

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

An Exempt Charity

(Registered Society No: 14888R)

Financial Statements

For the year ended 30 September 2024

(Co-Operative and Community Benefit Society)

Basis of Preparation

Compliant with 2018 SORP for Housing Associations and Accounting Direction 2022

**FINANCIAL STATEMENTS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Contents

Page:

3	Executive officers and advisors
4	Strategic Report
12	Report of the Independent Auditors
16	Statement of Comprehensive Income
17	Statement of Financial Position
18	Statement of Changes in Equity (Reserves)
19	Statement of Cash Flows
20	Notes to the Financial Statements

**EXECUTIVE OFFICERS AND ADVISORS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

BOARD OF MANAGEMENT

The Board Members who served from 1 October 2023 up to the date of approval of these financial statements were as follows:

Delia Beddis	Chair (Resigned 31 March 2024)
Nichola Harrison	Chair (Co-optee from 24 January 2024; Appointed Chair from 1 April 2024)
Nicholas Arthur	
Rachel Askew	
James Cross	
Sandra Ferguson	
Danny Friedman	Vice Chair and Chair of Development Committee (Resigned 13 March 2024)
Ernie Gray	Co-optee from 24 January 2024. Appointed 13 March 2024. Resigned 20 January 2025.
Veronica Lindsay	Chair of Audit and Risk Committee
David Longbottom	Co-optee from 24 January 2024. Appointed 13 March 2024
Sinead McQuillan	Chair of Governance and Remuneration Committee
Carol Myers	Co-optee from 6 November 2024
Ola Okuwobi-Dabiri	Co-optee from 24 January 2024. Appointed 13 March 2024
Howard Webber	Resigned 13 March 2024
Patricia Yusuff	Chair of Customer Experience Committee (Co-optee from 24 January 2024. Appointed 13 March 2024)

EXECUTIVE MANAGEMENT TEAM

Emma Keegan	Chief Executive and Company Secretary
Angela Bailey	Head of Operations (until 31 March 2024)
Steve Hickman-Brown	Interim Head of Operations (from 28 February 2024)
Ruby Judt	Interim Head of Finance (until 2 August 2024)
Kevin Hodge	Head of Finance (from 10 June 2024 to 31 December 2024)

REGISTERED OFFICE 21 Claylands Place
London
SW8 1NL

AUDITORS Beaver and Struthers
150 Minories
London
EC3N 1LS

SOLICITORS Birketts
One London Wall
London
EC2Y 5EA

BANKERS Barclays Bank plc
50 Pall Mall
London
SW1A 1QD

**PRINCIPAL
LENDERS** GB Social Housing
c/o Watermill Accounting
Future Business Centre
King Hedges Road
Cambridge
CM4 2HY

NatWest Bank Plc
135 Bishopgate
London
EC2M 3UR

**Registered under the Co-operative and Community Benefit Societies Act 2014 – No. 14888R
Regulator of Social Housing Registration Number - L0927**

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Board is pleased to present their annual report together with the audited Financial Statements for the year ending 30 September 2024.

LEGAL STATUS

Lambeth and Southwark Housing Association (LSHA) is registered under the Co-operative and Community Benefit Societies Act 2014.

PRINCIPAL ACTIVITIES

During the year, LSHA provided 353 good quality, well managed homes within the London Boroughs of Lambeth, Southwark and Lewisham at social and affordable rents for those in housing need and keyworkers.

REVIEW OF THE YEAR

LSHA is an ambitious community-based housing association which is proud of its heritage and guided by its values. During the year the Board reviewed the vision, mission and values of LSHA determining that it aspires to be a provider of great homes and support vibrant communities. Thirty flats were purchased in Bermondsey in December 2023, providing desperately needed homes for families and individuals.

In 2023/24 we refreshed our approach to tenant engagement, in response to disappointing results from our biennial tenant satisfaction survey. Using this feedback as a driver for change, the Association launched a cultural change programme around the theme of building trust and with the aim of driving up service standards.

LSHA's mission is:

"To work collaboratively with our residents and partners to provide homes and services we can be proud of and create communities where people feel safe and happy to live".

Our values are:

Accountability

- We are open and transparent and work collaboratively taking both personal and collective ownership for delivering actions and results.

Creativity

- We embrace innovation and new ideas to help us achieve excellence. We are ambitious for our association.

Customer-driven

- We know our residents and we listen, consult and engage with them to ensure they are at the heart of everything we do and feel empowered to lead the best lives they can.

Ownership

- We 'do the right thing' for our residents and colleagues. When taking difficult actions, we are balanced, thoughtful and compassionate.

Inclusive

- We celebrate and draw strength from our differences. We build mutually beneficial long-term relationships and respect with our residents, staff and other stakeholders.

The financial statements show that a financial surplus of £62,875 (2023: £1,286,087) was made on a turnover of £2,745,925 (2023: £3,165,814). Rent increases were within the Regulator of Social Housing's parameters. In December 2023, the Association purchased 30 new homes as part of a rooftop and infill development at Antony and Roderick House, Bermondsey.

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Development

The Association had an option agreement to purchase thirty new build modular airspace flats at our Antony and Roderick House scheme in Bermondsey. These were purchased in December 2023 and provide much needed homes for local families and individuals, with the first residents moving in shortly before Christmas.

Risks

LSHA has a risk management policy and framework which was reviewed during the year. The risk map identified the following key risks during the year:

- that increased regulation from the Regulator of Social Housing, the Financial Conduct Authority or others places an excessive administration burden on small associations
- that services are not delivered in line with tenants' expectations leading to media exposure from individuals, the Regulator or the Housing Ombudsman
- that LSHA cannot meet its financial obligations (liquidity risk and covenant compliance (Existing Debt))
- of unresolved issues at the end of the defects liability period at Antony and Roderick House in October 2024
- failure to maintain stock leading to quality issues and potential reputational damage
- breach of regulatory standards leading to regulatory intervention and/or sanctions

As noted earlier in this report, significant work has been undertaken across the organisation throughout the year to refocus on our values and build trust with tenants. A successful campaign was run to attract a tenant onto the board, with the successful applicant co-opted in November 2024. Post year end, our Tenant Experience Committee held its inaugural meeting with its role being to provide oversight and scrutiny of customer facing services. Consisting of both board members and tenants, the Committee seeks to obtain assurance around compliance with the Regulator of Social Housing's consumer standards and improvements in service delivery. In conjunction with improved communication, these actions are designed to improve visibility and accountability to tenants. Tenant safety and stock decency have remained areas of focus, with a new policy launched around damp and mould in the year and improved compliance data. A stock condition survey is due to be commissioned in spring 2025.

GOVERNANCE

Compliance with Governance and Financial Viability Standard

The Board confirms that the Association has met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard.

Code of Governance

The Association adopted the National Housing Federation's (NHF) Code of Governance 2020 in April 2022. The Association complies with the Code in all respects.

Committee Structure

LSHA operates an Audit and Risk Committee, a Customer Experience Committee and a Governance and Remuneration Committee, which are chaired by Veronica Lindsay, Patricia Yusuff, and Sinead McQuillan respectively. The Development Committee was disbanded during the year, with growth discussions now held at board level.

Internal Controls

The Board acknowledges its ultimate responsibility for the Association's system of internal control, and for ensuring that the Association has in place systems of internal control where the extent and formality of individual controls should relate to the risks incurred, whilst recognising that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

The key elements of control include:

- Formal policies and procedures covering the prime processes of the Association, which set out control activities, designated authorities, and financial limits.
- A 30-year long-term plan and approved budgets which are reviewed annually and monitored. Forecasts, a treasury strategy and covenant reporting.
- Board schedule of actions and management team annual workplan.
- Monitoring of the Association's financial performance and cash flows against approved short- and long-term plans, with analysis of material variances and confirmation of loan compliance.
- Monitoring of operational performance against approved targets, at least quarterly.
- Role profiles for staff and board members, terms of reference for committees, employment contracts, deeds of agreement for services for board members and board appraisals.
- A risk management framework.

The process of gaining assurance on the effectiveness of these controls include:

- Quarterly management reports to board
- Board monitoring of financial and operational performance and key activities
- A programme of independent internal audit
- External audit

The internal auditors presented their findings from their 2023/24 activity to the Audit and Risk Committee and are "satisfied, for the areas reviewed during the year, Lambeth and Southwark Housing Association has reasonable and effective risk management, control and governance processes in place."

These processes of internal control are reviewed on an ongoing basis. Recommendations arising from the internal audits are presented to the Audit and Risk Committee and progress against them monitored. The Board has reviewed the effectiveness of the systems of internal control in existence in the Association for the year ended 30 September 2024 and until the date of approval of these financial statements.

Public Benefit Entity

As a public benefit entity, LSHA has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

VALUE FOR MONEY

What VFM means to LSHA

'Value for Money' is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it acquires and provides, within the resources available to it. In achieving VFM, LSHA is looking to consider:

1. Equity – ensuring services are delivered fairly to a wide range of customers
2. Economy – careful use of resources to save expense, time or effort
3. Efficiency – delivering the same level of service for less cost, time or effort
4. Effectiveness – the degree to which something is successful in producing a desired result

We are not necessarily aiming to achieve the lowest cost for our operations but to deliver quality services and homes that meet our tenants' needs, are affordable and deliver satisfaction for tenants whilst protecting our viability. We will focus on having staff who are well supported and trained to do their work and who have the right tools to allow them to carry out their role affectively.

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

We are open about how we meet our targets and manage our finances. Our annual report and financial statements explain how we have managed our money and perform against agreed standards.

Significance

In accordance with the Regulator for Social Housing's (RSH) Value for Money (VFM) Standard 2018, this statement will provide the following evidence:

- performance against our own targets and the RSH's metrics, including how we compare to our peers; and
- measurable plans to address any areas of underperformance.

Strategic Approach

A key objective of LSHA's Business Plan is to deliver affordable quality in homes and services. Through VFM LSHA aims to ensure:

- that resources are available to achieve the association's Business Plan objectives and key priorities.
- a balance between cost, quality and performance; and
- a good level of customer satisfaction.

Maximising the value for money derived from scarce resources is always important for any housing association but, as a small housing association with limited levels of activity, this is particularly key as there are constraints in the ways in which savings can be made without impacting the quality of our service.

Performance against our own targets and the Regulator's Metrics

LSHA analyses its costs and performance against a range of measures, complementing those determined by the Regulator. LSHA compares its performance with the previous two years to identify trends and benchmarks its data against two groups, one being 35 small, predominantly general needs providers based in London and the South-East. The other is a group of national small associations with fewer than 1,000 units, that submit data to Acuity Benchmarking. Comparative data is at 31 March 2024 which it should be noted does not align with LSHA's financial year end. Where appropriate and meaningful, internal targets are set.

The headline social housing cost per unit compares well with our comparators, as does the cost per property for both responsive repairs and voids and for housing management. Investment in our existing properties was under budget in 2023/24, resulting in a cost per property for major and cyclical works below benchmark. There were a number of factors at play, including difficulty in sourcing contractors, delays in tendering works due to the surveyor post being vacant for six months, and internal resources being diverted due to the Antony and Roderick House rooftop development. To increase capacity and capability around procurement, LSHA became a member of the South East Consortium during 2023/24, enabling access to expertise, training and contractor frameworks. Post year end, a revised staff structure was also implemented to bolster maintenance skills within the operational team. A full budget spend is anticipated in 2024/25. Re-investment in both existing and new stock overall was 29.23%, high compared with the benchmark group and reflecting an almost 10% increase in our stock during the year.

In terms of business processes, relet times were longer than the previous year and remain significantly above target and the benchmark comparisons. Performance in the second part of the year improved, with the introduction of weekly voids meetings and a review of the lettings policy; work continues on embedding improved practices and performance reporting. Arrears were marginally better than 2022/23, although they remained above the association's target and compare unfavourably with our benchmark groups. Performance was impacted by staff changes within the housing team during the year and the wider cost of living crises facing tenants.

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Regulatory Metrics and KPIs

Measure (All measures are based on annual accounts unless otherwise stated)	LSHA 2021-22	LSHA 2022-23	LSHA 2023-24	Peer Group Median 2023-24¹	ABM Median²	LSHA Target 2023-24
Business Health						
Metric 6 Operating margin (social housing) %	8.1	20.1 (2.8*)	6.5	20.2	18.8	-
Metric 6 Operating margin (overall) %	13.9	45.5 (10.0*)	12.3	17.4	16.1	-
Metric 4 EBITDA MRI Interest Cover	82.3	606.9 (143.3*)	132	167	208	>110
Metric 5 Headline social cost/unit £	6,905	4,658 (5,856*)	5,802	6,481	6,481	-
Growth and Capacity						
Metric 2a New supply delivered % (social units)	0.3	0	9.3	0	0	9.9
Metric 2b New supply delivered % (non-social housing)	0	0	0	0	0	0
Metric 1 Reinvestment in properties (existing stock and new supply) %	3.8	1.2	29.2	3.1	2.9	-
Metric 3 Gearing %	20.8	23.5 (24.2*)	26.6	23.5	16.6	<45
Business Process						
Average re-let time in calendar days (GN)	NEW	80	90	48	38	30
Current arrears as % of rent due (GN)	2.64	4.55	4.50	3.62	3.15	3.20
% of rent collected	NEW	NEW	97.81	98.95	99.16	>100%
% of emergency repairs completed within target	NEW	100	97.94	98.11	98.46	100%
% of non-emergency repairs completed within timescale	NEW	85	78.47	90.45	91.30	-

* The figures in brackets assume that the cladding replacement work at Steedman Street was never required. The Association received a donation from Optivo for fire work costs of £8,451,784 in the year ending 30 September 2023.

¹ Acuity Peer Group: London and SE Benchmarking Group

² Acuity Benchmarking 2024 Report (National Smaller Providers)

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Measure (All measures are based on annual accounts unless otherwise stated)	LSHA 2021-22	LSHA 2022-23	LSHA 2023-24	Peer Group Median 2023-24³	ABM Median⁴	LSHA Target 2023-24
Cost per property p.a. Housing Management £	373	520	570	612	540	-
Cost per property p.a. Responsive repairs & voids £	888	837	842	1,111	901	-
Cost per property p.a. Major & cyclical works £	863	489	349	1,207	1,047	-
Homes						
Metric 7 Return on capital employed %	1.2	4.8 (0.8*)	1.0	2.3	2.6	-
Services						
TP01 – Overall satisfaction %	76 ⁵	76	59	75	84	-
TP02 – Satisfaction with Repairs %	-	-	67	72	82	-
People						
Average working days lost to sickness	1.4	8.05	12.64	4.70	5.00	<6

* The figure in brackets is the outcome figure net of cladding replacement costs.

The percentage of emergency repairs completed within timescale dropped this year, as did non-emergency works. This is partly due to recording errors due to staff changes but improved contractor management is also a future focus for the operational team. In 2024/25, the association plans to re-tender several contracts, including estate-based services, responsive repairs, and gas servicing and repairs.

In November 2023, we conducted our biennial tenant satisfaction survey, designed to collect both the tenant perception information required by the Regulator of Social Housing and feedback on other aspects of our service. The results were disappointing, with overall satisfaction with us as a landlord below the average for the sector. The data shows that satisfaction has declined over the past 8-10 years, a trend which we are keen to reverse. The tenants have given us a clear mandate to change the way that we deliver services and communicate with them, and this has been our focus during 2023/24 as outlined elsewhere in this report.

³ Acuity Peer Group: London and SE Benchmarking Group

⁴ Acuity Benchmarking 2024 Report (National Smaller Providers)

⁵ This is an adjusted figure to reflect satisfaction across stock in Lambeth & Southwark. Figure including Lewisham stock, where building is managed by Clarion Housing, is 73%

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Staff sickness rose in 2023/24 for a second consecutive year. Almost half of the sick days (44%) were attributable to one member of staff, who was the only person who was off on long-term sick (defined here as more than four weeks) during the year. An employee assistance programme was introduced to support staff in December 2023 and a review of the staff structure has introduced additional resources, including a specific role around tenant engagement and community investment which was recruited to post year end.

Areas for Investment

Tenant engagement and a review of the organisation's culture have received particular attention by the Board during the year, with a focus on making the best use of resources to enable further investment in our homes and services. This project will increase into 2024/25. The Association's Tenants Group met regularly throughout the year and were consulted on a range of policies and a review of our estate services. In 2024/25 we will seek to develop our resident engagement offer further, embedding tenant involvement in our governance structure, increasing our presence on estates, and investing in LSHA's Tenants Group.

During 2021 the Board agreed its commitment to achieve a minimum of Energy Performance Certificate (EPC) level C by 2030 and zero carbon by 2050. A pilot stock condition survey of 10% of our stock was undertaken in 2022/23, which will be rolled out further in 2024/25. We hold EPC ratings for approximately 56% of our stock, including our new homes at Antony and Roderick House. The information from the stock condition survey and EPCs will be used to inform our long-term plan, so we fully understand the impact of this investment on our business plan and what grant funding might be required.

Projected strategic value for money activities in 2024/25 include:

- Commissioning a condition survey across our remaining properties, to include costs to achieve EPC level C on underperforming stock
- Updating our Asset Management Strategy
- Refreshing our approach to VFM by updating our strategy and reviewing the way that we measure and report VFM to our stakeholders
- Re-tendering key contracts, including estate services, repairs and maintenance, and gas servicing
- Implementing a new staff structure, with additional posts in tenant engagement and the maintenance team
- Upgrading our IT hardware and housing management system to enable more effective working for visiting officers

STRATEGIC REPORT
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Statement of the Board's Responsibilities in Respect of the Financial Statements

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

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

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


Information for Auditors

We the members of the Board who held office at the date of approval of these Financial Statements as set out above confirm, so far as we are aware, that there is no relevant audit information of which the Association's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Beever and Struthers have expressed their willingness to continue in office. A resolution regarding their reappointment will be proposed at the forthcoming annual general meeting.

The Report of the Board was approved on 29 January 2025 and signed on its behalf by:


Nichola J Harrison (Feb 7, 2025 11:22 GMT)
Nichola Harrison, Chair

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Opinion

We have audited the financial statements of Lambeth and Southwark Housing Association Limited for the year ended 30 September 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Association’s affairs as at 30 September 2024 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 prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 society 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 Association’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Responsibilities of the Board set out on page 11, the Board 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 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

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 Association, 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 Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Committee 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 Association's activities and the regulated nature of the Association'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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Use of our report

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

Beever and Struthers

**Beever and Struthers
Chartered Accountants
Statutory Auditor**

150 Minories
London
EC3N 1LS

Date:
11 February 2025

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME


FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
Turnover	2	2,745,925	3,165,814
Operating expenditure	2	(2,408,340)	(1,725,456)
Gain/(loss) on sale of fixed assets	2	-	-
		337,585	1,440,358
Operating surplus / (deficit)		337,585	1,440,358
Interest receivable		76,297	56,070
Interest payable	5	(437,417)	(263,138)
Increase/(decrease) in valuation of investment properties	11	(40,000)	-
Increase/(decrease) in valuation of fixed asset investments	13	126,410	52,797
		62,875	1,286,087
Surplus / (deficit) for the year		62,875	1,286,087
Total comprehensive income/(loss) for the year		62,875	1,286,087

The financial statements on pages 16 to 36 were approved and authorised for issue by the Board on 29 January 2025 and were signed on its behalf by:

Nichola J Harrison
Nichola J Harrison (Feb 7, 2025 11:22 GMT)

Nichola Harrison
Chair



Emma Keegan
Secretary

VALindsay
VALindsay (Feb 7, 2025 17:27 GMT)

Veronica Lindsay
Chair of A&RC

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 20 to 36 form an integral part of these financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

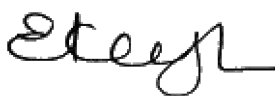
STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
Fixed assets			
Housing properties	10	31,633,819	22,918,686
Investment properties	11	255,000	295,000
Other tangible assets	12	88,465	93,868
Fixed asset investments	13	882,181	755,771
		32,859,465	24,063,325
Current assets			
Trade and other debtors	14	225,238	79,614
Investments	15	1,260,017	7,310,079
Cash and cash equivalents		-	-
		1,485,255	7,389,693
Less: Creditors: amounts falling due within one year	16	(768,679)	(691,314)
Net current assets/(liabilities)		716,576	6,698,379
Total assets less current liabilities		33,576,041	30,761,704
Less: Creditors: amounts falling due after more than one year	17	(23,537,299)	(20,785,839)
Net assets		10,038,742	9,975,865
Non-equity share capital	18	18	16
Income and expenditure reserve		9,001,543	9,025,078
Revaluation reserve		1,037,181	950,771
Total reserves		10,038,742	9,975,865

The financial statements on pages 16 to 36 were approved and authorised for issue by the Board on 29 January 2025 were signed on its behalf by:

Nichola J Harrison
Nichola J Harrison (Feb 7, 2025 11:22 GMT)



VALindsay
VALindsay (Feb 7, 2025 17:27 GMT)

Nichola Harrison
Chair

Emma Keegan
Secretary

Veronica Lindsay
Chair of A&RC

The notes on pages 20 to 36 form an integral part of these financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Income and expenditure reserve £	Revaluation reserve £	Total £
Balance as at 30 September 2022	7,791,788	897,974	8,689,762
Surplus / (deficit) from Statement of Comprehensive Income	1,233,290	52,797	1,286,087
Balance as at 30 September 2023	9,025,078	950,771	9,975,849
Surplus / (deficit) from Statement of Comprehensive Income	(23,535)	86,410	62,875
Balance as at 30 September 2024	9,001,543	1,037,181	10,038,724

The notes on pages 20 to 36 form an integral part of these financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
Net cash generated from operating activities	(i)	524,368	481,233
Cash flow from investing activities			
Grants received		-	3,750,000
Purchase of tangible fixed assets		(9,213,312)	(277,251)
Interest received		76,297	56,070
		<u>(9,137,015)</u>	<u>3,528,819</u>
Cash flow from financing activities			
Interest paid		(437,417)	(263,138)
Loans received		3,000,000	500,000
Movement in borrowings		-	(14,345)
Movement in share capital		2	(1)
		<u>2,562,585</u>	<u>222,516</u>
Net change in cash and cash equivalents		6,050,062	4,232,568
Cash and cash equivalents at beginning of the year		7,310,079	3,077,511
Cash and cash equivalents at end of the year		<u>1,260,017</u>	<u>7,310,079</u>
Cash and cash equivalents comprise of:			
Cash at bank		-	-
Investments		1,260,017	7,310,079
Total cash and cash equivalents		<u>1,260,017</u>	<u>7,310,079</u>
Note i			
	Notes	2024 £	2023 £
Cash flow from operating activities			
Surplus / (deficit) for the year		62,875	1,286,087
Adjustments for non-cash items:			
Depreciation of tangible fixed assets		499,682	397,711
Decrease / (increase) in trade and other debtors		(145,624)	(67,284)
(Decrease) / increase in trade and other creditors		(2,723)	(1,170,164)
Carrying amount of tangible fixed asset disposals		3,900	20,939
Revaluation of investment properties		40,000	-
Revaluation of fixed asset investments		(126,410)	(52,797)
Amortisation of Social Housing Grant		(168,452)	(140,327)
Adjustments for investing or financing activities:			
Interest payable		437,417	263,138
Interest receivable		(76,297)	(56,070)
Net cash generated from operating activities		<u>524,368</u>	<u>481,233</u>

The notes on pages 20 to 36 form an integral part of these financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Legal Status

Lambeth and Southwark Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 21 Claylands Place, London, SW8 1NL.

1. Principal Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified where appropriate, to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2022 and the requirements of the Co-operative and Community Benefit Societies Act 2014. The financial statements are presented in sterling £. As a public benefit entity, the Association has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Going concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future and has taken into consideration the cost-of-living crisis. We consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- a. **Categorisation of housing properties.** The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals.
- b. **Impairment.** The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

- a. **Tangible fixed assets.** Other than investment properties, tangible fixed assets 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 technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Principal Accounting Policies (continued)

Turnover and revenue recognition

Turnover represents rental income receivable, service charge income, amortised capital grant, revenue grants from local authorities, Homes England, Greater London Authority and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Taxation

The Association has charitable status and is exempt from any liability to corporation tax.

Value Added Tax

The Association is not registered for VAT and therefore all costs incurred where applicable are inclusive of VAT.

Valuation of investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Association intends to hold them on a continuing basis, are re-measured to fair value at each Statement of Financial Position date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to fair value at each Statement of Financial Position date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Investment property

Investment property includes commercial properties not held for the social benefit of the Association. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income. There are no restrictions on realisation or remittance of income or disposal proceeds.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Principal Accounting Policies (continued)

Tangible fixed assets and depreciation

Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

	Years		Years
Building	100	Boilers	15
Roof	60	Central Heating	30
Doors	30	Windows	25
Kitchen	20	Rewiring	30
Bathroom	25	CCTV	8

The Association depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives at the following annual rates:

Office properties	2%
Computer equipment	33%
Furniture, fittings and office equipment	20%
White goods supplied in scheme properties	20%

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Principal Accounting Policies (continued)

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

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

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Contingent Liabilities

A contingent liability is recognised for a) a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or b) for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation; or c) when a sufficiently reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is recognised when an inflow of economic benefits is probable (more likely than not) but not virtually certain.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of Turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant

Where Social Housing Grant is recycled the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Principal Accounting Policies (continued)

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- a. All equity instruments regardless of significance; and
- b. Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- a. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- b. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

Revaluation Reserve

The revaluation reserve represents the difference between the cost and the fair value as at the reporting date of the fixed asset investments and the investment property.

Financial instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income.

Financial instruments held by the Association are classified as follows:

- Cash and current asset investments are held at cost;
- Fixed asset investments are held at fair value through profit and loss;
- Receivables are classified as loans and receivables and held at amortised cost using the effective interest method;
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Turnover, operating expenditure and operating surplus

	Turnover	2024 Operating expenditure	Operating surplus/(deficit)
	£	£	£
Social housing lettings (note 3)	2,521,297	(2,357,821)	163,476
Activities other than social housing			
Managed associations	18,000	(22,262)	(4,262)
Commercial rents	12,996	-	12,996
Key worker scheme	191,737	(28,257)	163,480
Other	1,895	-	1,895
Total	<u>2,745,925</u>	<u>(2,408,340)</u>	<u>337,585</u>
Gain/(loss) on sale of fixed assets	-	-	-
Total	<u><u>2,745,925</u></u>	<u><u>(2,408,340)</u></u>	<u><u>337,585</u></u>

	Turnover	2023 Operating expenditure	Operating surplus/(deficit)
	£	£	£
Social housing lettings (note 3)	2,104,878	(1,682,430)	422,448
Activities other than social housing			
Managed associations	18,000	(20,455)	(2,455)
Commercial rents	13,000	-	13,000
Donations received*	845,784	-	845,784
Key worker scheme	179,194	(22,571)	156,623
Other	4,958	-	4,958
Total	<u>3,165,814</u>	<u>(1,725,456)</u>	<u>1,440,358</u>
Gain/(loss) on sale of fixed assets	-	-	-
Total	<u><u>3,165,814</u></u>	<u><u>(1,725,456)</u></u>	<u><u>1,440,358</u></u>

* The donation relates to the amount that the freeholder has waived on the remedial fire works costs on the leasehold property.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. Turnover and operating expenditure

	2024	2023
	£	£
Income		
Rent receivable net of identifiable service charges	2,149,307	1,844,126
Service charge income	203,538	120,425
Amortised government grants	168,452	140,327
	<u>2,521,297</u>	<u>2,104,878</u>
Turnover from Social Housing Lettings		
Operating expenditure		
Management	671,727	530,980
Services	241,409	(111,341)
Routine maintenance	562,254	479,708
Planned maintenance	260,855	222,526
Major repairs expenditure	124,633	174,384
Rent losses from bad debts	-	-
Depreciation of housing properties	496,943	386,173
	<u>2,357,821</u>	<u>1,682,430</u>
Operating expenditure on Social Housing Lettings		
	<u>163,476</u>	<u>422,448</u>
Operating Surplus / (Deficit) on Social Housing Lettings		
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	<u>40,572</u>	<u>21,069</u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. Accommodation owned, managed and in development

	2023 No of properties owned & managed	Additions No of properties owned & managed	Disposals No of properties owned & managed	Completed No of properties owned and managed	2024 No of properties owned and managed
Social Housing					
Under management at end of year:					
Social housing (owned)	293	-	-	30	323
Key worker scheme (owned)	11	-	-	-	11
Commercial properties (owned)	1	-	-	-	1
Social housing (managed)	19	-	-	-	19
Social housing (in development)	30	-	-	(30)	-
	<u>354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354</u>
	<u><u>354</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>354</u></u>

5. Interest and financing costs

	2024 £	2023 £
Interest on loans	450,179	317,684
Loan premium released	(88,227)	(88,893)
Arrangement and other fees	43,528	-
Loan expenses amortised	31,937	34,347
	<u>437,417</u>	<u>263,138</u>
	<u><u>437,417</u></u>	<u><u>263,138</u></u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. Surplus/ (deficit) on ordinary activities

	2024	2023
	£	£
The operating surplus is stated after charging / (crediting):		
Auditors' remuneration (excluding VAT)		
In their capacity as auditors	13,288	11,076
In respect of other services	1,500	-
Depreciation of housing properties	493,043	376,214
Depreciation of other fixed assets	6,639	21,497
Operating lease expense	53,281	48,125
	_____	_____

7. Tax on Surplus/(deficit) on ordinary activities

By virtue of s.478 Corporation Tax Act 2010 the Association is exempt from corporation tax.

8. Directors' remuneration

	2024	2023
	£	£
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	2,500	5,000
The aggregate emoluments paid to or receivable by executive Directors and former executive directors	183,605	146,490
The aggregate compensation paid to or receivable by Key Management Personnel	-	-
The emoluments paid to the highest paid Director excluding pension contributions	90,224	89,640
The aggregate number of Directors or past Directors pensions, excluding amounts payable under a properly funded pension scheme	-	-
The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a Director	226,973	89,640
The aggregate amount of any consideration payable to Directors for loss of office	-	-

The Association contributes to the Chief Executive's pension which is a defined contribution scheme on the same terms as all other employees. A contribution of £4,403 was made in the year (2023: £4,403).

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

The Chair is the only Board member to be remunerated in both 2024 and 2023.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. Employee information

	2024	2023
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Office staff	7.3	8.0
Wardens, caretakers and cleaners	1.3	1.5
	8.6	9.5
	8.6	9.5

	2024	2023
	£	£
Staff costs		
Wages and salaries	367,027	293,152
Social security costs	41,724	31,300
Pension costs	27,301	18,423
	436,052	342,875
Consultant costs	150,677	123,180
	586,729	432,515
Agency staff costs	115,733	101,097
Total staff costs	702,462	567,152
	702,462	567,152

	2024	2023
Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the year:		
£60,000 - £69,999	1	1
£70,000 - £79,999	1	-
£80,000 - £89,999	-	2
£90,000 - £99,999	1	-
£100,000 - £109,999	-	-

No employees received more than £100,000 in the year (2023: none).

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

10. Tangible fixed assets

	Completed Housing Properties	Housing Properties Under Construction	Total
	£	£	£
Cost			
At 1 October 2023	27,767,895	297,200	28,065,095
Additions	-	9,088,599	9,088,599
Component replacements	123,477	-	123,477
Disposals	(16,940)	-	(16,940)
Schemes completed	9,385,799	(9,385,799)	-
At 30 September 2024	<u>37,260,231</u>	<u>-</u>	<u>37,260,231</u>
Depreciation and impairment			
At 1 October 2023	5,146,409	-	5,146,409
Charge for the year	493,043	-	493,043
Disposals	(13,040)	-	(13,040)
At 30 September 2024	<u>5,626,412</u>	<u>-</u>	<u>5,626,412</u>
Net book value at 30 September 2024	<u>31,633,819</u>	<u>-</u>	<u>31,633,819</u>
Net book value at 1 October 2023	<u>22,621,486</u>	<u>297,200</u>	<u>22,918,686</u>

2024
£

2023
£

Housing Properties comprise:

Freeholds	22,969,326	18,924,296
Leaseholds	8,664,493	3,697,190
	<u>31,633,819</u>	<u>22,621,486</u>
Works to existing properties in the year:		
Improvement works capitalised	52,620	-
Component replacements	70,857	156,920
Amounts charged to expenditure	-	396,910

The aggregate amount of interest and finance costs included in the cost of housing properties is £34,882 (2023: £0).

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

11. Investment properties

	2024	2023
	£	£
At start of year	295,000	295,000
Gain / (loss) from adjustment in fair value	(40,000)	-
	255,000	295,000
At end of year	255,000	295,000

Investment properties were valued at 31 July 2024 by JLL professional qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. The valuation of properties has been considered as at 30 September 2024 and the Board have determined that there is no material difference between the value as at 30 September 2024 and that valued at 31 July 2024 having considered relevant market information.

12. Other fixed assets

	Furniture and Equipment	Computer Equipment	Office & Fittings	Total
	£	£	£	£
Cost				
At 1 October 2023	16,627	70,758	108,271	195,656
Additions	-	1,236	-	1,236
Disposals	-	-	-	-
At 30 September 2024	16,627	71,994	108,271	196,892
Depreciation and impairment				
At 1 October 2023	15,854	70,510	15,424	101,788
Charge for the year	773	452	5,414	6,639
Disposals	-	-	-	-
At 30 September 2024	16,627	70,962	20,838	108,427
Net book value at 30 September 2024	-	1,032	87,433	88,465
Net book value at 1 October 2023	773	248	92,847	93,868

The net book value of other fixed assets includes £0 (2023: £0) in respect of assets held under finance leases.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

13. Fixed Asset Investments

	2024	2023
	£	£
Fair value as at 1 October	755,771	702,974
Gain / (Loss) from adjustment in fair value	126,410	52,797
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>
Fair value as at 30 September	882,181	755,771
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>
Historic cost of investments	100,000	100,000
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Fixed asset investments relate to unlisted investments held in unit trusts.

14. Trade and other debtors

	2024	2023
	£	£
Rent arrears	129,315	124,159
Less: provision for bad debts	(42,497)	(61,519)
Prepayments and other debtors	113,107	16,974
Taxation and social security payable	25,313	-
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	225,238	79,614
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Debtors are all due within one year.

15. Current Asset Investments

	2024	2023
	£	£
Building society and bank deposits	1,260,017	7,310,079
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16. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors and accruals	349,357	317,740
Loans due within one year	362	362
Taxation and social security payable	-	4,179
Rents paid in advance	82,825	89,999
Deferred income	-	1,252
Deferred capital grant (Note 21)	168,452	140,327
Managed associations	40,669	35,428
Bond premium	88,227	88,893
Bank overdraft	38,787	13,134
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	768,679	691,314
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LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

17(a). Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Bond premium	1,345,380	1,428,426
Loans (Note 17b)	8,416,222	5,385,139
Deferred capital grant (Note 21)	13,775,697	13,972,274
	<u>23,537,299</u>	<u>20,785,839</u>

17(b). Loan analysis

	2024	2023
	£	£
Loans repayable by instalments:		
In one year or more but less than two years	398	362
In two years or more and less than five years	1,445	1,317
In five years or more	8,531,876	5,532,895
Not by instalments:		
In five years or more	6,960	6,960
Less arrangement fees	(124,457)	(156,395)
Total loans	<u>8,416,222</u>	<u>5,385,139</u>

Loans are secured by specific charges on the Association's housing properties. Loans are repayable at varying rates of fixed interest between 5.2% – 10.5%.

At 30 September, the Association had undrawn loan facilities of £4.5m (2023: £7.5m).

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. Non-equity share capital

	2024	2023
	£	£
Allotted Issued and Fully Paid		
At the start of the year	16	17
Issued during the year	5	-
Surrendered during the year	(3)	(1)
At the end of the year	18	16

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

19. Capital commitments

	2024	2023
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	8,988,923
The Association expects these commitments to be contracted within the next year and financed with:		
Social Housing Grant	-	3,750,000
Loans	-	5,238,923
Cash	-	-

The Apex development of 30 units was completed in December 2023.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

20. Operating leases

The Association holds the following items under non-cancellable operating leases.

Land and Buildings

	2024	2023
	£	£
Within 1 year	53,281	48,125
Between 1 and 5 years	220,000	-
Total operating lease payments	273,281	48,125

The above lease payments relate to the 12-year office lease with break clauses at years 4 and 8, LSHA did not exercise the break clause in 2023/24.

21. Deferred Capital Grant and financial assistance

	2024	2023
	£	£
At 1 October 2023	14,112,601	10,502,928
Grant received in the year	-	3,750,000
Released to income in the year	(168,452)	(140,327)
At 30 September 2024	13,944,149	14,112,601
Amount due to be released < 1 year (Note 16)	168,452	140,327
Amount due to be released > 1 year (Note 17(a))	13,775,697	13,972,274
The total accumulated government grant and financial assistance received or receivable at 30 September	17,782,891	17,782,891

22. Analysis of changes in net debt/(funds)

	2023	Cashflows	2024
	£	£	£
Short term liability	362	-	362
Long term liability	5,385,139	3,031,083	8,416,222
Total liabilities	5,385,501	3,031,083	8,416,584
Cash and cash equivalents	(7,310,079)	(6,050,062)	(1,260,017)
Total net debt/(funds)	(1,924,578)	(3,018,979)	(7,156,567)

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

23. Related parties

There are currently no related parties or related party transactions (2023: Nil).

24. Financial Instruments

The Association's financial instruments may be analysed as follows:

	2024	2023
	£	£
Financial assets		
Financial assets measured at cost		
Cash and cash equivalents	-	-
Current asset investments	1,260,017	7,310,079
Financial assets measured at fair value through profit or loss		
Fixed asset Investments	882,181	755,771
Financial assets measured at amortised cost		
Rental debtors	129,315	124,159
Other debtors and accrued income	113,107	16,974
Total financial assets	2,384,620	8,206,983
Financial liabilities		
Financial liabilities measured at amortised cost		
Rents paid in advance	82,825	89,999
Trade creditors and accruals	349,357	317,740
Other creditors	40,669	36,680
Housing loans	8,416,584	5,385,501
Total financial liabilities	8,889,435	5,829,920

25. Contingent Liability

There was no contingent liability for the year ended 30 September 2024 (2023: Nil).

26. Contingent Asset

No contingent asset has been recognised for the year ended 30 September 2024 (2023: Nil).












LSHA Financial Statements 23-24 F


Final Audit Report


2025-02-11


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