensive income	10,399	0	10,399
Transfer from revaluation reserve to income and expenditure	1,289	(1,289)	0
Opening funds April 2022	136,197	132,858	269,055
Total comprehensive income for the year	6,082	0	6,082
Actuarial gains on defined benefit pension scheme	4,736	0	4,736
Total comprehensive income	10,818	0	10,818
Transfer from revaluation reserve to income and expenditure	1,494	(1,494)	0
Closing total funds March 2023	148,509	131,364	279,873

The notes on pages 44 to 85 form part of these financial statements.

Selwood Housing Society Ltd

Consolidated statement of cash flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Surplus for the financial year		6,110	6,057
Adjustments for:			
Depreciation of fixed assets - housing properties	14	8,063	7,741
Depreciation of fixed assets - other	15	866	409
Amortised grant	23	(385)	(395)
Interest payable and finance costs		3,961	2,769
Interest received		(53)	(6)
Difference between net pension expenses and cash contribution		(131)	(45)
Proceeds from sale of fixed assets- housing properties	11	(3,043)	(2,275)
Decrease /(Increase) in trade and other debtors		(5)	305
Decrease /(Increase) in stocks		(788)	370
Increase in trade and other creditors		959	1,428
Carrying amount of disposals		1,463	1,014
Movement in fair value of investment properties		(1)	(23)
Cash from operations		17,016	17,350
Taxation paid		0	0
Net cash generated from operating activities		17,016	17,350
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	3,043	2,275
Purchase of fixed assets - housing properties	14	(33,063)	(23,977)
Purchase of fixed assets - other	15	(691)	(167)
Purchase of investments		(100)	0
Receipt of grant	23	1,446	103
Interest received		53	6
Net cash from investing activities		(29,311)	(21,760)
Cashflows from financing activities			
Interest paid	12	(3,835)	(2,594)
Taxation Paid		0	0
New loans		20,000	6,000
Debt issue costs incurred		377	0
Repayment of loans	25	(4,390)	0
Net cash used in financing activities		12,152	3,406
Net (decrease) / increase in cash and cash equivalents		(144)	(1,004)
Cash and cash equivalents at beginning of year		8,864	9,868

The notes on pages 44 to 85 form part of these financial statements.

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2023

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Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2023

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the group's operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all its subsidiary undertakings for the year. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the board has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year and capitalised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing Society Ltd is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing Society Ltd's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Selwood Housing Society Ltd

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing Society Ltd participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing Society Ltd's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

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

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

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

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years
Lighting	20 years
Fire Alarms	15 years
Door entry systems	10 years
Electric Heat Pumps	15 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Impairment

Housing properties, which are depreciated over a period more than 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)-		5 years
• Plant and Equipment	-	5 years

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies *(continued)*

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

2 Accounting policies (*continued*)

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs, and other costs. Based on the costs to complete, the board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see notes 14 and 15)**

Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as the Group's experience over several years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Investment properties (see note 16)

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations for the commercial units were

- Annual rent per square metre: £86-£139 with a weighted average of £113
- Capitalisation rate: 9.75% - 10% with a weighted average of 9.90%

- Rental and other trade receivables (debtors) (see note 20)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

4 Particulars of turnover, cost of sales, operating costs, and operating surplus - group

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus on disposal 2023 £'000	Operating surplus /(deficit) 2023 £'000
Social housing lettings (note 5)	40,417	0	32,736	0	7,681
Other social housing activities					
First tranche low cost home ownership sales	5,114	3,455	183	0	1,476
Gain on disposal of fixed assets	0	0	0	1,652	1,652
Charges for support services	25	0	4	0	21
Development costs not capitalised	0	0	734	0	(734)
	5,139	3,455	921	1,652	2,415
Activities other than social housing activities					
Lettings	10	0	4	0	6
Other	401	0	487	0	(86)
	411	0	491	0	(80)
	45,967	3,455	34,148	1,652	10,016

	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating costs 2022 £'000	Surplus on disposal 2022 £'000	Operating surplus /(deficit) 2022 £'000
Social housing lettings (note 5)	38,078	0	30,933	0	7,145
Other social housing activities					
First tranche low cost home ownership sales	5,801	4,458	164	0	1,179
Gain on disposal of fixed assets	0	0	0	1,208	1,208
Charges for support services	17	0	4	0	13
Development costs not capitalised	0	0	661	0	(661)
	5,818	4,458	829	1,208	1,739
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	375	0	473	0	(99)
	388	0	476	0	(89)
	44,284	4,458	32,238	1,208	8,796

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

4 Particulars of turnover, cost of sales, operating costs, and operating surplus - company

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus on disposal 2023 £'000	Operating surplus /(deficit) 2023 £'000
Social housing lettings (note 5)	40,417	0	32,735	0	7,682
Other social housing activities					
First tranche low cost home ownership sales	5,114	3,455	182	0	1,477
Gain on disposal of fixed assets	0	0	0	1,652	1,652
Charges for support services	25	0	4	0	21
Development costs not capitalised	0	0	734	0	(734)
	5,139	3,455	920	1,652	2,416
Activities other than social housing activities					
Lettings	10	0	4	0	6
Other	385	0	496	0	(111)
	395		500	0	(105)
	45,951	3,455	34,155	1,652	9,993

	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating costs 2022 £'000	Surplus on disposal 2022 £'000	Operating surplus /(deficit) 2022 £'000
Social housing lettings (note 5)	38,078	0	30,987	0	7,091
Other social housing activities					
First tranche low cost home ownership sales	5,801	4,457	163	0	1,181
Gain on disposal of fixed assets	0	0	0	1,208	1,208
Charges for support services	17	0	4	0	13
Development costs not capitalised	0	0	661	0	(661)
	5,818	4,457	828	1,208	1,741
Activities other than social housing activities					
Lettings	13	0	3	0	10
Other	721	0	602	0	119
	734		605	0	129
	44,630	4,457	32,420	1,208	8,961

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

5 Income and expenditure from social housing lettings – group

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2023 £'000	Total 2022 £'000
Income							
Rents net of identifiable service charges	28,564	7,956	1,261	254	655	38,691	36,345
Service charge income	504	787	49	0	0	1,341	1,317
Amortised government grants	385	0	0	0	0	385	385
Other grants	0	0	0	0	0	0	31
Turnover from social housing lettings	29,453	8,744	1,310	254	655	40,417	38,078
Expenditure							
Management	4,408	1,666	265	92	90	6,521	6,166
Service charge costs	1,309	904	0	19	9	2,241	2,333
Routine maintenance	4,686	1,471	0	242	49	6,448	5,274
Planned maintenance	4,209	1,289	0	12	26	5,536	4,912
Major repairs expenditure	2,807	884	0	9	21	3,721	4,506
Bad debts	76	22	0	0	0	98	(70)
Depreciation of housing properties:							
-annual charge	6,228	1,840	0	0	0	8,068	7,741
-accelerated on disposal of components	77	23	0	0	0	100	71
Operating expenditure on social housing lettings	23,800	8,099	268	374	195	32,736	30,933
Operating surplus / (deficit) on social housing lettings	5,653	645	1,043	(120)	460	7,681	7,145
Void Losses	111	98	57	0	45	312	339

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

5 Income and expenditure from social housing lettings – company

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2023 £'000	Total 2022 £'000
Income							
Rents net of identifiable service charges	28,565	7,956	1,261	254	655	38,691	36,345
Service charge income	504	787	49	0	0	1,341	1,317
Amortised government grants	385	0	0	0	0	385	385
Other grants	0	0	0	0	0	0	31
Turnover from social housing lettings	29,454	8,744	1,310	254	655	40,417	38,078
Expenditure							
Management	4,408	1,666	265	92	90	6,521	6,166
Service charge costs	1,309	904	0	19	9	2,241	2,332
Routine maintenance	4,685	1,472	0	242	49	6,448	5,329
Planned maintenance	4,209	1,289	0	12	26	5,536	4,912
Major repairs expenditure	2,807	884	0	9	21	3,721	4,506
Bad debts	76	22	0	0	0	98	(70)
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	6,228	1,840	0	0	0	8,068	7,741
-accelerated on disposal of components	77	23	0	0	0	100	71
Operating expenditure on social housing lettings	23,799	8,100	265	374	195	32,733	30,987
Operating surplus / (deficit) on social housing lettings	5,655	644	1,045	(120)	460	7,684	7,091
Void Losses	111	98	57	0	45	312	339

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2023 Number	Group & Company 2022 Number
General needs housing:		
- social	4,192	4,173
- affordable	861	805
Low cost home ownership	367	308
Supported housing	76	72
Housing for older people	701	701
Sheltered units for older people / supported living	714	714
Total social housing units	6,911	6,773
Residential care home bed spaces	46	49
Total owned and managed	6,957	6,822
Leaseholders of sold flats	90	90
Leaseholders units for supported living	4	4
Market rent	2	2
Total owned and managed accommodation	7,053	6,918
Units under construction	250	299

	Group & Company Number
Total owned and managed accommodation as at Apr 22	6,918
Newly built rental accommodation, built by or for Selwood Housing.	155
Sales to the open market	(3)
Right to Buy Disposals	(4)
Right to Acquire Disposals	(5)
Fully Staircased LCHO	(8)
Total owned and managed accommodation as at Mar 23	7,053

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

6 Units of housing stock (*continued*)

Selwood Housing owns 76 supported housing units (2022: 72) and tenancy sustainment support was provided for 11 of these units by Selwood Housing in 2023. The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 46 care home units on our behalf.

Selwood Housing also owns 1,158 garages, 1 shop unit used by Selwood Housing as a resource centre and 1 doctors' surgery.

7 Operating surplus

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
This is arrived at after charging / (crediting):				
Depreciation of housing properties:				
-annual charge	8,063	7,741	8,063	7,741
-accelerated depreciation on replaced components	100	71	100	71
Depreciation of other tangible fixed assets	433	409	404	381
Impairment of Office property	433	0	433	0
Auditor's remuneration (excluding VAT):				
-fees payable to the group's auditor for the audit of the group's annual accounts	27	27	19	18

8 Employees

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Staff costs (including Executive Team) consist of:				
Wages and salaries	10,615	10,950	10,615	9,827
Social security costs	1,029	964	1,029	866
Cost of defined benefit scheme (see note 26)	458	580	458	580
Cost of defined contribution scheme	741	707	741	657
	<u>12,843</u>	<u>13,201</u>	<u>12,843</u>	<u>11,930</u>

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

8 Employees (*continued*)

	Group 2023	Group 2022	Company 2023	Company 2022
Administration	61	59	61	59
Development	10	10	10	10
Maintenance	92	117	92	87
Housing, Support and care	149	155	149	147
	<u>312</u>	<u>341</u>	<u>312</u>	<u>303</u>

9 Directors' and senior executive remuneration

The directors and senior executives are defined as the members of the board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2023 £'000	2022 £'000
Executive directors' emoluments	718	644
Amounts paid to non-executive directors	51	49
Contributions to money purchase pension schemes	10	9
Contributions to defined benefits pension scheme	75	112
	<u>854</u>	<u>814</u>

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2023 No.	2022 No.
£60,000 - £69,999	5	5
£70,000 - £79,999	7	3
£80,000 - £89,999	0	0
£90,000 - £99,999	2	2
£100,000 - £109,999	1	3
£110,000 - £119,999	1	0
120,000 - 129,999	0	0
130,000 - 139,999	0	1
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0
170,000 - 179,999	0	0
180,000 - 189,999	0	0
190,000 - 199,999	1	0
	<u>17</u>	<u>14</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

9 Directors' and senior executive remuneration (*continued*)

The CEO left the Wiltshire local government pension scheme as of the 31st March 2022. From 1st April 2022 the CEO salary was adjusted to include the amount that would have been paid into the Wiltshire pension fund as employer contributions on their behalf.

Benefits have accrued to 3 executive officers under the Wiltshire pension fund defined benefit scheme (2022 – 4, including 1 leaver) and 1 director accrued benefits under the group's defined contribution pension scheme during the year (2022 – 1).

The group chief executive's salary is 6.06 times the median salary of all members of staff (2022: 4.68 times).

10 Board members

The Chair of the board receives a salary of £10,500 (2022: £10,500) per annum, the committee chairs each receive £1,750 per annum (2022: £1,750), in addition to their basic board member payment. The standard other group board member payment is £4,250 (2022: £4,250). Emoluments paid to board members in 2023 were 0.1% (2022: 0.1%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Finance committee	Group Board
Sheila Lewis *	12,720	x		x
Richard Britton ** to 06/10/22	3,188		x	x
Chris Butters	5,734		x	x
Stella Shepherd **	4,250		x	x
Steve Oldrieve to 06/10/22	2,192		x	x
Richard Yates	4,250		x	x
David Knight	4,476		x	x
Valerie Lee	6,167	x		x
Neil Hales-Owen to 29/06/22	1,034		x	x
Hannah Jones from 06/10/22	2,086	x		x
Koo Chai Young Li Mow Ching from 06/10/22	2,684	x		x
Philip Whitehead from 06/10/22	2,074		x	x
Total	50,857			

* Chair

** Vice Chair

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

11 Surplus on disposal of fixed assets

Group and Company	Right to Buy and Right to Acquire 2023 £'000	Other housing properties 2023 £'000	Staircasing 2023 £'000	Total 2023 £'000	Total 2022 £'000
Disposal proceeds	1,334	493	1,216	3,043	2,275
Costs of disposals	(509)	(137)	(711)	(1,357)	(1,055)
Selling costs	(11)	(5)	(8)	(24)	(12)
Grant recycled	0	0	0	0	0
	814	351	497	1,662	1,208
Surplus on disposal of other tangible fixed assets	0	0	0	(10)	0
	814	351	497	1,652	1,208

12 Interest payable and similar charges

Group and company	2023 £'000	2022 £'000
Bank loans and overdrafts	2,618	1,580
All other loans (excluding loans from group entities)	1,861	1,342
Interest capitalised on construction of housing properties	(644)	(328)
	3,835	2,594

13 Taxation on profit from ordinary activities

	Group 2023 £'000	Group 2022 £'000
Current tax		
UK corporation tax on profits of the year	0	(10)
Effect of changes in rates	0	(2)
Origination and reversal of timing differences	2	(1)
Taxation on profit on ordinary activities	2	(13)

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

13 Taxation on profit from ordinary activities *(continued)*

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Profit on ordinary activities before tax	6,110	6,057	6,082	6,220
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022: 19%)	(1,161)	(1,151)	(1,156)	(1,182)
Effects of:				
Charitable income	1,137	1,131	1,156	1,182
Gift Aid Payment to parent	26	9	0	0
Expenses not deductible	0	0	0	0
Tax rate changes	0	(2)	0	0
Current tax charge for year	2	(13)	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2023 (2022: all freehold).

Group and company	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2022	459,761	11,276	26,231	4,309	501,577
Construction Costs	0	20,751	0	7,458	28,209
Replaced components - Additions	5,371	(465)	0	0	4,906
Completed Schemes	17,093	(17,093)	7,819	(7,819)	0
Disposals - RTB, RTA & market sales	(739)	0	0	0	(739)
Disposals - replaced components	(651)	0	0	0	(651)
Disposals - staircasing	0	0	(731)	0	(731)
Transfers	0	0	0	0	0
At 31 March 2023	480,834	14,469	33,318	3,949	532,571
<i>Depreciation</i>					
1st April 2022	(52,603)	0	(667)	0	(53,269)
Charge for the year	(7,825)	0	(239)	0	(8,063)
Eliminated on disposals	98	0	0	0	98
Replaced components - Disposals	551	0	0	0	551
Disposals - staircasing	0	0	20	0	20
At 31 March 2023	(59,778)	0	(885)	0	(60,664)
Net Book Value at 31 March 2023	421,056	14,469	32,433	3,949	471,907
Net Book Value at 31 March 2022	407,158	11,276	25,564	4,309	448,308

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

14 Tangible fixed assets – housing properties (*continued*)

Group	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2022	459,761	11,276	26,231	4,309	501,577
Construction Costs	0	20,716	0	7,441	28,157
Replaced components - Additions	5,371	(465)	0	0	4,906
Completed Schemes	17,093	(17,093)	7,819	(7,819)	0
Disposals - RTB, RTA & market sales	(739)	0	0	0	(739)
Disposals - replaced components	(651)	0	0	0	(651)
Disposals - staircasing	0	0	(731)	0	(731)
Transfers	0	0	0	0	0
At 31 March 2023	480,834	14,434	33,318	3,931	532,519
<i>Depreciation</i>					
1st April 2022	(52,603)	0	(667)	0	(53,269)
Charge for the year	(7,825)	0	(239)	0	(8,063)
Eliminated on disposals	98	0	0	0	98
Replaced components - Disposals	551	0	0	0	551
Disposals - staircasing	0	0	20	0	20
At 31 March 2023	(59,778)	0	(885)	0	(60,664)
Net Book Value at 31 March 2023	421,056	14,434	32,433	3,931	471,855
Net Book Value at 31 March 2022	407,158	11,276	25,564	4,309	448,308

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

14 Tangible fixed assets – housing properties (*continued*)

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Interest capitalised in the year	(644)	(328)	(644)	(328)
Rate used for capitalisation	3%	2%	3%	2%
Total social housing grant received or receivable to date	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
as follows				
Capital grant - Housing properties	34,518	33,132	34,518	33,132
Recycled Capital Grant Fund	205	150	205	150
Revenue grant - I&E	385	385	385	385
Revenue grant - reserves	4,642	4,257	4,642	4,257
	39,750	37,924	39,750	37,924

Properties held for security

Selwood Housing Society Ltd had property with an existing use value of £239 million pledged as security at 31 March 2023 (£206 million – 2022).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

15 Other tangible fixed assets – group

Group	Freehold	Fixtures	Plant & & Equipment	Motor	IT	Total
	Office £'000	& Fittings £'000	£'000	Vehicles £'000	£'000	£'000
Cost						
At 1 April 2022	3,556	52	554	13	2,177	6,352
Additions	0	0	0	0	691	691
Disposals	0	0	0	0	(58)	(58)
At 31 March 2023	3,556	52	554	13	2,810	6,985
Accumulated Depreciation						
At 1 April 2022	(801)	(17)	(198)	(13)	(1,563)	(2,592)
Charged in year	(70)	(5)	(28)	0	(329)	(433)
Impairment	(433)	0	0	0	0	(433)
Disposals	0	0	0	0	47	47
At 31 March 2023	(1,303)	(22)	(226)	(13)	(1,845)	(3,410)
Net book value at 31 March 2023	2,253	30	328	0	965	3,575
Net book value at 31 March 2022	2,755	35	356	0	614	3,760

Freehold office includes freehold land at cost of £360,000 (2022: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

15 Other tangible fixed assets – company

	Freehold	Fixtures	Plant & Equipment	Motor Vehicles	IT	Total
	Office £'000	& Fittings £'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	3,556	52	6	13	2,177	5,804
Transfer	0	0	0	0	0	0
Additions	0	0	0	0	691	691
Disposals	0	0	0	0	(58)	(58)
At 31 March 2023	3,556	52	6	13	2,810	6,437
Accumulated Depreciation						
At 1 April 2022	(801)	(17)	(6)	(13)	(1,563)	(2,400)
Depreciation on Transfer	0	0	0	0	0	0
Charged in year	(70)	(5)	0	0	(329)	(405)
Impairment	(433)	0	0	0	0	(433)
Disposals	0	0	0	0	47	47
At 31 March 2023	(1,303)	(22)	(6)	(13)	(1,845)	(3,190)
Net book value at 31 March 2023	2,253	30	0	0	965	3,247
Net book value at 31 March 2022	2,755	35	0	0	614	3,404

Freehold office includes freehold land at cost of £360,000 (2022: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2022	221	130	351
Disposals	0	0	0
Revaluations	3	(2)	1
At 31 March 2023	224	128	352

The group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

The surplus on revaluation of investment property arising £1k (2022 – surplus of £23k) has been credited to the statement of comprehensive income for the year (company and group).

17 Fixed asset investments

<i>Cost or valuation</i>	Group £'000	Company £'000
At 1 April 2022	25	2,125
Additions	100	100
At 31 March 2023	125	2,225

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

18 Subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity	Number of shares
Silcoa Ltd *	England	100%	Dormant	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	1,500,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

19 Properties for sale & other stock

Group	First tranche shared ownership properties 2023 £'000	Other Stock 2023 £'000	Total 2023 £'000	Total 2022 £'000
Completed properties	2,120	0	2,120	613
Other	0	88	88	72
Properties under construction	2,632	0	2,632	3,367
	4,752	88	4,840	4,052

Company	First tranche shared ownership properties 2023 £'000	Other Stock 2023 £'000	Total 2023 £'000	Total 2022 £'000
Completed properties	2,120	0	2,120	613
Other	0	88	88	72
Properties under construction	2,632	0	2,632	2,872
	4,752	88	4,840	3,557

Properties developed for sale include capitalised interest of £26k (2022 - £21k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

20 Debtors

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Due within one year				
Arrears of rent and service charges	492	638	492	638
Less: Provision for doubtful debts	(280)	(359)	(280)	(359)
	212	279	212	279
Amounts owed by group undertakings	0	0	0	0
Other debtors	2,077	1,875	2,067	1,873
Prepayments and accrued income	887	1,018	881	1,013
	3,176	3,172	3,160	3,165

The other debtors figure includes £486k (2022: £479k) in respect of 19 days' (2022:18 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash	7,425	8,251	6,075	6,809
Deposit accounts	1,295	613	613	613
	8,720	8,864	6,688	7,422

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

21 Creditors: Amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade creditors	2,743	1,237	2,742	1,235
Rent and service charges received in advance	858	868	858	868
Amounts owed to group undertakings	0	0	9	9
Taxation and social security	3	266	0	256
Other creditors	593	838	560	840
Accruals and deferred income	6,564	6,590	6,556	6,550
Loans due within 1 year	6,849	4,390	6,849	4,390
Recycled Capital Grant	28	0	28	0
Deferred Capital grant	385	376	385	376
	<u>18,023</u>	<u>14,565</u>	<u>17,987</u>	<u>14,524</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

22 Creditors: Amounts falling due after more than one year

Group and company

	2023 £'000	2022 £'000
Loans and borrowings (note 25)	160,100	146,576
Deferred capital grant (note 23)	34,134	33,132
Recycled capital grant (note 24)	177	150
Sinking fund balances	148	154
	<u>194,559</u>	<u>180,012</u>

23 Deferred capital grant

Group and company

	2023 £'000	2022 £'000
At 1 April	33,508	33,697
Grants received in the year	1,446	103
Grants accrued	0	0
Grants recycled from the recycled capital grant fund	(51)	104
Released to income in the year	(385)	(395)
At 31 March	<u>34,518</u>	<u>33,508</u>

24 Recycled capital grant

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 1 April	150	254	150	254
Inputs to fund:				
- grants recycled from deferred capital grants	55	123	55	123
Use / allocation of funds:				
- new build	0	(227)	0	(227)
At 31 March	<u>205</u>	<u>150</u>	<u>205</u>	<u>150</u>
Amounts 3 years or older where repayment may be required	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

25 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2023 £'000	Total 2023 £'000	Total 2022 £'000
In one year or less, or on demand	6,849	6,849	4,390
In more than one year but not more than two years	7,702	7,702	6,849
In more than two years but not more than five years	36,888	36,888	32,234
In more than five years	115,510	115,510	107,493
Total debt	166,949	166,949	150,966

New fixed rate funding of £20m was secured in 22/23 with MORHomes.

The loans bear interest at fixed rates ranging from 1.41% to 4.98% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. The current loan outstanding is made up of £120m fixed and £46.6m variable, against agreed facilities of £208.6m. At 31 March 2023 the group had undrawn loan facilities of £20m (2022 - £20m) with Nationwide and £22m (2022 £24m) with Lloyds.

26 Pension obligations

Group and Company

The Wiltshire Pension Fund ("WPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WPF are held separately from those of Selwood Housing in independently administered funds. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WPF by Selwood Housing for the year ended 31 March 2023 were £585,547 (2022: £621,195) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £343,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.75	2.70
Future salary increases	3.45	3.60
Future pension increases	2.95	3.20

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2023 No. of years	2022 No. of years
Current pensioners:		
Males	21.5	21.7
Females	24.5	24.2
Future pensioners: *		
Males	24	22.6
Females	26.1	26

* Figures assume members aged 45 as at the last formal valuation date

Commutation

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Amounts recognised in the statement of financial position

	2023 £'000	2022 £'000
Present value of funded obligations relating to Selwood Housing	(23,324)	(32,863)
Fair value of plan assets relating to Selwood Housing	26,289	28,122
Unrecognised Asset	(2,965)	
Net Deficit	0	(4,741)

Analysis of the amount (credited)/charged to the statement of comprehensive income:

	2023 £'000	2022 £'000
Current service cost	458	580
Expected return on pension scheme assets	(757)	(520)
Interest on pension scheme liabilities	883	695
Total operating charge	584	755

Of the above amount, £126,000 (2022: £175,000) was charged to other finance charges. £131,000 (2022: £45,000) was credited to operating surplus.

Changes in fair value of employer assets

	2023 £'000	2022 £'000
Opening fair value of employer assets	28,122	26,017
Contributions by the Employer	589	625
Actuarial gains	(2,478)	1,606
Benefits paid	(778)	(737)
Contributions by members	77	91
Interest	757	520
Closing fair value of employer assets	26,289	28,122

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Changes in present value of defined benefit obligation

	2023 £'000	2022 £'000
Opening defined benefit obligation	32,863	34,807
Current service cost	458	580
Interest cost	883	695
Actuarial losses /(gains)	(10,179)	(2,573)
Estimated benefits paid	(778)	(737)
Contributions by members	77	91
Closing defined benefit obligation	23,324	32,863

Major categories of plan assets as a percentage of total plan assets:

	2023	2022
Equities	55%	53%
Bonds	31%	33%
Property	13%	13%
Cash	1%	1%

Fair value of employer assets

	2023 £'000	2022 £'000
Equities	14,459	14,905
Bonds	8,150	9,280
Property	3,418	3,656
Cash	263	281
	26,289	28,122

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

26 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Present value of defined benefit obligation	(23,324)	(32,863)	(34,807)	(26,518)	(30,074)
Fair value of scheme assets	26,289	28,122	26,017	22,039	22,876
Surplus/(Deficit) on scheme	2,965	(4,741)	(8,790)	(4,479)	(7,198)
Experience adjustments on plan liabilities	(1,743)	(68)	298	1,027	0
Experience adjustments on plan assets	(2,457)	1,606	3,269	(1,681)	1,183
Cumulative actuarial gains/losses	5,092	(2,609)	(6,788)	(2,379)	(5,184)

Projected pension expense for the year to 31 March 2023

	£'000
Projected Current Service Cost	229
Interest on Obligation	1097
Expected Return on Plan Assets	(1,246)
Total	80

The estimated employer contributions for the year to 31 March 2024 are approximately £589,000.

Defined Contribution Scheme

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. All existing and new colleagues are eligible to join. The costs associated with providing this scheme are outlined in note 8.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

27 Operating leases

At 31 March 2023, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Not later than 1 year	493	325	493	325
later than 1 year and no later than 5 years	1013	500	1013	500
Later than 5 years	0	0	0	0
Total	1,506	825	1506	825

Amounts receivable as Lessor	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Not later than 1 year	1	1	1	1
later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	1	1	1	1

28 Capital commitments

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Commitments contracted but not provided for in the accounts	60,907	45,702	60,907	45,702
Commitments approved by the Board but not contracted for	92,218	103,341	92,218	103,341
	153,125	149,042	153,125	149,042

Selwood Housing Society Limited

Notes to the financial statements **For the year ended 31 March 2023**

28 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

29 Related party transactions

The directors Stella Shepherd, Richard Yates and Hannah Jones are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms and they are not able to use their position to their advantage.

The director Philip Whitehead is also a councillor of Wiltshire Council. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. Selwood Housing also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

29 Related party transactions (continued)

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Silcoa Transfer		Gift Aid	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Silcoa Ltd	0	146	0	217	0	219
Selwood DevCo Ltd	0	0	0	0	46	47
Cottsbury Homes Ltd	0	0	0	0	0	3
	0	146	0	217	46	269

Payable by Selwood Housing to Subsidiaries:	Other Charges	
	2023	2022
	£'000	£'000
Silcoa Ltd	0	2,913
Selwood DevCo Ltd	1,050	27
	1,050	2,941

Other intra-group charges

No other intra-group charges are payable to the society from subsidiaries. Charges from subsidiaries to the society are for goods and services provided, such as repairs and maintenance.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2023

30 Provision for liabilities – Deferred Tax

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 31 March 2022	9	5	0	0
Charge / (Credit)	(2)	4	0	0
Origination and reversal of timing differences	0	0	0	0
At 31 March 2023	7	9	0	0

31 Net debt reconciliation

	01 April 2022 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2023 £'000
Group				
Cash and cash equivalents	8,864	(144)	0	8,720
Loans and borrowings	(150,966)	(15,671)	-312	(166,949)
	(142,102)	(15,815)	(312)	(158,229)
Company				
Cash and cash equivalents	7,422	(734)	0	6,688
Loans and borrowings	(150,966)	(15,671)	(312)	(166,949)
	(143,544)	(16,405)	(312)	(160,261)



GROUP AUDIT MANAGEMENT LETTER

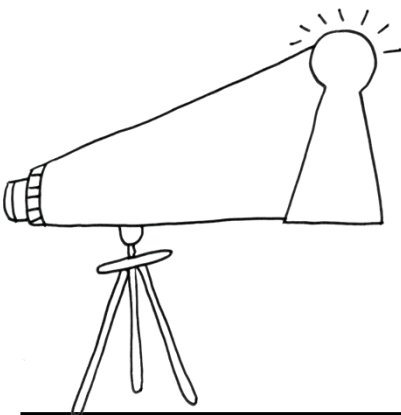
Year ending 31 March 2023

BEEVER
AND
STRUTHERS

SOCIAL HOUSING

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INTRODUCTION

Our audit of the financial statements of Selwood Housing Society Limited (the parent) and its 100% owned subsidiaries (Silcoa Limited, Cottsbury Homes Limited and Selwood DevCo Limited) is substantially complete. These companies comprise “the Group” for the purpose of this report.

The purpose of this letter is to bring to your attention the findings from our audit.

In order to comply with the provisions of the International Standard on Auditing (ISA) 260 – ‘Communication of Audit Matters with those Charged with Governance’ we report to management on the findings of our audit, with particular reference to:

- views about the qualitative aspects of the Group’s accounting practices and financial reporting;
- unadjusted misstatements;
- matters specifically required by other Auditing Standards to be communicated to those charged with governance (such as fraud and error);
- expected modifications to the auditor’s report;
- the letter of representation;
- significant deficiencies in the accounting and internal control systems; and
- any other relevant and material matters relating to the audit.

We also take this opportunity to comment on the Group’s performance for the year and to confirm our professional integrity, objectivity and independence.

We see effective communication with the Board and Group Audit and Finance Committee as being a key part of our audit, and it is important that there is effective two way communication. We welcome any feedback or questions regarding the conduct of the audit process.

This report is not intended to cover every matter which came to our attention during the audit. We do not accept any responsibility for any reliance placed on it by third parties. Our procedures are designed to support our audit opinion and cannot be relied upon to identify any weakness in systems or controls which may exist.

We would like to take this opportunity to formally record our appreciation for the assistance and co-operation provided to us by the Finance Team who assisted us during the course of our audit.

Beever and Struthers

Beever and Struthers

KEY AUDIT AREAS

Audit issue per audit plan overview	Audit procedures and results
Loan Covenants and Treasury Management As part of our audit work we planned to consider the risk that the Group might breach its loan covenants by reviewing the loan agreements, budgets and cash flow forecasts. Performance year to date was better than forecast by £1.7m. The main drivers for this favourable variance is underspends in property and staff costs, plus higher than forecasts proceeds from shared ownership sales. At the year end the Group surplus before pension actuarial adjustments was £6.1m, the same as in the prior year.	We agreed all loan balances in the financial statements to the Group's accounting records, and to third party confirmations. We obtained supporting documentation for interest payments and receipts in the year and confirmed the accuracy of those figures in the financial statements. We reviewed the Group's 2023/24 budget and the underlying assumptions. We reviewed the Group's longer term budgets, business plans and cash flow forecasts, and tested the calculations for loan covenant compliance prepared by management. We found no issues of concern in this area.
Property Sales In the year to 31 March 2023 proceeds from sale of existing properties were £3m generating a surplus of £1.7m. First tranche shared ownership sales generated proceeds of £5.1m and a surplus of £1.5m.	We completed the following testing: • Reviewed the systems and controls over development of outright sales, intra-group transfers, low-cost home ownership and other sales; • Reviewed the systems and controls over allocated development costs and work in progress; • Tested the surplus on disposal on a sample of low-cost home ownership and RTB sales; • Tested a sample of transactions within the Recycled Capital Grant Fund; and • Reviewed the carrying value of the Group's work-in-progress at the year-end to ensure it is stated at its selling price less costs to complete and sell. This included an assessment of the profitability on the current schemes. We found no issues of concern in this area.

KEY AUDIT AREAS

Audit issue per audit plan overview	Audit procedures and results
Housing Properties In the year to 31 March 2022 £18.2m was spent on new developments and £5.8m on new components. The audit risks for housing properties include: • Additions, including expenditure on replaced components, are not authorised or are not recorded correctly. • The carrying amount of housing properties at the year-end is impaired. • Components which have been replaced are not removed from the carrying value. • The depreciation charge is incorrectly calculated, and associated grant has not been recognised in the correct accounting period. In the year to 31 March 2023, a further £28.2m was spent on new developments and £4.9m on new components.	We completed the following testing: • Evaluated and tested the key controls over the approval and recording of development expenditure, including development appraisal assumptions; • Evaluated and tested the controls over the capitalisation of expenditure on major repairs and components to ensure the requirements of the Statement of Recommended Practice (SORP) have been met. This has included evaluating and testing of the arrangements for budgetary control; • Assessed the accounting policies for capitalising development overheads and interest on loans; • Reviewed the useful economic lives of components to ensure they accord with best practice in the sector; • Agreed the movements in the housing properties notes and the closing balances to the asset register; • Considered whether there is any evidence of impairment in the general needs schemes e.g. high void levels, and reviewed the Group's assessment of impairment; • Reviewed the carrying value of the Group's work-in-progress at the year-end to ensure it is stated at its selling price less costs to complete and sell. This has included an assessment of the profitability on the current schemes; • Performed a proof in total test on the depreciation charge for the year; • Confirmed that accruals have been made for all development expenditure incurred up to 31 March but not yet invoiced; and • Reviewed recognition of grants received, grant allocated to completed schemes across the Group and any amounts due back to Homes England included in liabilities. We found no issues of concern in this area

KEY AUDIT AREAS

Audit issue per audit plan overview	Audit procedures and results
Defined Benefit Pension Scheme Selwood is a member of the Wiltshire Pension Fund, a Local Government Pension Scheme (LGPS). The deficit associated with the scheme is recognised in the financial statements in line with the actuarial valuation and the requirements of FRS 102 Section 28 (Employee Benefits).	During the audit we have reviewed the LGPS information provided by the actuary to the Group and considered the disclosure implications. We reviewed the LGPS actuarial valuation and the assumptions made by the actuary to ensure assumptions are reasonable. The asset split between the various employers within the scheme has also been considered in our review. We reviewed the accuracy of the LGPS journals processed at the year end. We reviewed the disclosures and the notes to the accounts at the final audit visit to ensure they comply with Section 28 of FRS 102. At 31 March 2023, the LGPS pension scheme has moved into a net asset position for the first time since the introduction of FRS102, the asset currently recognised in the financial statements is £2.97m. At the time of writing, audit firms in the social housing sector, including Beever and Struthers, are working through the implications of recognising pension assets. In order to recognise the pension asset, Selwood must be able to provide evidence to us that the asset is recoverable – for example through reduced future contributions or refunds from the Scheme. We will provide an update on this matter to the Group Audit and Finance Committee at its meeting on 21 June 2023.

KEY AUDIT AREAS

Audit issue per audit plan overview	Audit procedures and results
Assessment of Fraud Risk ISA 240 “The Auditor’s responsibility to consider fraud” requires us to consider the risk of fraud and the impact that this has on our audit approach. In addition, ISA 700 “Forming an Opinion and Reporting on Financial Statements”, means auditors are required to explain in the auditor’s report to what extent the audit was considered capable of detecting irregularities, including fraud. There is a presumed significant risk of fraud in two areas: Revenue Recognition Material misstatements due to fraudulent reporting often result from an overstatement of revenues, for example through premature revenue recognition or recording fictitious revenues. The auditor therefore presumes that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks. For the Group the main income stream is rental income. The processing of rent charges is highly automated and rent charges are restricted. We therefore have initially assessed the risk of fraud in the recognition of rental income as low and expect to rebut the assumption that this area is a significant risk. Management Override Under ISA 240 there is a presumed risk of management override of the system of internal controls. Material misstatements can arise from management overriding the controls which are in place or by manipulating the results to achieve targets and the expectations of the stakeholders.	Our audit is designed to provide reasonable assurance that the accounts are free from material misstatement whether caused by fraud or error. We reviewed revenue recognition and management control override in detail. As part of the audit planning: • met management to discuss fraud related risks and the risk of material misstatement in the financial statements; • reviewed the Group’s anti-fraud policies; • assessed which laws and regulations were most significant to the Group; • gained an understanding of the Group’s policies and procedures on compliance with laws and regulations; • reviewed the legal and regulatory framework applicable to the Group; and • reviewed any relevant internal audit work. During the audit fieldwork: • substantively tested income from rents and service charges and other material sources of income, for example sales of properties; • assessed the controls over the maintenance of supplier details and changes to bank account details; • assessed the IT control environment; • used data analytics in our review of manual journals posted in the year; • tested cut off on the rent debit and receipts of cash and housing benefits and other material sources of income; • considered the manipulation of the financial results through the use of journals and management estimates, such as provisions and accruals; and • performed a final review of the fraud register and considered the Group’s compliance with relevant laws and regulations.

OVERVIEW OF FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

	2023 £'000	2022 £'000		
Turnover	45,967	44,284	»»	Turnover from social housing lettings has risen by £1.3m due to rent increase year on year and income from the sale of first tranche shared ownership has fallen by £0.7m. Income from other non-social activities has increased by £1m.
Cost of sales and operating costs	(37,602)	(36,695)	»»	Cost of sales have decreased mainly due to the fall in first tranche shared ownership sales noted above. Maintenance costs increased by £1.5m.
Surplus on disposal of fixed assets	1,652	1,208	»»	Surplus on disposal of fixed assets has increased from the prior year in line with the increase in the number of disposals of RTB/ Right to Acquire properties and staircasing sales.
Other interest receivable and similar income	53	6	»»	Immaterial movement.
Interest and financing costs	(3,835)	(2,594)	»»	New funding and rising interest rates have caused interest costs to increase.
Net interest on pension	(126)	(175)	»»	This is in line with the actuarial valuation.
Change in valuation of investment properties	1	23	»»	Movement reflects the year end external valuation by JLL.
Taxation	2	(13)	»»	No material changes in taxable activities which remain very low.
Actuarial gain on defined benefit pension scheme	7,701	4,179	»»	The actuarial gain reported in the financial statements is in line with the actuarial valuation provided by Hymans Robertson.
Total Comprehensive Income	13,813	10,223		

OVERVIEW OF FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	2023 £'000	2022 £'000		
Tangible fixed assets	475,430	452,068	»»	Fixed assets have increased by £23m compared to last year, this is due to development of new housing and capital works to existing homes, net of the depreciation charge for the year.
Investment properties	352	351	»»	Immaterial movement.
Investment in companies	125	25	»»	Immaterial movement.
Current assets	16,737	16,088	»»	Current assets have increased by £0.6m. This is due to higher level of completed properties held for sale at the year end and slight fall in cash held at the year end.
Creditors: amounts falling due within one year	(18,023)	(14,565)	»»	Creditors within one year have increased by £3.5m mainly due to the increase in loan funding due within one year and higher trade creditors.
Creditors: amounts falling due after more than one year	(194,559)	(180,012)	»»	The movement is mainly due to an increase in borrowings (£20m MORHomes new funding).
Pension provision	2,965	(4,741)	»»	This is in line with the actuarial valuation by Hymans Robertson. The recognition of the pension asset remains a matter of discussion- see previous comments.
Other provisions	(7)	(5)	»»	Immaterial movement.
Reserves	283,020	269,205	»»	Increase in reserves relates to the surplus for the year from the SOCI.

INDEPENDENCE

Ethics and Independence

In the UK and Ireland, auditors are subject to the ethical requirements of the Financial Reporting Council's 2016 Revised Ethical Standards for Auditors.

International Standard on Auditing (UK and Ireland) 260 Communication with those Charged with Governance and good practice require us to confirm the following to those charged with governance:

- We confirm that we are independent.
- We confirm that we are unaware of any relationships which may bear on our objectivity and independence.
- We have provided details of any non-audit services provided to Selwood Housing Group and the fees charged in relation to non-audit services.
- We confirm that we comply with the requirements of the Financial Reporting Council's Ethical standards in relation to the supply of non-audit services by an audit firm.

The Group Audit and Finance Committee should take an active role in considering whether the external auditor's independence might be impaired by the provision of non-audit services.

Relationships which may Bear on Objectivity and Independence

We are aware of no such relationships.

Non-Audit Services

There are no separately chargeable non-audit services provided to the Group.

Conclusion

We therefore confirm that we are independent and that we comply with the requirements of the Financial Reporting Council's Ethical standards in relation to the supply of non-audit services by an audit firm.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

Accounting Policies

FRS102 requires that entities should review their accounting policies regularly to ensure that they are appropriate to its particular circumstances for the purposes of giving a true and fair view. The Group Audit and Finance Committee plays a key role in this process.

We have reviewed the Group's accounting policies as stated in the financial statements in detail and confirm that we judge them to be appropriate to provide relevant, reliable, comparable and understandable information.

Going Concern

The financial statements have been prepared on a going concern basis.

We have obtained the information that the Board has reviewed in assessing whether the going concern assumption is appropriate and tested the assumptions underlying this information. We are satisfied that the Board's use of the going concern assumption is appropriate. We will need to keep this matter under review until the date of signing of the financial statements due to the on-going uncertainty brought about by the current economic climate.

Accounting Estimates

Key accounting estimates in the financial statements concern actuarial assumptions, depreciation rates, the level of bad and doubtful debt provision against tenant arrears and impairment provisions.

We confirm that estimates have been made appropriately in line with our knowledge of the Group and the Sector and are disclosed satisfactorily in the financial statements.

Financial Statement Disclosures

We confirm that we judge the disclosures throughout the financial statements to be neutral, consistent and provide sufficient clarity to the user.

Matters Discussed with Management

There were no significant matters arising from the audit, however the following matters were discussed with management at the clearance meeting held on 23 May 2023, in addition to the matters referred to elsewhere in this report:

- Avro office impairment – this was recognised as an accelerated depreciation but discussed to disclose separately within the financial statements.
- At the time of writing, audit firms in the social housing sector, including Beever and Struthers, are working through the implications of recognising pension assets. In order to recognise the pension asset, Selwood must be able to provide evidence to us that the asset is recoverable – for example through reduced future contributions or refunds from the Scheme. **We will provide an update on this matter to the Group Audit and Finance Committee at its meeting on 21 June 2023**

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

- £1.2m increase in routine maintenance – an increase in volume of response jobs carried out in the year to attempt reduction in WIP. Some of the work was subcontracted. Inflationary pressures in this area have been significant for Selwood and the sector in general.
- Unadjusted errors – none to note

Significant Difficulties Encountered During the Audit

There were no significant difficulties encountered during the audit.

Timing of Transactions

Our audit work confirmed that material transactions were recorded in the correct accounting periods. Accruals and prepayments were made for material items.

Group Strategic and Board Reports

We reviewed other information in the narrative reporting sections of the financial statements. We confirm that there is no material inconsistency between it and the financial statements.

MANAGEMENT REPRESENTATION LETTER AND AUDIT OPINION

In accordance with ISA 580, we obtain written representation from management that they acknowledge their responsibility for preparing the accounts and have made all information available to us.

We will present our management representation letter for the Group for signing at the same time as the financial statements are signed.

We have provided an unqualified audit opinion on the financial statements for the Group and its subsidiaries for the year ended 31 March 2023, subject to receipt of the following:

- Receipt of the signed representation letter.
- Final review of post-balance sheet events and management information relating to financial performance and going concern.

MATERIALITY AND AUDIT ADJUSTMENTS

Materiality

ISA 260 requires us to report to management on all uncorrected misstatements identified during the audit, and to include in this report how we have calculated materiality, and any misstatements identified during the audit which have been corrected.

Materiality may be revised throughout the course of the audit, where we become aware of information during the audit that would have resulted in a different determination of materiality at the outset.

We are not required to report on corrected or uncorrected misstatements we believe are clearly trivial.

Materiality is calculated using 2% of turnover, except for Silcoa and Cottsbury where materiality is based on balance sheet assets. Triviality is the value above which we report errors to you. A summary of the final assessment of materiality is as follows:

	Turnover £'000	Materiality £'000	Triviality £'000
Selwood Housing Society Limited	45,951	689	46
Silcoa Limited (asset based)	3.6	2.7	0.2
Selwood Devco Limited	22	17	1
Cottsbury Homes Limited (asset based)	10	7.5	0.5

Disclosure adjustments

The accounts presented for audit were of high quality and largely compliant with FRS102, SORP 2018 and the Accounting Direction 2022. A small number of presentational adjustments were made to the financial statements over the course of the audit, following discussion with the finance team. These included:

- Separate disclosure of impairment within the notes to the Statement of Comprehensive Income; and
- A number of notes did not tie back to the primary statements.

Uncorrected Misstatements

There were no uncorrected misstatements for any entities in the Group.

ACCOUNTING AND INTERNAL CONTROL SYSTEMS

ISA 265 requires that we report to those charged with governance any significant deficiencies in internal control that we identify in the course of our audit work. Significant deficiencies are those deficiencies that we have identified during the audit and concluded are of sufficient importance to merit being communicated to those charged with governance.

In accordance with Revised ISA 315, we undertook a review of the Group's self-assessment against the requirements set out in our IT General Controls (ITGCs) audit programme. Our review of the Group's self-assessment did not identify any areas of significant weakness where we felt that we needed to perform additional testing as part of our audit.

We are pleased to report that overall, we found that the Group's systems and internal financial controls were operating effectively. There were no significant deficiencies identified as a result of our work.

Audit Findings

There were no recommendations identified during our audit work.

ACCOUNTING AND INTERNAL CONTROL SYSTEMS

Journals testing

We reviewed a full extract of journals from the Group's finance system, using our data analytics software (Inflo), for the risks set out below. Our sample testing of journals did not identify any issues.

Risk	Testing results
Large values over materiality: Transactions where the gross value is over materiality.	✓
Keywords: Transactions where the description fields contain specific keywords.	✓
Large values versus average: Transactions which have an impact on any general ledger account of 10 times the average value.	✓
Intercompany & Related Party transactions: Inflo obtains all related individual and related company transactions which contain any of these individuals or companies.	✓
Round sum values: Transactions which have a round sum value.	✓
Unusual values: Transactions which have a basic numerical sequence within their value e.g. £123,456.	✓
Seldom used accounts: Transactions which are posted to accounts used less frequently than monthly.	✓
New accounts: Transactions which are posted to accounts with no transactions posted in the first 3 months.	✓
Zero balance accounts: Transactions posted to accounts with a nil value at the year end.	✓
Suspense accounts: Transactions with the word suspense in the description	✓
Frequent transactions: Transactions which are identical in the year.	✓

GROUP AUDIT MANAGEMENT LETTER



SELWOOD HOUSING SOCIETY LIMITED

England & Wales - Charity number 1141124

Accounts

ANNUAL REPORT 2020/21



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Directors, executive officers, advisors and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Sheila Lewis *

Martin Large to 31 January 2021

Valerie Witcomb to 31 Mar 2021

Stella Shepherd

Steve Oldrieve

David Knight from 1st February 2021

Richard Britton ***

Lee O'Bryan ** 31 January 2021

Chris Butters

Richard Yates

Valerie Lee 1st February 2021

Neil Hales-Owen from 19th April 2021

* chair

** vice chair to 31 January 2021

*** vice chair from 1 February 2021

Executive officers

Group chief executive

Group finance director

Group finance director

Group transformation and people director

Group operations director

Group development director

Group asset director

Group IT director

Group IT director

Barry Hughes

Diane Hall to 31 March 2021

Mark Mayler from 1st April 2021

Ria Bristow

Verena Buchanan

Paul Walsh

Chris George to 31 December 2020

Ceri Lambdin to May 2020

John Rogers from 1 September 2020

Registered office

Bryer Ash Business Park

Bradford Road

Trowbridge

Wiltshire BA14 8RT

Advisors and bankers

Independent auditor

Beever and Struthers

20 Colmore Circus

Queensway

Birmingham

B4 6AT

Internal auditors

TIAA Limited

53-55 Gosport Business

Centre

Gosport

PO13 0FQ

Principal funder

Nationwide Building Society

Kings Park Road

Moulton Park

Northampton

NN3 6NW

Principal bankers

Lloyds Bank

64 Fore Street

Trowbridge

Wiltshire

BA14 8EU

Principal legal advisors

Trowers & Hamlins

The Senate

Southernhay Gardens

Exeter

EX1 1UG

Capsticks Solicitors

LLP

1 St George's Road

London

SW19 4DR

Anthony Collins

Solicitors

143 Edmund Street

Birmingham

B3 2ES

Charity commission registration No. 1141124

Company limited by guarantee - registration No. 4168336

Registered with the Regulator of Social Housing – registration No. LH409

Welcome from the chair of our board of directors

Over the past year the coronavirus pandemic has shone a light on how vital our work as a provider of secure, affordable homes is for our local communities. We have risen to the many challenges of these unprecedented times, delivering services for our customers and supporting our staff throughout.

Our response to coronavirus

When the first national lockdown was announced in March 2020, careful planning by our business continuity team and previous investment in IT enabled a smooth transition to new ways of working, including home working for office-based staff.

We have continued to deliver essential services for our customers throughout the three national lockdowns that have followed, adapting as restrictions were tightened and eased, and with COVID-secure safety measures in place.

In periods of tight restrictions, some of our services were paused or adapted to minimise contact for customers and staff. During the first lockdown, some of our staff were re-deployed and we embarked on over ten thousand welfare calls to customers who may have been vulnerable or at risk of isolation.

We kept customers informed via our website, social media and a new monthly update. Internally, we set up a dedicated information hub, the chief executive provided daily updates via email and we used Microsoft Teams to continue to share news with staff, keep colleagues connected and support mental health and wellbeing.

At the time of writing, the vaccine roll-out is supporting the government's roadmap out of lockdown and we are looking forward to restrictions easing further. However, we are ready to respond should the situation change.

My sincere thanks to all our staff for their commitment and hard work, to our customers for their patience and understanding and to our community partners and stakeholders for their support and flexibility throughout this most difficult of years.

Our homes and communities

Despite the challenges of COVID-19, we let 429 properties during the year, including 28 for people nominated by the local authority as being homeless. 72 mutual exchanges were completed, using a new digital platform.

Our voids team worked exceptionally hard to get empty homes ready for people in urgent need, at one point turning around 59 properties in just six weeks.

We saw an increase in calls about rent as customers' circumstances changed due to the pandemic and many people moved onto Universal Credit. Despite this, rent arrears remained exceptionally low at 0.9%.

Selwood Housing Society Ltd

The first lockdown also resulted in a greater number of reports of anti-social behaviour and fly-tipping. Our caretakers responded to 988 work requests, compared to 347 the previous year.

Throughout the year we responded to 6,719 emergency jobs and completed 10,421 non-essential repairs when it was safe to do so. While our planned programme for refurbishing kitchens and bathrooms was much reduced due to COVID, those completed received a 90% customer satisfaction score. Silcoa reported a profit for the year of £216k. This money is all reinvested in our existing homes and providing new local, affordable homes.

Our development team delivered 120 new properties, which became homes for 503 new customers. Among them were 21 new homes at Margaret's Close in Trowbridge, on the site of the former Margaret Stancomb primary school, which with its fascinating history attracted a lot of interest from the community. Having been derelict for over 10 years, the site is now fully occupied by local families, including some key workers.

We recently purchased another site in Trowbridge, the vacant John Bull pub in Studley Green. We plan to build ten homes with a focus on energy efficiency, our most ambitious carbon reduction development to date.

While we will not be able to meet our pre-COVID target of building 600 new affordable homes by March 2023, we are working towards a new goal of 1,000 or more by 2026.

During the year we supported several groups with a total of £21k in donations, including food banks, a furniture recycling charity and laptop provision for local schoolchildren. Silcoa operatives gave their time and skilled labour to refurbish parts of Trowbridge Town Hall and a portacabin at Studley Green, which will be used by charity Trowbridge Future as a drop-in centre for young people.

Our people

A restructure of the executive team saw Ria Bristow appointed as group transformation and people director and Verena Buchanan as group operations director, while John Rogers joined us as group IT director and Mark Mayler as group finance director. This meant saying goodbye and thank you to Chris George and Diane Hall, who is now enjoying her well-deserved retirement.

We also bid farewell to board members Lee O'Bryan, Martin Large and Valerie Witcomb after many years of service and were pleased to welcome David Knight, Valerie Lee and customer Neil Hales-Owen to the board.

Several new customers joined the scrutiny team following a successful online recruitment campaign. Many thanks to chair Kate Tivney, who will shortly be stepping down. Kate was recognised by Inside Housing among over 350 nominations for their shortlist of twenty influential Women in Housing: Leaders 2020.

Selwood Housing Society Ltd

In February, we announced the migration of Silcoa into Selwood Housing to an extremely positive response from staff. This is another significant step in meeting our strategic objective of being easy to do business with, both internally and externally, and providing even better services to our customers.

We received the Large Apprenticeship Employer award from Wiltshire College & University Centre and we welcomed five new apprentices across the group. We also joined the new KickStart scheme and will be employing three young people on six-month work placements.

We conducted an Investors in People survey which attracted a record level of engagement and over 90% of respondents agreed that Selwood Housing Group is a great place to work.

We recognised the individual contributions of over a hundred staff members at our remote Living the Values Awards ceremony, which included a COVID team award and nominations from customers for the first time.

Finally, with our Selwood Spirit team adapting successfully to online fundraising and social activities, our staff raised a record amount of money for our charity of the year, Motor Neurone Disease Association.

Our future

As well as maintaining business as usual during this most unusual of years, we also made some major improvements to our processes.

- The launch of a new asset management system (Orchard) has dramatically improved our planning capabilities.
- Refinancing our Nationwide loan facility resulted in less onerous reporting requirements, saving both time and cost.
- An online grounds maintenance schedule was shared with customers after a great deal of preparation work.
- Our scrutiny team completed a review into communication during the complaints process and we made some changes based on their recommendations.

We ended the year with a higher surplus than expected of £8.1 million, putting us in a strong position going forwards.

Looking ahead, we have some ambitious and exciting plans over the next few years as our transformation project, Horizon, takes shape. Horizon will see us create and deliver our next generation of housing services as we improve further, becoming even easier for our customers to do business with.

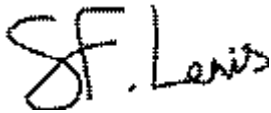
Selwood Housing Society Ltd

The recent Social Housing White Paper set out a new charter for social housing residents based on seven commitments they should expect from their landlord. While we are confident that we already meet these expectations, we will ensure we are ready for all proposed reforms.

We will continue to work towards improving the energy efficiency of our homes, in line with the UK's target of net zero carbon by 2050.

We welcome the national focus on the social housing sector as the Grenfell Tower Inquiry continues. We support the National Housing Federation's 'Homes at the Heart' campaign which calls for social housing to be front and centre of the post-COVID recovery and the government's Affordable Homes Programme.

Over the past year our dedicated teams truly went the extra mile to deliver services for our customers, and I have every confidence they will be able to rise to whatever challenges the next year may bring.

A handwritten signature in black ink, appearing to read 'S.F. Lewis'.

Sheila Lewis
Chair

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021

The group board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2021.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a board of non-executive directors (the board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath, North East Somerset and the parts of the county of Somerset which are within one hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 6,778 properties and are the largest social landlord in the West of Wiltshire.

The RSH refreshed their assessment of Selwood's compliance with the Governance and Financial Viability Standard in December 2020 which resulted in Selwood Housing retaining the highest category of assessment (G1/V1).

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Overview of the business *continued*

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd is a property repairs and improvement company that seeks to provide a top-quality repairs and improvement service to Selwood Housing tenants.

Cottsbury Homes Ltd is a company that develops homes for market sale. It is not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing.

Objectives and strategy

The board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. The board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by three guiding principles:

- Ensure our people are motivated, skilled and able to deliver for our customers
- Deliver excellent value for money services
- Be easy for our customers to do business with

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Culture and development of staff
- Improve the use of ICT to deliver better value services
- Development of new homes
- Use of assets
- Environmental strategy
- Ensuring our governance structure delivers strong governance across the group in the most effective and efficient way possible
- Fully integrate the services delivered by the former Silcoa team into Selwood Housing to continue to offer excellent value for money whilst maintaining high standards of service and health and safety

The specific targets for 2021/22 are:

- After achieving Investors in People Silver a couple of years ago, accelerate progression towards the Platinum level in 2022
- Continue with the digital transformation of Selwood by introducing new processes and technologies to enhance customer interaction and services through the Horizon programme
- Transfer of equity and liabilities of Silcoa to Selwood Housing through merger accounting principles
- Align the Silcoa staff and systems with Selwood to provide seamless integration and minimal disruption to customers
- Quickly resolve customer non-urgent repair queries that have grown since lockdown and the reopening of services
- Grow our planned property maintenance programme of works to deliver more kitchens and bathroom replacements than in previous years
- Implement our asset management strategy which details how we will maintain our homes into the future so that they are places where our customers want to live, whilst delivering the best value for money on our investments
- Start the implementation of our environmental strategy and consider the impact our homes have on the environment as well as considering our ecological impact
- Continue to keep our customers, staff and members of the public safe through robust health and safety and compliance processes
- Deliver the detailed targets for all our core services, including the development of 1,000 new homes over five years, arrears levels below 1% and continuing investment in existing homes in line with the 30-year programme of planned works

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Objectives and strategy *continued*

Selwood Housing's values

- Customer focused: By focusing on our customers we are able to provide a high-quality service with integrity
- One team: By working as 'One Team' we consider others. It also allows us to work collaboratively to successfully achieve a common goal
- Honesty: By being honest we can fix issues before they become problems
- Dynamic: By being dynamic we are able to come up with new ways of doing things, think outside the box and come up with solutions to any existing or potential problems

Operational performance

Financial review

The group turnover in the year was £41.6m (2020: £41.9m). This represents an overall decrease of 0.8% (2020: 0.8%).

Operating costs are slightly higher than last year at £28.2m (2020: £28m), this is mainly due to increased spend on flat regeneration works, door entry systems, garages, investment in ICT and the start-up costs of operational excellence projects. Operating costs include depreciation charges of £7.6m (2020: £7.1m), a key accounting estimate. No impairment losses have been recognised in the year (2020: nil).

The surplus from the sale of properties was lower than last year at £558k (2020: £1,114k) due to selling fewer properties. The properties' sold included a mix of right to buy, right to acquire and staircasing. Selwood Housing remains committed to considering the suitability and efficiency of our properties.

For the above reasons the overall surplus for the Group in the year at £8.1m (2020: £8.5m) was below last year's surplus.

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £479m as at 31 March 2021 (2020: £458m). This increase was a combination of the addition of newly developed homes and works to existing properties.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Operational performance *continued*

The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £390m at 31 March 2021 (2020: £371m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Selwood Housing finances its property assets through a loan facility of £113m (2020: £106.1m) made available by Nationwide Building Society, a £50m (2020: £50m) facility from Affordable Housing Finance Plc (AHF) and a £30m (2020: £30m) facility from Lloyds Bank Plc. At 31 March 2021 £93m (2020: £100.6m) of the Nationwide facility had been drawn down. This left £20m (2020: £5.5m) available from Nationwide. £50m (2020: £50m) of the AHF funding had been drawn down at year end and £0m had been drawn from the Lloyds Bank facility (2020: £0m).

The board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing and hedging. In the financial year net cash inflow from operating activities of £17m (2020: £16.5m) helped to fund net cash spend of £22.6m (2020: £23.1m) on developing new homes before receipt of social housing grant.

In the 2020/21 corporate plan Selwood Housing had a number of key areas of focus. Our achievements against each of those areas during 2020/21 include the following:

- Overcame the many risks of the pandemic to maintain our essential services to our customers whilst protecting the welfare of our employees
- Delivered a surplus ahead of forecast helping maintain our strong financial position and investment in development and existing properties
- Introduced home working from the start of lockdown to all our office-based staff which was seamless thanks to the previous year's IT upgrades
- Maintained a very strong arrears performance that was sub 1% despite fears that are customers would struggle during the pandemic
- Achieved our lowest ever letting void losses
- Announced the migration of Silcoa into Selwood to drive further improvements in our customer services
- Renegotiated our Nationwide loan facility
- Implemented operational excellence across the group
- Launched our new asset management system to improve our planned maintenance programmes.
- Built a new project management capability in house to enable the delivery of the Horizon project plan over the next 3 years. Horizon is our major transformation project.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant with regard to its loan facilities with Nationwide Building Society and Lloyds Bank plc. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business through the regular review of a risk register for Selwood Housing and all its subsidiaries by the group audit and risk committee.

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. It covers financial risks plus non-financial strategic and significant operational risks.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Key risks *continued*

The major risk areas and mitigating controls identified on the risk register are:

Risk Area	Key Controls/Actions
Landlord compliance	• Compliance reporting and completeness checks • Independent external audits and internal audit reviews • Detailed policies and procedures reviewed regularly • ISO 9001 accreditation in compliance • Suitably qualified, experienced contractors and specialist training
Unforeseen changes in the external environment	• Media monitoring and manager awareness • Stress test financial plan against severe adverse scenario • Ongoing review of business plan and its components • Risk management system in place • Review of risk assessments and corporate strategy
Covid-19	• Business continuity team meets as necessary, at least weekly • Ability to roll back services if required by future lockdowns • Risk assessments undertaken • Frequent updating of Selwood Housing Group's financial forecasts • Significant cash balances and revolving credit facilities available
Climate change	• Participating in South West net carbon zero pilot • Working with consultants to model routes to achieve net carbon zero • ESG benefits will be considered for future funding • Environmental strategy • Provision for expenditure in financial plan
Development delivery / capacity	• Selwood will consider partnerships and liaisons with landowners • Monitoring and reporting on development programme • Development strategy • Design/quality specifications to meet Selwood Housing's strategy • Review of costs impacted by changes in external standards • Financial plan updated
Performance of subsidiaries	• Key investment decisions undertaken by board • Independent charitable advice on subsidiary investment • Risk flows identified • Annual strategy and budget for subsidiaries agreed by group board
Improvement / change programme delivery	• Corporate projects monitored by the executive team • Project scope and benefits agreed in advance • Project, programme and portfolio status • Governance structure and systems being developed
Deposit counterparty risk	• Treasury policy sets credit ratings for counterparties • Segregation of treasury duties • Credit ratings reviewed on a monthly basis
Asset management	• Stock condition surveys • New asset database implemented • New asset management strategy being developed • Selwood Homes Standard • Monitor external environment to identify funding opportunities and technical solutions
Health and safety	• Health and Safety policy • Health and Safety Panel • External support and inhouse Group head of health and safety • Health and Safety risk register and reporting • Health and Safety risk assessments undertaken

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	• Quality controls on contractors as well as random checks and audits
ICT service – strategic	• Service strategy and management plan • Policies and procedures • Escrow arrangements
Governance (parent and subsidiaries)	• Board training and appraisals • Group board approval of strategy and business plan • Group risk strategy and risk flows identified • Group board approval of financial plan and budget • Regular governance reviews • Group governance manual and financial regulations • Monthly performance reports • Evidence based decision making • Clearly defined roles for execs and non-exec
Executive leadership	• Directors have group-wide responsibilities • Management training and development • 1-2-1s and annual evaluations
Tenant involvement / empowerment	• Implement the actions in the involvement strategy • Support the role of the scrutiny team • Raise the profile of the work we do in involvement
Pensions deficit of defined benefit scheme (LGPS)	• Closure of the defined benefit scheme to new members since 2010 • Reviewing membership numbers remaining in scheme • Modelling pensions deficit scenarios in the financial plan • Monitoring changes in actuarial valuations as they become available • Amending employer contribution levels • Seeking suitable professional advice

Environmental, Social & Governance (ESG) matters

Selwood Housing is committed to its environmental, social and governance aims in providing affordable homes both now and into the future; delivering these to high environmental standards possible whilst meeting our regulatory and governance requirements. We welcome the increased focus of stakeholders in this area and will continue to develop reporting criteria against the key themes highlighted in the “UK SOCIAL HOUSING – Building a Sector Standard Approach for ESG Reporting” White paper.

Environmental

Selwood Housing has developed a carbon reduction strategy and action plan that aims to ensure all homes meet SAP C standard by 2030 and introduces new low carbon and renewable technologies to meet the 2050 net carbon zero targets. Our newly developed properties achieve very high environmental standards and we are continuing to invest to improve the environmental performance of our existing housing properties. One of our key performance indicators is the average SAP rating achieved across all housing properties, which is a measure of their environmental performance.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Streamlined Energy and Carbon Reporting

Selwood Housing have generated a Streamlined Energy and Carbon Reporting (SECR) statement to comply with the latest SECR Regulations (2019). This report presents a full 3rd party verified SECR statement, compared to the previous financial year's usage, for use in Selwood Housing's annual reporting. All emissions throughout this report are displayed in terms of carbon dioxide equivalents (CO₂e) and have been rounded to 2 decimal places.

Reported emissions and energy use data for 1 st January 2020 – 31 st December 2020		
	Current reporting year 1 st January – 31 st December 2020	Comparison year January 1 st – 31 st December 2019
Energy consumption used to calculate emissions: /kWh	Gas: 1,393,133 Electricity: 1,303,351 Transport fuel: 1,514,664 Total: 4,211,148 kWh	Gas: 1,478,757 Electricity: 991,533 Transport fuel: 1,689,367 Total: 4,159,657 kWh
Emissions from combustion of gas	261.57 tonnes CO₂e 5.43 tonnes CO ₂ e office usage 41 tonnes CO ₂ e communal areas 215.14 tonnes CO ₂ e communal heating systems	270.61 tonnes CO₂e 15.32 tonnes CO ₂ e office usage 44.95 tonnes CO ₂ e communal areas 210.34 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes	364.38 tonnes CO₂e	419.2 tonnes CO₂e
Emissions from purchased electricity	319.1 tonnes CO₂e 15.24 tonnes CO ₂ e office usage 303.86 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	274.65 tonnes CO₂e 22.66 tonnes CO ₂ e office usage 251.99 tonnes CO ₂ e communal areas <i>T&D losses not separated in this report</i>
Total gross CO ₂ e based on above	945.05 tonnes CO₂e <i>Excludes scope 3 emissions</i>	964.46 tonnes CO₂e <i>Excludes scope 3 emissions</i>
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above	148.87 kgCO ₂ per home managed (exc office emissions) Office intensity: 13.54 kgCO ₂ per m ² (includes T&D losses)	149.35 kgCO ₂ per home managed (exc office emissions) Office intensity: 20.9 kgCO ₂ per m ² (includes T&D losses)
Methodology	SHIFT methodology SECR Reporting SHIFT Environment Using DEFRA (2020) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2020. Comparison data from the previous year's SECR is using DEFRA 2019 Conversion Factors.	

Selwood Housing Society Ltd

Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control/ tCO ₂ e	27.56 tonnes CO₂e <i>Transmission and distribution (T&D) losses associated with UK electricity</i>	<i>T&D losses not separated in this report</i>
Emissions from employee business travel for which the company does not own or control / tCO ₂ e	19.52 tonnes CO₂e 19.31 tonnes CO ₂ e employee vehicles 0.21 tonnes CO ₂ e public transport	55.47 tonnes CO₂e
Emissions from leased assets, franchises, and outsourced activities / tCO ₂ e	The regulated emissions from the independently heated homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,948 tonnes in total, or 2.75 tonnes per home managed ¹ .	The regulated emissions from the homes we manage far outweigh our operational emissions and are therefore reported here on a voluntary basis. Our SHIFT methodology estimated emissions at 16,590 tonnes in total, or 2.61 tonnes per home managed.
Total gross Scope 3 emissions / tCO ₂ e	16,995.08 tonnes CO₂e	16,645.47 tonnes CO₂e
Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO ₂ e	17,940.13 tonnes CO₂e	17,609.93 tonnes CO₂e
Additional intensity ratio: tCO ₂ e net figure / e.g. £100,000 revenue	2.83 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.	2.77 tonnes per home managed for total Scope 1, 2 and 3 emissions recorded.

Energy efficiency action statement

During the period 1st April 2020 to 31st March 2021, we installed:

- 54 gas boilers in properties with electric heating or solid fuel boilers
- 94 boiler upgrades
- 589 windows
- External wall insulation to 63 flats

We published a new carbon reduction strategy in 2020 outlining our targets for a minimum SAP band C for all properties by 2030 and zero carbon by 2050. We are currently developing a new asset management strategy which will set out how this can be achieved.

¹ This figure has increased due to heating types being considered into the calculation this year, despite average SAP increasing. Currently, electricity has higher carbon emissions than gas, but the grid is decarbonising.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Energy efficiency action statement *continued*

We have implemented a new asset management system incorporating an energy module and installed the SAVA intelligent energy system. This will allow us to assess and track the energy efficiency of our properties more easily and model options for achieving our 2030 and 2050 carbon targets. We are currently validating the data in order to establish a new baseline for EPC/SAP ratings. We also took part in a BEIS funded pilot project to provide a technical assistance facility to support social housing providers access funding for energy performance improvements.

Social

Affordability

The Valuation Office Agency sets the Local Housing Allowance (LHA) affordability criteria at the 30th centile point between what, in the local rent officer's opinion, are the highest and lowest non-exceptional rent in a Broad Rental Market Area. These statistics are used as a reference point for housing benefit and are a good indication of rent levels which are affordable in an area. Our valuer's have compared our rents with the average sector rent and LHA in the same localities. Selwood Housing's rents are demonstrably lower than those of other housing associations in the same area and are affordable when compared with the local housing allowance. This is supported by our customer satisfaction results that recorded 89% of customers rating rent as value for money in our Q4 20/21 survey.

Resident Voice

An involvement and communities programme of internally and externally sponsored projects has been established to enable the service to evidence its performance and business impact more clearly. Online focus groups are now being facilitated to provide opportunities for customers to shape and influence services such as our approach to incentives and awards and we now have a list of over 1,000 customers who have expressed an interest in getting involved.

The scrutiny team has had nine members working together to undertake reviews into responsive repairs, communications during complaints and intensive housing management in sheltered housing. The team's chair Kate Tivney won an Inside Housing award for being one of the most inspiring women in our sector through her leadership and positive contributions towards the development of the business.

Stronger Communities funding has been brought together with in-kind support from Silcoa DIY SOS to offer our communities more cohesive investment, the team made welfare calls to customers in our response to the Covid 19 pandemic and our neighbourhood planning processes shaped our work aimed at addressing business and customer priorities across our key estates.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Resident Support

Selwood Housing's charitable donations were £21k (2020: £122) during the year to 31 March 2021. In addition to this we allow various community groups to utilise four garages free of charge and we lease The Hub to Trowbridge Town Council for a peppercorn rent. We estimate the rental income foregone on these to be equal to donations of around £8.8k (2020: £14.7k).

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2015). The code was reviewed by the board in December 2020. The board concluded that we are fully compliant with the code.

Staff wellbeing

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff, we then ensure they are motivated, skilled and able to deliver for our customers and provide an excellent service. This is a guiding principle in our corporate strategy, as described above.

The Selwood Housing provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern through our monthly pulse survey. The executive team also take part in a monthly live question and answer session with all staff. The group is committed to diversity and equal opportunities for all its employees and a comprehensive programme of training will be carried out in 21/22. The group supports the employment of a diverse workforce, both in recruitment and in the retention of employees.

Board and executive composition

At 31 March 2021 Selwood Housing's board was made up of four females and five male directors. The senior management team was made up of three male and three female members.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Committees of the group board

During the year the following committees were in operation:

- The group audit and risk committee have oversight of risk management, external and internal audit and reviews the fraud register at each meeting. At 31 March 2021 the members of the group audit and risk committee were Richard Britton, Chris Butters, David Knight, Valerie Witcomb and Steve Oldrieve.
- The group asset and development committee consider and makes recommendations to the board in respect of matters relating to development of new homes, repairs and maintenance, planned and cyclical works, health and safety, compliance and any other property related matter that needs board consideration. At 31 March 2021 the members of the group asset and development committee were Sheila Lewis, Valerie Lee, Richard Yates and Stella Shepherd.

All other matters including strategy and business planning and other financial matters are considered directly by the full group board.

Board and executive directors

The group board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The board is responsible for the governance of Selwood Housing Group, meeting to:

- determine and monitor the strategic direction of Selwood Housing Group;
- agree policies and a framework for control and delegation to committees and the executive team;
- set targets for Selwood Housing Group and monitor performance against those targets; and
- consider reports from the executive team on a range of issues; and
- ensure Selwood Housing Group has an appropriate risk management strategy and register in place, which are regularly reviewed.

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Board and executive directors *continued*

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of each individual's performance over the year and an assessment of training, skills and development needs.

Each board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2021, the executive directors consisted of the group chief executive, the group finance director, the group development director, the group operations director, the group transformation and people director and the group IT director.

Insurance policies indemnify board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited on the basis of selecting skill sets, the demographic make-up and experience that are required for the existing board.

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate board members and the group transformation and people director against the board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair and inclusive. Each new board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some board members choose not to reclaim their travel costs.

Payments to board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Any changes in remuneration do not take effect until approved by the company in the general meeting and increases to board members' remuneration do not take effect more frequently than once every three years.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Board and executive directors *continued*

During the financial year ended 31 March 2021 there was a small increment in board pay.

The board decides the pay and benefits of the executive directors and also agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff.

Selwood Housing contributes to the schemes on behalf of all eligible staff and does not offer alternative benefits such as cars.

Information on the executive directors' remuneration is included in note 9 to the financial statements. There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Regulatory standards

The board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in December 2020 and the board concluded that Selwood Housing complies with the standard.

Value for Money

Selwood Housing Group's approach to value for money (VfM)

One of the three guiding principles for Selwood Housing Group is to deliver excellent VfM in all our services and across the companies in the group.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money *continued*

Our VfM strategy is reviewed each year by the board. It sets out how we are working to continuously improve VfM across all our activities. To achieve VfM we work to ensure we are doing the right things to help us achieve our social aims and doing these things in the most effective, efficient and economical way. VfM for Selwood Housing Group means achieving the optimum balance of performance, customer satisfaction and cost across its activities as an organisation.

Value for Money Standard (VfM)

The Regulator of Social Housing (RSH) issued a new VfM Standard and a supporting Code of Practice which came into effect on 1 April 2018. The standard requires registered providers to publish their performance against the following seven VfM metrics in their annual accounts:

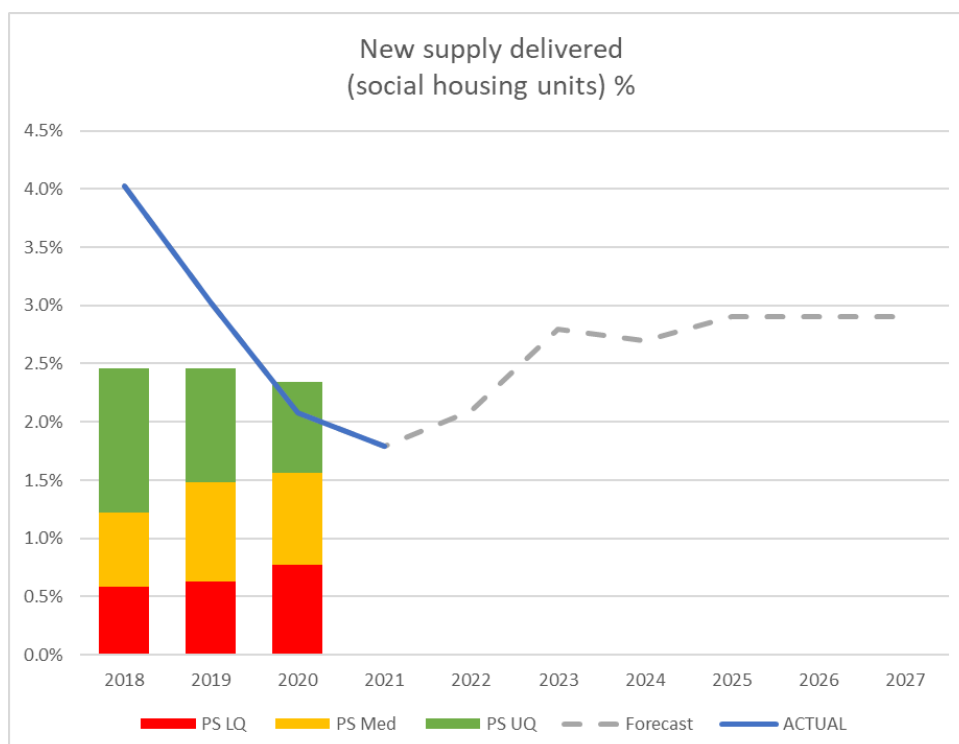
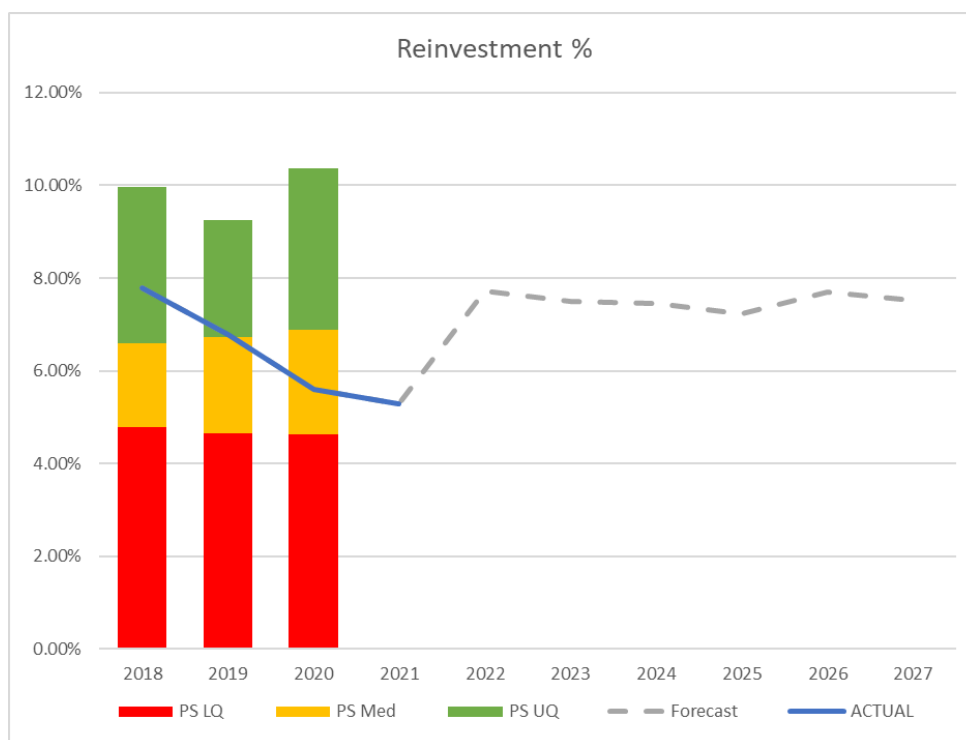
- Reinvestment %
- New supply delivered %
- Gearing %
- Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %
- Headline social housing cost per unit
- Operating Margin %
- Return on capital employed (ROCE) %

The following charts show our actual results for the past four years and forecasts going forward six years. We have compared our results with the PlaceShapers (PS) results for the three years between March 2018 and March 2020, where these are available. PlaceShapers are the national network of community-based social housing providers. Further information can be found at <https://www.placeshapers.org>

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)

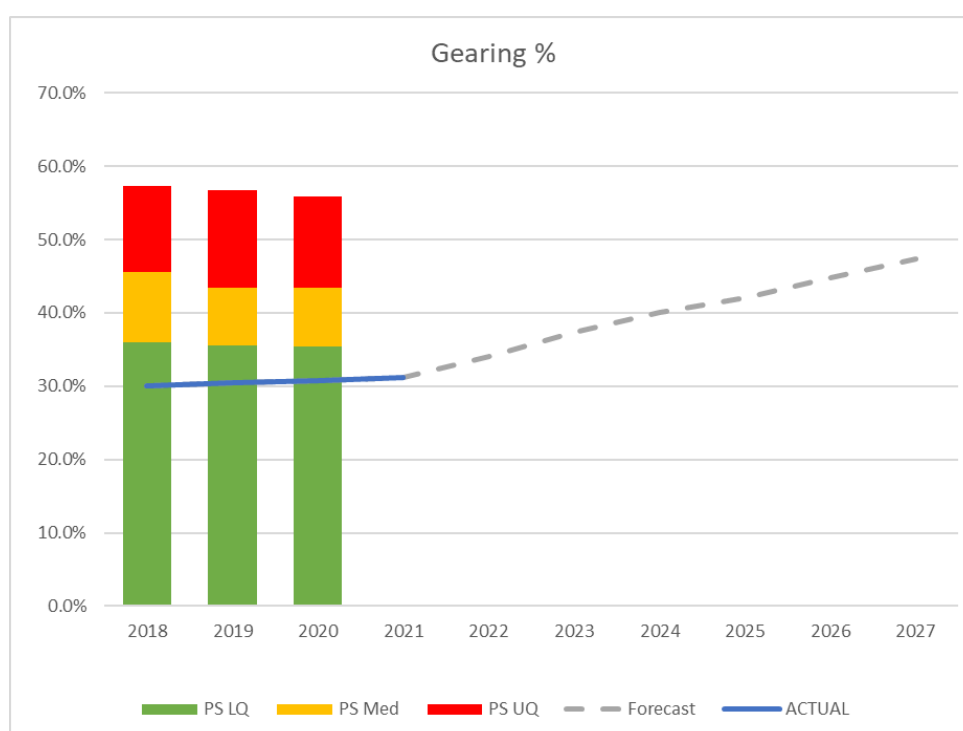


Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)

One of Selwood Housing's key objectives is to develop 1,000 new homes over five years. During the financial year 2020/21 we completed 120 new homes across Wiltshire, Mendip, Bath and surrounding areas. Across the whole development programme, the normal mix of homes are 70% for affordable rent and 30% for shared ownership. This mix limits our exposure to the housing market but gives us the flexibility to address need and demand scheme by scheme.

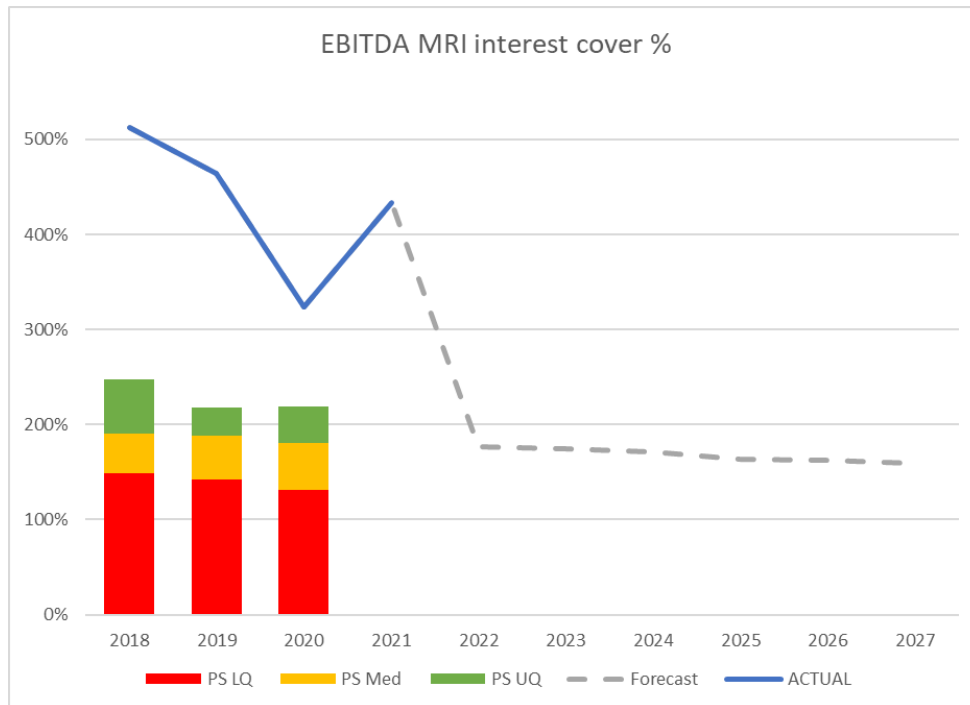


Gearing increases as borrowing increases to fund our development programme but stays at levels within the gearing covenant in our loan agreements.

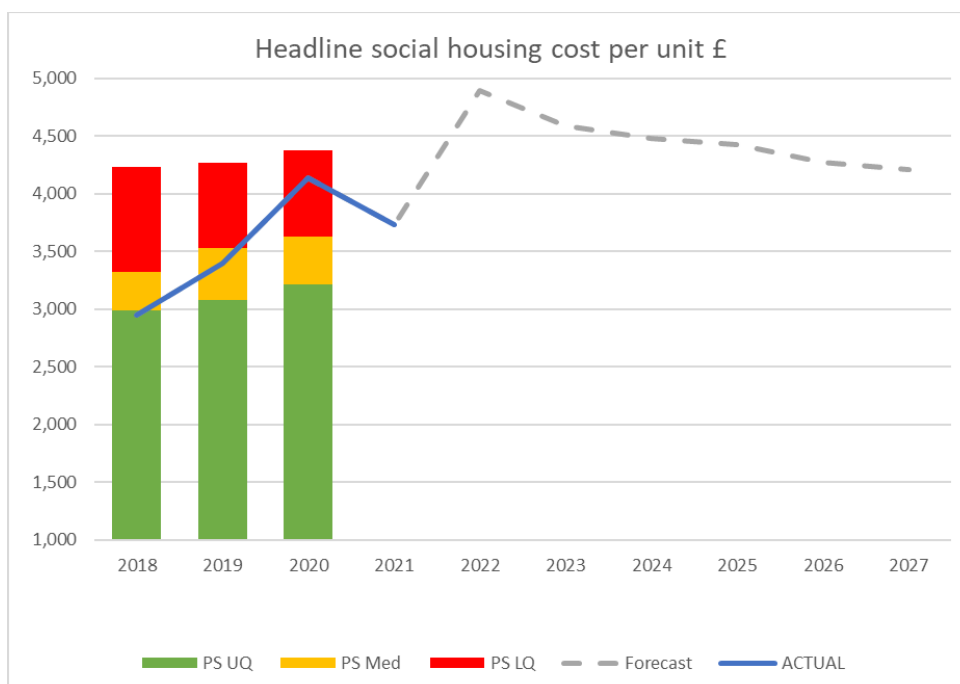
Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)



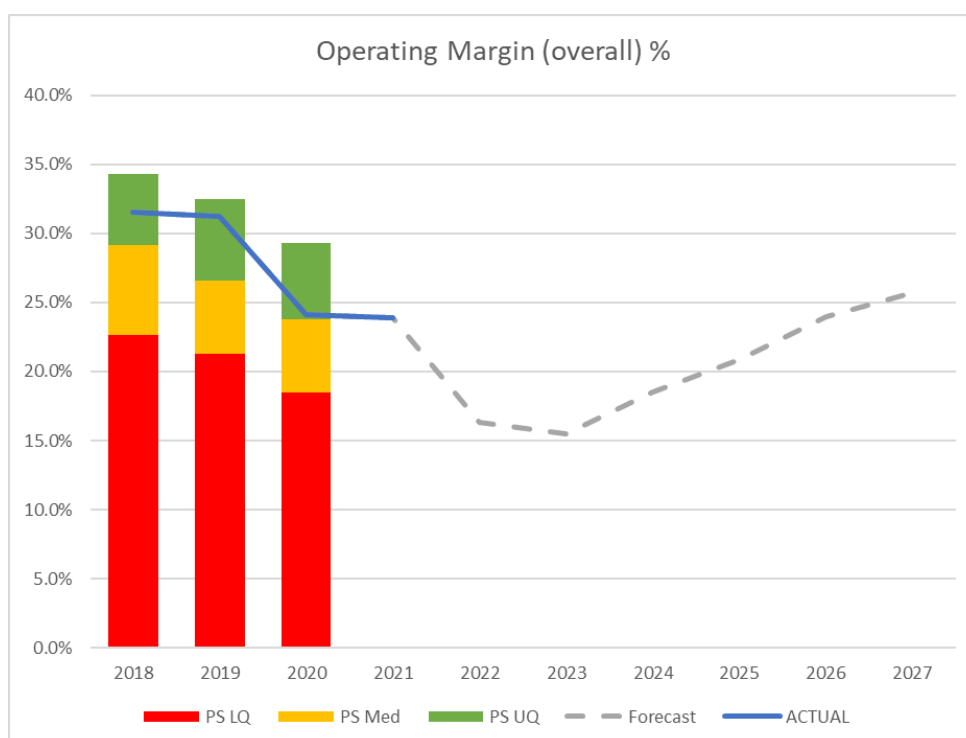
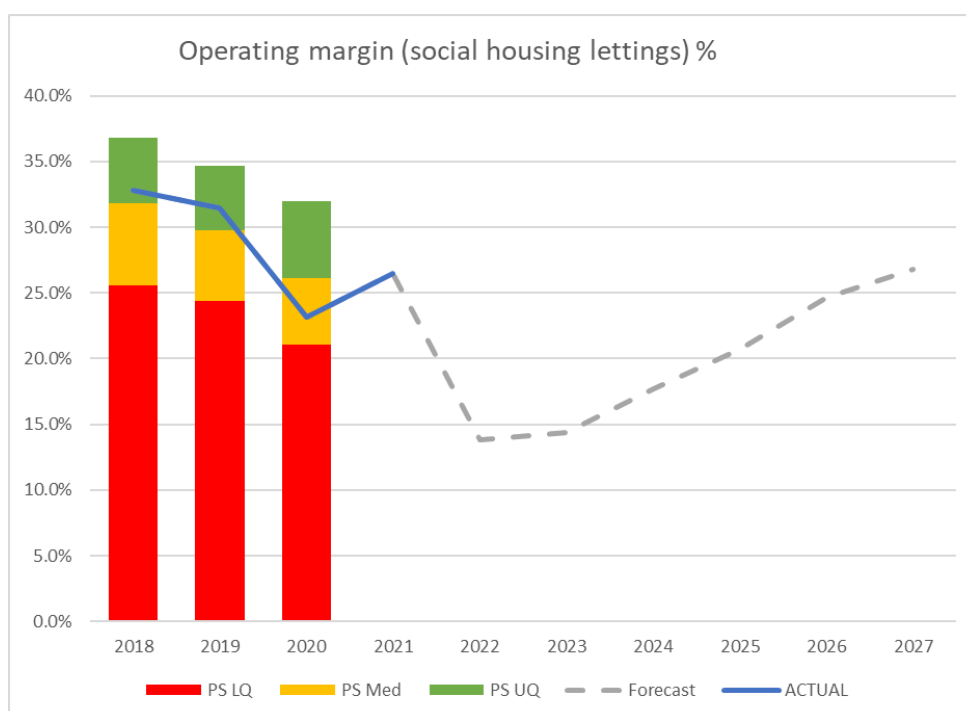
The fall in EBITDA-MRI and corresponding rise in headline social housing cost per unit in future years is due to the increased costs for our planned works and response repairs following the delays caused by the pandemic. This is further impacted in 2022 by the step-up in our planned maintenance programme for kitchen and bathroom replacements and the increased investment in subsequent years to meet our environmental target of SAP C rating for all properties by 2030.



Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)



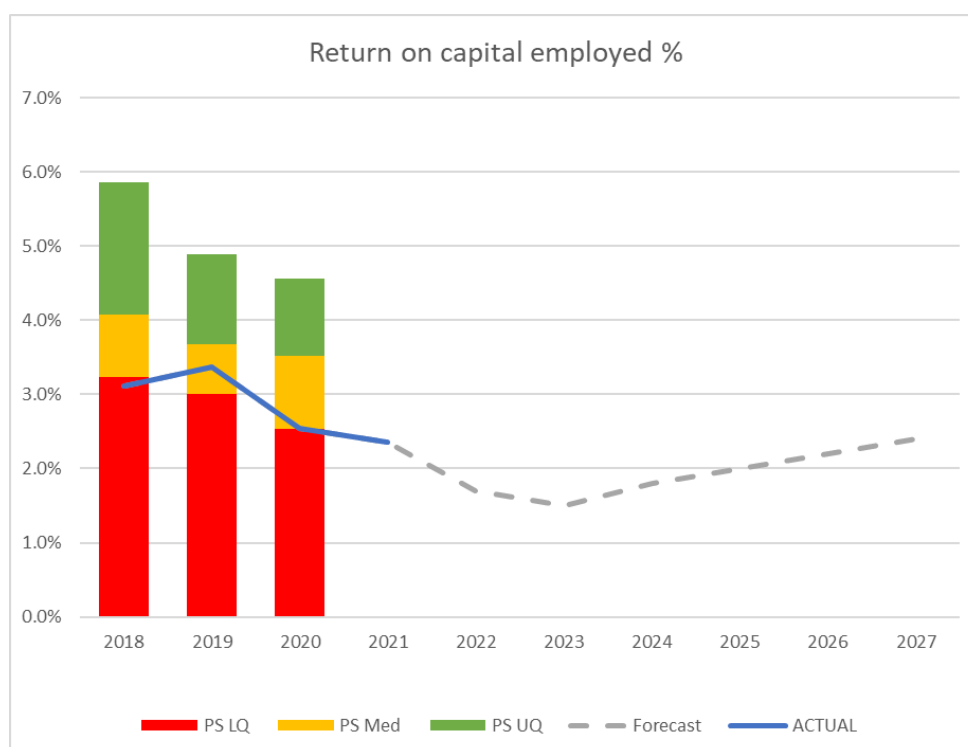
Selwood Housing's board have made decisions to invest in the Horizon program which requires additional staff, systems and property during 2020/21 which have impacted future costs, and hence margins.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)

Horizon is a major transformation project which will allow us to develop and expand our system capabilities, improve our processes and explore further efficiencies.

We also have a programme of works planned which will improve some of our sheltered and general needs sites including the installation of more efficient heating systems and extensive window replacement and roofing programmes.



Selwood Housing's return on capital employed has been affected by a decision taken during the transition to FRS102 to take the option of carrying out a one-off valuation on a number of its housing properties and using that amount as deemed cost. This decision added circa £144m to the revaluation reserves on the statement of financial position.

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the board are rent loss due to empty properties as a % of rent due and current tenant arrears net of unpaid housing benefit as a % of rent due. These are KPIs financially and also in terms of fulfilling our social purpose:

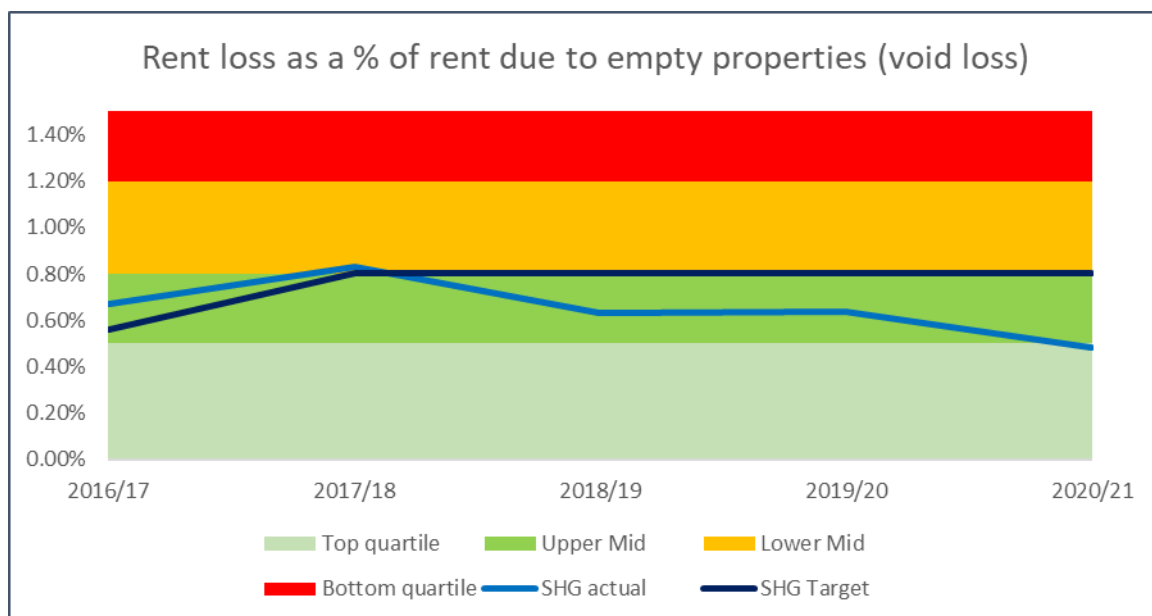
- Good voids performance means that more homes are available for people in housing need
- An appropriate approach to dealing with current tenant arrears assists our tenants with their security of tenure and their money management skills

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)

The graph compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2017/18:



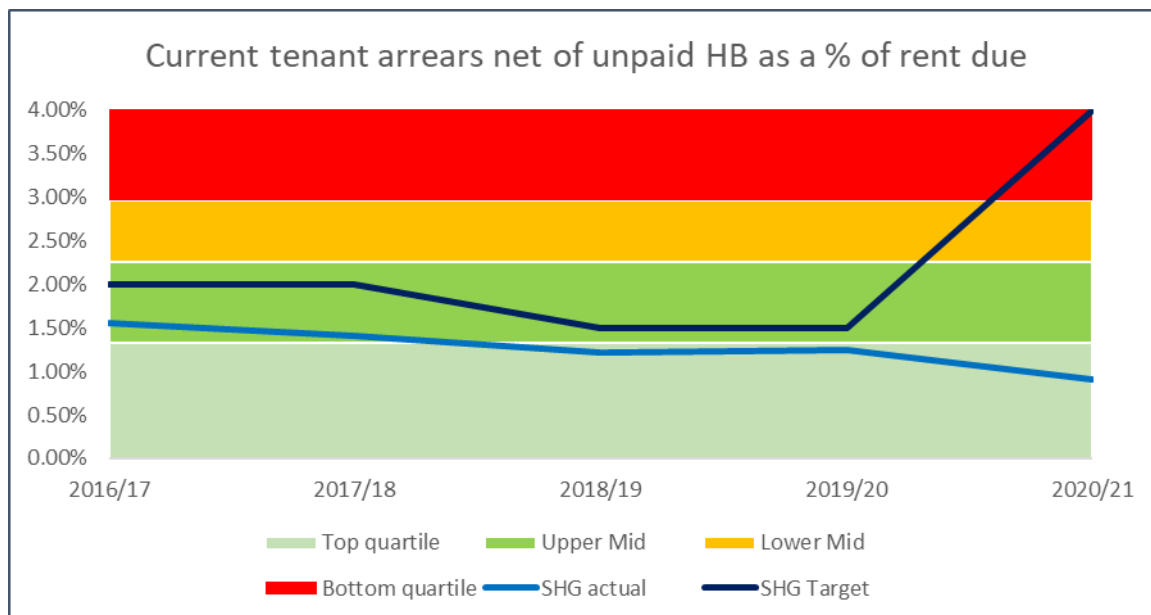
It has been an exceptional year for our lettings team given the backdrop of the pandemic and expected challenges that would result. In letting 106 new properties and 323 re-lets during the year, we have achieved our lowest void loss rate and we are targeting a similar level for 2022.

At the end of March 2021 void loss attributable to rented dwellings is 0.48%, showing continuous improvement in performance. The graph above and the arrears graph below compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2017/18.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)



It has been a challenging year, with lockdowns, customers being furloughed and the court system grinding to a halt – despite all of these, we have had an outstanding year - reducing rent arrears from our all time low last year of 1.14% to 0.91%. This is exceptional and it is commendable the way the team have adapted and supported our customers throughout these difficult times.

We now have 2,193 customers claiming Universal Credit, an increase of 431 in the year - we continue to apply for alternative payment arrangements (APAs), this is where the rent payment is made direct to us from the Universal Credit claim in cases where customers have historic rent arrears, budgeting issues or are simply not good money managers. This ensures that we are able to control the rent debt, whilst securing the long-term future and tenancy for the customer. These principles have been extended to the pre-tenancy stages of our lettings process to ensure that we are able to enhance our support offering to new customers even before the tenancy has commenced. The results of this approach have supported our achievements this year whilst ensuring the number of new tenancies in arrears has also reduced.

There will be more challenges ahead as the UK moves out of lockdown and the furlough schemes come to an end, however our performance ensures we have a solid platform for the future.

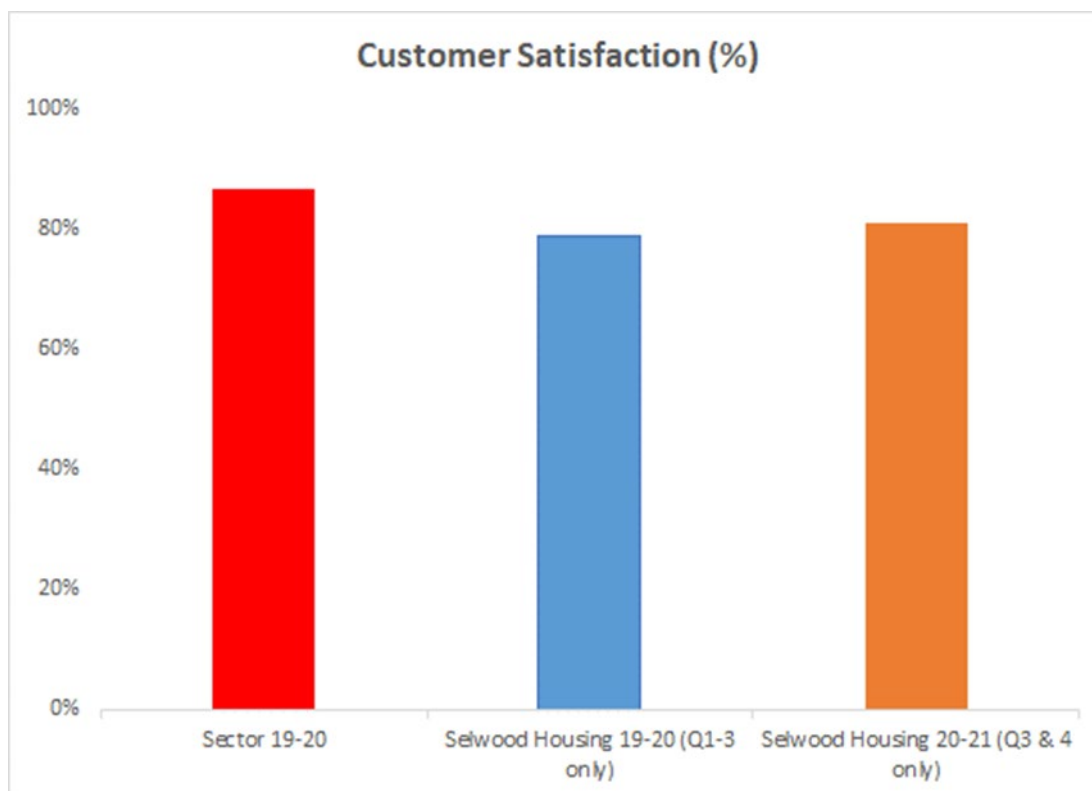
We model our arrears target by using the following assumptions – total arrears balance at year end, value of increasing and decreasing balances in the year, number of universal credit claimants in the year and their arrears balances at the start of their claim, additional universal credit arrears caused by the migration target. This is signed off by the board in January each year.

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Value for Money (*continued*)

Another key indicator for the board is customer satisfaction, which is shown below on the sector scorecard basis.



Data was unavailable for Q4 19/20 and Q1 & Q2 20/21 due to the coronavirus outbreak.

Our corporate plan principles include one focused on us being easy for our customers to do business with, this is in direct response to customer dissatisfaction about speed of response and ease of access to our services. We are investing in a digital platform where our customers can access services at a time and place that suits them and their lifestyle.

Our target for 21/22 is 85%

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Section 172 Statement

The board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's response to the Covid-19 pandemic,
- the approval of the company's strategy and long-term strategic plan
- the approval of the current year budget including rent and service charge changes,
- the approval of the overall development strategy and individual site purchases,
- the approval of the transfer of operations and equity from Silcoa Ltd to Selwood Housing Group,
- The approval of the digital transformation strategy to enhance Customer experience and services.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the board's decision-making process, the board considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the board has sought to deliver benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Internal controls assurance

The board has 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 manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The board receives and considers annual reports from the group audit and risk committee and management on the management of risk and control arrangements. The group audit and risk committee review the risk register at each of its quarterly meetings. It reports the outcome of these quarterly reviews to the board through its minutes. The group audit and risk committee also ensure that appropriate corrective action is taken where necessary.

The process for identifying, evaluating and managing the significant risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2020 up to the date of approval of the annual report and financial statements. Selwood Housing has a system for administering risk management which puts emphasis on ensuring that good controls are in place and are effective.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team
- Policies and procedures covering all major areas of activity
- A corporate plan setting out Selwood Housing's mission and key corporate objectives
- A risk management strategy including a risk register with a procedure for updating, reviewing and reporting that strategy
- An internal audit programme linked to the risk register
- External audit reports
- The 30-year business planning model – reviewed at least annually by the board
- An annual budget agreed before the beginning of each financial year
- Monthly management accounts and performance reports to the board and the executive team
- Review of the fraud register at each group audit and risk committee meeting

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Internal controls assurance *continued*

The board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and risk committee to review the effectiveness of the system of internal control regularly. The board receives minutes from each committee meeting.

The means by which the group audit and risk committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

The group audit and risk committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Statement of responsibilities of the board

The board are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, subject to any material departures disclosed and explained in the financial statements; and

Selwood Housing Society Ltd

Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Statement of responsibilities of the board *continued*

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the board. The board responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

After making enquiries the board has a reasonable expectation that Selwood Housing has adequate resources to continue in operational existence for the foreseeable future. The board defines the foreseeable future as at least 12 months from the date of signing the financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The Annual General Meeting is planned to be held on 6th October 2021 in the boardroom of Selwood Housing's office.

Independent auditor

A resolution to appoint Selwood Housing's auditor will be proposed at the forthcoming Annual General Meeting.

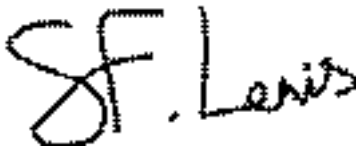
Group strategic report including the report of the board for the year ended 31 March 2021 *continued*

Statement of disclosure of information to auditor

So far as the board is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approval

The report of the board of directors including the strategic report was approved by the board on 7 July 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S.F. Lewis'.

Sheila Lewis
Chair
7 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in reserves, , the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2021 and of the Group's and the Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

Selwood Housing Society Ltd

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the statement of responsibilities of the board set out on page 32, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

Selwood Housing Society Ltd

override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
20 Colmore Circus
Queensway
Birmingham B4 6AT

Date: 13 July 2021

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Turnover	4	41,613	41,935	41,809	42,757
Cost of sales	4	(3,275)	(3,764)	(3,279)	(3,764)
Operating costs	4	(28,181)	(28,060)	(28,546)	(28,581)
Gain on disposal of fixed assets	11	558	1,114	558	1,114
Operating surplus		10,715	11,225	10,542	11,526
Other interest receivable and similar income		59	264	56	251
Interest and financing costs	12	(2,558)	(2,823)	(2,558)	(2,823)
Other finance costs	26	(101)	(172)	(101)	(172)
Movement in fair value of investment properties	16	16	2	16	2
Surplus before taxation		8,131	8,496	7,955	8,784
Taxation on surplus	13	2	1	0	0
Surplus for the financial year		8,133	8,497	7,955	8,784
Actuarial (losses) / gains on defined benefit pension scheme	26	(4,409)	2,805	(4,409)	2,805
Total comprehensive income for year		3,724	11,302	3,546	11,589

The notes on pages 44 to 86 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

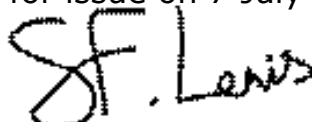
Selwood Housing Society Ltd

Consolidated and company statement of financial position at 31 March 2021

		Group	Group	Company	Company
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	14	433,086	418,290	433,086	418,290
Tangible fixed assets - other	15	4,001	4,246	3,618	3,836
Investment properties	16	328	433	328	433
Investments in companies	17	25	25	2,125	1,375
		437,440	422,994	439,157	423,934
Current assets					
Stocks	19	4,422	3,257	3,876	3,123
Debtors - receivable within 1 year	20	3,477	2,997	3,281	2,824
Cash and cash equivalents	20a	9,868	24,072	8,367	22,580
		17,767	30,326	15,524	28,527
Creditors: amounts falling due within 1 year	21	(8,411)	(12,679)	(8,217)	(11,976)
Net current assets		9,356	17,647	7,307	16,551
Total assets less current liabilities		446,796	440,641	446,464	440,485
Creditors: amounts falling due after more than 1 year	22	(179,018)	(180,896)	(179,018)	(180,896)
Net assets excluding pension liability		267,778	259,745	267,446	259,589
Provision for deferred tax	30	(5)	(7)	0	0
Pension liability	26	(8,790)	(4,479)	(8,790)	(4,479)
Net assets		258,983	255,259	258,656	255,110
Capital and reserves					
Income and expenditure reserve		124,836	119,716	124,509	119,567
Revaluation reserve		134,147	135,543	134,147	135,543
		258,983	255,259	258,656	255,110

The notes on pages 44 to 86 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2021



Sheila Lewis
Chair



Mark Mayler
Secretary

Charity Commission Registration No 1141124
Company Limited by Guarantee - Registration No. 4168336
Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2021

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2019	105,907	138,050	243,957
Total comprehensive income for the year	8,497	0	8,497
Actuarial gains on defined benefit pension scheme	2,805	0	2,805
Total comprehensive income	11,302	0	11,302
Transfer from revaluation reserve to income and expenditure	2,507	(2,507)	0
Opening funds April 2020	119,716	135,543	255,259
Total comprehensive income for the year	8,133	0	8,133
Actuarial losses on defined benefit pension scheme	(4,409)	0	(4,409)
Total comprehensive income	3,724	0	3,724
Transfer from revaluation reserve to income and expenditure	1,396	(1,396)	0
Closing total funds March 2021	124,836	134,147	258,983

The notes on pages 44 to 86 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2021

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2019	105,471	138,050	243,521
Total comprehensive income for the year	8,784	0	8,784
Actuarial gains on defined benefit pension scheme	2,805	0	2,805
Total comprehensive income	11,589	0	11,589
Transfer from revaluation reserve to income and expenditure	2,507	(2,507)	0
Opening funds April 2020	119,567	135,543	255,110
Total comprehensive income for the year	7,955	0	7,955
Actuarial losses on defined benefit pension scheme	(4,409)	0	(4,409)
Total comprehensive income	3,546	0	3,546
Transfer from revaluation reserve to income and expenditure	1,396	(1,396)	0
Closing total funds March 2021	124,509	134,147	258,656

The notes on pages 44 to 86 form part of these financial statements.

Selwood Housing Society Limited

Consolidated statement of cash flows for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Surplus for the financial year		8,131	8,496
Adjustments for:			
Depreciation of fixed assets - housing properties	14	7,093	6,635
Depreciation of fixed assets - other	15	387	392
Amortised grant	23	(386)	(365)
Interest payable and finance costs		2,659	2,995
Interest received		(59)	(264)
Difference between net pension expenses and cash contribution		(199)	(86)
Proceeds from sale of fixed assets- housing properties	11	(1,241)	(2,986)
Increase in trade and other debtors		(480)	314
Decrease /(Increase) in stocks		(1,165)	90
Increase / (decrease) in trade and other creditors		1,421	(646)
Carrying amount of disposals		860	1,960
Movement in fair value of investment properties		(16)	(2)
Cash from operations		17,005	16,533
Taxation paid		0	0
Net cash generated from operating activities		17,005	16,533
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	1,241	2,986
Purchase of fixed assets - housing properties	14	(22,616)	(23,146)
Purchase of fixed assets - other	15	(142)	(614)
Receipt of grant	23	515	787
Interest received		59	264
Net cash from investing activities		(20,943)	(19,723)
Cashflows from financing activities			
Interest paid	12	(2,558)	(2,823)
Taxation Paid		0	0
New loans		0	4,500
Debt issue costs incurred		(170)	(225)
Repayment of loans	25	(7,539)	(4,292)
Net cash used in financing activities		(10,267)	(2,840)
Net (decrease) / increase in cash and cash equivalents		(14,204)	(6,030)
Cash and cash equivalents at beginning of year		24,072	30,102
Cash and cash equivalents at end of year		9,868	24,072

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

The notes on pages 44 to 86 form part of these financial statements.

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Selwood Housing Society Limited

Notes to the financial statements **For the year ended 31 March 2021**

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the group's operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all of its subsidiary undertakings for the year. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the board has a reasonable expectation that the company and the group have adequate

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies *(continued)*

resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year and capitalised capital grants. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (*continued*)

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies *(continued)*

liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

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

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies *(continued)*

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

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years
Lighting	20 years
Fire Alarms	15 years
Door entry systems	10 years
Electric Heat Pumps	20 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies *(continued)*

Impairment

Housing properties, which are depreciated over a period in excess of 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP. Grant is carried as deferred income in the statement of financial position and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (*continued*)

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)-		5 years
• Plant and Equipment	-	5 years

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (*continued*)

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies *(continued)*

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (*continued*)

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- Tangible fixed assets (see notes 14 and 15)
Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the Group's experience over a number of years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- Investment properties (see note 16)

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations for the commercial units were

- Annual rent per square metre: £82-£135 with a weighted average of £107
- Capitalisation rate: 9.5% - 10% with a weighted average of 9.75%

- Rental and other trade receivables (debtors) (see note 20)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

4 Particulars of turnover, cost of sales, operating costs and operating surplus - group

	Turnover 2021 £'000	Cost of sales 2021 £'000	Operating costs 2021 £'000	Surplus on disposal 2021 £'000	Operating surplus /(deficit) 2021 £'000
Social housing lettings (note 5)	36,423	0	26,783	0	9,640
Other social housing activities					
First tranche low cost home ownership sales	4,169	3,275	121	0	773
Gain on disposal of fixed assets	0	0	0	558	558
Charges for support services	17	0	3	0	14
Development costs not capitalised	0	0	573	0	(573)
	4,186	3,275	697	558	772
Activities other than social housing activities					
Lettings	16	0	3	0	13
Other	988	0	698	0	290
	1,004	0	701	0	303
	41,613	3,275	28,181	558	10,715

	Turnover 2020 £'000	Cost of sales 2020 £'000	Operating costs 2020 £'000	Surplus on disposal 2020 £'000	Operating surplus /(deficit) 2020 £'000
Social housing lettings (note 5)	34,981	0	26,893	0	8,088
Other social housing activities					
First tranche low cost home ownership sales	6,507	3,764	101	0	2,642
Gain on disposal of fixed assets	0	0	0	1,114	1,114
Charges for support services	15	0	2	0	13
Development costs not capitalised	0	0	708	0	(708)
	6,522	3,764	811	1,114	3,061
Activities other than social housing activities					
Lettings	41	0	9	0	32
Other	391	0	347	0	44
	432	0	356	0	76
	41,935	3,764	28,060	1,114	11,225

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

4 Particulars of turnover, cost of sales, operating costs and operating surplus - company

	Turnover 2021 £'000	Cost of sales 2021 £'000	Operating costs 2021 £'000	Surplus on disposal 2021 £'000	Operating surplus /(deficit) 2021 £'000
Social housing lettings (note 5)	36,423	0	27,000	0	9,423
Other social housing activities					
First tranche low cost home ownership sales	4,169	3,279	121	0	769
Gain on disposal of fixed assets	0	0	0	558	558
Charges for support services	17	0	3	0	14
Development costs not capitalised	0	0	573	0	(573)
	4,186	3,279	697	558	768
Activities other than social housing activities					
Lettings	16	0	3	0	13
Other	1,184	0	846	0	338
	1,200		849		351
	41,809	3,279	28,546	558	10,542
	Turnover 2020 £'000	Cost of sales 2020 £'000	Operating costs 2020 £'000	Surplus on disposal 2020 £'000	Operating surplus /(deficit) 2020 £'000
Social housing lettings (note 5)	34,981	0	26,918	0	8,063
Other social housing activities					
First tranche low cost home ownership sales	6,507	3,764	101	0	2,642
Gain on disposal of fixed assets	0	0	0	1,114	1,114
Charges for support services	15	0	2	0	13
Development costs not capitalised	0	0	708	0	(708)
	6,522	3,764	811	1,114	3,061
Activities other than social housing activities					
Lettings	41	0	9	0	32
Other	1,213	0	843	0	370
	1,254	0	852	0	402
	42,757	3,764	28,581	1,114	11,526

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

5 Income and expenditure from social housing lettings – group

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2021 £'000	Total 2020 £'000
Income							
Rents net of identifiable service charges	25,795	7,493	864	237	531	34,920	33,505
Service charge income	406	683	32	0	0	1,121	1,121
Amortised government grants	376	0	0	0	0	376	355
Other grants	6	0	0	0	0	6	0
Turnover from social housing lettings	26,583	8,176	896	237	531	36,423	34,981
Expenditure							
Management	3,455	1,284	191	78	69	5,077	4,961
Service charge costs	1,318	729	0	3	7	2,057	2,078
Routine maintenance	4,116	1,252	0	184	22	5,574	4,802
Planned maintenance	2,481	830	0	8	19	3,338	3,708
Major repairs expenditure	2,532	747	0	7	227	3,513	4,482
Bad debts	23	7	0	0	0	30	117
Depreciation of housing properties:							
-annual charge	5,502	1,591	0	0	0	7,093	6,635
-accelerated on disposal of components	78	23	0	0	0	101	110
Operating expenditure on social housing lettings	19,505	6,463	191	280	344	26,783	26,893
Operating surplus / (deficit) on social housing lettings	7,078	1,713	705	(43)	187	9,640	8,088
Void Losses	81	86	17	0	109	293	322

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

5 Income and expenditure from social housing lettings – company

	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2021 £'000	Total 2020 £'000
Income							
Rents net of identifiable service charges	25,795	7,493	864	237	531	34,920	33,505
Service charge income	406	683	32	0	0	1,121	1,121
Amortised government grants	376	0	0	0	0	376	355
Other grants	6	0	0	0	0	6	0
Turnover from social housing lettings	26,582	8,176	896	237	531	36,423	34,981
Expenditure							
Management	3,455	1,284	191	78	69	5,077	4,960
Service charge costs	1,317	729	0	3	7	2,056	2,078
Routine maintenance	4,284	1,302	0	184	22	5,792	4,828
Planned maintenance	2,481	830	0	8	19	3,338	3,708
Major repairs expenditure	2,532	747	0	7	227	3,513	4,482
Bad debts	23	7	0	0	0	30	117
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	5,502	1,591	0	0	0	7,093	6,635
-accelerated on disposal of components	78	23	0	0	0	101	110
Operating expenditure on social housing lettings	19,672	6,513	191	280	344	27,000	26,918
Operating surplus / (deficit) on social housing lettings	6,910	1,663	705	(43)	187	9,423	8,063
Void Losses	81	86	17	0	109	293	322

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2021 Number	Group & Company 2020 Number
General needs housing:		
- social	4,158	4,152
- affordable	723	660
Low cost home ownership	266	226
Supported housing	72	72
Housing for older people	701	701
Sheltered units for older people / supported living	714	714
Total social housing units	6,634	6,525
Residential care home bed spaces	49	49
Total owned and managed	6,683	6,574
Leaseholders of sold flats	89	89
Leaseholders units for supported living	4	4
Market rent	2	2
Total owned and managed accommodation	6,778	6,669
Units under construction	265	255

During the year Selwood sold 8 general needs social rent on RTB or open market basis (including 1 flat above a shop), gained 77 general needs affordable rent and 43 shared ownership properties. 2 shared ownership properties staircased to full ownership and 1 shared ownership flat to leasehold status.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

6 Units of housing stock (*continued*)

Selwood Housing owns 72 supported housing units (2020: 72) and tenancy sustainment support was provided for 11 of these units by Selwood Housing in 2021. The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 53 care home units on our behalf.

Selwood Housing also owns 1,159 garages, 1 shop unit used by Selwood Housing as a resource centre and 1 doctors' surgery.

7 Operating surplus

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
This is arrived at after charging / (crediting):				
Depreciation of housing properties:				
-annual charge	7,093	6,635	7,093	6,635
-accelerated depreciation on replaced components	101	110	101	110
Depreciation of other tangible fixed assets	387	396	360	363
Auditor's remuneration (excluding VAT):				
-fees payable to the group's auditor for the audit of the group's annual accounts	27	26	18	18
- fees for other non-audit services	0	1	0	1

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

8 Employees

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Staff costs (including Executive Team) consist of:				
Wages and salaries	9,640	8,607	5,596	5,088
Social security costs	895	785	528	476
Cost of defined benefit scheme (see note 26)	475	600	475	600
Cost of defined contribution scheme	497	421	327	279
	<u>11,507</u>	<u>10,413</u>	<u>6,926</u>	<u>6,443</u>

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

	Group 2021	Group 2020	Company 2021	Company 2020
Administration	54	49	54	49
Development	10	8	10	8
Maintenance	111	98	0	0
Housing, Support and care	154	144	119	115
	<u>329</u>	<u>299</u>	<u>183</u>	<u>172</u>

9 Directors' and senior executive remuneration

The directors and senior executives are defined as the members of the board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2021 £'000	2020 £'000
Executive directors' emoluments	710	593
Amounts paid to non-executive directors	46	47
Contributions to money purchase pension schemes	9	9
Contributions to defined benefits pension scheme	131	118
	<u>896</u>	<u>767</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

9 Directors' and senior executive remuneration (continued)

The emoluments paid to the executive team were:

	Job Title	Basic Pay	Final Pay	Pension Contribution	Total 2021	Total 2020
Barry Hughes	Group Chief Executive Officer	136	0	35	171	168
Diane Hall - to Apr 2021	Group Finance Director	107	0	28	135	132
	Group Development					
Paul Walsh	Director	91	0	23	114	112
Chris George *	Group Assets Director	122	14	8	144	102
Verena Buchanan	Group Housing Director	95	0	24	119	111
Ria Bristow	Group People Director	81	0	21	102	95
	Group Enterprise					
Ceri-Ann Lambdin **	Director	16	0	1	17	8
Mark Mayler ***	Group Finance Director	4	0	0	4	0
John Rogers - Agency from Sept 2020	Group IT Director	58	0	0	58	0
* Left 31.12.2020						
** Left 31.05.2020						
*** Started 17.03.2021						
		710	14	140	864	728

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2021 No.	2020 No.
£60,000 - £69,999	8	6
£70,000 - £79,999	1	1
£80,000 - £89,999	1	3
£90,000 - £99,999	3	1
£100,000 - £109,999	3	1
£110,000 - £119,999	0	0
£120,000 - £129,999	0	0
£130,000 - £139,999	1	1
	17	13

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

9 Directors' and senior executive remuneration (*continued*)

The CEO is a member of the Wiltshire local government pension scheme, the pension entitlement of the chief executive is identical to those of other members and no special terms apply.

Benefits have accrued to 4 further executive officers under the Wiltshire pension fund defined benefit scheme (2020 – 4) and 3 directors accrued benefits under the group's defined contribution pension scheme during the year (2020 – 2).

The group chief executive's salary is 4.93 times the median salary of all members of staff (2020: 4.96 times).

10 Board members

The Chair of the board receives a salary of £10,500 (2020: £10,380) per annum, the committee chairs each receive £1,240 per annum (2020: £710), in addition to their basic board member payment. The standard other group board member payment is £4,250 (2020: £4,050). Emoluments paid to board members in 2021 were 0.1% (2020: 0.1%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Risk committee	Group Board
Sheila Lewis *	10,667	x		x
Martin Large to 31/01/2021	4,371			x
Lee O'Bryan to 31/01/2021 **	2,777			x
Richard Britton ***	5,371		x	x
Chris Butters	4,148		x	x
Valerie Witcomb to 31/03/2021	4,148			x
Stella Shepherd	4,148	x		x
Steve Oldrieve	4,148		x	x
Richard Yates	4,148	x		x
David Knight from 01/02/2021	708		x	x
Valarie Lee from 01/02/2021	946	x		x
Neil Hales-Owen from 19/04/21			x	x
Total	45,582			

* Chair

** Vice Chair

*** Vice chair from 01/02/2021

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

11 Surplus on disposal of fixed assets

Group and Company	Right to Buy and Right to Acquire 2021 £'000	Other housing properties 2021 £'000	Staircasing 2021 £'000	Total 2021 £'000	Total 2020 £'000
Disposal proceeds	670	246	325	1,241	2,986
Costs of disposals	(353)	(155)	(184)	(692)	(1,844)
Selling costs	(7)	(11)	(3)	(21)	(28)
Grant recycled	0	0	0	0	0
	310	80	138	528	1,114
Surplus on disposal of other tangible fixed assets	0	0	30	30	0
	310	80	138	558	1,114

12 Interest payable and similar charges

Group and company	2021 £'000	2020 £'000
Bank loans and overdrafts	1,518	1,785
All other loans (excluding loans from group entities)	1,339	1,342
Interest capitalised on construction of housing properties	(299)	(304)
	2,558	2,823

13 Taxation on profit from ordinary activities

	Group 2021 £'000	Group 2020 £'000
Current tax		
UK corporation tax on profits of the year	0	0
Effect of changes in rates	0	1
Origination and reversal of timing differences	(2)	(2)
Taxation on profit on ordinary activities	(2)	(1)

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

13 Taxation on profit from ordinary activities *(continued)*

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Profit on ordinary activities before tax	8,131	8,496	7,955	8,784
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,545	1,614	1,511	1,669
Effects of:				
Charitable income	(1,495)	(1,600)	(1,511)	(1,669)
Gift Aid Payment to parent	(51)	(16)	0	0
Adjustment in respect of prior year	0	0	0	0
Tax rate changes	0	1	0	0
Current tax charge for year	(2)	(1)	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2021 (2020: all freehold).

Group and company	General needs completed	General needs under construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2020	425,702	11,303	17,209	3,442	457,657
Construction Costs	0	12,039	0	5,758	17,797
Replaced components - Additions	6,271	(1,451)	0	0	4,820
Completed Schemes	10,059	(10,059)	5,473	(5,473)	0
Disposals - RTB, RTA & market sales	(433)	0	0	0	(433)
Disposals - replaced components	(442)	0	0	0	(442)
Disposals - staircasing	0	0	(260)	0	(260)
Transfers	0	0	12	0	12
At 31 March 2021	441,157	11,832	22,434	3,727	479,151
<i>Depreciation</i>					
1st April 2020	(39,037)	0	(330)	0	(39,367)
Charge for the year	(6,928)	0	(165)	0	(7,093)
Eliminated on disposals	46	0	0	0	46
Replaced components - Disposals	341	0	0	0	341
Disposals - staircasing	0	0	8	0	8
At 31 March 2021	(45,578)	0	(487)	0	(46,065)
Net Book Value at 31 March 2021	395,579	11,832	21,947	3,727	433,086
Net Book Value at 31 March 2020	386,665	11,303	16,879	3,442	418,290

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

14 Tangible fixed assets – housing properties *(continued)*

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Interest capitalised in the year	(299)	(304)	(299)	(304)
Rate used for capitalisation	2%	2%	2%	2%
	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Total social housing grant received or receivable to date				
as follows				
Capital grant - Housing properties	33,696	33,024	33,696	33,024
Recycled Capital Grant Fund	254	516	254	516
Revenue grant - I&E	376	355	376	355
Revenue grant - reserves	3,872	3,496	3,872	3,496
	38,198	37,391	38,198	37,391

Properties held for security

Selwood Housing Society Ltd had property with an existing use value of £186 million pledged as security at 31 March 2021 (£186 million – 2020).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

15 Other tangible fixed assets – group

Group	Freehold Office £'000	Motor Vehicles £'000	Plant & Equip £'000	IT £'000	Fixtures & Fittings £'000	Total £'000
Cost						
At 1 April 2020	3,556	103	550	1,780	52	6,041
Additions	0	0	0	142	0	142
Disposals	0	(90)	0	0	0	(90)
At 31 March 2021	3,556	13	550	1,922	52	6,093
Accumulated Depreciation						
At 1 April 2020	(669)	(103)	(140)	(876)	(7)	(1,795)
Charged in year	(66)	0	(27)	(289)	(5)	(387)
Disposals	0	90	0	0	0	90
At 31 March 2021	(735)	(13)	(167)	(1,165)	(12)	(2,092)
Net book value at 31 March 2021	2,821	0	383	757	40	4,001
Net book value at 31 March 2020	2,887	0	410	904	45	4,246

Freehold office includes freehold land at cost of £360,000 (2020: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

15 Other tangible fixed assets – company

	Freehold Office £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT £'000	Total £'000
Cost					
At 1 April 2020	3,556	52	103	1,868	5,579
Additions	0	0	0	142	142
Disposals	0	0	(90)	0	(90)
At 31 March 2021	3,556	52	13	2,010	5,631
Accumulated Depreciation					
At 1 April 2020	(669)	(7)	(103)	(964)	(1,743)
Charged in year	(66)	(5)	0	(289)	(360)
Disposals	0	0	90	0	90
At 31 March 2021	(735)	(12)	(13)	(1,253)	(2,013)
Net book value at 31 March 2021	2,821	40	0	757	3,618
Net book value at 31 March 2020	2,887	45	0	904	3,836

Freehold office includes freehold land at cost of £360,000 (2020: £360,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2020	212	221	433
Disposals	0	(121)	(121)
Revaluations	1	15	16
At 31 March 2021	213	115	328

The group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

The surplus on revaluation of investment property arising £16k (2020 – surplus of £2k) has been credited to the statement of comprehensive income for the year (company and group).

17 Fixed asset investments

	Group £'000	Company £'000
<i>Cost or valuation</i>		
At 1 April 2020	25	1,375
Additions	0	750
At 31 March 2021	25	2,125

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

18 Subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of	Proportion of	Nature of business	Nature of entity	Number of shares
	incorporation or registration	/ ordinary share capital held			
Silcoa Ltd	England	100%	Repair and Maintenance of social housing	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	1,500,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

19 Properties for sale & other stock

Group

	First tranche shared ownership properties 2021 £'000	Other Stock 2021 £'000	Total 2021 £'000	Total 2020 £'000
Completed properties	1,391	0	1,391	827
Other	0	154	154	134
Properties under construction	2,485	392	2,877	2,296
	<u>3,876</u>	<u>546</u>	<u>4,422</u>	<u>3,257</u>

Company

	First tranche shared ownership properties 2021 £'000	Other Stock 2021 £'000	Total 2021 £'000	Total 2020 £'000
Completed properties	1,391	0	1,391	827
Properties under construction	2,485	0	2,485	2,296
	<u>3,876</u>	<u>0</u>	<u>3,876</u>	<u>3,123</u>

Properties developed for sale include capitalised interest of £49k (2020 - £29k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

20 Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Due within one year				
Arrears of rent and service charges	554	655	554	655
Less: Provision for doubtful debts	(314)	(373)	(314)	(373)
	240	282	240	282
Amounts owed by group undertakings	0	0	1	0
Other debtors	2,002	1,963	1,923	1,957
Prepayments and accrued income	1,235	752	1,117	585
	<u>3,477</u>	<u>2,997</u>	<u>3,281</u>	<u>2,824</u>

The other debtors figure includes £478k (2020: £478k) in respect of 17 days' (2020:16 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Cash	8,183	23,348	6,682	21,856
Deposit accounts	1,685	724	1,685	724
	<u>9,868</u>	<u>24,072</u>	<u>8,367</u>	<u>22,580</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

21 Creditors: Amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade creditors	1,285	798	1,008	580
Rent and service charges received in advance	926	840	926	840
Amounts owed to group undertakings	0	0	833	289
Taxation and social security	259	229	159	150
Other creditors	1,046	1,036	1,024	1,012
Accruals and deferred income	4,668	4,213	4,040	3,542
Loans due within 1 year	0	5,303	0	5,303
Recycled Capital Grant	227	260	227	260
	<u>8,411</u>	<u>12,679</u>	<u>8,217</u>	<u>11,976</u>

Pension commitments

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £866,271, (2020 – £691,756), which included £496,769 (2020–£421,495) payable by the company. Contributions amounting to £75,243 (2020 - £64,785) were payable to the fund by the group at the balance sheet date and included £43,523 (2020 - £37,864) payable by the company and are included in other creditors in the statement of financial position.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

22 Creditors: Amounts falling due after more than one year

Group and company

	2021 £'000	2020 £'000
Loans and borrowings (note 25)	145,022	147,418
Deferred capital grant (note 23)	33,696	33,024
Recycled capital grant (note 24)	28	257
Sinking fund balances	272	197
	<u>179,018</u>	<u>180,896</u>

23 Deferred capital grant

Group and company

	2021 £'000	2020 £'000
At 1 April	33,024	32,389
Grants received in the year	515	787
Grants accrued	281	0
Grants recycled from the recycled capital grant fund	262	213
Released to income in the year	(386)	(365)
At 31 March	<u>33,696</u>	<u>33,024</u>

24 Recycled capital grant

Group and company

	2021 £'000	2020 £'000
At 1 April	516	516
Inputs to fund:		
- grants recycled from deferred capital grants	28	0
Use / allocation of funds:		
- new build	(290)	0
At 31 March	<u>254</u>	<u>516</u>

Amounts 3 years or older where repayment may be required	<u>0</u>	<u>0</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

25 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2021 £'000	Total 2021 £'000	Total 2020 £'000
In one year or less, or on demand	0	0	5,303
In more than one year but not more than two years	4,390	4,390	6,024
In more than two years but not more than five years	23,343	23,343	20,757
In more than five years	117,289	117,289	120,636
*Total debt	145,022	145,022	152,720

*Balance includes AHF Liquidity Reserve Funds

The loans bear interest at fixed rates ranging from 0.83% to 4.78% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. The current loan outstanding is made up of £100m fixed and £43m variable, against agreed facilities of £193m. At 31 March 2021 the group had undrawn loan facilities of £20m (2020 - £5.5m) with Nationwide and £30m (2020 £30m) with Lloyds.

26 Pension obligations

Group and Company

The Wiltshire Pension Fund ("WPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WPF are held separately from those of Selwood Housing in independently administered funds. The most recent formal actuarial valuation was completed as at 31 March 2019 and rolled forward to 31 March 2021 by a qualified independent actuary. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WPF by Selwood Housing for the year ended 31 March 2021 were £671,672 (2020: £686,422) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £343,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

26 Pensions obligations (*continued*)

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2021 % per annum	31 March 2020 % per annum
Discount rate	2.0	2.3
Future salary increases	3.25	2.3
Future pension increases	2.85	1.9

Mortality assumptions

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long-term rate of improvement of 1.25% per annum for men and women. Based on these assumptions, the average future life expectancies are summarised below:

	2021 No. of years	2020 No. of years
Current pensioners:		
Males	21.9	21.7
Females	24.4	24
Future pensioners: *		
Males	22.9	22.5
Females	26.2	25.5

* Figures assume members aged 45 as at the last formal valuation date

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

26 Pensions obligations (*continued*)

Amounts recognised in the statement of financial position

	2021 £'000	2020 £'000
Present value of funded obligations relating to Selwood Housing	(34,807)	(26,518)
Fair value of plan assets relating to Selwood Housing	26,017	22,039
Net Deficit	<u>(8,790)</u>	<u>(4,479)</u>

Analysis of the amount (credited)/charged to the statement of comprehensive income:

	2021 £'000	2020 £'000
Current service cost	475	600
Expected return on pension scheme assets	(509)	(554)
Interest on pension scheme liabilities	610	726
Total operating charge	<u>576</u>	<u>772</u>

Of the above amount, £101,000 (2020: £172,000) was charged to other finance charges. £199,000 (2020: £86,000) was credited to operating surplus.

Changes in fair value of employer assets

	2021 £'000	2020 £'000
Opening fair value of employer assets	22,039	22,876
Contributions by the Employer	674	686
Actuarial gains	3,269	(1,681)
Benefits paid	(581)	(505)
Contributions by members	107	109
Interest	509	554
Closing fair value of employer assets	<u>26,017</u>	<u>22,039</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

26 Pensions obligations (*continued*)

Changes in present value of defined benefit obligation

	2021 £'000	2020 £'000
Opening defined benefit obligation	26,518	30,074
Current service cost	475	600
Interest cost	610	726
Actuarial losses /(gains)	7,678	(4,486)
Estimated benefits paid	(581)	(505)
Contributions by members	107	109
Closing defined benefit obligation	34,807	26,518

Major categories of plan assets as a percentage of total plan assets:

	2021	2020
Equities	56%	58%
Bonds	32%	29%
Property	12%	12%
Cash	0%	1%

Fair value of employer assets

	2021 £'000	2020 £'000
Equities	14,570	12,783
Bonds	8,325	6,391
Property	3,122	2,645
Cash	0	220
	26,017	22,039

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

26 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Present value of defined benefit obligation	(34,807)	(26,518)	(30,074)	(27,042)	(26,639)
Fair value of scheme assets	26,017	22,039	22,876	21,049	19,186
Deficit on scheme	(8,790)	(4,479)	(7,198)	(5,993)	(7,453)
Experience adjustments on plan liabilities	298	1,027	0	0	(409)
Experience adjustments on plan assets	3,269	(1,681)	1,183	1,099	2,317
Cumulative actuarial losses	(6,788)	(2,379)	(5,184)	(4,048)	(5,687)

Projected pension expense for the year to 31 March 2022

	£'000
Projected Current Service Cost	682
Interest on Obligation	698
Expected Return on Plan Assets	(522)
Total	858

The estimated employer contributions for the year to 31 March 2022 are approximately £674,000.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

27 Operating leases

At 31 March 2021, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Not later than 1 year	431	373	48	3
later than 1 year and no later than 5 years	781	992	133	13
Later than 5 years	0	0	0	0
Total	1,212	1,365	181	16

Amounts receivable as Lessor	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Not later than 1 year	1	4	1	4
later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	1	4	1	4

28 Capital commitments

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Commitments contracted but not provided for in the accounts	15,556	5,451	15,556	5,451
Commitments approved by the Board but not contracted for	89,523	94,758	89,523	94,758
	105,080	100,209	105,080	100,209

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

28 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

29 Related party transactions

The directors Valerie Witcomb, Stella Shepherd, Neil Hales-Owen and Richard Yates are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms and they are not able to use their position to their advantage.

The directors Richard Britton and Steve Oldrieve are also councillors of Wiltshire Council. Steve Oldrieve stopped being a councillor on the 5 May 2021. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. Selwood Housing also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

29 Related party transactions (continued)

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Gift Aid	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Silcoa Ltd	575	565	29	328
Selwood DevCo Ltd	0	0	54	32
Cottsbury Homes Ltd	0	0	2	2
	575	565	85	362

Payable by Selwood Housing to Subsidiaries:	Other Charges	
	2021	2020
	£'000	£'000
Silcoa Ltd	9,353	8,721
Selwood DevCo Ltd	31	30
	9,384	8,751

Intra-group management charges

Intra-group management charges are receivable by the society from subsidiaries to cover the running costs the society incurs on behalf of managing its subsidiaries. The management charge is calculated on a department basis, with varying methods of allocation. The costs are apportioned as follows:

	By reference to
Finance	Headcount
Human Resources	Headcount
Facilities	Floor Space
Executive	Staff time
Health and Safety	Headcount

Other intra-group charges

No other intra-group charges are payable to the society from subsidiaries. Charges from subsidiaries to the society are for goods and services provided, such as repairs and maintenance.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2021

30 Provision for liabilities – Deferred Tax

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
At 31 March 2020	7	9	0	0
Origination and reversal of timing differences	(2)	(2)	0	0
At 31 March 2021	5	7	0	0

31 Net debt reconciliation

	01 April 2020 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2021 £'000
Group				
Cash and cash equivalents	24,072	(14,204)	0	9,868
Loans and borrowings	(152,720)	7,698	0	(145,022)
	(128,648)	(6,506)	0	(135,154)
Company				
Cash and cash equivalents	22,580	(14,213)	0	8,367
Loans and borrowings	(152,720)	7,698	0	(145,022)
	(130,140)	(6,515)	0	(136,655)

32 Post Balance Sheet Event

In July 21/22 Selwood Housing plans to fully integrate its subsidiary company Silcoa Ltd.