

Registered Social Landlord Number 311
Registered Charity Number SC028542
Registered Charitable Company Limited by Guarantee Number SC188299

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2025

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2025

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HOMES FOR LIFE HOUSING PARTNERSHIP

MEMBERS, EXECUTIVES and ADVISERS

Directors

Rob Hughes (Chair)
Jamila Greig
David Rose
D Graeme MacGregor
Neil MacDonald (Resignation 21/05/25)
David Leishman
Alistair Kettles
Deborah Gillett
Jav Yaqub (appointed 21/08/24)
Shamsu Rahman (appointed 21/08/24)
Scott Robertson (appointed 25/09/24)

Executive Officer

Gill Binnie (Chief Executive Officer and Company Secretary)

Registered Office

Tolbooth Gate
57 Market Street
Haddington
East Lothian EH41 3JG

Bankers

The Royal Bank of Scotland plc
32 Court Street
Haddington EH41 3NS

Solicitors

T C Young (Governance Matters)
7 West George Street
Glasgow
G2 1BA

T C Young (Tenancy matters)
69a George Street
Edinburgh EH2 2JG

External Auditor

AAB Audit & Accountancy Limited
133 Finnieston Street
Glasgow
G3 8HB

Internal Auditor

Quinn Internal Audit Services Ltd
4/2 Grosvenor Gardens
Edinburgh
EH12 5JU

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT

For the year ended 31 March 2025

The Directors present their Strategic Report of the Board of Directors and the audited financial statements for the year ended 31 March 2025.

Principal activities

Homes for Life's (HfL) principal activity during the year was the provision, improvement and management of affordable housing for social rent in East Lothian.

Review of Business

The Directors are delighted to present a very positive report on progress.

During the year we delivered a number of key projects, to strengthen HfL's future financial position and expand our service offer.

Revised 30 year plan

Exit from Lothian Pension Fund and move to defined pension contribution scheme, , introduction of private health insurance for all employees and a 4 day working week and new organisational structure implemented saving circa £4.5M across the life of the plan.

Internal Audit Outcomes

Assurance Statement Audit - Substantial Assurance

Cyber Security Audit – Substantial Assurance

Planned Maintenance Audit – High Level Assurance

Overall Internal Audit outcome for 2024-25 - Substantial Assurance

Organisational Restructure

During 2024-25 3 new part time positions under the revised organisational structure were appointed and commenced post between June and December 2024.

- ✓ Tenancy Sustainment Officer
- ✓ Finance Manager
- ✓ Assistant Finance Officer

HfL Plus and Old Course Gate

Thomson Gray Construction Consultants were appointed in November 2024 to carry out dilapidations surveys for all units at Old Course Gate, procure contractors and manage the refurbishment contract to bring 16 units at Old Course Gate up to HfL's lettable standard and ready for let as Mid-Market Rent homes in September 2025.

HfL's dormant Subsidiary HfDL was reinstated and rebranded to HfL Plus, with revised articles in February 2025 to enable the delivery and management of MMR properties from September 2025.

Following this 3 new subsidiary Board of Directors were appointed for HfL Plus, from the Housing Sector with knowledge and expertise in this field. Intragroup arrangements between HfL Plus and HfL and Lease arrangements for Old Course Gate drafted and finalised and approved which come into effect on the 15 September 2025, when the MMR tenants move in to Old Course Gate.

New Build Development Activity

Following consultation with residents, a Planning Application was submitted to ELC during 2024-25 to develop 4 cottage 1 bedroom flats at Muirfield Gardens in Gullane. Pending planning approval development of these homes will commence in April; 2027.

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT (CONTINUED)

For the year ended 31 March 2025

Equalities Monitoring

Improving diversity, equality and inclusion is key to Homes for Life's approach to delivering services. To help inform our business plans and meet our duty to collect equalities data a survey is issued to all tenants annually. This year's results were collated and reported to Board in May and shared with Tenants in our Summer Newsletter.

We have continued to make significant progress over the last year with further major projects delivered and planned maintenance programmes rolled out. We continue to invest in services and our stock to deliver an improved tenant experience and homes which are attractive, warm, and energy efficient.

Fixed Assets

In accordance with the Statement of Recommended Practice (SORP) – Accounting by Registered Social Housing Providers, 2014, the company utilises component accounting in dealing with its housing assets. Component accounting ensures that the major components of the company's housing stock are identified and depreciated over their estimated economic lives. The cost of any subsequent replacement of a major component will be capitalised in the Statement of Financial Position with the item replaced being disposed of from the Statement of Financial Position. This enables the financial statements to better reflect the use of the component over its life cycle.

Changes in respect of housing properties, resulting from transactions during the year, are detailed in note 13.

As of the 1 of April 2025, all HfL properties meet the Scottish Housing Quality Standard with the exception of 16 that are classed as fails due to the requirements of EESSH and ongoing heat pump replacements. All HfL properties have a fully compliant LD2 heat and smoke detection system in place.

We are in year 3 of a three year Planned Maintenance Programme to upgrade kitchens and bathrooms. Cyclical painting program scoped for 2023-24 and was completed in June 2024.

Structure and Governance

HfL is a housing partnership created in July 1998 under the Scottish Government's New Housing Partnerships initiative, by founding members East Lothian Council and East Lothian Housing Association Limited. Membership also includes tenants and other interested parties. Under the initiative, the company secured revenue support funding and capital funding for development projects in the form of grants from East Lothian Council.

At a Special General Meeting in September 2022 Member approved new Articles of Association to bring them into line with SFHA Model Rules.

HfL is limited by guarantee and is recognised as a charity. It does not trade for profit and is prohibited from making distributions to its members. HfL is registered as a Registered Social Landlord with the Scottish Housing Regulator and is required to prepare financial statements in accordance with the Scottish Housing Regulator's Determination of Accounting Requirements (2019): Regulatory Guidance and the Companies Act 2006.

For the ongoing management of 11 homes sold on a Shared Equity basis, the Company is registered as a property Factor (PF0000219) for common maintenance and as a Credit provider (724055) for equity loans.

STRATEGIC REPORT (CONTINUED)

For the year ended 31 March 2025

Risks and Uncertainties

The Board approved a revised Risk Management Strategy in September 2024, and Risk Map. The Risk Map is reviewed regularly Board meetings to ensure that the key risks are identified and mitigated where possible. The current high risks areas identified are rent levels and contract management.

Future Plans

The key objectives for the coming year as outlined in the Business Plan are to invest in services, homes, people and the future.

A revised Planned Maintenance Policy was approved in February 2025. A review of the requirements of the business plan as well as reviewing the Asset Management Strategy, in line with new CIH Guidance will be completed during 2025-26.

A review of the organisational structure was carried out by Chief Executive and a staged plan implemented for the approved changes.

During the year our Maintenance Admin completed CIH Level 3 in Maintenance and the Maintenance Officer is due to commence a 4 year Graduate Apprenticeship in Construction and the Built Environment. The Housing Team have also as part of Letting Agent Registration requirements for delivery and management of Mid-Market Rent homes completed Arla PropertyMark – Associate member qualification.

To invest in the future, we will participate in delivery of East Lothian Council's Strategic Housing Investment Programme., where financially viable to do so. We will commence new build development activity and deliver mid-market rental provision attracting developers funding packages and S75's for tenure neutral developments.

Financial and non-financial key performance indicators

HfL participates in the Scottish Housing Network benchmarking club. The Board review performance quarterly and benchmark annually against averages for all Registered Social Landlords, a peer group of other smaller scale Registered Social Landlords, as well as against other local Registered Social Landlords.

Building on the work already in place we will take forward services through the Tenants Panel and Tenant Scrutiny Programme informed by the gathered equalities data. We will continue to explore opportunities for new service models and engage with ELC to assist in the delivery the Rapid Rehousing Transition Plan.

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT (CONTINUED)

For the year ended 31 March 2025

Risk Description	Risk Mitigation Actions
Rent Levels Affordability	A. Arrears monitoring B. Early intervention C. Low level arrears D. Policies and procedures being reviewed E. Internal audit F. Comparability exercise G. Affordability exercise presented to Board December 2024 H. Rent Consultation completed January 2024 I. Approved Rent Increase applied 1 April 2024 J. Government Policy K. New Rent and Service Charge Policy approved December 2024 L. Rent and Service Charge consultation carried out in advance of the approval of 2025-26 budget. M. Revised 30 yr plan includes implementation of service charges phased over 2 years from 2025/26
Contracts and Contract Management Failure or properly managed contracts, delivery of same and associated costs	N. New Procurement Policy approved O. New Management Team P. Major contracts awarded via new procedures Q. Review of contractor performance now implemented R. Contractor Risk Assessments and Method Statements are in place for the Office Refurb and Refurb of Market St Flats S. Revised Procurement Policy reflecting Delegated Schedule of Authority and Procurement thresholds prepared approved. T. Handover of PMP to new MAM completed. U. Responsive Repairs Contract awarded to JR Facilities following Full Open procurement. V. Contract commenced 1 April 2024. W. 3 year PMP in place, for kitchen and bathrooms (in yr3) X. Rolling PMP to established once completed outstanding PMP. Y. Cyclical contracts to be reviewed during 2025/26.
Financial Viability Future borrowing requirements	A. Stock condition survey completed B. Improved budget setting process C. High cash reserves D. Property valuations E. Strategic options appraisal demonstrated financial viability F. No outstanding debt G. Revision of 30 Yr. Plan to achieve best value H. Continuous review of operating costs I. Treasury Management J. Transfer of Finance function in -house
Economic Changes Interest rates Inflation	A. Improved budget setting and monitoring B. Review of SCS and repairs data to inform financial projections and programming

Government policies Reduced funding	A. High cash reserves B. Review of 30 Year plan investment decisions based on best value C. Increased treasury management D. Exploration of funding opportunities E. Exploration of alternative revenue income streams
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Table 1: Summary of Performance Outputs Reported in the ARC

Indicators	2024/2025	2023/2024	Scottish Average 2023/2024
Gross Rent Arrears (Indicator 27)	0.70%	0.60%	4.5%
Reactive Repairs "right first time" (Indicator 10)	86.00%	91.11%	88.1%
Satisfaction with Repairs Service (Indicator 12)	75.3%	88.89%	87.3%
Average time to complete Emergency Repair (Indicator 8)	2.87 hours	2.57 hours	3.58 hours
Average time to complete non- Emergency Repair (Indicator 9)	6.3days	5.57 days	8.1 days
Percentage of all complaints responded to in full at Stage 1 and percentage of all complaints responded to in full at Stage 2. (Indicators 3 & 4)	100.00% Stage 2 (n/a)	100.00%	97.7%
Rent collected as percentage of total rent due in the reporting year (Indicator 26)	100%	100.08%	99.6%
Percentage of tenants satisfied with the overall service provided by their landlord (Indicator 1)	83.44%	87.84%	87.7%
Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes (Indicator 5)	93.4%	95.95%	89.1%
SHQS Compliance	99%	98%	-

The Board of Management is pleased to report that HfL continues to perform extremely well against the relevant Scottish Average Benchmarks.

Further detailed KPI information as well as a useful KPI comparison tool can be found at www.scottishhousingregulator.gov.uk.

Financial Indicators

	2025	2024
Financial Key Performance Indicators		
Quick Ratio	3.57	6.42
Net Surplus %	32.00	20.00
Arrears %	0.73	0.80

BY ORDER OF THE BOARD



Gill Binnie

Secretary

Date: 9/9/25

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT of the BOARD of DIRECTORS

For the year ended 31 March 2025

The directors and executive officer of the company who served during the year and up to the date these accounts were approved are listed on page 3.

Related Party Transactions

One of the company's directors is a tenant director. Tenant directors must comply with the same regulations as non-director tenants and do not receive favourable terms or discounted rents.

One director is also on the Boards of East Lothian Housing Association Limited (ELHA) and Employers in Voluntary Housing Limited (EVH), and also carries out duties on behalf of Rural & Islands Housing Associations Forum (RIHAF) of the Scottish Federation of Housing Associations (SFHA).

Transactions with tenant directors and other related parties are disclosed at note 27.

Statement of Board of Directors' Responsibilities

Housing Association legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for the year ended on that date. In preparing those financial statements the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company.

The Board 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.

Statement on Internal Financial Control

The Board of Directors acknowledges its ultimate responsibility for ensuring that the company has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

1. The reliability of financial information used within the company or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Board has established and which are designed to provide effective financial control, include the following:

1. Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of financial controls and restrict the unauthorised use of the company's assets;

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT of the BOARD of DIRECTORS

For the year ended 31 March 2025

Statement on Internal Financial Control (continued)

2. Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
3. Forecasts and budgets are prepared which allow the Board of Directors and Executive Officer to monitor the key business risks, financial objectives and the progress being made towards achieving plans set for the year and for the medium term;
4. Management accounts are prepared regularly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
5. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors;
6. The Board receives an annual report from the external auditor who reviews and tests the system of internal financial control only to the extent necessary to express their audit opinion;
7. The Board receives an annual report from the internal auditor as part of an agreed audit plan; and
8. Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external reports, including for delegation of preliminary consideration of reports and action by an Audit and Risk Committee.

The Board confirms that it has reviewed the effectiveness of the company's system of internal financial control as it operated during the year ended 31 March 2025. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements or in the auditor's report on the financial statements.

Disclosure of information to the Auditor

To the knowledge and belief of each of the persons who are directors of the Board at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the company's auditor is unaware; and
- 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 information and to establish that company's auditor is aware of the information.

Auditor

AAB Audit & Accountancy Limited were reappointed as HFL's external auditors at the partnerships AGM on the 9th of September 2025. A resolution to re-appoint AAB will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD


Gill Binnie
Chief Executive Officer

Date:

9/9/25

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS

For the year ended 31 March 2025

Opinion

We have audited the financial statements of Homes for Life Housing Partnership for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, statement of cash flows and the related notes, 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 company's affairs as at 31 March 2025 and of its 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 Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2012 and the Determination of Accounting Requirements 2024.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 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 of directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Board of Directors' report, other than the financial statements and our Auditor's report thereon. The board members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2025

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board Members

As explained more fully in the Statement of the Board's Responsibilities on page 9, the Board of Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors 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 of Directors are responsible for assessing 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 of directors either intend to liquidate 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2025

Auditor's responsibilities for the audit of the financial statements (continued)

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were Cooperative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - February 2024.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

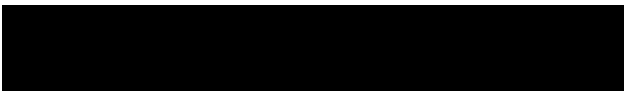
HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2025

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the 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 company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



AAB Audit & Accountancy Limited
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 18/09/2025

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT OF THE AUDITOR TO THE BOARD OF DIRECTORS OF HOMES FOR LIFE HOUSING PARTNERSHIP ON CORPORATE GOVERNANCE MATTERS

For the year ended 31 March 2025

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 9 and 10 concerning the Company's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication 'Our Regulatory Framework' and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

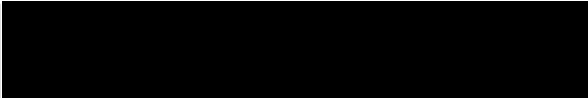
Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The bulletin does not require us to review the effectiveness of the Company's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 9 and 10 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Directors and Officers of the Company and examination of relevant documents, we have satisfied ourselves that the Board of Director's Statement on Internal Financial Control appropriately reflects the Company's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication 'Our Regulatory Framework' and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



AAB Audit & Accountancy Limited
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 18/09/2025.....

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	31 March 2025 £	31 March 2024 £
Turnover from Operating activities	4	1,922,046	1,833,112
Less: Operating expenditure	4	(1,337,085)	(1,907,308)
Operating surplus/(deficit)	4	584,961	(74,196)
Interest receivable and other income	10	42,830	33,247
Interest and financing costs	11	(29,000)	(39,000)
Surplus/(Deficit) before taxation		598,791	(79,949)
Taxation	12	-	-
Surplus/(Deficit) for the year		598,791	(79,949)
Other comprehensive income			
Actuarial loss in respect of pension schemes		(30,000)	(37,000)
Total comprehensive income/ (expenditure)/for the year		568,791	(116,949)
		=====	=====

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Board of Directors on 9/9/25 and were signed on its behalf by:

[Redacted Signature]

Rob Hughes
Chairperson

[Redacted Signature]

David Leishman
Board Member

[Redacted Signature]

Gill Birnie
Chief Executive Officer

The notes on pages 20 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets – social housing	13	10,613,153	10,555,764
Tangible assets – property, plant and equipment	14	547,609	576,896
Investments	16	2	2
		<u>11,160,764</u>	<u>11,132,662</u>
Current assets			
Trade and other debtors	17	93,814	183,002
Cash and cash equivalents	18	1,150,882	780,321
Term deposits	19	647,709	615,812
		<u>1,892,405</u>	<u>1,579,135</u>
Less: Creditors falling due within one year	20	<u>(530,038)</u>	<u>(502,237)</u>
Net current assets		<u>1,362,367</u>	<u>1,076,898</u>
Total assets less current liabilities		<u>12,523,131</u>	<u>12,209,560</u>
Creditors: amounts falling due after more than one year			
Deferred capital grants	21	<u>(6,786,382)</u>	<u>(7,041,602)</u>
Net assets		<u>5,736,749</u>	<u>5,167,958</u>
Reserves			
General reserve	23	<u>5,736,749</u>	<u>5,167,958</u>
		<u>5,736,749</u>	<u>5,167,958</u>

The financial statements were authorised for issue by the Board of Directors on 9/9/25 and were signed on its behalf by:

Rob Hughes
Chairperson

David Leishman
Board Member

Gill Binnie
Chief Executive Officer

The notes on pages 20 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of CHANGES in RESERVES

For the year ended 31 March 2025

	General Reserve £	Pension Reserve £	Total £
Balance as at 1 April 2024	5,167,958	-	5,167,958
Surplus for the year	598,791	-	598,791
Other comprehensive expenditure	(30,000)	-	(30,000)
Net transfers during the year	-	-	-
	-----	-----	-----
Balance at 31 March 2025	5,736,749	-	5,736,749
	=====	=====	=====

STATEMENT of CHANGES in RESERVES

For the year ended 31 March 2024

	General Reserve £	Pension Reserve £	Total £
Balance as at 1 April 2023	5,284,907	-	5,284,907
Deficit for the year	(79,949)	-	(79,949)
Other comprehensive income	(37,000)	-	(37,000)
Net transfers during the year	-	-	-
	-----	-----	-----
Balance at 31 March 2024	5,167,958	-	5,167,958
	=====	=====	=====

The notes on pages 20 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Net cash generated from operating activities	24	854,212	96,502
Cashflow from investing activities			
Purchase of tangible fixed assets		(494,584)	(883,138)
(Increase) in deposits with banks		(31,897)	(5,885)
Interest received		41,027	33,247
Other Income		1,803	-
Cashflow from financing activities			
Interest paid		-	-
Repayment of borrowings		-	-
Net change in cash and cash equivalents		370,561	(759,274)
		=====	=====
Cash and cash equivalents at the beginning of the year	18	780,321	1,539,595
Cash and cash equivalents at the end of the year	18	1,150,882	780,321
		370,561	(759,274)
		=====	=====

Analysis of changes in net debt

	2024 £	Cash flows £	Other changes £	2025 £
Long-term borrowing	-	-	-	-
Short-term borrowing	-	-	-	-
Total liabilities	-	-	-	-
Cash and cash equivalents	(780,321)	(370,561)	-	(1,150,882)
Term deposits	(615,812)	(31,897)	-	(647,709)
Total net debt	(1,396,133)	(402,458)	-	(1,798,591)
	=====	=====	=====	=====

The notes on pages 20 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. General Information

These financial statements are stated in Pounds Sterling (GBP), as that is the currency (which the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2025. Except where otherwise stated all financial information is presented in GBP.

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2024 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company is defined as a public benefit entity and thus the company complies with all disclosure requirements relating to public benefit entities. The company is a registered social landlord in Scotland and its registered number is 311. The company is a private company limited by guarantee and incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC188299. The registered address is included on page 1 of these financial statements.

2. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost basis of accounting and in accordance with applicable standards. The accounting policies of the company are set out in paragraphs (d) to (u) below.

(b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2025, which occurred before the date of approval of the financial statements have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2025 and of the results for the year ended on that date.

(c) Going concern

The company is budgeted to make a deficit for the year ended 31 March 2026 however has a healthy bank balance, a strong asset base, and has no liquidity issues. On this basis the directors are of the opinion that the company will continue to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

2. Accounting policies (continued)

(d) Turnover

Turnover represents rental income and fees from tenants and revenue based grants received from The Scottish Government. The company has no shared-ownership properties and consequently all income relates to properties wholly-owned by the company.

(e) Apportionment of management expenses

Management and administration expenses are apportioned based on the units held within each sub-type.

(f) Repairs and maintenance costs

Costs for reactive and planned maintenance are charged to the Statement of Comprehensive Income as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income or cost savings. These capitalised improvements are subsequently written off in line with the company's fixed asset policy.

(g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

(h) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(i) Designated reserves – planned maintenance reserves

The company maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at either the time of acquisition or construction. Provision is made for such future major repairs based on planned maintenance programme requirement for the next three years.

(j) Grants

Capital

New Housing Partnership Grants (NHP) were made by East Lothian Council and were utilised to reduce the amount of loans required in respect of an approved scheme.

For schemes developed with NHP the grant was paid directly to the company as required to meet its liabilities during the development process.

Capital grants in respect of property development are applied in the following order:

- Land;
- Structure;
- With any remaining balance being allocated as "unapplied grants".

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025**2. Accounting policies (continued)****(j) Grants (continued)**

Capital grants applied to land and structure are amortised at 2% per annum. Other components have various useful lives and to apportion grants to these components would not reflect that grants are not repayable except under disposal of the entire property. Unapplied grants are therefore amortised on a straight line basis at 2% per annum in line with the main structure.

Revenue

Revenue grants are credited to income in the appropriate period to match related expenditure.

(k) Fixed assets – Housing Properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:

- Cost of acquiring land and buildings
- Development expenditure including administration costs.

(l) Depreciation and impairment of fixed assets

Depreciation is charged on tangible fixed assets so as to write off the asset cost less any recoverable value on a straight line basis over its anticipated useful life as follows:

	Useful Economic Life
Office premises	30 years
Office furniture and equipment	3 years

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected useful economic useful life. The following major components and useful lives have been identified by the company:

Housing properties (by component):

• Land	Infinite
• Structure	50 years
• Roof	50 years
• Kitchens	25 years
• External doors and windows	30 years
• Bathrooms and WCs	25 years
• Electrics	30 years
• Boilers	15 years
• Specialist heating, plumbing, ventilation systems	30 years

Impairment reviews are carried out when there are indicators of impairment. Reviews for indicators of impairment are carried out at each reporting date. Where impairment reduces the economic value of a group of properties to an amount less than the net book value, the impairment is charged to the Statement of Comprehensive Income. During the year the useful economic life was reviewed for the components and revised, the impact in the year was a £48,363 reduction in the depreciation charge.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

2. Accounting policies (continued)

(m) Investment in subsidiaries

Investments in subsidiaries are accounted for in accordance with the cost model and are recorded at cost less any accumulated impairment losses.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

(n) Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(o) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

(p) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

2. Accounting policies (continued)

(q) Creditors

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

(r) Pensions

The company participated in a defined benefit scheme in respect of its employees. The assets of the scheme were held by the Lothian Pension Fund.

In accordance with "FRS 102 s28 – Employee Benefits", the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The differences between actual and expected returns on assets during the year and changes in the actuarial assumptions are recognised in the Statement of Comprehensive Income.

Settlement gains are recognised in the Statement of Comprehensive Income in the year of exit from the scheme.

(s) Financial commitments

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

(t) Consolidation

The company has taken advantage of the exemption provided in section 402 of the Companies Act 2006 not to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking (see note 16).

(u) VAT

The company is not registered for VAT purposes and all expenses are shown inclusive of VAT.

3. Judgements in applying policies and key sources of uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing as property, plant and equipment in line with the requirements of the SORP.
- The amount disclosed as 'operating profit' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash generating unit for impairment purposes.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

3. Judgements in applying policies and key sources of uncertainty (continued)

The Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior members of staff on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into accounts.
The obligations under the Lothian Pension Fund	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate up until the date of exit.

4. Particulars of turnover, operating expenditure and operating surplus

	2025			2024		
	Turnover	Operating Expenditure	Operating Surplus	Turnover	Operating Expenditure	Operating Surplus
	£	£	£	£	£	£
Affordable lettings (note 5)	1,915,093	1,336,775	578,318	1,815,169	1,879,915	(64,746)
Other activities (note 6)	6,953	310	6,643	17,943	27,393	(9,450)
	1,922,046	1,337,085	584,961	1,833,112	1,907,308	(74,196)
	=====	=====	=====	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

5. Particulars of turnover, operating expenditure and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing Accomm'n £	Other (Respite Unit) £	2025 Total £	2024 Total £
Income from rent and service charges					
Rent receivable net of service charge	1,603,624	29,868	22,225	1,655,717	1,552,368
Gross income from rents and service charges	1,603,624	29,868	22,225	1,655,717	1,552,368
<u>Less: Voids</u>	(14,853)	(1,491)	-	(16,344)	(16,380)
Net income from rents and service charges	1,588,771	28,377	22,225	1,639,373	1,535,988
Adaptable grants	20,000	-	-	20,000	22,961
Release of deferred capital grant	246,454	5,196	4,070	255,720	256,220
Total turnover from social letting activities	1,855,225	33,573	26,295	1,915,093	1,815,169
Expenditure					
Management and maintenance administration costs	918,639	17,687	13,161	949,487	900,926
Planned cyclical maintenance including major repairs	271,916	5,704	3,761	281,381	317,550
Reactive maintenance costs	356,116	1,730	7,614	365,460	208,093
Bad debts – rents and service charges	10,449	194	144	10,787	(1,248)
Depreciation of social housing	417,167	7,736	5,757	430,660	454,594
Pension settlement	(807,000)	-	-	(807,000)	-
Education payment	106,000	-	-	106,000	-
Operating expenditure for social letting activities	1,273,287	33,051	30,437	1,336,775	1,879,915
Operating surplus on letting activities, 2025	581,938	521	(4,142)	578,318	
Operating surplus on letting activities, 2024	(90,644)	14,069	11,829		(64,746)

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

6. Particulars of turnover, operating expenditure and operating surplus form other activities

	2025			2024		
	Other	Operating	Operating	Other	Operating	Operating
	Income	Expenditure	Surplus	Income	Expenditure	Surplus
	£	£	£	£	£	£
Other income	6,953	310	6,643	17,943	27,393	(9,450)
	-----	-----	-----	-----	-----	-----
	6,953	310	6,643	17,943	27,393	(9,450)
	=====	=====	=====	=====	=====	=====

7. Staff costs

	2025	2024
	£	£
Wages and salaries	431,735	325,657
Social security costs	35,433	30,076
Pension costs – contributions rate 22.7% (2024: 23.1%)	85,855	73,887
Group Life Cover	1,489	-
Pension service Costs	(59,000)	(76,000)
Pension Settlement	(807,000)	-
	-----	-----
	(311,488)	353,620
	=====	=====

	2025	2024
	No.	No.
Administration staff	10	8
Wardens and cleaners	-	1
	=====	=====
The average number of full time equivalent employees during the year was:	10	8
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

8. Directors' emoluments

The directors are defined as Board members and did not receive any remuneration or accrue any retirement benefits during the year. During the year, Board members were reimbursed £1,472 (2024: £951) for travel and subsistence expenses in respect of attendance at Board meetings and training sessions. Board members include tenant directors who must comply with the same regulations as non-director tenants. The company considers key management personnel to be the chief executive officer and the directors of the company. The emoluments of key management for the year were £75,355 (2024: £80,511). The employers' NI contributions for the year were £8,953 (2024: £8,345) and the pension contributions for the year were £13,489 (2024: £15,792).

	2025	2024
	£	£
Emoluments (excluding pension contributions) of:		
CEO	75,355	79,462
Pension contributions	13,489	15,792
	-----	-----
	88,844	95,254
	=====	=====

During the year, there were no other staff member reporting directly to the Board who received emoluments (including employer's pension contributions) exceeding £60,000 per annum. Total remuneration for the year ended 31st March 2025 was £75,355 (2024: £63,393) including pension contributions of £13,489 (2024: £11,374).

9. Operating surplus

	2025	2024
	£	£
Operating surplus is stated after charging:		
Depreciation – housing	430,660	454,594
Depreciation – other assets	35,933	41,712
Amortised capital grants	255,720	256,220
Auditor's remuneration	13,800	13,200

10. Interest receivable and other income

	2025	2024
	£	£
Interest receivable on deposits	41,027	33,247
Other income	1,803	-
	-----	-----
	42,830	33,247
	=====	=====

11. Interest and financing costs

	2025	2024
	£	£
Loan interest payable	-	-
Interest on defined benefit pension scheme	29,000	39,000
	-----	-----
	29,000	39,000
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

12. Taxation

The company is recognised by HM Revenue & Customs as a charity and no charge for taxation arises on the results for the year.

13. Tangible fixed assets – social housing Cost

	Housing Properties Held for Letting	Properties Under Construction	Total Properties
	£	£	£
As at 1 April 2024	18,638,154	-	18,638,154
Additions during the year – replacement components	463,450	24,487	487,937
Disposals	(233,436)	-	(233,436)
	-----	-----	-----
At 31 March 2025	18,868,168	24,487	18,892,655
	-----	-----	-----
Depreciation			
As at 1 April 2024	8,082,389	-	8,082,389
Charge for the year	401,801	-	401,801
Released on disposals during the year – replacement components	(204,688)	-	(204,688)
	-----	-----	-----
At 31 March 2025	8,279,502	-	8,279,502
	-----	-----	-----
Net book value			
At 31 March 2025	10,588,666	24,487	10,613,153
	=====	=====	=====
At 31 March 2024	10,555,764	-	10,555,764
	=====	=====	=====

None of these properties are held under lease.

The net book loss of components which have been replaced in the year of £28,748 (2024: £16,781) is included in the depreciation charge of £430,660 (2024: £454,594) in note 5 and 9.

Included in freehold housing properties is land with a historic cost allocation of £2,025,949 (2024: £2,025,949).

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

14. Tangible fixed assets – property, plant and equipment	Heritable	Office	
Cost	Property	Equipment	Total
	£	£	£
As at 1 April 2024	693,718	116,281	809,999
Additions	-	6,646	6,646
	-----	-----	-----
As at 31 March 2025	693,718	122,927	816,645
	-----	-----	-----
Depreciation			
As at 1 April 2024	147,454	85,649	233,103
Charge for the year	23,101	12,832	35,933
	-----	-----	-----
At 31 March 2025	170,555	98,481	269,036
	-----	-----	-----
Net book value			
At 31 March 2025	523,163	24,446	547,609
	=====	=====	=====
At 31 March 2024	546,264	30,632	576,896
	=====	=====	=====

15. Property stock

The number of units of accommodation owned by the company was as follows:

	Units in Management	
	2025	2024
	No.	No.
Unimproved	-	-
New build	268	268
Improved	27	27
	-----	-----
General Needs Housing	295	295
	-----	-----
Other (Respite Unit)	1	1
Supported housing accommodation	9	9
	-----	-----
Total housing stock	305	305
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

16. Investments	2025	2024
	£	£
Investment in subsidiary undertaking	2	2
	=====	=====

The investment represents 100% of the ordinary share capital of Homes for Life Developments Limited, which is incorporated in the United Kingdom and registered in Scotland. The company was dormant throughout the year. The directors consider that the value of the unlisted investments is not materially different from cost.

The aggregate equity and reserves as at 31 March 2025 for Homes for Life Developments was as follows:

	2025	2024
	£	£
Aggregate equity and reserves	2	2
	=====	=====

17. Trade and other receivables	2025	2024
	£	£
Rental debtors	12,183	12,388
<u>Less: Provision for bad debts</u>	<u>(2,640)</u>	<u>(2,350)</u>
	-----	-----
	9,543	10,038
Other debtors	4,221	22,961
Prepayments and accrued income	80,050	150,003
	-----	-----
	93,814	183,002
	=====	=====

18. Cash and cash equivalents	2025	2024
	£	£
Balance held in current accounts	1,150,882	780,321
	=====	=====

	As at April 2024	Movement in year	As at 31 March 2025
	£	£	£
19. Term deposits			
Fixed term deposits	615,812	31,897	647,709
	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

20. Creditors: amounts falling due within one year	2025	2024
	£	£
Accruals	127,096	81,712
Other creditors	96,895	112,768
Pension creditor	4,303	10,319
Rent in advance	34,798	29,856
Other taxes and social security	11,226	11,362
Deferred capital grants (note 21)	255,720	256,220
	-----	-----
	530,038	502,237
	=====	=====

Housing

21. Deferred capital grants	Properties Held for Letting £	Non Housing Properties £	Total £
Year ended 31 March 2025			
At 1 April 2024	7,290,822	7,000	7,297,822
Amortised in year	(255,220)	(500)	(255,720)
	-----	-----	-----
At 31 March 2025	7,035,602	6,500	7,042,102
	=====	=====	=====
Deferred capital grants due for release within one year	255,220	500	255,720
Deferred capital grants due for release after one year	6,780,382	6,000	6,786,382
	-----	-----	-----
	7,035,602	6,500	7,042,102
	=====	=====	=====
Year ended 31 March 2024			
At 1 April 2023	7,546,042	8,000	7,554,042
Amortised in year	(255,220)	(1,000)	(256,220)
	-----	-----	-----
At 31 March 2024	7,290,822	7,000	7,297,822
	=====	=====	=====
Deferred capital grants due for release within one year	255,220	1,000	256,220
Deferred capital grants due for release after one year	7,035,602	6,000	7,041,602
	-----	-----	-----
	7,290,822	7,000	7,297,822
	=====	=====	=====

Grants received totalled £12,546,602; the above £7,042,102 represents the unamortised balance at 31 March 2025. Grants are repayable in certain circumstances primarily following the sale of the related property. A contingent liability of £5,000,060 exists in respect of the amortised amount of the grants.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

22. Pensions

During the year Hfl exited from the defined benefit pension scheme for a settlement of £807k (Note 7) and the housing association now operates a defined contribution pension scheme for employees.

The pension cost charge for the year represents contributions payable by the company to the funds and amounted to £85,855 (2024 - £nil). There were outstanding contributions at the end of the financial year amounting to £4,303 (2024 - £nil).

	General Reserve £	Designated Reserve (Planned Maintenance) £	Total £
23. General reserve			
Balance as at 1 April 2024	4,809,568	358,390	5,167,958
(Deficit)/surplus for the year	598,791	-	598,791
Transfer to/(from) designated reserves	358,390	(358,390)	-
Net transfer from pension reserve	(30,000)	-	(30,000)
	-----	-----	-----
Balance at 31 March 2025	5,736,749	-	5,736,749
	=====	=====	=====

The general reserve includes all current and prior year retained surpluses or deficits. Included within the general reserve is an amount that has been designated to cover the next three years revenue planned maintenance program.

24. Net cash flow from operating activities	2025 £	2024 £
(Deficit)/surplus for the year	598,791	(79,949)
<i>Adjustment for non-cash items:</i>		
Depreciation tangible fixed assets	437,734	479,525
Carrying amount of tangible fixed asset disposals	28,748	16,781
Pension service costs	(30,000)	(37,000)
Decrease/(increase) in debtors	89,188	(136,703)
Increase in creditors	28,301	143,315
<i>Adjustment for investing or financing activities:</i>		
Release of deferred capital grants	(255,720)	(256,220)
Interest payable	-	-
Interest receivable/Other Income	(42,830)	(33,247)
	-----	-----
Net cash generated from operating activities	854,212	96,502
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

25. Capital commitments

There were no capital commitments at 31 March 2025 (2024: £nil).

26. Legislative provisions

The company is established under the Companies Act as a charitable company, limited by guarantee. In the event of a winding up each of the members (at 31 March 2025: 157) undertake to contribute an amount not exceeding £1.

27. Related parties

The company has directors who are also tenants. The total rent charged in the year relating to tenant directors was £4,889 (2024: £28,182). The total rent arrears relating to tenant directors included within debtors at the year end is £nil (2024: £nil).

As a member of EVH, the company sets its employee terms and conditions based on their guidance. The membership fee for the year ended 31 March 2025 was £4,851 (2024: £3,762) and the company has received other services from EVH during the year costs £1,774 (2024: £2,409).

As a member of SHARE, the company's membership for the year ended 31 March 2025 was £2,800 (2024: £1,100) and the company received other services during the year costing £4,390 (2024: £430).

As a member of SFHA, the company's membership for the year ended 31 March 2025 was £3,310 (2024: 2,217) and the company received other services during the year costing £577 (2024: £700).

28. Post balance sheet events

After the year end the company sold a property at 37 Meadowbank Crescent, the sale was finalised early in April 2025 with sale proceeds of £215,000. No HAG was repayable on the property.

As at 31 March 2025, Hfl took vacant possession of 16 residential units. These units require dilapidation repairs and further improvement works, with estimated costs of up to £700,000, prior to being re-let to new tenants.

The refurbishment programme commenced after the financial year end. Accordingly, no provision has been recognised in these financial statements, as the event is considered non-adjusting under FRS 102.

Hfl is currently in negotiation with the previous tenant to recover dilapidation income due under the terms of the lease agreement. While the amounts cannot currently be estimated, Hfl is confident of reaching a favourable conclusion. Any amounts recovered will be recognised in the financial statements of the period in which they become reliably measurable.