

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

**HOMES IN SOMERSET LIMITED  
FORMERLY HOMES IN SEDGEMOOR LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**COMPANY INFORMATION**

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**Board Members**

Lance Duddridge  
Paul Hackett  
Jenny Vernon  
Kathryn Pearce  
Paul Stephenson  
Pauline Ham  
Christine Fisher  
Oliver Keates  
Marie Hide

**COMPANY SECRETARY**

Ben Lane

**REGISTERED NUMBER**

05596060

**REGISTERED OFFICE**

3rd Floor Bridgwater House  
King Square  
Bridgwater  
Somerset  
TA6 3AR

**INDEPENDENT AUDITORS**

Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

**BANKERS**

Lloyds Bank Plc  
25 Cornhill  
Bridgwater  
Somerset  
TA6 3AY

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

**HOMES IN SOMERSET LIMITED  
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**HOMES IN SOMERSET LIMITED  
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**CHAIR'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2025**

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The chairman presents his statement for the period.

I start this message very much the same as last year with an environment of financial global instability. The impact of the Trump administration is still unclear, except for the immediate chaos and instability for markets and countries, let alone people and communities. Our focus has, and always will be, to provide support to our customers and their families and communities to make them and their homes as safe and secure as possible.

The year end performance wise was a great success for Homes in Sedgemoor as we begin life as Homes in Somerset (HiS). The faith and confidence from Somerset Council as our owner is so greatly appreciated. The name change is linked to our new pan-Somerset role in providing the development of new homes and the regeneration of existing ones. We will be welcoming the Development and Regeneration Team from Somerset Council who will join us in April 2025. We also welcome massively the support provided in the approval of a considerable investment programme for new homes.

Reflecting on the year 2024/25, it was one of great challenge and change as the new Labour government introduced its priorities, very much including and heralding the need for new social homes to be built at pace. We await the detail of the level of change proposed but the year launched a series of consultation processes which, if enacted, could have a very positive impact, but also introduce fresh or increased pressures and challenges. The Regulatory Framework for Social Housing was introduced and we await our turn to be inspected. The year end also saw the launch of an Options Appraisal project to conclude how best Somerset Council wish to deliver a single management model.

Returning to performance, which in the national arena, we achieved great success from the first year of Tenant Satisfaction Measures (TSMs) showing HiS to be very high performers across the range of indicators. We have continued to make the safety of customers and their homes of paramount importance, and our compliance performance was also very positive, but we in no way will be resting on our laurels. Despite the tough operating environment, we once again delivered all our services within our fixed budget. The need to deliver value for money for our customers remains a top priority for us.

I need to again recognise and express my, and the company's considerable gratitude and appreciation, for the work carried out by the members of the Sedgemoor Tenants Assurance Committee (STAC) throughout the year. Their continued dedication and commitment to hold us to account is a key business benefit for us in our ongoing drive for improvement. Attendance by STAC members at the range of meetings and events we hold within our governance framework is massive.

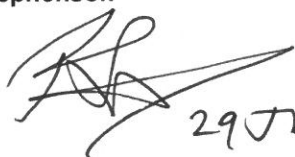
The external review of our Board effectiveness was a very positive conclusion, with some points for consideration which have now been turned into a dedicated Action Plan and resulted in the immediate implementation of some recommendations.

Our partnership with Somerset Council is both effective and positive, for which I express gratitude to everyone involved as they work together on behalf of our customers and communities.

I finish by thanking colleagues within HiS and fellow Board members for their continued support and expertise.

Name **Paul Stephenson**  
Chair

Date:



29 JULY 25



**HOMES IN SOMERSET LIMITED  
FORMERLY HOMES IN SEDGEMOOR LIMITED  
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**STRATEGIC REPORT - 2025  
FOR THE YEAR ENDED 31 MARCH 2025**

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**BUSINESS REVIEW**

**Finance Overview**

The finalisation of the accounts has confirmed the strong financial performance reported to the Board in May through the 'pre-audit' final management accounts paper. The management accounts focus on the 'profit and loss' element of the accounts. Headlines are:

- £275k (£280k reported to the Board in May) operating surplus recorded against the balanced budget set.
- £225k of spend recorded against the £527k allocated by the Board as 'Managed Use of Reserves'.
- £117k worth of Garage Income recovered from the Council in accordance with agreed performance criteria.

These amounts account for the £167k 'retained surplus' (23/24 retained surplus £530k) shown against the Profit and Loss Reserve in Note 14 to the accounts.

With specific reference to the financial statements, HiS has reported a profit before tax of £275,000 (23/24 profit: £623,000). The Company's turnover was £19,182,000 (23/24: £21,629,000) funded primarily by a management fee, capital management fee and funding to support the capital programme. The reduced turnover reflects the smaller capital programme in 24/25 compared to 23/24, though the investment year on year in customers' homes remains significant.

The trading position for Homes in Somerset at the end of the 24/25 financial year, shows an operating profit of £112,000 (23/24 profit: £470,000).

Further analysis of the three main elements contributing to the £167k 'retained surplus' are given below:

**Operating Surplus - £275,000**

A balanced budget was set by the Board for the 24/25 year. A two hundred and seventy five thousand pound surplus was recorded at the year end. The main contributing factors to this position include:

- Capital works spend was lower than budget, resulting in £67k less capital management fee than predicted when the budget was set.
- The Responsive Repairs service, provided under contract by the MD group, ended the year with an underspend of £209k. This has mainly arisen from reduced labour and vehicle costs of operatives compared to the target budget.
- Costs for gas and electricity were £195k lower than budget resulting from more favourable energy contract prices procured through the Crown Commercial Service (CCS), for the communal areas.
- Overspends were recorded against the fly tipping budgets (£32k) and Legal Fees (£42k).

**Managed Use of Reserves - £225,000**

£527,000 was allocated from Reserves in 24/25 to support non-recurring specific projects and initiatives. Allocations were made in accordance with the Reserves Policy. These allocations are referred to as 'Managed Use of Reserves'. Spend of £225,000 was incurred against £527,000 allocated, creating a £302k favourable variance. The Board agreed to roll-over this underspend into 25/26 to enable projects to be finalised. Projects in 24/25 included the investment of funds in ICT and Digital solutions to enhance efficiencies across the company, the investment of resource to increase Development capacity to support the Council in the building of new homes for customers, and the allocation of funds to manage the impact of the change of name of the company from Homes in Sedgemoor to Homes in Somerset.

**Garage Income - £117,000**

In financial year 2018/19 Homes in Somerset (HiS) undertook a programme of works to refurbish dilapidated block garages that it was managing on behalf of the Council with the intention to improve the marketability of the garages and drive an improved rental income stream for the Council. The cost of the works was £901,045 and

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

was initially borne by HiS as a distinct "negative" reserve on the Balance Sheet. An agreement was struck whereby, if HiS could demonstrate that income from garage rent increased beyond an agreed baseline of £307,300, the excess would be paid over to HiS on an annual basis. For 24/25 the excess was calculated as £117,000 (23/24: £95,000).

**Performance Overview**

The company delivered good performance across several key areas of service delivery during 24/25. It is a company priority to deliver the best possible outcomes which have a significant positive impact on our stakeholders. The table below shows the progress made against several Key Performance Indicators (KPIs) between both years.

	2024/25	2024/25	2023/24
Performance Indicator	Target	Actual	Actual
Average time taken to let a property	45 days	48 days	79 days
Rent collected as a proportion of rent owed	98%	101.21%	99.18%
Rent arrears for current tenants	2%	0.59%	0.79%
Void Rent Loss	1.5%	1.08%	1.48%
Properties with a valid gas certificate	100%	99.9%	99.80%
Responsive repairs delivered in timescale	95%	90%	92%

Company performance is measured using several key performance indicators (KPIs). Where available performance is benchmarked and reported both internally and to Somerset Council. 47 KPIs were regularly monitored by the Board. Of the 47, 22 are Tenant Satisfaction Measures (TSMs).

40 of the 47 KPIs are considered to be 'Management Agreement' KPIs and are the performance areas that the Council has identified that it will monitor to hold HiS to account. At the year-end 9 KPIs were classified red, 9 amber, 21 green and one is for 'information only'.

The suite of KPIs reported during 24/25 are aligned to Homes in Somerset's (HiS) Corporate Strategy and are identified under five strategic themes; i) Healthy Homes, ii) Customer Driven, iii) Enriching Partnerships, iv) Thoughtful Enterprise, and v) Sustainable by Design.

**Tenant Satisfaction Measures (TSMs)**

These are part of a system, introduced by the Regulator of Social Housing in 23/24, to assess how well social housing landlords are doing at providing good quality homes and services.

The measures are aimed at helping improve standards for people living in social housing, by:

- Providing visibility, letting tenants see how well their landlord is doing, and enabling tenants to hold their landlords to account,
- Giving the Regulator insight into which landlords might need to improve things for their tenants.

The TSMs are designed to see how well landlords are doing at keeping properties in good repair, maintaining building safety, respectful and helpful engagement, effective handling of complaints and responsible neighbourhood management. The TSMs are grouped around these five themes.

Of the 22 TSMs, 12 are compiled from 'perception' customer satisfaction responses and 10 are generated from 'management information' held by HiS.

TSM performance reports were uploaded to the website regularly showing performance against target. The final year end TSM performance can be found here: <https://www.homesinsomerset.org/about-us/how-are-we-doing/>.

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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TSM performance for 24/25 has been consolidated with Somerset Council's 'in-house' housing team's performance and submitted to the Regulator of Social Housing. The regulator will publish TSM information in the Autumn of 2025. The performance information contained in this report only relates to HiS.

In advance of the publication by the regulator, Housemark have gathered year end TSM data from 150 organisations. Of the 22 TSMs, 20 relate to data that can be classified into quartile performance. Of the 20, HiS has recorded 'upper quartile' performance against 13 measures, with 4 areas in quartile 2, 2 in quartile 3 and 1 in quartile 4.

The section below provides a brief overview of the performance highlights in 24/25.

**Overall Customer Satisfaction**

Overall satisfaction with the service provided by the landlord ended the year at a very strong 83% (23/24 : 82%) versus the challenging target of 84%. The month of May 2024 recorded the highest satisfaction of the year at 92%.

**Rental Income Management and Voids**

The rent collection rate at end of the year was 101.21% compared to target of 98% resulting in this KPI indicated as Green. The above 100% performance demonstrates good progress made in collecting prior year debts.

As at end of 24/25 rent year, current tenant rent arrears was £131k (£154k 23/24) which is 0.59% (23/24 : 0.79%) of the total annual rent due and is reported as green when compared to target of 2%. This improvement in performance year on year is particularly impressive given that 23/24 performance was already sector leading.

The Average re-let time for all relets (231) in the period April 24 to March 2 was 48 days (79.3 23/24) compared to a target of 45 days with this KPI reported as red. Several properties were held as 'policy voids' meaning that they were not re-let as either significant work was needed to bring them up to standard or they are awaiting disposal.

The satisfaction of new customers with the lettings process has ended the year at 94.6% (99.2% 23/24) and is indicated in amber when compared to the target of 98%.

**Neighbourhood Management**

There were a total of 96 ASB cases in 24/25 (23/24 : 77). The number of new ASB cases per 1,000 properties managed by HiS ended the year at 23.54 (28.22 23/24) compared to target of 25 and hence is indicated in green.

**Responsive Repairs**

The KPI, 'repairs completed within target timescales' reports on the performance of our main Repairs & Maintenance contractors and performance at the end of March was 90% (23/24 92%) compared to a target of 95% and is reported as red.

'Customer satisfaction with the responsive repairs service' (transactional) achieved performance of 92% (93% 23/24) compared to a target of 90% resulting in this KPI remaining as green for three years in a row.

**Planned works delivery and customer satisfaction**

Of the total capital budget allocated for the year, 89.8% (99.3% 23/24) was spent as at the end of March 2025, this equates to spend of £7,937k compared to budget of £8,834k. Performance is rated as red for the year.

**Employee - Sickness and turnaround**

Percentage staff turnover ended the year at 19.8% (11.6% 23/24) compared to a target of 12%. This equates to 17 leavers compared to 12 in 23/24. This performance is reported as red.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025

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The percentage of working days lost due to sickness remained stable year on year and was reported as 4.4% which was above the target of 3.2% and therefore reported as red. 4.4% represents 921 lost working days.

#### Housemark Pulse Benchmarking

HiS continued to participate in Housemark's monthly pulse monitoring benchmarking exercise during 24/25. The exercise provides helpful in year peer performance comparators. The KPIs reflect current priorities for the sector. 15 KPIs were monitored through pulse in 24/25, with 11 of these 15 presented with polarity (which means that Upper Quartile always represents the most favourable performance) and 4 KPIs that don't have a polarity (meaning that neither high or low values are better). Of the 15 measures, 3 HiS KPIs were Upper quartile (*Satisfaction with repairs*, *True current tenant arrears*, *Percentage of dwellings vacant but available to let*) 3 Quartile Two, 4 Quartile Three and 1 Quartile 4 (*Percentage of voluntary staff turnover*).

We continue to review our performance, monitoring government guidelines and adopting new ways of working, to seek improved performance across the company.

#### Value for Money (VFM)

The Board and Executive Team at HiS are committed to the delivery of Value For Money for its customers and the Council.

The Corporate Strategy includes the following commitment, to deliver "relatively good performance at low cost" across all areas of service delivery.

The company pro-actively participates in several benchmarking exercises to ensure that it is able to measure its value for money progress against peers across the sector.

HiS has participated in Housemark's 'annual cost and performance comparison exercise' for several years. Housemark is the leading data and insight company for the UK housing sector.

The 2022/23 exercise identified three of the eight measures as falling into the "relatively good performance at low cost". This has improved to five of eight measures in the 2023/24 exercise.

The output from the annual exercise helps to drive decision making within the organisation. It helps to support the budget setting process and facilitates the internal review of the efficiency and effectiveness of service delivery.

A VFM annual report is produced for the Board. Some of the highlights from the latest annual performance summary are given below:

- £275k surplus against a balanced revenue budget delivered in a climate of ongoing cost pressures.
- Overall average customer satisfaction increased from 82% to 83%. This is very welcome in the context of falling satisfaction across the sector.
- £208k underspend against the Responsive Repairs Service, in spite of a continuing high cost/high inflation environment in the building sector, while maintaining service standards.
- 'Good performance' areas reviewed as part of the Annual Housemark Benchmarking and Cost Exercise.
- 'Project Matrix' continues to maximise business efficiencies whilst preserving excellent performance and providing greater support for customers.
- 9 of the 12 Tenant Satisfaction Perception results for the year were within the upper quartile of performance as reported in the Housemark Year End Results. The TSMs are conducted by an independent external company.

The financial challenges faced by Homes In Somerset in 2025/26 and beyond will require the organisation to focus it's attention on all areas that are considered 'high cost' to ensure that any services that remain 'high cost' do so because of conscious decisions to invest in certain areas of activity.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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The Executive Team remain committed to delivering 'Relatively good performance at Low Cost' across all areas of the organisation.

Environmental, Social and Governance (ESG)

One of the core themes of HiS' 23-26 Corporate Strategy is 'Sustainability by Design'. The implications of climate change represent the greatest threat to our world. We fully recognise both our responsibilities and the opportunities to have a positive impact in tackling climate change. To achieve this, we now need to embed the climate change agenda into all that we do, making our operational footprint cleaner and greener, whilst leveraging our commitment to partnership working to meet our goals. We have set ourselves four core strategic objectives in this area:

- Education and Awareness
- Reduce Fuel Poverty
- Work with Like Minded Partners
- Fulfil our Climate Change Responsibilities

During the year HiS has:

- Continued its work to establish our baseline Carbon Footprint. This will in turn enable us to develop an action plan to reduce our carbon emissions.
- Continued work to identify customers in fuel poverty.
- 233 properties are included in Wave 2 of the Social Housing Decarbonisation Fund (SHDF). These properties will be retrofitted using central government funding and local funding from the Housing Revenue Account (HRA). A range of measures will be applied with an emphasis on "fabric first" to reduce overall heat demand. All Wave 2 retrofit properties will achieve EPC C as a minimum, with many achieving a sufficiently high SAP level to be classified as "net zero". Work on 100 properties has been completed with all remaining work expected to be completed by the end of May 2025.
- We have a regulatory target to ensure that all our stock achieves EPC C by 2030. 2,776 (69.47%) of our homes already meet EPC C (SAP 69). This is above the UK average of 60%. The average SAP rating of our stock is 69.93, which is marginally higher than the sector average of 68.6. The homes that have been built in 24/25 or are in development provide a low carbon solution for customers and are in line with Council's environment commitments.

Social Responsibility

During the year we have concentrated on the following aspects of our operations to improve our Social Responsibility:

- Increased Community Engagement.
- Affordable Housing: Efforts to provide affordable housing options to low-income families.
- Community Programmes: Initiatives to support local communities (e.g. educational programmes, health services and employment opportunities).
- Tenant Relations: Practices to ensure tenant satisfaction and engagement (e.g. feedback mechanisms, tenant scrutiny panels).
- Diversity and Inclusion.
- Workforce Diversity: Policies and practices to promote diversity within the organisation.
- Inclusive Housing: Ensuring housing options are accessible and welcoming to all demographics.
- Employee Wellbeing.
- Workplace Safety: Measures to ensure the safety and health of employees.
- Training and Development: Programmes for employee skill development and career growth.
- Work-Life Balance: Initiatives to support employee work-life balance.
- Held our second 'STAR' awards to recognise exceptional contributions and achievements by our customers.



**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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## Governance

### Governance Arrangements

The Board derives its power to manage Homes in Somerset from the Articles of Association. The powers of the Board are exercised on behalf of Somerset Council as sole company member.

The Board has signed up to the National Housing Federation (NHF) Code of Governance ('The Code'). Annual self-assessments are performed against the requirements contained within the code to ensure compliance. An initial self-assessment was conducted which resulted in an action plan. Progress against the action plan is reported through the Board. 52 of the 55 actions identified have been completed. Overall compliance against the code is thought to be 'green'. Work still to be done is not thought to be critical in the context of the four overall core principles of the code, namely 'Missions and Values', 'Strategy and Delivery', 'Board Effectiveness', and 'Control and Assurance'. An External Board Effectiveness review was conducted in 24/25. The review reported that, 'we have not found any evidence of material non-compliance in respect of the NHF Code'.

### The Board

The Board's main role is to direct the company's work - that is to determine the strategic direction of Homes in Somerset. Day to day management is delegated to the Chief Executive and other senior officers of Homes in Somerset.

The Board met formally six times during the year and held one extraordinary Board meeting. It held two Away Days and three Spotlight Sessions.

2024/25 was the second full year since the introduction of Board Remuneration. Attendance at Board remained stable year on year at 90%.

The Board operated with a full complement of Board Members (9) during the entire year and appointed two co-optees to the Board.

### The Audit and Risk Committee

The Audit and Risk Committee considers the appointment of the internal and external auditors, the scope of their work and their reports. It also reports to the Board on the effectiveness of the company's internal financial control arrangements and oversees the risk management of the company. It met four times during the year.

During the year amendments to the format of the agenda was made to ensure that sufficient time was allocated to key discussion matters. The agenda was also realigned to group items into 'for approval', 'to note' and 'for reassurance to the Board'.

### The Sedgemoor Tenants Assurance Committee

The Sedgemoor Tenants Assurance Committee (STAC) supports the Board by providing customer-based assurance that the consumer standards of the 'Regulatory Framework for Social Housing in England' are being met; that value for money is being achieved in service delivery to all Homes in Somerset tenants and leaseholders; and is in line with the organisation's vision and values.

The STAC has been established to ensure that agreed service delivery standards to all tenants, shared owners and leaseholders is being achieved and that Homes in Somerset meets the expectations and outcomes of the Consumer Regulatory standards.

### Development Committee

HiS created a new committee in 24/25 in response to the Council's decision to transfer the management of all Development activity to HiS with affect from 1 April 2025.

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

Major risks and uncertainties

The company maintains a Corporate Risk Register that is owned by the Board and managed by the Audit and Risk Committee (ARC) with day-to-day support from the Executive Team (ET). The key inherent risk areas in the Corporate Risk Register as at 31 March 2025 include:

- Economy
- Cyber Security
- Net Zero - 2030

Control measures are in place within the Risk Register to mitigate the impact and/or likelihood of each specific risk. Each of the above risks has been subjected to a deep dive by the ET and the ARC and Board as necessary.

We have worked with our internal auditors to strengthen our approach to risk management. An Operational Risk Register is managed and monitored by the Senior Leadership Team (SLT) who report to the ET accordingly. A risk register has been created for Development activity. It is monitored and managed by the Development Committee.

The fraud risk register was refreshed in 2024/25. This is monitored by the SLT.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The following statements summarise how Homes in Somerset manages aspects of financial risk:

Price risk - Prices of goods and services purchased over minimum thresholds are subject to contracts with suppliers, based on current market prices. Exposure is limited by regular review of contracts and suppliers.

Credit risk - The majority of debtors at year end relate to amounts owed by Somerset Council, Homes in Somerset's ultimate parent company. Credit risk on these balances is considered to be low. Recoverability of other debts is considered in line with the company's accounting policies.

Liquidity risk - Homes in Somerset has no long-term borrowings and has a stable level of cash which it invests as appropriate in short term deposits. £2.992m is held within the Profit & Loss Reserve at the 31 March 2025. This is £1.492m greater than the £1.5m minimum reserve level set by the Board.

Interest rate and cash flow risk - Homes in Somerset invests surplus funds in line with the Treasury Management Policy. These deposits earn interest at a variable/fixed rate. Interest of £160k (2023/24 - £153k) has been received in the year on these funds.

This report was approved by the board and signed on its behalf.

**Paul Stephenson**  
Chair

Date:

  
29 JULY 25

**HOMES IN SOMERSET LIMITED  
FORMERLY HOMES IN SEDGEMOOR LIMITED  
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2025**

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The directors present their report and the financial statements for the year ended 31 March 2025.

**PRINCIPAL ACTIVITY**

**Board Members and Executive Officers**

The Board Members of the company, who served during the year, and up to the date of signing, are set out on page 3.

The Board Members are drawn from a wide background bringing together professional, commercial and local experience. The Board composition is up to two tenants, three nominees from Somerset Council and four independent members.

**Executive Officers**

Peter Hatch	Chief Executive
Claire Tough	Director of Communities and Customer Services
Ben Lane	Director of Finance and Performance
Naomi Macey	Director of Asset Management, Safety and Development

**Board Members' Interests**

Neither the Board Members nor the Executive Officers have any financial interests in the company.

**Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

**Future developments**

The Board expects that the company will continue to provide services in line with the management agreement for the foreseeable future.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025**

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This report was approved by the board and signed on its behalf.



**Paul Stephenson**  
Chair

*29 July 25*

Date:

3rd Floor Bridgwater House  
King Square  
Bridgwater  
Somerset  
TA6 3AR

**HOMES IN SOMERSET LIMITED  
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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2025**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOMES IN SOMERSET LIMITED**

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**OPINION**

We have audited the financial statements of Homes in Somerset Limited (the 'Company') for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the 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 profit 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 Companies Act 2006.

**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 Auditors' 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 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 Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**HOMES IN SOMERSET LIMITED  
FORMERLY HOMES IN SEDGEMOOR LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOMES IN SOMERSET LIMITED  
(CONTINUED)**

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**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the 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 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 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOMES IN SOMERSET LIMITED  
(CONTINUED)**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- We have considered the nature of the sector, control environment and financial performance of the Company;
- We have considered the result of enquiries with management in relation to their own identification and assessment of the risk of irregularities within the Company; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

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

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, FRS 102 and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty, including landlord health and safety laws and regulations covering fire risks, gas safety, water hygiene, electrical safety and asbestos.

Our procedures to respond to the risks identified included the following:

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

**HOMES IN SOMERSET LIMITED  
FORMERLY HOMES IN SEDGEMOOR LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOMES IN SOMERSET LIMITED  
(CONTINUED)**

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

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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Charles Martin FCA (Senior Statutory Auditor)

for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN  
Date: 5 August 2025

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
Turnover	4	<b>19,182</b>	21,629
Operating expenditure	5	<b>(19,070)</b>	(21,159)
<b>GROSS PROFIT</b>		<b>112</b>	470
Interest receivable and similar income	8	<b>160</b>	153
Interest payable and expenses	9	<b>3</b>	-
<b>PROFIT BEFORE TAX</b>		<b>275</b>	623
Tax on profit	10	<b>(4)</b>	(28)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>271</b>	595
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Pension surplus not recognised		<b>(2,016)</b>	(2,120)
Actuarial gain relating to pension scheme		<b>1,912</b>	2,055
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(104)</b>	(65)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>167</b>	530

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

The notes on pages 20 to 31 form part of these financial statements.

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:05596060**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**

	Note	2025 £000	2024 £000
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	11	980	2,282
Cash at bank and in hand	12	5,329	4,666
		<u>6,309</u>	<u>6,948</u>
Creditors: amounts falling due within one year	13	(3,317)	(4,123)
<b>NET ASSETS</b>		<u><u>2,992</u></u>	<u><u>2,825</u></u>
<b>CAPITAL AND RESERVES</b>			
Profit and loss account		<u>2,992</u>	<u>2,825</u>
		<u><u>2,992</u></u>	<u><u>2,825</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Paul Stephenson**  
Chair

Date:

29 July 25

The notes on pages 20 to 31 form part of these financial statements.



**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	<b>Pension reserve £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 April 2023</b>	-	2,295	2,295
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	595	595
Actuarial losses on pension scheme	-	(2,120)	(2,120)
Actuarial gains in the pension scheme	2,055	-	2,055
Transfer between reserves	(2,055)	2,055	-
<b>At 1 April 2024</b>	-	2,825	2,825
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	271	271
Actuarial losses on pension scheme	-	(2,016)	(2,016)
Actuarial gains in the pension scheme	1,912	-	1,912
Transfer between reserves	(1,912)	1,912	-
<b>AT 31 MARCH 2025</b>	-	2,992	2,992

The notes on pages 20 to 31 form part of these financial statements.

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	<b>271</b>	595
<b>ADJUSTMENTS FOR:</b>		
Interest paid	<b>3</b>	-
Interest received	<b>(160)</b>	(153)
Taxation charge	<b>4</b>	28
(Increase)/decrease in debtors	<b>(60)</b>	508
Decrease/(increase) in amounts owed by Somerset Council	<b>1,362</b>	(456)
(Decrease)/increase in creditors	<b>(762)</b>	793
(Decrease)/increase in amounts owed to Somerset Council	<b>(20)</b>	-
Difference on employer pension contributions and service cost	<b>(104)</b>	(65)
Corporation tax paid	<b>(28)</b>	(4)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>506</b>	1,246
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>160</b>	153
Interest paid	<b>(3)</b>	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>157</b>	153
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>663</b>	1,399
Cash and cash equivalents at beginning of year	<b>4,666</b>	3,267
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>5,329</b>	4,666
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	<b>5,329</b>	4,666
	<b>5,329</b>	4,666

The notes on pages 20 to 31 form part of these financial statements.

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**1. LEGAL STATUS**

Homes in Somerset Limited is a private company limited by guarantee with no share capital.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The Directors believe that preparing the Financial Statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent. The Directors have confirmation that Somerset Council intends to support the Company until at least 31 August 2026 and following enquiries, has reasonable expectation that it will continue to provide housing services on the behalf of Somerset Council for the foreseeable future pending an options review.

**2.3 TURNOVER**

Turnover excludes Value Added Tax (VAT) and represents in the main the invoice value (received and receivable) of goods and services provided during the financial year covered by these Financial Statements. Turnover is recognised when services have been completed. All turnover arises in the United Kingdom.

**2.4 DEBTORS AND CREDITORS**

The Statement of Comprehensive Income and Statement of Financial Position of the Company are maintained on an accruals basis. This means that sums due to or from the Company during the year are included, whether or not the cash has been received or paid in the year.

**2.5 GRANTS**

Grants are credited to the profit and loss account in the same period as the related expenditure.

**2.6 HOLIDAY PAY ACCRUAL**

The Company recognises an accrual for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The accrual is measured at the salary cost payable for the period of absence.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 RETIREMENT BENEFITS- LOCAL GOVERNMENT PENSION SCHEME**

The Company participates in the Local Government Pension Scheme which is a defined benefit pension scheme for the benefit of the majority of its employees, the assets of which are held separately from those of the Company in independently administered funds.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating surplus. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in operating costs. Actuarial gains and losses are recognised in the consolidated statement of total recognised gains and losses.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

**2.8 TAXATION**

The Company has a mutual trading status with Somerset Council. Corporation tax is not payable on the profits arising from trading with Somerset Council. Corporation tax is payable on the bank interest received and other income.

**2.9 DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements the directors deem there to be no significant judgment in applying accounting policies or key sources of estimation uncertainty in relation to the following:

Pension asset

The net pension asset of £4,420,000 (2024: £2,291,000) has not been recognised on the grounds that it is not directly recoverable as a refund or reduction in contributions. The three year valuation driving the contributions uses different methodology and assumptions.

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**4. TURNOVER**

An analysis of turnover by class of business is as follows:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Housing management and support services	<b>10,142</b>	9,710
Maintenance services for Somerset Council	<b>7,952</b>	11,269
Other income	<b>1,088</b>	650
	<b>19,182</b>	21,629

All turnover arose within the United Kingdom.

**5. OPERATING EXPENDITURE**

The operating expenditure is stated after charging:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Repairs and maintenance	<b>11,982</b>	14,319
Staff costs	<b>4,084</b>	3,989
Service level agreement charges by the Council	<b>1,283</b>	1,197
Housing management	<b>1,489</b>	1,546
Computer software licences	<b>207</b>	91
Fees paid to our external auditors - Audit fees	<b>19</b>	18
- Tax services	<b>2</b>	2
	<b>19,066</b>	21,162

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**6. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>3,281</b>	3,194
Social security costs	<b>331</b>	314
Pension costs	<b>472</b>	481
	<b>4,084</b>	3,989

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Executive	<b>4</b>	4
Housing management services	<b>34</b>	31
Property services	<b>19</b>	23
Corporate services	<b>30</b>	29
	<b>87</b>	87

**7. DIRECTORS' REMUNERATION**

Six board members received remuneration of £19,350 (2024: £16,000) from the Company for acting as Board members during the year. The aggregate amount of emoluments (excluding pension contributions) paid to or receivable by the four executive officers during the year was £402,540 (2024: £392,720).

The definition of the executive team has been expanded in comparison to the prior year to include not just the Chief Executive Office, but also the Director of Communities and Customer Services, the Director of Finance and Performance, and the Director of Asset Management, Safety and Development.

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	<b>19</b>	16
	<b>19</b>	16

Four executive officers are accruing benefits under the defined benefit pension scheme.

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**8. INTEREST RECEIVABLE**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Other interest receivable	<b>160</b>	153
	<b>160</b>	153

**9. INTEREST PAYABLE AND EXPENSES**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Interest income on pension scheme assets	<b>860</b>	828
Net interest on net defined benefit liability	<b>(845)</b>	(816)
Pension administration charges	<b>(12)</b>	(12)
	<b>3</b>	-

**10. TAXATION**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<b>4</b>	28
<b>TOTAL CURRENT TAX</b>	<b>4</b>	28
<b>DEFERRED TAX</b>		
<b>TOTAL DEFERRED TAX</b>	<b>-</b>	-
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>4</b>	28

Homes in Somerset Limited has £14,000 (2024: £14,000) of unprovided deferred tax assets relating to losses carried forward. Homes in Somerset Limited has decided not to recognise this because it has minimal foreseeable taxable surpluses in the future.

**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**10. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2024: lower than) the standard rate of corporation tax in the UK of 19% (2024: 25%). The differences are explained below:

	<b>2025</b>	2024
	<b>£000</b>	£000
Profit on ordinary activities before tax	<b>275</b>	623
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2024: 25%)	<b>52</b>	156
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>3,464</b>	5,130
Non-taxable income	<b>(3,512)</b>	(5,256)
Marginal relief	-	(2)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>4</b>	28

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**11. DEBTORS**

	<b>2025</b>	2024
	<b>£000</b>	£000
Trade debtors	<b>44</b>	121
Amounts owed by group undertakings	<b>638</b>	2,000
Prepayments and accrued income	<b>298</b>	161
	<b>980</b>	2,282

**12. CASH AND CASH EQUIVALENTS**

	<b>2025</b>	2024
	<b>£000</b>	£000
Cash at bank and in hand	<b>5,329</b>	4,666
	<b>5,329</b>	4,666



**HOMES IN SOMERSET LIMITED**  
**FORMERLY HOMES IN SEDGEMOOR LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,069	1,560
Amounts owed to group undertakings	64	84
Corporation tax	4	28
Other taxation and social security	256	333
Accruals and deferred income	1,924	2,118
	<b>3,317</b>	<b>4,123</b>

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2025**

	<b>Profit &amp; Loss Reserve</b>	<b>Garage Reserve</b>	<b>Pension Reserve</b>	<b>Total Reserves 2025</b>	<b>Total Reserves 2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At beginning of year	3,203	(378)	-	2,825	2,295
Retained surplus for the year	271	-	-	271	530
Actuarial losses on pension scheme	(2,016)	-	-	(2,016)	-
Transfer from/(into) Garage reserve	(117)	117	-	-	-
Actuarial gains in the pension scheme	-	-	1,912	1,912	-
Transfer from/(into) the Pension reserve	1,912	-	(1,912)	-	-
<b>At end of year</b>	<b>3,253</b>	<b>(261)</b>	<b>-</b>	<b>2,992</b>	<b>2,825</b>

Profit and Loss Reserve

The profit and loss reserve includes all current and prior period retained profits and losses.

Garage Reserve

In financial year 2018-19 Homes in Somerset (HiS) undertook a programme of works to refurbish dilapidated block garages that it was managing on behalf of Sedgemoor District Council (now Somerset Council) with the intention to improve the marketability of the garages and drive an improved rental income stream to Somerset Council. The cost of the works was £901,045 and was initially borne by Homes in Somerset as a distinct "negative" reserve on the Statement of Financial Position. An agreement was struck whereby, if HiS could demonstrate that income from garage rent increased beyond a target set by the Council, the excess would be paid over to HiS on an annual basis until the cost of the works was reimbursed fully. The balance on the garage reserve at the end of 2024/25 was £260,661 - a total reduction of £640,384 through this mechanism.

Pension Reserve

The pension reserve reflects the financial impact of the defined benefit pension scheme and whether it is in a surplus or deficit position.

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**15. RELATED PARTY TRANSACTIONS**

Amounts which are due and outstanding to Somerset Council are set out in Note 11 (Debtors) and Note 13 (Creditors).

Homes in Somerset Limited is a local authority controlled Company of Somerset Council, limited by guarantee. The financial statements of Somerset Council are publicly available on the Council's website ([www.somerset.gov.uk](http://www.somerset.gov.uk)). The Council has delegated responsibility for overseeing the management and maintenance of its residential and commercial stock by Homes in Somerset Limited in accordance with the 30 year management agreement effective from 1 April 2021. The Council pays the Company a management fee in accordance with that management agreement and any variations are subsequently approved. In 2024/25 the management fee and maintenance work amounted to £18,352,000 (2024: £21,010,000).

Somerset Council charged Homes in Somerset Limited £1,440,000 (2024: £1,309,000) for the provision of support services which included charges for finance, customer services, post and scanning, information technology, accommodation, payroll, grounds maintenance, valuation, cleaners and a number of other minor services.

**Tenant Board Members**

Some members of the Board are resident in properties maintained by Homes in Somerset Limited and owned by the parent undertaking, Somerset Council. These residents have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefits as other tenants.

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**16. PENSION COMMITMENTS**

The Company operates a Defined Benefit Pension Scheme.

**Contributions**

The employers' contributions to the Local Government Pension Scheme for the year to 31 March 2025 were £573,000 (2024: £546,000).

The agreed employers' contribution rate is 19.9% (2024: 19.9%) of pensionable earnings. The employees' contribution rate is tiered starting at 5.5% for employees below £16,500, raising to 10.5% for our highest earning employee over £121k.

Reconciliation of present value of plan liabilities:

	2025 £000	2024 £000
<b>RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES</b>		
At the beginning of the year	17,341	17,277
Current service cost	470	476
Interest cost	845	816
Change in financial assumptions	(2,386)	(476)
Change in demographic assumptions	(39)	(214)
Experience loss/(gain) on defined benefit obligation	(37)	67
Estimated benefits paid net of transfers in	(729)	(829)
Past service costs, including curtailments	-	34
Contributions by Scheme participants and other employers	196	190
<b>AT THE END OF THE YEAR</b>	<b>15,661</b>	<b>17,341</b>

Reconciliation of present value of plan assets:

	2025 £000	2024 £000
At the beginning of the year	17,341	17,277
Interest on assets	973	836
Return on assets less interest	(550)	1,432
Administration expenses	(12)	(12)
Contributions by employer	571	575
Contributions by Scheme participants and other employers	196	190
Estimated benefits paid net of transfers in	(729)	(829)
Derecognition of surplus	(2,016)	(2,120)
Interest on impact of asset ceiling	(113)	(8)
<b>AT THE END OF THE YEAR</b>	<b>15,661</b>	<b>17,341</b>

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**16. PENSION COMMITMENTS (CONTINUED)**

Composition of plan assets:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Equity	<b>15,122</b>	14,492
Gilts	<b>746</b>	842
Other bonds	<b>2,382</b>	2,358
Property	<b>1,271</b>	1,373
Cash	<b>560</b>	567
<b>TOTAL PLAN ASSETS</b>	<b>20,081</b>	19,632

There is no provision for utilising the assets of a fund under the Local Government Pension Scheme. The above assets as a whole are allocated to participating bodies on a consistent and reasonable basis. The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. as at 1 April 2024 for the year to 31 March 2025). The return on gilts and other bonds is assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Fair value of plan assets	<b>15,661</b>	17,341
Present value of plan liabilities	<b>(15,661)</b>	(17,341)
<b>NET PENSION SCHEME LIABILITY</b>	<b>-</b>	-

The amounts recognised in profit or loss are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Current service cost	<b>(470)</b>	(510)
Interest on obligation	<b>(845)</b>	(816)
Interest income on plan assets	<b>860</b>	828
Administration charges	<b>(12)</b>	(12)
<b>TOTAL</b>	<b>(467)</b>	(510)

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**16. PENSION COMMITMENTS (CONTINUED)**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>5.85</b>	4.95
Future salary increases	<b>3.95</b>	3.85
Future pension increases	<b>2.95</b>	2.85
Proportion of employees opting for early retirement	<b>2.95</b>	2.85
Inflation assumption	<b>3.2</b>	3.15
Mortality rates		
- for a male aged 65 now	<b>21.1</b>	21.1
- at 65 for a male aged 45 now	<b>22.4</b>	22.4
- for a female aged 65 now	<b>23.0</b>	23.0
- at 65 for a female member aged 45 now	<b>24.4</b>	24.4

**17. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	<b>36,884</b>	36,884
Later than 1 year and not later than 5 years	<b>55,377</b>	92,261
	<b>92,261</b>	129,145

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**18. ULTIMATE CONTROLLING PARTY**

The ultimate parent undertaking and controlling party as at the 31 March 2025 is Somerset Council. The Company is wholly owned by the council.

The consolidated financial statements including the results of Homes in Somerset Limited are available from:

Somerset Council  
Council Buildings  
County Hall  
The Crescent  
Taunton  
TA1 4DY