

**SUPPLEMENT DATED 18 SEPTEMBER 2024 TO THE PROGRAMME ADMISSION PARTICULARS
DATED 18 JUNE 2024**



SOUTHERN HOUSING

(incorporated in England with limited liability under the Co-operative and Community Benefit Societies Act 2014 with registration number 8983 and registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011, with number 5171)

**£1,000,000,000
Note Programme**

This Supplement (the **Supplement**) to the Programme Admission Particulars (the **Programme Admission Particulars**) dated 18 June 2024, which comprises programme admission particulars for the purposes of the International Securities Market Rulebook effective as of 1 January 2021 (the **ISM Rulebook**), constitutes supplementary admission particulars for the purposes of paragraph 5 of section 3 of the ISM Rulebook and is prepared in connection with the £1,000,000,000 Note Programme (the **Programme**) established by Southern Housing (the **Issuer**).

Terms defined in the Programme Admission Particulars have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Admission Particulars.

The Issuer accepts responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

Purpose of the Supplement

The purpose of this Supplement is to update certain information in the sections entitled "*Description of the Issuer and the Southern Group*" and "*Alternative Performance Measures*".

Regulatory Judgement Update

The two paragraphs under the heading "*Regulatory Judgement*" in the section entitled "*Description of the Issuer and the Southern Group*" on page 137 of the Programme Admission Particulars shall be deleted and replaced with the following:

"Following a Regulatory Inspection, on 28 August 2024, the Regulator reaffirmed its regulatory judgement of the Issuer for financial viability of "V2" and upgraded its regulatory judgement of the Issuer for governance from "G2" to "G1". The G1 grade is the highest rating a housing provider can achieve and indicates that the Issuer has met the Regulator's governance requirements.

The Issuer also received a regulatory judgement for consumer standards of "C2". The Issuer aims to build upon its C2 rating by expanding and centralising its complaints team, bringing repair calls in-house in London and re-procuring two repairs contracts. The Issuer will also be working closely with its Resident Scrutiny Panel to make specific improvements in priority areas."

Alternative Performance Measures

The section entitled "*Alternative Performance Measures*" on pages 138 to 141 of the Programme Admission Particulars shall be deleted and replaced with the following:

"Alternative Performance Measures

The Issuer believes that certain financial measures that are not recognised by the Accounting Standards, but are derived from the information provided in the Issuer's consolidated financial statements, provide additional useful information regarding its ongoing operating and financial performance.

These measures are not recognised measures under the Accounting Standards, do not have standardised meanings prescribed by the Accounting Standards and should not be considered in isolation or construed to be alternatives to measures pursuant to the Accounting Standards including turnover, operating surplus (deficit) and total comprehensive income (deficit) for the period determined in accordance with the Accounting Standards. The Issuer's method of calculating these measures may differ from the method used by other entities, including other Registered Providers of Social Housing. Accordingly, certain of the financial performance measures presented in these Programme Admission Particulars may not be comparable to similarly titled measures used by other entities or in other jurisdictions, including other Registered Providers of Social Housing. Consequently, these measures should not be considered substitutes for the information contained in the Financial Statements incorporated by reference in the section headed "*Documents Incorporated by Reference*" below and should be read in conjunction therewith. More specifically the Financial Statements are produced for different audiences with differing requirements and definitions.

In particular, the Issuer uses the financial measures (as defined below) to evaluate its business performance. References in the table below to "Financial Statements" shall have the meaning given to it in the section headed "*Documents Incorporated by Reference*" below.

For the purposes of the tables below:

- **Balance Sheet** means the statement of financial position set out in the Issuer 2024 Financial Statements (as defined in the section headed "*Documents Incorporated by Reference*" below);
- **SOCI** means the statement of comprehensive income set out in the Issuer 2024 Financial Statements;
- all references to specific line items taken from the Issuer 2024 Financial Statements are to the line items in respect of the Issuer or the Southern Group; and
- all references to **Notes** are to the relevant note in the Issuer 2024 Financial Statements.

Financial Measure	Definition	Reconciliation	Additional Information
Gearing	Association only: Total housing loans adding Inter-company loan deducting Cash and cash equivalents adding Cash held for sinking funds adding Cash held for South East Consortium adding Restricted cash divided by Total housing properties at cost	All figures in this metric are association, except where stated. Total housing loans is taken from Note 25. Inter-company loan is taken from Note 25. Cash and cash equivalents is taken from Note 20. Cash held for sinking funds is taken from Note 20 (group). Cash held for South East Consortium is taken from Note 20 (group). Restricted cash is taken from Note 20 (group). Total housing properties at cost is taken from Note 13 in the cost section, in the At 31 March 2024 row, in the Total housing properties column.	Based on loan covenants.

Financial Measure	Definition	Reconciliation	Additional Information
Interest Cover	<p>Association only:</p> <p>Operating surplus</p> <p>adding Depreciation – housing properties</p> <p>adding Accelerated depreciation</p> <p>adding Impairment housing properties & stock</p> <p>adding Grant amortised</p> <p>divided by the net total of Interest and financing costs</p> <p>deducting Net interest on pension funds</p> <p>deducting Interest receivable</p>	<p>All figures in this metric are association.</p> <p>Operating surplus is taken from the SOCI.</p> <p>Depreciation - housing properties is taken from Note 5.</p> <p>Accelerated depreciation is taken from Note 5.</p> <p>Impairment housing properties & stock is taken from Note 5.</p> <p>Grant amortised is taken from Note 5.</p> <p>Interest and financing costs is taken from the SOCI.</p> <p>Net interest on pension funds is taken from Note 11.</p> <p>Interest receivable is taken from the SOCI.</p>	Based on loan covenants
EBITDA interest cover	<p>Operating Surplus</p> <p>adding Depreciation – housing properties</p> <p>adding Impairment of housing properties</p> <p>deducting Grant amortised</p> <p>divided by the net total of interest and financing costs and interest receivable</p>	<p>Operating Surplus is taken from the SOCI.</p> <p>Depreciation – housing properties is the sum of Depreciation –housing properties plus Accelerated depreciation on replaced components (taken from Note 5).</p> <p>Impairment housing properties is taken from Note 5.</p> <p>Grant amortised is taken from Note 5.</p> <p>Interest and financing costs is taken from the SOCI.</p> <p>Interest receivable is taken from the SOCI.</p>	Calculated on the basis of the Issuer's golden rules
EBITDA Major Repairs Included (excluding sales) net cash interest cover	<p>Operating Surplus</p> <p>deducting First tranche sales operating surplus / (deficit)</p> <p>deducting Market sales operating surplus / (deficit)</p> <p>deducting Surplus on disposal of housing properties</p> <p>adding Depreciation – housing properties</p> <p>adding Depreciation – other fixed assets</p> <p>adding Impairment of housing properties</p> <p>deducting Replaced components during the year</p> <p>deducting Grant amortised</p> <p>divided by the net total of Interest paid</p> <p>deducting Interest received</p>	<p>Operating Surplus is taken from the SOCI.</p> <p>First tranche sales operating surplus / (deficit) is taken from Note 3a.</p> <p>Market sales operating surplus / (deficit) is taken from Note 3a.</p> <p>Surplus on disposal of housing properties is taken from the SOCI.</p> <p>Depreciation – housing properties is the sum of Depreciation –housing properties plus Accelerated depreciation on replaced components (taken from Note 5).</p> <p>Depreciation - other fixed assets is taken from Note 5.</p> <p>Impairment of housing properties is taken from Note 5.</p> <p>Replaced components is taken from note 13.</p> <p>Grant amortised is taken from Note 5.</p>	<p>Calculated on the basis of the Issuer's golden rules.</p> <p>“Replaced Components” is the major repairs element.</p>

Financial Measure	Definition	Reconciliation	Additional Information
		Interest paid is taken from the consolidated statement of cash flows. Interest received is taken from the consolidated statement of cash flows.	
Social Housing Cost Per Unit	The Regulator of Social Housing requires standardised 'Value for Money' metrics which the Issuer also quotes in the Financial Statements. The methodology for these can be found at https://www.gov.uk/government/publications/value-for-money-metrics-technical-note		

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General

To the extent that there is any inconsistency between:

- (a) any statement in this Supplement or any statement incorporated by reference into the Programme Admission Particulars by this Supplement; and
- (b) any other statement in or incorporated by reference in the Programme Admission Particulars,

the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Programme Admission Particulars since the publication of the Programme Admission Particulars.