Regenda
Homes

# Regenda Limited

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2025**

**Co-operative and Community Benefit Society (FCA) No. 31240R**

**Regulator of Social Housing Number: L4653**

# Regenda Limited

**Report And Financial Statements**
**For the year ended 31 March 2025**

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**Members**

L Dixon (Chair)
M Birkett
T Jones
J Wood
M Pierre
V Gandhi
G Pink
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J Vincent

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# Regenda Limited

## Strategic Report
## For the year ended 31 March 2025

**Group highlights - five year summary**

| **Statement of comprehensive income** | **2025 £'000** | **2024 £'000** | **2023 £'000** | **2022 £'000** | **2021 £'000** |
|---|---|---|---|---|---|
| Turnover | 109,696 | 103,803 | 76,616 | 72,439 | 75,868 |
| Operating surplus | 18,443 | 13,493 | 9,262 | 11,791 | 16,825 |
| Surplus retained for the year | 8,916 | 4,523 | 221 | 1,349 | 8,789 |
| Actuarial gain/(loss) in pension scheme | 841 | (1,705) | (1,718) | 3,930 | (4,897) |
| **Statement of financial position** | | | | | |
| Housing properties net of depreciation | 518,400 | 499,259 | 492,135 | 490,645 | 490,544 |
| Investment properties | 32,448 | 31,483 | 31,423 | 29,966 | 28,363 |
| | 550,848 | 530,742 | 523,558 | 520,611 | 518,907 |
| Other fixed assets | 10,369 | 10,345 | 10,203 | 10,303 | 10,138 |
| Goodwill | 3,916 | 4,405 | 4,894 | - | - |
| Investment in associate | - | - | - | - | 184 |
| Fixed asset investments | 458 | 473 | 407 | - | - |
| Net current (liabilities)/assets | (1,132) | (877) | (5,886) | 524 | 7,723 |
| Total assets less current liabilities | 564,459 | 545,088 | 533,176 | 531,438 | 536,952 |
| Loans due over 1 year | 218,232 | 209,582 | 206,988 | 205,123 | 209,476 |
| Other long-term liabilities | 235,569 | 230,764 | 227,385 | 226,805 | 228,378 |
| Pension liability | 5,153 | 7,559 | 7,332 | 7,128 | 12,311 |
| Provisions for liabilities | 2,768 | 4,203 | 1,309 | 723 | 407 |
| Endowment reserves | 115 | 115 | 111 | 110 | 110 |
| Restricted reserves | 1,408 | 1,396 | 1,377 | 1,371 | 1,396 |
| Revenue reserves | 101,214 | 91,469 | 88,674 | 90,178 | 84,874 |
| | 564,459 | 545,088 | 533,176 | 531,438 | 536,952 |
| **Housing properties owned and managed at year end** | **Number** | **Number** | **Number** | **Number** | **Number** |
| Social housing | 12,613 | 12,607 | 12,691 | 12,741 | 12,777 |
| Non-social housing | 486 | 435 | 488 | 238 | 242 |
| | 13,099 | 13,042 | 13,179 | 12,979 | 13,019 |
| **Statistics** | | | | | |
| Operating surplus (excluding fixed asset disposals and revaluations) as % turnover | 14.25% | 11.30% | 9.30% | 15.18% | 19.99% |
| Operating margin - SH lettings | 24.62% | 19.03% | 19.7% | 22.80% | 28.92% |
| Rent losses (voids and bad debts as % of rent and service charges receivable) | 1.54% | 0.64% | 0.59% | 1.54% | 1.72% |
| Rent arrears (gross arrears as a % of rent and service charges receivable) | 4.35% | 5.08% | 5.58% | 5.69% | 5.65% |
| Interest cover EBITDA - MRI | 153.14% | 123.31% | 42.05% | 98.78% | 156.94% |
| Gearing (total loans/net housing fixed assets) | 40.00% | 40.00% | 41.31% | 40.00% | 38.84% |

**Value for money statement**

We aim to achieve value for money in all that we do. We believe that value for money means using our resources and assets economically, efficiently, and effectively, in achieving the outcomes of our strategic objectives, our core purpose, and in keeping with stakeholder expectations.

Our commitment to value for money is led by the board, shared across the Group and is embedded within our strategy.

**Core purpose and values**

We deliver our core purpose through a dynamic group of organisations (commercial and charitable entities) delivering very different but complementary activities. We work where we can make a difference and operate across the housing and construction, care and support, and training and employment sectors.

Our companies fundamentally exist to support the attainment of our core purpose, through the provision of services with clear social and economic outcomes.

With a charitable parent company, we are an independent social business. We define our operating philosophy as one that creates and pursues opportunities relentlessly to sustainably generate social value.

The successful attainment of our goals will ensure that we are a market-leading, high-performing organisation, fulfilling our core purpose of regenerating places by providing opportunities for people to advance their social and economic wellbeing.

Our Group includes:

- The provision of a comprehensive range of high-quality multi-tenure housing products and services, to reflect the dynamic nature of the housing market and the diversity of our customer.
- The provision of education, training, apprenticeship, career and personal development services and programmes that raise aspirations, improve life chances and ultimately enhance opportunities for fulfilling and sustainable employment.
- The provision of care and support services that assist individuals and families in accordance with their specific needs.

We have a clear approach to grow and diversify our activities to further both the progression of our core purpose and strengthen our financial position. Achieving our core purpose with limited and reducing recourse to public funding is our goal in this respect.

As a social business, we operate in some markets that traditionally private sectors choose not to enter, as the financial returns are not sufficiently attractive. However, these markets are crucial to the effective functioning of civil society in the UK and therefore an integral part of our core purpose to address such market needs, the desire sometimes means the need to subsidise them, and we will be open to such requirements in accordance with the financial capacity of our business plan.

Our values are the operating principles and philosophies that guide our internal conduct as well as our relationship with customers, partners and wider stakeholders.

**Core purpose and values** [Continued]

Our values are:

- Customer centric
- Communication
- Efficiency and value for money
- High performance
- One team
- Ambition and dynamism
- Openness and honesty

We assess how well we reflect these values in practice by consulting with staff, customers and other stakeholders, enabling them to exert influence on our policies and procedures.

**Operating context**

The social housing sector continues to face a difficult operating environment. Over recent years, the UK economy has faced persistently high inflation, higher borrowing costs, challenges accessing skilled labour, and a declining housing market. These challenges, together with wider global issues such as the Ukraine war and instability in the Middle East, continue to impact the housing sector.

Demand for more affordable homes and the need for significant investment in existing homes to deliver improvements to quality, building safety, and energy efficiency commitments, continue to feature as high priority within the sector.
The cost of living and incidence of financial hardship, fuel poverty and overall poverty is continuing to increase and impact on our customers. Our diverse service offer, incorporating quality housing, care and support, education and apprenticeships will be at the heart of helping people through difficult times.

Our group structure and objectives outlined within our Group Corporate Plan (2023-26) provides strong foundations to enable us to respond with confidence to the challenging and dynamic operating environment in which we work.

Whilst we continue to experience challenges with planning and supply chain pressures, our Group structure helps us to ensure that the group is protected from any potential contract failures as M&Y is financially strong and can deliver works required.

M&Y's inclusion in the group structure also enables the achievement of savings in VAT. The savings in input VAT are c£4m per annum. VAT can only be recovered to the extent that it is incurred while making taxable supplies. Rental income is exempt from VAT and therefore repairs, maintenance and major repairs activities attributable to this supply are therefore exempt. If these supplies were made by a third party, VAT charges to Regenda and Redwing for these activities would be irrecoverable. By having M&Y within the structure and within the VAT group, the group saves on the input VAT that would have been charged by a third party provider.

The integration of Ecogee Limited into the Group in 2023 builds upon our commitment to proactively respond to the environmental challenges that we all face, enabling us to deliver retrofit and energy improvement works required in the most cost-effective way while being protected from any potential contractor failures.

**Benchmark Group**

We compare our performance both to national-sector wide performance and to local housing providers of a similar size to us. We also review our performance over time. As the 2024/25 benchmarks are not yet available, we have used benchmark data for 2023/24 as a comparison.

| Metrics | National Benchmark Group | Local Peer Group |
|---|---|---|
| The Regulator of Social Housing VFM metrics | National median - all registered providers.<br><br>Source: Global accounts 2024 (all registered providers). | All traditional and LSVT (over 12 years) within the Northwest with between 10,00 and 20,000 units.<br><br>10 registered providers:<br>• Bolton At Home<br>• First Choice Homes Oldham<br>• ForHousing (Owned stock)<br>• Livv Housing Group<br>• Magenta Living<br>• One Vision Housing<br>• Plus Dane Housing<br>• Progress Housing Group<br>• Rochdale Boroughwide Housing<br>• Wythenshawe Community Housing Group |
| Operational performance metrics | HouseMark - National traditional registered providers and LSVTs with between 10,000 and 20,000 units (*up to 56 peer organisations). | HouseMark - Northwest traditional registered providers and LSVTs with between 10,000 and 20,000 units (*up to 17 peer organisations). |

The Group's Board and Executive Team use a key set of indicators to monitor performance and achievement of the Group's strategic aims and objectives. An overview of the Group's performance in the year compared to target, previous year actuals, and benchmark, is provided throughout this report.

The Group sets out its core purpose, and strategic aims and objectives within its Corporate Plan; with measurable targets to assess performance, over time and relative to others. Performance against the expected outcomes of the Corporate Plan is regularly assessed by the Executive Team and Board.

Value for money (VFM) is not just about reducing costs but also includes achieving efficiencies and generating more value from the resources we have and the investments we make. VFM is embedded within the annual planning process, ensuring it is part of all we do. Every year, we review our strategic priorities outlined within our Group Corporate Plan (GCP), together with associated performance targets to ensure they remain challenging and realistic. Customer feedback was considered when setting our targets, including input from our Resident Voice Panel (RVP), which is made up of residents' representatives from Regenda Homes and Redwing. In 2024/25, RVP directly influenced or spending and business plan priorities.

In 2024/25 we continued to adjust our services to respond to the current economic context of increasing cost of living, rising costs and increasing pressures within the labour market. We also restructured services based on feedback from customers on where we can make improvement.

**Value for money metrics**

To demonstrate the progress we are making, we report against the seven VFM metrics defined by the Regulator of Social Housing. Within this report you can review:

- Measurement against the targets we have set ourselves, and previous year's performance to show direction of travel.
- Comparison of our performance against other similar organisations.

We use this information to assess progress against our corporate objectives and to shape our improvement plans.

We publish performance against these metrics within this report, together with a summary VFM statement online and information within our annual report to ensure we are open and transparent.

**EBITDA-MRI**

Interest cover (at group level) achieved in the year was 153.14% (2024 123.3%). The main reasons for the improvement in this measure compared to the prior year are a £4.2m increase in operating surplus to £17.5m (the measure of operating surplus used in the calculation of EBITDA-MRI precludes the movement in the fair value of investment properties) this increase being partially offset by the effect of a £1.2m increase in capitalised expenditure and an almost £0.5m increase (year on year) in interest payable.

Turnover achieved in 2024/25 was £109.7m (2023/24 £103.8m) an increase of £5.9m (5.7%). This arose principally because of the rent increase permitted by the Rent Standard of CPI +1%. Operating expenditure in the year was £93.2m in the year (2023/24 £90.7m) an increase of £2.5m (2.8%).

EBITDA-MRI is forecast to reduce to 132%, 81% and 94% in year ended 2026, 2027 and 2028 respectively principally due to increased necessary asset expenditure on environmental, fire safety works and increasing amounts of interest payable.

NB: the above definition is stated as at consolidated level as required by the Regulator of Social Housing. Entity level data is monitored with regards to covenants set by our lenders and is within their 2024/25 target. Interest Cover performance for 2024/25 is compliant with lender covenants and the necessary carve out for environmental and fire safety works have been obtained to ensure that lender covenants are forecast to be complied with in future years.

**Operating margin**

Operating margin (overall) increased to 14.3% (from 11.3% 2023/24). Net operating surplus increased by £4.2m (compared to the previous year). The increase in provisions in Redwing in the year ended March 2024 was £4.2m. The increase in provisions in Redwing in the year ended March 2025 was £0.3m. So, a net reduction over the two years of £3.9m. Operating margin on social housing lettings increased markedly to 24.6% (from 19.0% 2023/24). Turnover from social housing lettings increased by £5.7m (8.8%). However operating costs only increased by £0.7m (1.3%) in the year. Resulting in an increase in operating surplus on social housing activities of £5.0m (40.8%).

The subsidiaries within the Group are vital to the delivery of our core purpose. In the year under review, the combined financial performance was a surplus in the subsidiaries collectively of £1.5m before gift aid payments. This compares to a loss in the previous year of £2.1m before payments of gift aid. This stated after gift aid of £1.35m (in 2023/24) was paid, compared to gift aid payments of £2.42m in the year 2024/25. The subsidiaries have sufficient cash and other reserves to continue their work and are not financially supported in any way by either Regenda or Redwing.

**Headline cost per property**

Outturn performance (social housing lettings) increased within the year by £93 per unit to £4,580 per unit and remains within target. This is below the national median (£5,070) when compared to 2023/24 Global Accounts data.

Total expenditure on capitalised components was £8.0m which was £1.1m higher in the year compared to the previous year. The £93 per unit overall increase is largely attributable to the increase in overall repairs, maintenance and capitalised component costs also management costs in the year these being slightly offset by reductions in the costs of other social housing activities.

**New supply**

Regenda has a track record in delivering new housing supply and refurbishing homes across a mix of tenures and continues to be a key partner of Homes England achieving significant allocations in the key programmes. We have combined commitments to delivering Homes England (HE) programmes with our own strategic growth objectives ensuring the HE programme supports these objectives. In 2024/25 we handed over sixty one new units. New Supply Social units' performance of 0.48%. Thirty nine units at Aigburth Road; eighteen affordable units at Mill Bank and four shared ownership units at Mill Bank.

**Gearing**

Gearing at the end of the year was 40.0% (2023/24 40.0%) This is a result of a total loan balance on the SOFP at year end of almost £224m, cash balance of slightly less than £18m and carrying value of housing tangible assets of £518m. Gearing is forecast to increase slightly to 43% by year end 2027/28. Remaining comfortably below the 60% covenant upper limit.

**Return on capital employed**

ROCE measures the return on capital employed so expresses the relationship of operating surplus over total assets less current liabilities. It has increased in the year by £4.2m to £17.5m (2023/24 £13.3m). As previously noted, the £4.2m increase in operating surplus in the year has been achieved largely as a result of a net reduction over the last year of £3.9m in provisions. ROCE achieved in the year was 3.1% (2023/24 2.4%). The sum of total assets less current liabilities was £564.7m (2023/24 £544.4m) an increase of £20.3m. ROCE is set to reduce over the next three years mirroring forecast EBITDA-MRI performance. This is principally due to increased, necessary, asset expenditure over the next few years.

**Additional metrics**

The Regulators mandatory metrics are finance and supply based and do not cover the breadth of our objectives, particularly those focussing on outcomes for customers and communities.

To address this, we have supplemented this VFM report with additional metrics including five identified by our involved customers as metrics that matter most to them.

**Additional metrics** [Continued]

| Metric | Actual | | | Benchmark | | |
|---|---|---|---|---|---|---|
| | 2022/23 | 2023/24 | 2024/25 | Target 2024/25 | National Median 2023/24* | Local Peer Group 2023/24* |
| **Business health** | | | | | | |
| Operating margin % (social housing lettings only) | 19.70% | 19.03% | 24.62% | 23.4% | 21.15% | 16.0% |
| Operating margin % (overall) | 9.30% | 11.30% | 14.25% | 15.0% | 15.0% | 12.3% |
| EBITDA-MRI interest cover % | 42.10% | 123.30% | 153.14% | 149.0% | 127.5% | 144.2% |
| **Development - capacity and supply** | | | | | | |
| New supply delivered % (social housing units (SH))) | 0.02% | 0.27% | 0.48% | 0.59% | 1.5% | 1.2% |
| New supply delivered % (non-social housing units) | 0.02% | 0.00% | 0.00% | 0.00% | NA | NA |
| Gearing % | 41.30% | 40.0% | 40.0% | 40% | 48.7% | 40% |
| **Outcomes delivered** | | | | | | |
| Net promoter score* | +34 | +47 | +53 | +50 | N/A | N/A |
| Reinvestment | 3.03% | 4.00% | 5.87% | 6.31% | 10% | 10% |
| Complaints responded to in target time (stage 1 - total)* | N/A | 96.90% | 96.5% | 100.0% | **91.1% | **95% |
| **Effective asset management** | | | | | | |
| Return on capital employed (ROCE) | 1.80% | 2.44% | 3.1% | 3.1% | 2.9% | 2.9% |
| Vacant and available to let (GN/HfOP) | 0.19% | 0.36% | 0.33% | N/A | **0.48% | **0.48% |
| Average time to relet a home time (GN/HfOP)* | 16.2 days | 15.69 days | 15.53 days | 14.00 days | **35.98 days | **27.1days |
| Average void cost (cost to repair and relet and empty home)* | £1,854 | £2,726 | £3,362 | £3,232 | **£5,088.93 | **£5,657 |
| **Operating efficiencies** | | | | | | |
| Headline social housing cost per unit | £4,451 | £4,487 | £4,580 | £4,713 | £4,566 | £4,493 |
| Income collection (cumulative GN/HfOP) | 99.20% | 99.30% | 100.7% | 99.6% | **100.53% | **99.67% |
| Tenancy turnover (GN/HfOP) | 7.10% | 6.10% | 5.6% | 7.0% | **6.3% | **5.95% |
| Tenancies terminating within 12 months* | 9.30% | 7.12% | 8.44% | 8.00% | NA | NA |

*metric monitored by Resident Voice Panel as metrics that matter most to customers.

** Benchmark metric includes supported homes, Regenda figures includes just GN and HfOP

**Business health**

Operating margins are a key measure of financial resilience. Margins across the social housing sector have been constrained in recent years as we face increasing costs. We continue to focus on delivering efficiencies and eliminating waste throughout our services. Our operating margin (overall) is slightly above our local peer group 2023/24 (12.3%).

**Development capacity and new supply**

We have delivered 62 units in 2024/25. These are broken down as follows:

- 22 at Mill Bank.
- 39 at Aigburth Road.
- 1 converted commercial property at Penkett Road. This was leased to Junos as accommodation for children.

Currently, we can confirm 269 future homes in our delivery pipeline over the next 5 years. Our future development strategy is scheduled to go to Board in December and following recent positive announcements about the Affordable Homes Programme and Rent Settlement all other existing sites and opportunities are being reviewed over the next 6 months by our development team with a view to potentially increasing this number. The 269 in the pipeline are broken down as follows:

- 215 homes at Grove Street future phases.
- 43 homes at New Ferry phase 2.
- 11 homes at Mather Avenue to be leased to Care Housing Association.

**Outcomes delivered**

Improving customer satisfaction continues to be a priority. Transforming and improving our repairs services has been a key area of focus within 2024/25 and we continue to work with customers to shape service delivery and improve communication into 2025/26.

National benchmark data against the Tenant Satisfaction Measures (TSMs) is not yet available for 2025/26 but we have used the previous year benchmark data to see how we compare.

Tenant satisfaction has improved across all metrics, demonstrating a positive shift in the quality of service and overall customer experience. These results reflect the strong commitment to listening to customers, addressing their concerns, and making targeted improvements where needed. Whilst there is significant improvement in satisfaction, we recognise that further work is needed to continually improve services.

Reinvestment in homes increased this year. Our projected performance reflects our ongoing commitment to the quality and safety of existing homes as well as deliver of new homes.

**Operating efficiencies**

Headline CPU in the year to March 2025 was £4,580 per social unit.

Rent collection performance continued to improve year on year despite the current operating environment and the cost-of-living crisis facing many customers. We continue to take a proactive, data-led approach to identify customers at risk of rent arrears to offer support. In 2024/25, we helped customers secure £3m in benefits and grants. £1.2m more than in 2023/24. This was money they were entitled to and was used to improve lives and sustain tenancies. We also have a hardship fund which supported 1,841 households within the year with food and fuel, to the value of £88,978.

**Effective asset management**

The return on capital employed (ROCE) metric compares our surplus to the value of properties held on our balance sheet.

The percentage of homes vacant and available to let (which affects our surplus) decreased during the year to 0.33% which is below the national average and also below the local average.

We have continued to work to improve the time it takes to let an empty home over recent years. Our performance in 2024/25 of 15.53 days (on average) places us with the top quartile (top 25%) when compared to our local peers. This helps to ensure that our homes do not remain empty for too long and improves our surplus.

**Tenant Satisfaction Measures (TSMs)**

Tenant Satisfaction Measures (TSMs) have been introduced by the Regulator of Social Housing to assess how well social housing landlords in England are doing at providing good quality homes and services. There are 22 TSMs. 12 come from customer surveys and 10 come from information we hold in our systems.

They aim to drive up standards and improve the quality of social housing, ensuring we can be held accountable for the quality of service we provide.

We have been monitoring similar measures for several years. This helps us to understand what matters most to customers, where we are doing things well, and where we need to improve. The findings help to shape our improvement plans for the year ahead.

76.6% of respondents to the TSM survey stated that they are satisfied (fairly or very) with the overall services provided by Regenda (improving from 71.5% in 2023/24). This compares well to the National Median of 71.3% in 2023/24 (NB: national data for 2024/25 is not available at the time of writing.)

TSM findings are reviewed by our Residents Voice Panel (RVP) and Risk and Audit Committee on a quarterly basis.

**Savings through procurement**

We have a decentralised model of procurement led by a small central team, providing advice and support to the Procurement Centre of Excellence (a small cross-functional team of champions responsible for driving efficiency through procurement and contract management in their respective areas).

In the period from April 2024 to March 2025, 15 contracts were awarded through procurement, of which seven generated anticipated total annual savings of £87k (8%) savings against anticipated spend of £1.08m per annum.

This includes (per annum):

| | | |
|---|---|---|
| Principal Designer | £17,342 | 17% |
| New eProcurement System | £16,255 | 57% |
| Construction Materials – Travis Perkins | £25,546 | 7% |
| Construction Materials – Huws Gray | £2,366 | 4% |
| Fire Risk Assessments | £4,362 | 2% |
| External Audit Finance | £8,292 | 4% |
| Arrears Payments System | £13,181 | 13% |

A spend analysis carried out in May 2025 identified c£515k per annum savings, comprising of c14 procurement exercises to be realised in 2025/26. This will be monitored by the Procurement Team and through targeted meetings with parties directly involved.

**Savings through procurement** [Continued]

For all procurement activities, we have targets of:

- 10% savings against budget/previous spend for new procurements.
- 5% for value engineering or re-negotiation.

These are ambitious targets intended to maximise the value of our supply chain and optimise savings where possible.

We recognise that it will not always be possible to generate savings where the market is moving in an upwards direction and are committed to exploring how we can do things differently. This includes reviewing opportunities for synergies and aggregation of spend within the Group. We regularly review our approach to procurement across the Group to identify improvement, efficiencies and opportunities to achieve high social value from the supply chain.

We continue to monitor market trends which may impact our ability to spend, and observe that construction costs remain high due to ongoing inflation on materials like concrete, timber, and steel, as well as continued labour shortages in key trades that affect the industry price.

We ensure timely planning of procurement activity ensuring all requirements are sourced in line with legal and regulatory requirements.

The use of a Dynamic Purchasing System (DPS) together with external frameworks help ensure timely and acceptable levels of competition in order to drive savings generation.

We will undertake a deeper analysis at category level to have a greater understanding of what portion and to what extent the Group spend is influenceable and use the findings to identify new opportunities.

There are currently 14 projects on the procurement plan for 2025-26 with a cumulative annual value of c.£5m.

**Financial projections**

The Group prepares a 30 year Financial Plan to demonstrate financial viability and support the delivery of its core purpose and long-term strategic objectives. The table below provides a backwards glance of our performance and sets out our financial projections for the next three years across the regulatory value for money metrics.

| | |
|---|---|
| Metric 1: | Reinvestment % |
| Metric 2 (a): | New supply delivered % (social housing units (SHL)) |
| Metric 2 (b): | New supply delivered % (non-social housing units) |
| Metric 3: | Gearing % |
| Metric 4: | EBITDA-MRI interest cover % |
| Metric 5: | Headline social housing cost per unit |
| Metric 6 (a): | Operating margin % (social housing lettings only) |
| Metric 6 (b): | Operating margin % (overall) |
| Metric 7: | Return on capital employed (ROCE) |

**Financial projections [Continued]**

| | Actual | | | | | Projections | | |
|---|---|---|---|---|---|---|---|---|
| Metric | 2022/23 | 2023/24 | 2024/25 | Target 2024/25 | Benchmark 2023/24* | 2025/26 | 2026/27 | 2027/28 |
| 1 | 3.03% | 4.00% | 5.87% | 6.31% | 6.00% | 4.53% | 4.44% | 5.29% |
| 2(a) | 0.02% | 0.27% | 0.48% | 0.59% | 0.48% | 1.00% | 0.35% | 0.09% |
| 2(b) | 0.02% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 3 | 41.30% | 40.00% | 40.00% | 40.00% | 40.00% | 40% | 41% | 43% |
| 4 | 42.10% | 123.30% | 153.14% | 149.0% | 149.5% | 132% | 81% | 94% |
| 5 | £4,451 | £4,487 | £4,580 | £4,713 | £4,850 | £4,997 | £5,684 | £5,724 |
| 6(a) | 19.70% | 19.03% | 24.62% | 23.40% | 24.62% | 15.79% | 11.46% | 12.76% |
| 6(b) | 9.30% | 11.30% | 14.25% | 15.00% | 14.24% | 11.65% | 8.95% | 9.96% |
| 7 | 1.80% | 2.40% | 3.10% | 3.10% | 3.10% | 2.48% | 2.96% | 2.15% |

**Benchmark is National Median 2023/24*

**Environmental, Social and Governance (ESG)**

We are invested in the communities in which we work and have a long-term interest in seeing them prosper. Much of what we do is aligned to the values of ESG. ESG can help us to measure, demonstrate and communicate our purpose to regenerate places and the impact that we make.

Understanding the positive impact we make will help to improve our services and may provide opportunities for us to secure socially responsible investment in the future. We have implemented the Sustainability Reporting Standard (SRS) which sets out criteria which align with the standards in the United Nations' Sustainable Development Goals, the Global Reporting initiative, and the Sustainability Accounting Standards Board.

Environmental: We will consider how well we are performing to protect and encourage a positive impact on the environment. We are committed to 'making conscious choices which commit to a sustainable future for our people, customers and communities'. Our Environmental Strategy (Board approved 2022) aims to make sustainability part of who we are, so that we can reduce carbon emissions throughout all our activities, and create better futures for all.

We have identified five strategic goals within our Environmental Strategy:

- Improve the energy efficiency of our homes and tackle fuel poverty for our customers.
- Reduce carbon emissions arising from our activities, and increase the use of 'green technology'.
- Improve business efficiency, reduce waste and purchase responsibility.
- Promote and create training, jobs and opportunities within the 'green economy'.
- Develop new homes which are net carbon, making use of responsive technologies.

**Environmental, Social and Governance (ESG)** [Continued]

**Social:** Our Group structure is dedicated to making a positive impact within the communities in which we work. This involves listening and acting on the customer voice, supporting people into employment and training, affordability, security and building safety and quality. Through our Social Value Strategy, we aim to optimise the impact of money we invest to deliver wider social benefits to our communities; providing opportunities for people to enhance their social and economic well-being and reduce the environmental impact of the Group.

Our Social Value Strategy (Board approved 2023) and identified the following strategic social value objectives:

- Challenge inequality and create opportunities in education, skills, training, and employment.
- Support our neighbourhoods and communities, providing safe, sustainable homes and tenancies.
- Protect the environment, improve sustainability, and reduce our carbon footprint.
- Improve staff wellbeing and development and promote fair pay and employment practices.
- Promote ethical procurement and promotion of inward investment to achieve our social purpose.

**Governance:** this includes how we are governed, our Board membership, our internal structures and financial viability, risk management, and Equality, Diversity and Inclusion (EDI). We have adopted the National Housing Federation Code of Governance (2020) ensuring that we have good governance based on accountability, integrity, openness, and equality and inclusion. By adopting this Code we are committed to ensuring the views of residents are at the heart of the decision making process, that effective measures are in place to keep people safe, and that Board has oversight of risk and thoroughly test the impact of potential risk scenarios on Regenda's future. Our self-assessment against the Code (reported to Board) demonstrates how we achieve this through our:

- Mission and values.
- Strategy and delivery.
- Board effectiveness.
- Control and assurance.

**Self assessment against the Sustainability Reporting Standards (SRS) framework**

We have implemented the SRS framework and carried out a self-assessment against each criterion contained within it. We have identified some areas for improvement which we are considering as part of our Group Corporate Plan and strategic approach.

| Environmental | |
|---|---|
| **Theme Name** | **Criteria we meet/can evidence** |
| Climate change | 83% |
| Ecology | 50% |
| Resource management | 67% |
| **Strengths** | |
| • Energy Performance Certificate (EPC) data known and plans in place to reach band C by 2030.<br>• New build properties compliant with EPC rating target of band C or above.<br>• Policies and procedures in place to cover the safe management and removal of pollutants e.g. Asbestos and mould.<br>• Consolidated approach to waste management and recycling. 97.6% waste diverted from landfill.<br>• GIS systems implemented with geospatial analysis of climate risk areas for our properties e.g. flood risk management. | |
| **Areas of improvement** | |
| • Draft Environmental Strategy being developed for implementation within the next year.<br>• Develop 'Greener Development Strategy'.<br>• Develop strategy for water management. | |

| Social | |
|---|---|
| **Theme Name** | **Criteria we meet/can evidence** |
| Affordability and security | 100% |
| Building safety and quality | 100% |
| Resident voice | 100% |
| Resident support | 100% |
| Place Making | 100% |
| **Strengths** | |
| • £70k issued in food vouchers during 24/25.<br>• £19k issued from the cost-of-living fund supporting customers with the cost of fuel.<br>• Tenant scrutiny of services through Resident Voice Panel.<br>• Customer Centric Clinics analyse customer feedback and devise plans to improve services.<br>• Compliant with Housing Ombudsman's code of practice.<br>• Financial Inclusion/Support team in place providing support to customers to maximise their income via benefit applications. | |
| **Areas of improvement** | |
| • Measuring success with community investment activities. | |

**Self assessment against the Sustainability Reporting Standards (SRS) framework** [Continued]

| Governance | |
|---|---|
| **Theme Name** | **Criteria we meet/can evidence** |
| Structure and governance | 100% |
| Board and Trustees | 100% |
| Staff wellbeing | 100% |
| Supply chain management | 100% |
| **Strengths** | |
| • Overarching assurance framework that is aligned to the risk management framework.<br>• Robust governance structure in place.<br>• The Regenda Group is an accredited Real Living Wage Employer.<br>• Internal training company provides staff with access to sponsored qualifications.<br>• EDI Strategy embedded across the Group.<br>• EDI training delivered to all staff and EDI ambassadors.<br>• Employee Assistance Programme available to all staff.<br>• Social activities for staff promoting health and wellbeing.<br>• Social Value embedded in tendering process. | |
| **Areas of improvement** | |
| • Gender pay reporting.<br>• Delivering on the plan to attain G1 rating. | |

We will continue to embed ESG within procurement activities moving forward in 2025/26 ensuring it is an integral part of our evaluation processes aligned to our core purpose.

**Efficiency savings and opportunities 2022-25**

It is a particularly challenging time for the Group and the sector as we face high inflation and interest rates, regulatory change, and the need to implement substantial building safety and environmental efficiency measures, all of which present significant costs and financial pressures on our business plan, operating margin, and interest cover covenants.

A review of our service standards in 2022 identified c.£9.67m savings opportunities that could be realised over three years through to 2025, aligned to our core purpose and the objectives of our Corporate Plan.

Through our revised Group Corporate Plan “Impact 2025”, our purpose remains to regenerate places, and our vision is to optimise our impact in doing so. To achieve this, we must strengthen our foundations to continue to ensure we are viable in the long-term.

In response to this, we carried out a review of our services and identified a range of potential savings which can be categorised as follows:

**a) Budgetary:** these savings contribute to a known value and can be taken out of the business with relative speed. Key examples include vacant posts/staffing changes and discretionary spend.

In 2024/25 we achieved budgetary savings of c.£1.98m against our target of £1.97m. This were made up of savings within staffing costs (c.£576,000), administration costs (c.£104,000) and the savings achieved following the Board strategic decision to review plans relating to the pension transfer (c.£1.3m). In 2024/25 staffing costs of c.£424k were achieved against a target of £355k.

**Efficiency savings and opportunities 2022-25** [Continued]

b) **Deferral/transfer:** these savings relate to the deferral or transfer of key projects, activities or assets which will positively impact the business plan/operating margin/loan covenants in the period(s) in which they occur (or ongoing in the case of transfer). Key examples include development schemes, capital scheme expenditure, and the potential transfer of stock within the Group.

Savings of £1.1m (Regenda Homes only) were achieved through the transfer of Trafford Hall in August 2023. No further deferrals or transfers were planned within the last financial year.

c) **Operating model and procurement:** these savings relate to our operating model, processes and procurement. The savings are estimates and will in some cases depend on the prevailing market conditions, and speed of implementation will be subject to resources and capacity. Key examples include our repairs pricing and delivery model, our approach to digital push/nudge, procurement of goods and services.

In 2024/25, we achieved procurement savings of £242k. Through the repairs transformation project savings of c.£50k were achieved; with a total of £424k staffing savings achieved in the period (captured in the budgetary savings set out above).  In 2025/26 £588k salary savings are anticipated (£430k Asset, £158k M&Y).

Where the anticipated procurement savings have not been achieved this is due to budget holder decisions not to reprocure the arrangements at the anticipated time; where it is simply due to timing these opportunities have been rolled into the plan for the following period so as not to be missed.

d) **Strategic:** these savings continue to be explored under strategic direction regarding potential impact, savings, and timescales. Key examples include the potential to consolidate, transfer premises or terminate leases. These will be explored in conjunction with the outcomes from our hybrid working approach, and relevant notice periods in to the next financial year.

| Savings Category | Savings target by year (Regenda Homes only) | | | Total | Impact to customer |
|---|---|---|---|---|---|
| | 2023/24 £ | 2024/25 £ | 2025 Onwards £ | £ | |
| **Budgetary** | 1.58m | 1.99m | 1.97m | **5.54m** | **Medium:** Less staff resource could delay response times and limit discretionary activities. |
| **Deferral or transfer** | 1.22m | - | - | **1,22m** | **Low:** Completion/ move dates may be pushed out, condition of communal areas/ schemes may be affected, and sale/ transfer of stock may impact customers subject to tenancy/ void status. |
| **Operating model and procurement** | 0.21m | 1.16m | 0.96m | **2.33m** | **High:** The new delivery model(s) will aim to increase our efficiency and effectiveness for our customers and our staff, focussing on what generates the greatest impact and value. Changes will be made with our customer at the centre – focussing on their satisfaction. We recognise however that change can be unsettling and takes time to bed in. We therefore anticipate an initial dip in satisfaction before it begins to increase (as reflected in our Group Corporate Plan targets). |
| **Strategic** | - | 0.34m | 0.24m | **0.58m** | **Low:** Limited customer impact subject to decisions around premises. |
| **Total** | 3.02m | 3.48m | 3.18m | **9.67m** | |
| **Growth** | - | 66k | 66k | 132k | |

**Risks and uncertainties**

The Group's key strategic risks are considered below:

| Key risk area<br>Strategic risk reference | Comment |
|---|---|
| **Financial SR01.2**<br>**SR04** | • The impact of welfare reforms continue to be a significant risk to the Group and the sector. Whilst dedicated resources have been increased to support both our tenants and the business, this is an area that will continue to be monitored very closely, particularly as universal credit continues to be introduced more widely. This monitoring will continue to be a focus for the business as the wider economic impact of the pandemic is being realised. |
| **SR05** | • The implications of the cost-of-living increases, rising inflation and energy prices on both customers and staff have been and continue to be a focus for the Group. This makes managing bad debts a key priority together with ensuring support is available to customers and staff suffering hardship. |
| **SR06** | • The impact of reduced grant funding for future developments, increased material costs and the instability of developers have been factored into.<br>• Financial plans and all proposed projects are subject to appropriate scrutiny. |
| **Staffing SR10** | • The Group has introduced hybrid working arrangements in order to attract and retain key talent and mitigate the impact of stressors on staff wellbeing. Staff numbers have been impacted throughout the year, but this has been managed to ensure services are not impacted. |
| **Property Management**<br>**SRF03** | • There has been an unprecedented increase in the volume of repairs being received which has resulted in a review of service standards in this area.<br>This has been communicated to customers and will remain a key focus for the Group over the next 12 months. |
| **Governance**<br>**SR01.1** | • There is a continuous review of the Group's governance arrangements in order to manage the Group's diversification and to ensure compliance with regulatory and statutory requirements.<br>• Our selective use of expert third party advisors and commitment to appraising and training board members and staff ensure that the Group is further supported when regulatory and legislative changes occur. |
| **SR01.3** | • A key focus this year has continued to be on succession planning which has led to the appointment of several new Non-Executive Directors. Responding to the requirements of the new consumer standards. |
| **Environment**<br>**SR02** | • To combat the risk of our inability to respond to the environmental and sustainability agenda, the Group has committed to delivering against its Environmental Strategy. |
| **Technology**<br>**SR09.1** | • The Group takes seriously the growing threat posed to global cyber security and the need for robust cyber security and data management. |
| **SR09.2** | • The Group is accredited with Cyber Essentials Plus and will continue operate all the internal controls required to maintain this accreditation. |

**Risks and uncertainties**

The Group's key strategic risks are considered below:

| Key risk area<br>Strategic risk reference | Comment |
|---|---|
| **Economic**<br>**SR08** | • In light of cost increases such as increased NI contributions, fire safety costs, environmental works, increases in repair volumes and material costs, the Group has continued to take steps to reduce its cost base, whilst continuing to focus on improving performance. |
| **SR10** | • The risk of increasing pension liabilities is continually considered, and professional actuarial advice is taken as necessary, including active monitoring of scheme deficits where separately identified for the Group. |

**Financial performance and position**

The Group's statement of comprehensive income and statement of financial position are shown on pages 32. The following paragraphs highlight key features of the Group's financial position at 31 March 2025.

**Accounting policies**

The Group's principal accounting policies are set out on pages 36-45 of the financial statements.

The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of interest and development administration costs, housing property depreciation, and treatment of shared ownership properties.

**Housing properties**

As at 31 March 2025, the Group owned and managed 13,099 housing properties and office and retail units (2024- 13,042). The properties were carried in the Statement of Financial Position at cost after depreciation of £551m (2024 - £531m). Investment in housing properties during the year was funded through a mixture of cash generated from operating activities and loan finance.

**Pension costs**

The Group continued to repay the deficit on past service costs for the SHPS scheme in the year and accounts for the scheme as a defined benefit scheme. Contributions paid are included in the pension costs disclosure in note 8 and further detail regarding the scheme can be found in note 32.

**Capital structure and treasury policy**

Details of the Group's borrowings and the related maturity profile are shown in note 29 to the financial statements. The Group borrows, principally from banks and building societies, at both fixed and floating rates of interest. At the year-end 72.1% (2024 – 76.2%) of the Group's borrowings were at fixed rates and a further £30m of debt was fixed on 1 April 2025, increasing the fixed rate percentage to 85.6%. The fixed rates of interest range from 3.0% through to a small amount of historical debt with interest of 10.4%, the current market long term fixed rates are around 5.0%. The Group's lending agreements require compliance with certain financial and non-financial covenants. The Group's position is monitored on an ongoing basis and reported to the Board each quarter. Recent reports confirmed that the group was compliant with its loan covenants at the balance sheet date and the Board expects to remain compliant in the foreseeable future.

The Group borrows only in sterling and so is not exposed to currency risk.

**Future developments**

A key influence on the timing of borrowings is the rate at which development and sales activity takes place. The Board has approved plans to spend c£19 million during the next financial year on development growth activity. This will be partly funded through sales income and social housing grant, with the balance through the Group's existing cash balances and loan facilities. Loan facilities as at 31 March 2025 of £70m are available under existing arrangements in addition to the Group's investment and cash balances.

**Statement of compliance**

In preparing this strategic report, the Board has followed the principles set out in the UK Generally Accepted Accounting Principles (UK GAAP) including FRS102 The Financial Reporting Standard appropriate in the UK and Republic of Ireland, and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

**Approval**

This strategic report was approved by the Board on 4th September 2025 and signed on its behalf by:

**L Dixon**
**Chair**

The Board of Regenda Limited ("the Association") presents its report, together with the audited financial statements of the Association and The Regenda Group ("the Group"), for the year ended 31 March 2025.

**Group structure and principal activities**

The Association is a public benefit entity administered by a voluntary board. The Group's and Association's principal activities are the development and management of social housing. The Group consists of the Association and the following active subsidiaries:

- **Redwing Living Limited:** a not for profit registered provider, established for over 30 years and offers private rented properties, leasehold and apartment block management, shared ownership and outright sales. The company also owns and manages commercial properties.
- **M&Y Maintenance & Construction Limited:** provides responsive repairs, planned works renewables and build services across the North West.
- **Petrus Community Limited:** Petrus is a registered charity which has been providing supported housing and services to homeless people since 1972.
- **The Learning Foundry Limited:** an education and training provider.
- **Centre 56 Limited:** a childcare provider, based in Liverpool, for women and children who have suffered, or are at risk of suffering domestic abuse.
- **National Communities Resource Centre Limited (NCRC):** Joined the group in 2020. NCRC has over twenty-five years' experience of delivering high quality, action-oriented training. Training typically falls into three categories: building resilience, engaging your community, and involving and empowering residents.
- **Ecogee Limited:** an energy and construction specialist company providing green energy solutions across the North West.
- **Regenda Developments Limited:** undertakes new development work for Regenda Limited, primarily in the field of social housing.

**Business review**

Details of the Group's performance for the year and future plans are set out in the Strategic Report.

Operating surplus achieved in the year is £18.4m (£13.5m 2024). The previous year's operating surplus was adversely affected due to the inclusion of £4.2m additional provision in the year in respect of additional required works at Preston Point, 9a Lydia Ann and 17 Lydia Ann.

Accounting adjustments recognised in Other Comprehensive Income increased the surplus in year by £0.84m. The adjustment wholly relates to actuarial gain in respect of the SHPS pension scheme which are outlined in note 32 of the financial statements. The gain was created from the effects of changes in the demographic and financial assumptions underlying the present value of the defined benefit obligation. Turnover achieved in 2024/25 was £109.7m (2023/24 £103.8m) an increase of £5.9m (5.7%). This arose principally because of the rent increase permitted by the Rent Standard of CPI +1%.Operating expenditure in the year was £93.2m in the year (2023/24 £90.7m) an increase of £2.5m (2.8%).

**Housing property assets**

Details of changes to the Group's housing property assets are shown in note 14 to the financial statements.

**Reserves**

Reserves after total comprehensive income of £9.8m million in the year (2024 - income of £2.8 million).

**Donations**

The Group made no charitable donations in the year (2024 - Nil) and made no political donations (2024 - £Nil) during the year.

**Payment of creditors**

The Group's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

**Employees**

The Group is committed to developing a culture in which equality and diversity is integral to all our activities, including the recruitment and development of staff. The Group aims to achieve an inclusive culture that respects and values differences and eliminates discrimination in all areas.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring their views are considered when decisions are made that are likely to affect their interests.

The Group shares information on its objectives, progress and activities through team meetings and the circulation of regular bulletins.

The Group undertakes an annual staff survey. In the latest survey we achieved three-star (world class) status and were named within the Top 100 Best Large Companies to Work For.

**Gender Pay Gap**

As part of our commitment to Equality, Diversity and Inclusion we recognise the importance of collecting data and effectively analysing our gender pay gap to identify areas of concern and guide effective action.

Since April 2017, all organisations in the UK with more than 250 employees have been required to publish details of their gender pay gap; in particular, the difference in average female earnings compared to average male earnings.

For Regenda Limited, based on data from 5 April 2025, these figures are:

- Mean gender pay gap = 17.0%
- Median gender pay gap = 7.4%
- Mean bonus gender pay gap = not applicable
- Median bonus gender pay gap = not applicable
- Percentage who received a bonus = 0% (not applicable)

The proportion of male and females in each pay quartile:

- Lower quartile = 24.7% male and 75.3% female
- Lower middle quartile = 24.7% male and 75.3% female
- Upper middle quartile = 29.4% male and 70.6% female
- Upper quartile = 39.3% male and 60.7% female

For comparison, the workforce composition is 29.5% male, 70.5% female overall.

The median gender pay gap across Regenda Limited on 5 April 2025 was 7.4%, which represents a slight increase when compared to last year's 4.7% gap, but continues to compare favourably to the national average gender pay gap of 13.1%.

**Gender Pay Gap** [Continued]

One remaining driver of our gender pay gap is a slight under-representation of women in the upper pay quartile. Whilst it is pleasing to see a significant increase in female representation in this quartile over recent years, including a further improvement this year, it remains the one area where females are under-represented when compared to the organisation at large.

Regenda is committed to supporting and promoting the principles of Equality, Diversity and Inclusion (ED&I). This commitment is embraced by our Executive Team and Group Board. It informs all our activities and their impact on our customers, colleagues and other stakeholders.

Our EDI Strategy sets out a purposeful and coordinated approach to improving equality, diversity and inclusion for our customers and workforce. Our EDI Ambassadors Group is driving our EDI Strategy forward across the organisation, with nominated champions at senior executive and Board level.

A key element of this is to improve our ability to collect and effectively analyse key EDI metrics, to identify issues and inform effective action. Reporting on the gender pay gap is a fundamental part of this approach and we have developed an improved suite of equality and diversity metrics, including recruitment and promotion related indicators, enabling better identification of any barriers to recruiting a more diverse workforce.

We will have also invested in an organisation-wide EDI training programme which has raised awareness of equality issues, worked to challenge unconscious bias and created an environment where staff and customers are able to thrive, equally, regardless of their background or status.

Our development and mentoring programme for aspiring leaders (LEAD) continues to help women (and men) develop the skills, confidence and aspiration to move into more senior roles, and provides access to mentoring from senior female role models.

To ensure our pay and reward offer is objective, fair and transparent we also commit to undertake regular, organisation-wide salary benchmarking exercises.

We raise aspirations, open up the world of work and challenge stereotypes in schools via Positive Footprints, whilst regularly showcasing women in non-typical roles (using some of our own women leaders as examples). We also create apprenticeship opportunities and through our work with schools, partners and our subsidiary training company, The Learning Foundry, to help promote aspiration, work placements and entry level roles to a diverse potential future workforce.

Regenda is committed to taking effective action that helps reduce our gender pay gap and will keep our workforce, Board and stakeholders regularly updated with progress towards achieving this.

**Health and safety**

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff with training and education on health and safety matters.

**Board members and executive directors**

Board members are drawn from a wide background bringing together a wealth of diverse and complementary skills and experience. The Board members who served during the year ended 31 March 2025 and subsequently were as follows:

| | |
|---|---|
| L Dixon (Chair) | S Bonnette (resigned 19 September 2024 |
| M Birkett | T Jones |
| J Wood | M Pierre |
| V Ghandi | G Pink |
| S Stubbs | S Parr |
| R Cressey | N Hibbert |

The Association employs a team of executive directors who provide Group wide executive level management support to all Group members.

The Association's executive directors who served during the year were as follows:

| | |
|---|---|
| M Birkett | Group Chief Executive |
| A Russell | Executive Director - Resources |
| S Harrison | Executive Director - Customer Services |
| G Kelly | Managing Director - M&Y Maintenance & Construction & Ecogee |
| L Burrows | Managing Director - NCRC & Centre 56 |
| A Andani | Executive Director - Property |

Executive directors hold no interest in the Association's shares or in the shares of any Group member. They act as directors within the authority delegated by the Board. Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Further details of executive directors' remuneration are disclosed under note 8.

**Code of governance**

The Group complies with the principal recommendations of the National Housing Federation's Code of Governance 2020 and the supporting Code of Conduct 2022 both of which have been adopted by the Parent Board and is applicable to all Group organisations.

**Resident involvement**

The Group actively encourages residents' involvement in decision-making by promoting mechanisms of resident involvement.

**Internal controls assurance**

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

**Internal controls assurance [Continued]**

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the annual report and financial statements.

Key elements of the internal control framework include:

- regular reporting to the Group's Boards on strategic objectives, financial and operating targets and outcomes including loan covenant compliance and liquidity requirements; health & safety compliance; complaints monitoring;
- a comprehensive approach to treasury management including an approved annual treasury strategy, policy and practices which are subject to specialist independent review at a Group level on an annual basis;
- robust strategic and business planning processes, with a group corporate plan, detailed financial plan, budgets and forecasts that are stress tested against a range of possible scenarios with recovery plans to mitigate the impact should these crystallise;
- an assets & liabilities register that is regularly reviewed to ensure that we understand our housing assets and security position and boards and management have swift access to this information in decision making and risk management;
- a series of self-assessments to give assurance that the relevant members of the Group are meeting the requirements set out in our adopted Code of Governance (National Housing Federation 2020), the Regulator of Social Housing's Regulatory Framework and the Housing Ombudsman Complaint Code, to ensure any areas of non-compliance are reported;
- a risk management framework that clearly defines management responsibilities for the identification, evaluation and control of significant risks. There is a continual review of risks across the Group that are then reported to the Risk & Audit Committee; the Senior Management Team have provided assurance that they understand and have reviewed the key risks that impact their areas of the business and that they are satisfied the right levels of internal controls are in place;
- established financial regulations including authorisation and appraisal procedures for all significant new initiatives and investment commitments;
- governance related policies including a Speak Up Policy;
- a governance framework that includes Board approved terms of reference and delegated authorities for Group Committees.
- recruitment, management and retention of board members, management and staff with the skills and competencies to ensure effective governance and management;
- an annual programme of internal audit reviews that are set and delivered under a risk-based methodology;
- audit recommendations are tracked by the Risk & Audit Committee to ensure they are implemented within the agreed timescales;
- a series of property compliance audits have been scheduled to be undertaken by the Group's Health and Safety Team in order to provide an assessment of the extent to which the Group can demonstrate that the current management and monitoring arrangements for the identified compliance areas are fit for purpose, comply with current legislative requirements and housing best practice and that delivery of the service is in accordance with the written policies and procedures currently in place.

The Board delegates authority to review the effectiveness of the systems of internal control to the Group's Risk and Audit Committee. The Board receives minutes of the Group's Risk and Audit Committee meetings.

**Internal controls assurance [Continued]**

The Group's Risk and Audit Committee has received the Director of Governance's annual review of the effectiveness of the system of internal control for the Group and the annual report of the internal auditor and has reported its findings to the Association's Board.

Having reviewed those reports and after receiving the view of the Risk and Audit Committee, the Board has concluded that the internal controls in operation have remained effective during the period under review.

**Regulatory framework**

In line with the Regulator of Social Housing's requirements under the Regulatory Framework, the Regenda Group confirms full compliance with the Governance & Financial Viability Standard for the year ended 31 March 2025 and up to the date of this report.

**General data protection regulation (GDPR)**

GDPR came into force on 25 May 2019 and the Regenda Group continues to comply with the legal requirements set out in this new legislation. A full compliance report is presented to the Group's Risk and Audit Committee on an annual basis.

**Modern slavery act 2015**

The Regenda Group complies with the requirements to publish a compliance statement relating to this legislation.

**Going Concern**

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board originally approved the Group's 2025/26 budget in March 2025 with the aim of adopting the approved budget as the base for the 30 business plan which was presented to the Board in May 2025.

The Board were presented with a range of scenarios and stress tests to fully understand the potential impact on the business plan, including significant reductions in rental income collected and changes to key assumptions, such as interest and inflation rates. Periodic reviews of the business plan are scheduled for the coming year to allow the Board and Executive Team to make any necessary changes and continue to deliver outstanding services in the safest way possible whilst following Government guidelines.

At 31 March 2025, the Group had in place loan facilities of £292.6m (2024 £278.7m), which included £75m of bank funded revolving credit facilities of which £70m was undrawn. This provide adequate resources to finance committed reinvestment and development programmes, along with the Group's Day to day operations. The Group also has a long-term business plan that demonstrates it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

**Annual general meeting**

The Report of the Board will be received at the annual general meeting, to be held on 18 September 2025 at The Foundry, 42 Henry Street, Liverpool, L1 5AY.

**Auditor**

In so far as each of the Board members are aware:

- There is no relevant audit information of which the Association's auditors are unaware; and
- The Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Mitchell Charlesworth (Audit) Limited have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

The Report of the Board was approved by the Board on 4th September 2025 and signed on its behalf by:

**L Dixon**
**Chair**

## Statement of Responsibilities of the Board for the Report and Financial Statements
## For the year ended 31 March 2025

The Board members are ultimately responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation and regulation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 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 members are ultimately responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them 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. They are also ultimately responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is ultimately responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

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

**Independent Auditor's Report to the Members of**

# Regenda Limited

**Opinion**

We have audited the financial statements of Regenda Limited (the 'parent association') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Group and the parent association's Statements of Comprehensive Income, the Group and the parent association's Statements of Changes in Reserves, the Group and the parent association's Statements of Financial Position, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 group's and of the parent association's affairs as at 31 March 2025 and of the group's and the parent association's surplus 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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, 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 association 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.

**Other information**

The Board is responsible for the other information. The other information comprises the information included in the Board Report, other than the financial statements and our auditor's report thereon. 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.

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 the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the parent association has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the 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 the Board's responsibilities set out on page 9, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines 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 is responsible for assessing the group's and the parent 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 intends to liquidate the group or the parent association or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

**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.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the association's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the association's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the association's Statement of Financial Activities, (ii) the association's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (III) the pension valuation, (iv) impairment of fixed assets. 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 also obtained an understanding of the legal and regulatory framework that the association 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 UK Companies Act and the Statement of Recommended Practice for registered social housing providers issued by the joint SORP making body .

In addition, we considered 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 association's ability to operate or to avoid a material penalty.

**Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- 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 making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications 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. This description forms part of our auditor's report.

**Use of the audit report**

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 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 as a body for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

**Mitchell Charlesworth (Audit) Limited**
**Statutory Auditors**

**Suites C, D, E & F**
**14th Floor, The Plaza**
**100 Old Hall Street**
**Liverpool**
**L3 9QJ**

**Date:** 5th September 2025

# Regenda Limited

## Consolidated and Association Statement of Comprehensive Income
## For the year ended 31 March 2025

| | Note | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|---|
| **Turnover** | 4 | **109,696** | 103,803 | **70,060** | 66,246 |
| Cost of sales | 4 | **(840)** | (1,422) | **(854)** | (1,478) |
| Operating costs | 4 | **(93,224)** | (90,651) | **(53,538)** | (49,663) |
| Gains on revalued investment properties | 15 | **945** | 208 | **875** | 85 |
| Surplus on sale of housing properties | 4, 10 | **1,866** | 1,555 | **1,512** | 2,155 |
| **Operating surplus** | 4, 7 | **18,443** | 13,493 | **18,055** | 17,345 |
| Interest receivable and other income | 11 | **510** | 263 | **374** | 101 |
| Interest receivable and similar charges | 12 | **(9,582)** | (9,735) | **(10,276)** | (10,389) |
| SHPS Pension net interest | 32 | **(325)** | (314) | **(325)** | (314) |
| Gift aid receivable | 39 | **-** | - | **2,173** | 1,000 |
| **Surplus/(deficit) on ordinary activities before taxation** | | **9,046** | 3,707 | **10,001** | 7,743 |
| Taxation on surplus/(deficit on ordinary activities | 13 | **(130)** | 816 | **-** | - |
| **Surplus for the year** | | **8,916** | 4,523 | **10,001** | 7,743 |
| **Other comprehensive income** | | | | | |
| Actuarial loss in respect of pension schemes | 32 | **841** | (1,705) | **841** | (1,705) |
| **Total comprehensive income/(expense) for the year** | | **9,757** | 2,818 | **10,842** | 6,038 |

The consolidated and Association's results relate wholly to continuing activities.

# Regenda Limited

## Consolidated and Association Statement of Financial Position
## For the year ended 31 March 2025

| Tangible fixed assets | Note | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|---|
| Social and non-social properties | 14 | **518,400** | 499,259 | **505,090** | 486,112 |
| Investment properties | 15 | **32,448** | 31,483 | **23,520** | 22,625 |
| | | **550,848** | 530,742 | **528,610** | 508,737 |
| Other tangible fixed assets | 16 | **10,095** | 10,202 | **6,041** | 6,070 |
| Goodwill | 18 | **3,916** | 4,405 | **-** | - |
| Other intangible fixed assets | 17 | **274** | 143 | **-** | - |
| Investments in subsidiaries | 19 | **-** | - | **8,381** | 8,381 |
| Fixed asset investment | 21 | **458** | 473 | **-** | - |
| | | **565,591** | 545,965 | **543,032** | 523,188 |
| **Current assets** | | | | | |
| Properties held for sale | 22 | **-** | 295 | **-** | 295 |
| Trade and other debtors | 24 | **16,601** | 14,477 | **6,301** | 5,643 |
| Stocks | 23 | **163** | 186 | **-** | - |
| Cash at bank and in hand | 25 | **17,828** | 16,866 | **8,116** | 6,810 |
| | | **34,592** | 31,824 | **14,417** | 12,748 |
| **Creditors: amounts falling due within one year** | 26 | **(35,724)** | (32,701) | **(42,110)** | (44,032) |
| **Net current liabilities** | | **(1,132)** | (877) | **(27,693)** | (31,284) |
| **Total assets less current liabilities** | | **564,459** | 545,088 | **515,339** | 491,904 |
| **Creditors: amounts falling due after more than one year** | 27 | **453,801** | 440,346 | **432,481** | 408,482 |
| **Provisions for liabilities** | 28 | **2,768** | 4,203 | **-** | - |
| **Net pension liability** | 32 | **5,153** | 7,559 | **5,153** | 7,559 |
| | | **461,722** | 452,108 | **428,634** | 416,041 |

# Regenda Limited

## Consolidated and Association Statement of Financial Position [Continued]
## For the year ended 31 March 2025

| | Note | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|---|
| **Capital and reserves** | | | | | |
| Non-equity share capital | **33** | **-** | - | **-** | - |
| Restricted reserve | **34** | **1,408** | 1,396 | **1,361** | 1,361 |
| Expendable endowments | **34** | **115** | 115 | **-** | - |
| Revenue reserve | **34** | **101,214** | 91,469 | **85,344** | 74,502 |
| **Group's/Association's funds** | | **102,737** | 92,980 | **86,705** | 75,863 |
| **Total liabilities and funds** | | **564,459** | 545,088 | **515,339** | 491,904 |

The financial statements were approved by the Board on 4th September 2025 and signed on its behalf by:

| | | |
|---|---|---|
| **L Dixon** | **M Birkett** | **J Vincent** |
| **Chair** | **Board Member** | **Secretary** |

The notes on pages 36 to 82 form part of these financial statements

## Consolidated and Association Statement of Changes in Reserves
## For the year ended 31 March 2025

| Group | Note | Endowment Reserve £'000 | Restricted Reserve £'000 | Revenue Reserve £'000 | Total £'000 |
|---|---|---|---|---|---|
| At 1 April 2023 | | 111 | 1,377 | 88,674 | 90,162 |
| Surplus for the year | | 4 | 19 | 4,500 | 4,523 |
| Actuarial loss relating to pension scheme | 32 | - | - | (1,705) | (1,705) |
| At 31 March 2024 | | 115 | 1,396 | 91,469 | 92,980 |
| At 1 April 2024 | | 115 | 1,396 | 91,469 | 92,980 |
| Surplus for the year | | - | 12 | 8,904 | 8,916 |
| Actuarial gain relating to pension scheme | 32 | - | - | 841 | 841 |
| **At 31 March 2025** | | **115** | **1,408** | **101,214** | **102,737** |

| Association | Note | Endowment Reserve £'000 | Restricted Reserve £'000 | Revenue Reserve £'000 | Total £'000 |
|---|---|---|---|---|---|
| At 1 April 2023 | | - | 1,361 | 68,464 | 69,825 |
| Surplus for the year | | - | - | 7,743 | 7,743 |
| Actuarial loss relating to pension scheme | 32 | - | - | (1,705) | (1,705) |
| At 31 March 2024 | | - | 1,361 | 74,502 | 75,863 |
| At 1 April 2024 | | - | 1,361 | 74,502 | 75,863 |
| Surplus for the year | | - | - | 10,001 | 10,001 |
| Actuarial loss relating to pension scheme | 32 | - | - | 841 | 841 |
| **At 31 March 2025** | | **-** | **1,361** | **85,344** | **86,705** |

The notes on pages 36 to 82 form part of these financial statements

# Regenda Limited

## Consolidated Statement of Cash Flows
## For the year ended 31 March 2025

| | Note | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| **Net cash generated from operating activities** | 38 | **18,235** | 22,878 |
| **Cash flow used in investing activities** | | | |
| Purchase of tangible fixed assets | | **(1,284)** | (1,161) |
| Acquisition and construction of properties | | **(27,716)** | (19,676) |
| Proceeds from sale of tangible fixed assets - housing | | **4,535** | 6,337 |
| Proceeds from sale of tangible fixed assets - other | | **238** | 14 |
| Grants received | | **8,652** | 5,247 |
| Interest received | | **510** | 263 |
| Net cash outflow on acquisition of subsidiary | | **-** | - |
| Purchase of fixed asset investments | | **-** | - |
| Cash inflow on disposal of trade and assets | | **-** | 149 |
| **Net cash outflow used in investing activities** | | **(15,065)** | (8,827) |
| **Cash flow used in financing activities** | | | |
| Interest paid | | **(11,160)** | (10,693) |
| New secured loans | | **15,000** | 20,000 |
| Debt issue costs incurred | | **-** | (275) |
| Repayment of borrowings | | **(6,048)** | (18,153) |
| **Net cash used in from financing activities** | | **(2,208)** | (9,121) |
| **Net change in cash and cash equivalents** | | **962** | 4,930 |
| **Cash and cash equivalents at beginning of year** | | **16,866** | 11,936 |
| Cash and cash equivalents at end of year | | **17,828** | 16,866 |

| **Net debt reconciliation** | 2024 £'000 | **Cash Flows £'000** | **Non-cash Flows £'000** | **2025 £'000** |
|---|---|---|---|---|
| Cash at bank and in hand | 16,866 | **962** | **-** | **17,828** |
| Bank loans (including issue costs) | (215,631) | **(8,078)** | **-** | **(223,709)** |
| Net debt | (198,765) | **(7,116)** | **-** | **(205,881)** |

The notes on pages 36 to 82 form part of these financial statements

**1. Legal status**

The Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. The Association is a public benefit entity.

**2. Accounting policies**

***Basis of accounting***

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Redwing Living Limited includes the Cooperative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland”, the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, “Accounting by registered social housing providers” 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements of the Group and Association have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Regenda Limited includes the Cooperative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, “Accounting by registered social housing providers 2018”, the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. it also requires management to exercise judgement in applying the Association’s accounting policies.

The financial statements are presented in Sterling (£) and rounded to the neared thousand pound.

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

**Basis of consolidation**

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March 2024.

The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the group.

Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

### 2. Accounting policies [Continued]

**Disclosure exemptions**

In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent Association;
- Disclosures in respect of the parent Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

**Going concern**

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Board originally approved the Group's 2025/26 budget in March 2025 with the aim of adopting the approved budget as the base for the thirty-year business plan which was presented to the Board in May 2025 The Board were presented with a range of scenarios and stress tests to fully understand the potential impact on the business plan, including significant reductions in rental income collected and changes to key assumptions, such as interest and inflation rates. Periodic reviews of the business plan are scheduled for the coming year to allow the Board and Executive Team to make any necessary changes and continue to deliver outstanding services in the safest way possible whilst following Government guidelines.

At 31st March 2025, the Group had in place loan facilities of £292.6m (2024 £278.7m), which included £75m of bank funded revolving credit facilities of which £70m was undrawn. Which the undrawn facilities provide adequate resources to finance committed reinvestment and development programmes, along with the Group's Day to day operations. The Group also has a long-term business plan that demonstrates it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

**Turnover and revenue recognition**

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point where properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. For other services supplied by group companies, turnover represents net invoiced sales of services excluding value added tax except in respect of service contracts where turnover is recognised when the company obtains the right to consideration. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

## 2. Accounting policies [Continued]

### Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

### Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses form a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax relating to investment property that is measured at fair value using the tax rates and allowances that apply to the sale of the asset, except for investment property that has a limited useful life and is held in a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in income and expenditure, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2. Accounting policies** [Continued]

**Value added tax**

The Group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

**Interest payable**

Interest is capitalised on borrowings to finance developments of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- a fair amount of interest on borrowings of the association as a whole after deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to income and expenditure in the year.

**Goodwill**

Upon the acquisition of a subsidiary, goodwill is initially measured as the excess of the cost of the business combination over the fair value of the net identifiable assets, liabilities, and contingent assets.

After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. An estimate An estimate of the useful life of the Goodwill will be made at acquisition and the Goodwill be amortised on a systematic basis over that life.

As part of the annual impairment review process, the value of goodwill is compared with the recoverable amount of the asset. In the event that the value of the goodwill is found to be less than the recoverable amount, the value of the impairment will be recognised in the accounts.

The goodwill arising upon the acquisition of Ecogee Limited on 3 March 2025 is amortised on a straight-line basis over its useful economic life which was considered to be 10 years. This balance will be disposed of once fully amortised.

**Valuation of investment**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2. Accounting policies** [Continued]

**Supported housing managed by agencies**

Social housing capital grants are claimed by the Group as developer and owner of the property and included in the consolidated statement of financial position. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Group and its managing agents and on whether the Group carries the financial risk.

Where the Group holds the support contract with the Supporting People Administering Authority and carries the financial risk, all of the project's income and expenditure is included in the Group's income and expenditure account.

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Group.

**Social housing and non-social housing properties**

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available to rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Expenditure on shared ownership properties is split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and relates to sales proceeds included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

**Government grants**

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities. Government grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

**2. Accounting policies [Continued]**

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the Group is required to recycle these proceeds and recognise them as a liability.

**Other grants**

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

**Depreciation of housing properties**

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

| | |
|---|---|
| Structure | 1.0% |
| Roofs | 2.0% |
| Kitchens | 5.0% |
| Bathrooms | 3.3% |
| Boilers | 6.6% |
| Central heating | 3.3% |
| Windows | 3.3% |

Freehold land is not depreciated.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Housing properties in the course of construction are stated at cost and not depreciated.

**Other tangible fixed assets**

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal terms used for other assets are:

| | | |
|---|---|---|
| Leasehold offices | - | 100 years |
| Furniture, fixtures and fittings | - | 10 years |
| Computers and office equipment | - | 2 to 8 years |
| Motor vehicles | - | 4 years |
| Scheme assets | - | 4 to 25 years |

## 2. Accounting policies [Continued]

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

**Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software - 3 years

**Investment properties**

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year-end, with changes in fair value recognised in income and expenditure.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases. Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rental payments under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

**Properties held for sale**

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

**Financial instruments**

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. Basic financial instruments are recognised initially at fair value and subsequently at amortised historic cost.

**2. Accounting policies [Continued]**

**Debtors**

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

**Cash**

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

**Creditors**

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

**Pensions**

The group participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). The scheme assets and liabilities have been separately identified for each employer, and the group has now been able to account for the scheme as a defined benefit scheme.

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates.

The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

**Provisions for liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount is expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate.

The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Group recognises a provision 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 provision is measured at the salary cost payable for the period of absence.

**2. Accounting policies [Continued]**

Fire safety remediation works include fire risk assessment of external walls (FRAEW), cladding remediation and a range of fire safety mitigation measures which include waking watch and installation of fire safety equipment. Works to Redwing/Regenda owned properties are recognised as capital expenditure where permitted by accounting policy. For leaseholder properties Redwing/Regenda recognise the expenditure in income and expenditure. Regenda/Redwing complies with all legislation for fire safety including but not limited to The Building Safety Act 2022, The Regulatory Reform (Fire Safety) Order 2005, The Fire Safety Act 2021. The Fire Safety (England) Regulations 2022.

**Liquid resources**

Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

**Reserves**

The group establishes restricted reserves for specific purposes where their use is subject to external restrictions. Included within this figure are a major repairs reserve and a sinking fund in relation to the Mountcroft scheme. Restricted reserves relate to Gift Aid reserves which have been carried forward since the entity, Regenda Limited, received was registered under the Co-operative and Community Benefit Societies Act in 2011. The movements in the year relate to movements in the reserves restricted within the subsidiary charities, which are restricted in for various reasons in line with the Charities' objectives.

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

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include:

Bad debt provision - Bad debts are provided for in line with the group's policy. This includes a judgement as to the recoverability of certain debts, including tenant rental debtors. This is also monitored in the group's management accounts. Please refer to note 23 for further detail.

Investment property valuations - Commercial properties are valued each year by externally appointed valuers and their market value reflected in the financial statements. Please refer to note 15 for further detail.

***Impairment***

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the estimated recoverable amount. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

At Regenda, investments in subsidiaries are measured at cost less accumulated impairment. If evidence from internal financial reporting indicates that the economic performance of the asset was, or will be, worse than expected this will trigger an impairment of its carrying value.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty [Continued]**

***Capitalisation of property development costs***

Distinguishing the point at which the project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required. These costs will include an element of staff management time and the apportionment of these is monitored regularly to ensure consistency over costs charged to particular schemes.

***Estimation uncertainty***

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

***Useful lives of depreciable assets***

Management reviews its estimates of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

***Defined benefit pension scheme assumptions***

Pension figures in these accounts are prepared by independent actuaries. In preparing the figures the actuaries use a number of judgements based on the latest available financial and actuarial information available.

***Provisions***

An original provision of £1.3m was provided for defect works on 30 properties at Hornby Road, Caton following the collapse of the house builder Mulbury Homes Ltd, leaving Redwing liable for the works as the developer. The scope of works covers external defects including cladding replacement and rendering, window detailing and the movement of electric charging points, with the provision also providing for all enabling and access costs that go along with this such as scaffolding. A detailed analysis of the total cost involved, by element of repair has been produced by M&Y. The Caton provision relates to defect works on 30 properties following the collapse of the house builder Mulbury Homes Ltd.

Additional provisions this year include provisions of £114k for fire remediation works and £116k for lift repairs.

## 4. Turnover, cost of sales, operating costs and operating surplus

| Group | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Turnover £'000 | Cost of Sales £'000 | Operating Costs £'000 | Gain on Disposal of Housing Properties £'000 | Profit on Revalued Investments £'000 | Operating Surplus/ (Deficit) £'000 |
| **Income and expenditure from social housing activities** | | | | | | |
| Housing accommodation | 52,951 | - | (40,541) | - | - | 12,410 |
| Supported housing | 14,051 | - | (9,863) | - | - | 4,188 |
| Low cost home ownership | 3,750 | - | (2,931) | - | - | 819 |
| | 70,752 | - | (53,335) | - | - | 17,417 |
| **Other social housing activities** | | | | | | |
| Supporting people contract income | 315 | - | (315) | - | - | - |
| Development costs not capitalised | - | - | - | - | - | - |
| Management services income | 601 | - | (566) | - | - | 35 |
| Community regeneration income | - | - | (66) | - | - | (66) |
| Other social housing activities | - | - | - | - | - | - |
| First tranche property sales | 338 | (840) | - | - | - | (502) |
| Partners | 2,349 | - | (2,101) | - | - | 248 |
| Gain on disposal of fixed assets | - | - | - | 1,866 | - | 1,866 |
| | 3,603 | (840) | (3,048) | 1,866 | - | 1,581 |
| **Non-social housing activities** | | | | | | |
| Lettings | 2,502 | - | (4,016) | - | - | (1,514) |
| Other | 32,839 | - | (32,336) | - | 945 | 1,448 |
| Goodwill | - | - | (489) | - | - | (489) |
| | 35,341 | - | (36,841) | - | 945 | (555) |
| **Total** | 109,696 | (840) | (93,224) | 1,866 | 945 | 18,443 |

**4. Turnover, cost of sales, operating costs and operating surplus [Continued]**

**Group** — 2024

| | Turnover £'000 | Cost of Sales £'000 | Operating Costs £'000 | Gain on Disposal of Housing Properties £'000 | Profit on Revalued Investments £'000 | Operating Surplus/ (Deficit) £'000 |
|---|---|---|---|---|---|---|
| **Income and expenditure from social housing activities** | | | | | | |
| Housing accommodation | 50,111 | - | (42,048) | - | - | 8,063 |
| Supported housing | 11,394 | - | (7,669) | - | - | 3,725 |
| Low cost home ownership | 3,509 | - | (2,923) | - | - | 586 |
| | 65,014 | - | (52,640) | - | - | 12,374 |
| **Other social housing activities** | | | | | | |
| Supporting people contract income | 385 | - | (385) | - | - | - |
| Development costs not capitalised | - | - | (38) | - | - | (38) |
| Management services income | 645 | - | (266) | - | - | 379 |
| Community regeneration income | 58 | - | (97) | - | - | (39) |
| Other social housing activities | - | - | (76) | - | - | (76) |
| First tranche property sales | 1,346 | (1,422) | - | - | - | (76) |
| Petrus income | 4,036 | | (4,029) | | | 7 |
| Rent refunds | (4) | - | - | - | - | (4) |
| Gain on disposal of housing properties | - | - | - | 1,555 | - | 1,555 |
| | 6,466 | (1,422) | (4,891) | 1,555 | - | 1,708 |
| **Non-social housing activities** | | | | | | |
| Lettings | 2,076 | - | (4,249) | - | - | (2,173) |
| Other | 30,247 | - | (28,871) | - | 208 | 1,584 |
| | 32,323 | - | (33,120) | - | 208 | (589) |
| **Total** | 103,803 | (1,422) | (90,651) | 1,555 | 208 | 13,493 |

## 4. Turnover, cost of sales, operating costs and operating surplus [Continued]

| Association | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Turnover £'000 | Cost of Sales £'000 | Operating Costs £'000 | Gain on Disposal of Housing Properties £'000 | Profit on Revalued Investments £'000 | Operating Surplus/ (Deficit) £'000 |
| **Income and expenditure from social housing activities** | | | | | | |
| Housing accommodation | 52,164 | - | (40,712) | - | - | 11,452 |
| Supported housing | 13,740 | - | (9,578) | - | - | 4,162 |
| Low cost home ownership | 1,401 | - | (1,101) | - | - | 300 |
| | 67,305 | - | (51,391) | - | - | 15,914 |
| **Other social housing activities** | | | | | | |
| Supporting people contract income | 315 | - | (315) | - | - | - |
| Development costs not capitalised | - | - | - | - | - | - |
| Management services income | 142 | - | (99) | - | - | 43 |
| Community regeneration income | - | - | (66) | - | - | (66) |
| Other social housing activities | - | - | - | - | - | - |
| First tranche property sales | 352 | (854) | - | - | - | (502) |
| Rent refunds | - | - | - | - | - | - |
| Gain on disposal of housing properties | - | - | - | 1,512 | - | 1,512 |
| | 809 | (854) | (480) | 1,512 | - | 987 |
| **Non-social housing activities** | | | | | | |
| Lettings | 1,774 | - | (863) | - | - | 911 |
| Other | 172 | - | (804) | - | 875 | 243 |
| | 1,946 | - | (1,667) | - | 875 | 1,154 |
| **Total** | 70,060 | (854) | (53,538) | 1,512 | 875 | 18,055 |

## 4. Turnover, cost of sales, operating costs and operating surplus [Continued]

| **Association** | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Turnover £'000 | Cost of Sales £'000 | Operating Costs £'000 | Gain on Disposal of Housing Properties £'000 | Profit on Revalued Investments £'000 | Operating Surplus/ (Deficit) £'000 |
| **Income and expenditure from social housing activities** | | | | | | |
| Housing accommodation | 49,335 | - | (39,390) | - | - | 9,945 |
| Supported housing | 11,088 | - | (7,380) | - | - | 3,708 |
| Low cost home ownership | 1,175 | - | (915) | - | - | 260 |
| | 61,598 | - | (47,685) | - | - | 13,913 |
| **Other social housing activities** | | | | | | |
| Supporting people contract income | 385 | - | (385) | - | - | - |
| Development costs not capitalised | - | - | (38) | - | - | (38) |
| Management services income | 138 | - | (109) | - | - | 29 |
| Community regeneration income | 58 | - | (97) | - | - | (39) |
| Other social housing activities | - | - | (76) | - | - | (76) |
| First tranche property sales | 1,402 | (1,478) | - | - | - | (76) |
| Rent refunds | - | - | (4) | - | - | (4) |
| Gain on disposal of housing properties | - | - | - | 2,155 | - | 2,155 |
| | 1,983 | (1,478) | (709) | 2,155 | - | 1,951 |
| **Non-social housing activities** | | | | | | |
| Lettings | 1,706 | - | (813) | - | - | 893 |
| Other | 959 | - | (456) | - | 85 | 588 |
| | 2,665 | - | (1,269) | - | 85 | 1,481 |
| **Total** | 66,246 | (1,478) | (49,663) | 2,155 | 85 | 17,345 |

## 5. Particulars of income and expenditure from social housing lettings

| Group | 2025 | | | |
|---|---|---|---|---|
| | General Needs £'000 | Supported Housing and Housing for Older People £'000 | Low Cost Home Ownership £'000 | Total £'000 |
| **Turnover from social housing activities** | | | | |
| Rent receivables net of identifiable service charges | 48,441 | 8,076 | 2,246 | 58,763 |
| Charges for support services | 8 | 65 | - | 73 |
| Service income | 2,146 | 5,411 | 1,427 | 8,984 |
| Other income | 8 | - | 77 | 85 |
| Amortised government grants | 2,348 | 499 | - | 2,847 |
| Other revenue grants | - | - | - | - |
| **Turnover from social housing lettings** | 52,951 | 14,051 | 3,750 | 70,752 |
| **Expenditure on social housing activities** | | | | |
| Management | (10,292) | (267) | (147) | (10,706) |
| Services | (2,209) | (4,836) | (1,698) | (8,743) |
| Routine maintenance | (9,870) | (1,829) | (193) | (11,892) |
| Planned maintenance | (5,239) | (777) | (382) | (6,398) |
| Major repairs expenditure | (4,828) | (1,010) | (53) | (5,891) |
| Bad debts | (268) | (57) | (4) | (329) |
| Depreciation of housing properties | (7,666) | (964) | (160) | (8,790) |
| Impairment of housing properties | 565 | - | - | 565 |
| Component write offs | (372) | - | - | (372) |
| Other costs | (362) | (123) | (294) | (779) |
| **Operating costs on social housing lettings** | (40,541) | (9,863) | (2,931) | (53,335) |
| **Operating surplus on social housing letting activities** | 12,410 | 4,188 | 819 | 17,417 |
| **Void losses** | 199 | 528 | 2 | 729 |

**5. Particulars of income and expenditure from social housing lettings [Continued]**

| **Group** | 2024 | | | |
|---|---|---|---|---|
| | General Needs £'000 | Supported Housing and Housing for Older People £'000 | Low Cost Home Ownership £'000 | Total £'000 |
| **Turnover from social housing activities** | | | | |
| Rent receivables net of identifiable service charges | 45,851 | 7,210 | 2,054 | 55,115 |
| Charges for support services | 7 | 74 | - | 81 |
| Service income | 1,899 | 3,608 | 1,113 | 6,620 |
| Other income | 9 | 0 | 342 | 351 |
| Amortised government grants | 2,345 | 502 | - | 2,847 |
| Other revenue grants | - | - | - | - |
| **Turnover from social housing lettings** | 50,111 | 11,394 | 3,509 | 65,014 |
| **Expenditure on social housing activities** | | | | |
| Management | (9,795) | (320) | (124) | (10,239) |
| Services | (2,014) | (3,421) | (1,459) | (6,894) |
| Routine maintenance | (8,006) | (1,325) | (83) | (9,414) |
| Planned maintenance | (11,525) | (1,068) | (822) | (13,415) |
| Major repairs expenditure | (1,526) | (368) | - | (1,894) |
| Bad debts | (592) | (67) | (2) | (661) |
| Depreciation of housing properties | (7,333) | (990) | (308) | (8,631) |
| Impairment of housing properties | (377) | - | - | (377) |
| Component write offs | (344) | - | - | (344) |
| Other costs | (536) | (110) | (125) | (771) |
| **Operating costs on social housing lettings** | (42,048) | (7,669) | (2,923) | (52,640) |
| **Operating surplus on social housing letting activities** | 8,063 | 3,725 | 586 | 12,374 |
| **Void losses** | (253) | (379) | - | (632) |

## 5. Particulars of income and expenditure from social housing lettings [Continued]

| Association | 2025 | | | |
|---|---|---|---|---|
| | General Needs £'000 | Supported Housing and Housing for Older People £'000 | Low Cost Home Ownership £'000 | Total £'000 |
| **Turnover from social housing activities** | | | | |
| Rent receivables net of identifiable service charges | 48,144 | 7,866 | 786 | 56,796 |
| Charges for support services | 8 | 65 | - | 73 |
| Service income | 2,066 | 5,355 | 615 | 8,036 |
| Other income | 8 | - | - | 8 |
| Other revenue grants | - | - | - | - |
| Amortised government grants | 1,938 | 454 | - | 2,392 |
| **Turnover from social housing lettings** | 52,164 | 13,740 | 1,401 | 67,305 |
| **Expenditure on social housing activities** | | | | |
| Management | (10,594) | (255) | (15) | (10,864) |
| Services | (2,140) | (4,755) | (750) | (7,645) |
| Routine maintenance | (9,785) | (1,770) | (64) | (11,619) |
| Planned maintenance | (5,179) | (689) | (46) | (5,914) |
| Major repairs expenditure | (4,828) | (1,010) | (53) | (5,891) |
| Bad debts | (267) | (59) | (2) | (328) |
| Depreciation of housing properties | (7,292) | (919) | (135) | (8,346) |
| Impairment of housing properties | 565 | - | - | 565 |
| Component write offs | (372) | - | - | (372) |
| Other costs | (820) | (121) | (36) | (977) |
| **Operating costs on social housing lettings** | (40,712) | (9,578) | (1,101) | (51,391) |
| **Operating surplus on social housing letting activities** | 11,452 | 4,162 | 300 | 15,914 |
| **Void losses** | (199) | (528) | (2) | (729) |

## 5. Particulars of income and expenditure from social housing lettings [Continued]

| **Association** | 2024 | | | |
|---|---|---|---|---|
| | General Needs £'000 | Supported Housing and Housing for Older People £'000 | Low Cost Home Ownership £'000 | Total £'000 |
| **Turnover from social housing activities** | | | | |
| Rent receivables net of identifiable service charges | 45,559 | 7,012 | 719 | 53,290 |
| Charges for support services | 7 | 74 | - | 81 |
| Service income | 1,840 | 3,546 | 456 | 5,842 |
| Other income | - | - | - | - |
| Other revenue grants | - | - | - | - |
| Amortised government grants | 1,929 | 456 | - | 2,385 |
| **Turnover from social housing lettings** | 49,335 | 11,088 | 1,175 | 61,598 |
| **Expenditure on social housing activities** | | | | |
| Management | (10,097) | (308) | (22) | (10,427) |
| Services | (1,943) | (3,371) | (705) | (6,019) |
| Routine maintenance | (7,979) | (1,264) | (31) | (9,274) |
| Planned maintenance | (8,616) | (954) | (13) | (9,583) |
| Major repairs expenditure | (1,526) | (368) | - | (1,894) |
| Bad debts | (591) | (62) | (1) | (654) |
| Depreciation of housing properties | (7,047) | (937) | (117) | (8,101) |
| Impairment of housing properties | (378) | - | - | (378) |
| Component write offs | (344)- | - | - | (344) |
| Other costs | (869) | (116) | (26) | (1,011) |
| **Operating costs on social housing lettings** | (39,390) | (7,380) | (915) | (47,685) |
| **Operating surplus on social housing letting activities** | 9,945 | 3,708 | 260 | 13,913 |
| **Void losses** | (253) | (379) | - | (632) |

**6. Accommodation in management and development**

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

| **Group** | 31 March 2024 Units | **New Stock Bought/ Developed Units** | **Sold/ Demolished Units** | **Transactions With Other RPs Units** | **Other Movements Units** | **31 March 2025 Units** |
|---|---|---|---|---|---|---|
| **Social housing** | | | | | | |
| General housing - social | 8,467 | **39** | **(33)** | **-** | **14** | **8,487** |
| General housing - affordable | 690 | **18** | **(1)** | **-** | **-** | **707** |
| Supported housing and housing for older people - social | 1,756 | **-** | **(30)** | **-** | **1** | **1,727** |
| Supported housing and housing for older people - affordable | 88 | **-** | **-** | **-** | **-** | **88** |
| Low-cost home ownership | 1,118 | **4** | **(17)** | **-** | **3** | **1,108** |
| Total social housing owned and managed | 12,119 | **61** | **(81)** | **-** | **18** | **12,117** |
| Social leasehold units owned | 488 | **-** | **-** | **-** | **8** | **496** |
| **Total social housing** | 12,607 | **61** | **(81)** | **-** | **26** | **12,613** |
| **Non-social housing** | | | | | | |
| Market rented | 346 | **-** | **-** | **-** | **43** | **389** |
| Office and retail units owned by the Association | 39 | **-** | **-** | **-** | **-** | **39** |
| Leasehold units owned | 50 | **-** | **-** | **-** | **8** | **58** |
| Total non-social housing | 435 | **-** | **-** | **-** | **51** | **486** |
| **Total owned and managed** | 13,042 | **61** | **(81)** | **-** | **77** | **13,099** |
| Accommodation in development at the year end | 211 | **-** | **-** | **-** | **-** | **138** |

### 6. Accommodation in management and development [Continued]

| **Group** | 31 March 2023 Units | New Stock Bought/ Developed Units | Sold/ Demolished Units | Transactions With Other RPs Units | Other Movements Units | 31 March 2024 Units |
|---|---|---|---|---|---|---|
| **Social housing** | | | | | | |
| General housing - social | 8,657 | 14 | (95) | - | (109) | 8,467 |
| General housing - affordable | 579 | - | - | - | 111 | 690 |
| Supported housing and housing for older people - social | 1,765 | - | (7) | - | (2) | 1,756 |
| Supported housing and housing for older people - affordable | 88 | - | - | - | - | 88 |
| Low-cost home ownership | 1,055 | 20 | (16) | - | 59 | 1,118 |
| Total social housing owned and managed | 12,144 | 34 | (118) | - | 59 | 12,119 |
| Social leasehold units owned | 547 | - | - | - | (59) | 488 |
| **Total social housing** | 12,691 | 34 | (118) | - | - | 12,607 |
| **Non-social housing** | | | | | | |
| Market rented | 408 | - | - | - | (62) | 346 |
| Office and retail units owned by the Association | 39 | - | - | - | - | 39 |
| Leasehold units owned | 41 | - | - | - | 9 | 50 |
| Total non-social housing | 488 | - | - | - | (53) | 435 |
| **Total owned and managed** | 13,179 | 34 | (118) | - | (53) | 13,042 |
| Accommodation in development at the year end | 110 | - | - | - | - | 211 |

### 6. Accommodation in management and development [Continued]

| **Association** | 31 March 2024 Units | **New Stock Bought/ Developed Units** | **Sold/ Demolished Units** | **Transactions With Other RPs Units** | **Other Movements Units** | **31 March 2025 Units** |
|---|---|---|---|---|---|---|
| **Social housing** | | | | | | |
| General housing - social | 8,333 | **39** | **(32)** | **-** | **69** | **8,409** |
| General housing - affordable | 688 | **18** | **(1)** | **-** | **-** | **705** |
| Supported housing and housing for older people | 1,692 | **-** | **(30)** | **-** | **1** | **1,663** |
| | 88 | **-** | **-** | **-** | **-** | **88** |
| Low-cost home ownership | 490 | **4** | **(7)** | **-** | **(48)** | **439** |
| Total social housing owned and managed | 11,291 | **61** | **(70)** | **-** | **32** | **11,304** |
| Social leasehold units owned | 266 | **-** | **-** | **-** | **10** | **276** |
| **Total social housing** | 11,557 | **61** | **(70)** | **-** | **42** | **11,580** |
| **Non-social housing** | | | | | | |
| Non-social leasehold | 8 | **-** | **-** | **-** | **5** | **13** |
| Market rented | 129 | **-** | **-** | **-** | **-** | **129** |
| Office and retail units owned by the Association | 2 | **-** | **-** | **-** | **-** | **2** |
| **Total owned and managed** | 11,696 | **61** | **(70)** | **-** | **37** | **11,724** |
| Accommodation in development at the year end | 211 | **-** | **-** | **-** | **-** | **138** |

## 6. Accommodation in management and development [Continued]

| **Association** | 31 March 2023 Units | New Stock Bought/ Developed Units | Sold/ Demolished Units | Transactions With Other RPs Units | Other Movements Units | 31 March 2024 Units |
|---|---|---|---|---|---|---|
| **Social housing** | | | | | | |
| General housing - social | 8,521 | 14 | (95) | - | (107) | 8,333 |
| General housing - affordable | 577 | - | - | - | 111 | 688 |
| Supported housing and housing for older people | 1,789 | - | (7) | - | (2) | 1,780 |
| Low-cost home ownership | 430 | 20 | (5) | - | 45 | 490 |
| Total social housing owned and managed | 11,317 | 34 | (107) | - | 5 | 11,291 |
| Social leasehold units owned | 308 | - | - | - | (42) | 266 |
| **Total social housing** | 11,625 | **34** | **(107)** | **-** | **37** | **11,557** |
| **Non-social housing** | | | | | | |
| Non-social leasehold | 5 | - | - | - | 3 | 8 |
| Market rented | 129 | - | - | - | - | 129 |
| Office and retail units owned by the Association | 2 | - | - | - | - | 2 |
| **Total owned and managed** | 11,761 | 34 | (107) | - | 8 | 11,696 |
| Accommodation in development at the year end | 110 | - | - | - | - | 211 |

## 7. Operating surplus

This is arrived at after charging/ (crediting):

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Depreciation of housing properties | **8,790** | 8,631 | **8,346** | 8,101 |
| Depreciation of other tangible fixed assets | **915** | 952 | **581** | 606 |
| Amortisation of intangible fixed assets | **108** | 53 | **-** | - |
| Amortisation of goodwill | **489** | 490 | **-** | - |
| Gain on fixed asset investments | **-** | - | **-** | - |
| Impairment of housing properties | **-** | 394 | **-** | 394 |
| Operating lease rentals: | | | | |
| - land and buildings | **193** | 4 | **-** | 4 |
| - Office equipment, cars and computers | **846** | 12 | **7** | 12 |
| Auditors remuneration (excluding VAT): | | | | |
| - for the audit of the financial statements | **140** | 147 | **44** | 43 |
| - for the audit of service charge accounts | **21** | 25 | **29** | 15 |
| - for non-audit services | **20** | 19 | **-** | 19 |
| - tax compliance | **-** | 22 | **24** | 22 |
| - other | **-** | 29 | **6** | 19 |

## 8. Employees

Average monthly number of employees expressed in full-time equivalents:

| | **Group 2025 Number** | Group 2024 Number | **Association 2025 Number** | Association 2024 Number |
|---|---|---|---|---|
| Administration | **194** | 144 | **81** | 78 |
| Development | **5** | 6 | **5** | 6 |
| Housing, support and care | **211** | 214 | **144** | 144 |
| Community regeneration | **-** | 1 | **-** | 1 |
| Education/nursery care | **73** | 63 | **-** | - |
| Maintenance | **284** | 340 | **50** | 56 |
| | **767** | 768 | **280** | 285 |

## 8. Employees [Continued]

| Employee costs: | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| Wages and salaries | **27,885** | 23,288 | **11,268** | 10,536 |
| Social security costs | **2,726** | 2,208 | **1,112** | 1,012 |
| Pension costs | **1,368** | 1,174 | **669** | 615 |
| | **31,979** | 26,670 | **13,049** | 12,163 |
| Restructuring costs | **164** | 60 | **156** | 52 |
| | **32,143** | 26,730 | **13,205** | 12,215 |

Restructuring costs included redundancy payments of £156k (2024: £52k).

| Key management personnel | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| Salary | **1,256** | 1,147 | **962** | 830 |
| Benefits in Kind | **36** | - | **-** | - |
| Pensions | **93** | 78 | **69** | 57 |
| | **1,385** | 1,225 | **1,031** | 887 |

Key management personnel include all directors apart from executive directors who are included below. £1,924k (2024: £1,825k) SHPS pension deficit contributions paid in the year are included in the association's pension costs above.

The CEO is an ordinary member of the SHPS DC scheme. No enhanced or special terms apply, and the group makes no contribution to an individual pension arrangement.

| Executive directors | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Aggregate executive directors' remuneration: | | |
| - Emoluments | **1,025** | 897 |
| Highest paid executive director | | |
| - Emoluments, excluding pension contributions | **255** | 230 |

## 8. Employees [Continued]

The full-time equivalent number of staff (including executive directors) who received emoluments:

| Executive directors | 2025 Number | 2024 Number |
|---|---|---|
| £60,001 to £70,000 | **12** | 15 |
| £70,001 to £80,000 | **3** | 4 |
| £80,001 to £90,000 | **4** | - |
| £90,001 to £100,000 | **1** | 4 |
| £100,001 to £110,000 | **3** | 2 |
| £110,001 to £120,000 | **5** | 2 |
| £120,001 to £130,000 | **-** | 1 |
| £140,001 to £150,000 | **-** | - |
| £150,001 to £160,000 | **-** | - |
| £160,001 to £170,000 | **2** | 2 |
| £170,001 to £180,000 | **1** | - |
| £220,001 to £230,000 | **1** | 1 |
| £230,001 to £240,000 | **-** | - |
| £250,001 to £260,000 | **1** | - |

## 9. Non-executive directors

| Group | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Board members / Board member remuneration** | | |
| L Dixon | **17.8** | 13.2 |
| J Wood | **9.5** | 7.7 |
| N Hibbert | **6.5** | 6.2 |
| S Bonnette | **3.3** | 6.2 |
| T Jones | **6.5** | 6.2 |
| P Roberts | **-** | 8.0 |
| M Pierre | **6.5** | 6.2 |
| R Cressey | **9.5** | 9.0 |
| G Pink | **6.5** | 6.2 |
| J Worthington | **6.5** | 6.2 |
| S Stubbs | **6.5** | 6.2 |
| V Gandhi | **6.5** | 6.2 |
| S Parr | **9.5** | 7.7 |
| | **95.1** | 95.2 |
| Board remuneration as a % of Group turnover | **0.09%** | 0.09% |

### 9. Board members and executive directors [Continued]

The executive directors, including the Group Chief Executive, are employed on the same terms as other staff. A number of the executive directors are members of the Social Housing Pension Scheme which is a defined contribution pension scheme with obligations to repay the deficit in respect of the previous defined benefit scheme. The ongoing scheme is a defined contribution scheme. They participate in the scheme on the same terms as all other eligible staff and the Group contributes to the scheme on behalf of its employees. Executive directors and other officers may be members of the Association's board on a non-remuneration basis.

### 10. Sale of fixed assets - housing properties

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Proceeds of sale | **4,925** | 5,539 | **4,286** | 4,669 |
| Carrying values of fixed assets | **(1,403)** | (1,928) | **(1,375)** | (705) |
| | **3,522** | 3,611 | **2,911** | 3,964 |
| Capital grant recycled (note 30) | **(1,656)** | (2,056) | **(1,399)** | (1,809) |
| Surplus for the year | **1,866** | 1,555 | **1,512** | 2,155 |

### 11. Interest receivable and other income

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Interest receivable and similar income | **510** | 263 | **374** | 101 |

### 12. Interest payable and similar charges

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Bank loans and overdrafts | **10,403** | 9,944 | **11,097** | 10,598 |
| Interest capitalised on housing properties under construction | **(821)** | (209) | **(821)** | (209) |
| | **9,582** | 9,735 | **10,276** | 10,389 |

### 13. Tax on surplus

| Current tax | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| UK corporation tax on surplus for the year at 25% (2024: 25%) | - | - | - | - |
| Adjustments in respect of prior years | (8) | 17 | - | - |
| | (8) | 17 | - | - |
| **Deferred taxation** | | | | |
| Origination and reversal of timing differences | (124) | 825 | - | - |
| Adjustments in respect of prior years | 2 | (26) | - | - |
| | (122) | 799 | - | - |
| **Tax charge/(credit) on surplus** | (130) | 816 | - | - |

**Current tax reconciliation**

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| Surplus for the period before taxation | 9,037 | 3,707 | - | 2,718 |
| **UK corporation tax rate 25% (2024: 25%)** | (2,259) | 927 | - | 516 |
| Fixed asset differences | (56) | 318 | - | - |
| Expenses not deductible for tax purposes | (17,218) | 13,863 | - | 10,776 |
| Income not chargeable to corporation tax | 19,039 | (15,457) | - | (11,292) |
| Amounts relating to other comprehensive income or otherwise transferred | | - | - | - |
| Capital gains/(losses) | (70) | 120 | - | - |
| Adjustments in respect of prior periods | (8) | 3 | - | - |
| Adjustment to deferred tax opening and closing balances | - | - | - | - |
| Movement in deferred tax not recognised | 440 | 329 | - | - |
| Adjustment in respect of prior periods - deferred tax | - | 26 | - | - |
| Other permanent differences | - | (945) | - | - |
| **Total tax charge/(credit)** | (130) | 816 | - | - |

**Change in tax rate**

The main corporation tax rate was raised from 19% to 25% for tax years starting 1 April 2023.

## 14. Tangible fixed assets - housing properties

| Group | Held for letting | | Low-cost home ownership | | Total |
|---|---|---|---|---|---|
| **Property cost** | **Completed £'000** | **Under Construction £'000** | **Completed £'000** | **Under Construction £'000** | **Housing Properties £'000** |
| At 1 April 2024 | 565,957 | 23,857 | 41,197 | 443 | 631,454 |
| Additions | - | 22,051 | - | 332 | 22,383 |
| Properties acquired | 86 | - | - | - | 86 |
| Schemes completed | 17,225 | (17,225) | 775 | (775) | - |
| Works to existing properties | 8,037 | - | - | - | 8,037 |
| Impairment of properties | 590 | - | - | - | 590 |
| Disposals | (4,436) | - | (1,035) | - | (5,471) |
| Transfer | - | - | - | - | - |
| **At 31 March 2025** | **587,459** | **28,683** | **40,937** | **-** | **657,079** |
| **Depreciation and impairment** | | | | | |
| At 1 April 2024 | 127,189 | - | 5,006 | - | 132,195 |
| Charge for the year | 8,495 | - | 295 | - | 8,790 |
| Eliminated in respect of impairment | 89 | - | - | - | 89 |
| Eliminated in respect of disposals | (2,279) | - | (116) | - | (2,395) |
| Transfer | - | - | - | - | - |
| **At 31 March 2025** | **133,494** | **-** | **5,185** | **-** | **138,679** |
| **Net book value** | | | | | |
| **31 March 2025** | **453,965** | **28,683** | **35,752** | **-** | **518,400** |
| At 31 March 2024 | 438,768 | 23,857 | 36,191 | 443 | 499,259 |

## 14. Tangible fixed assets - housing properties [Continued]

| **Association** | **Held for letting** | | **Low-cost home ownership** | | **Total** |
|---|---|---|---|---|---|
| **Property cost** | **Completed £'000** | **Under Construction £'000** | **Completed £'000** | **Under Construction £'000** | **Housing Properties £'000** |
| At 1 April 2024 | 563,573 | 23,866 | 13,454 | 441 | 601,334 |
| Additions | - | 21,315 | - | 334 | 21,649 |
| Acquired by | 86 | - | - | - | 86 |
| Schemes completed | 17,225 | (17,225) | 775 | (775) | - |
| Works to existing properties | 7,868 | - | - | - | 7,868 |
| Impairment of properties | 590 | - | - | - | 590 |
| Disposals | (4,436) | - | (655) | - | (5,091) |
| **At 31 March 2025** | **584,906** | **27,956** | **13,574** | **-** | **626,436** |
| **Depreciation and impairment** | | | | | |
| At 1 April 2024 | 114,677 | - | 545 | - | 115,222 |
| Charge for the year | 8,211 | - | 135 | - | 8,346 |
| Eliminated in respect of impairment | 88 | - | - | - | 88 |
| Eliminated in respect of disposals | (2,279) | - | (31) | - | (2,310) |
| **At 31 March 2025** | **120,697** | **-** | **649** | **-** | **121,346** |
| **Net book value** | | | | | |
| **31 March 2025** | **464,209** | **27,956** | **12,925** | **-** | **505,090** |
| At 31 March 2024 | 448,896 | 23,866 | 12,909 | 441 | 486,112 |

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Components capitalised | **8,037** | 6,859 | **7,868** | 6,900 |
| Amounts charged to income and expenditure account | **5,890** | 1,894 | **5,890** | 1,894 |
| | **13,927** | 8,753 | **13,758** | 8,794 |

## 15. Investment properties non-social housing properties held for letting

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| At 1 April 2024 | **31,483** | 31,423 | **22,625** | 24,010 |
| Transfer in | **-** | 271 | **-** | - |
| Additions | **20** | 61 | **-** | - |
| Other movements | **-** | (370) | **20** | (370) |
| Increase/(decrease) in value | **945** | 208 | **875** | 85 |
| Disposals | **-** | (110) | **-** | (1,100) |
| **At 31 March 2025** | **32,448** | 31,483 | **23,520** | 22,625 |

## 16. Tangible fixed assets - other

| **Group** | **Freehold/ Leasehold Premises** | **Motor Vehicles** | **Computers and Office equipment** | **Fixtures and Fittings** | **Scheme Assets** | **Total** |
|---|---|---|---|---|---|---|
| **Cost** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| At 1 April 2024 | 8,371 | 650 | 1,949 | 3,393 | 6,564 | 20,927 |
| Additions | - | 84 | 529 | 218 | 213 | 1,044 |
| Disposals | (217) | (46) | (399) | - | (10) | (672) |
| **At 31 March 2025** | **8,154** | **688** | **2,079** | **3,611** | **6,767** | **21,299** |
| **Depreciation and impairment** | | | | | | |
| At 1 April 2024 | 2,615 | 586 | 1,248 | 1,926 | 4,350 | 10,725 |
| Charged in year | 56 | 33 | 369 | 191 | 264 | 913 |
| Elimination on disposal | (6) | (27) | (392) | - | (9) | (434) |
| **At 31 March 2025** | **2,665** | **592** | **1,225** | **2,117** | **4,605** | **11,204** |
| **Net book value** | | | | | | |
| **At 31 March 2025** | **5,489** | **96** | **854** | **1,494** | **2,162** | **10,095** |
| At 31 March 2024 | 5,756 | 64 | 701 | 1,467 | 2,214 | 10,202 |

### 16. Tangible fixed assets - other [Continued]

| Association<br>Cost | Freehold/ Leasehold premises £'000 | Computers and Office equipment £'000 | Fixtures and Fittings £'000 | Scheme Assets £'000 | Total £'000 |
|---|---|---|---|---|---|
| At 1 April 2024 | 3,454 | 830 | 1,047 | 5,961 | 11,292 |
| Additions | - | 326 | 32 | 195 | 553 |
| Disposals | - | (197) | - | (10) | (207) |
| **At 31 March 2025** | **3,454** | **959** | **1,079** | **6,146** | **11,638** |
| **Depreciation and impairment** | | | | | |
| At 1 April 2024 | 504 | 446 | 565 | 3,707 | 5,222 |
| Charged in year | 24 | 250 | 75 | 232 | 581 |
| Elimination on disposal | - | (197) | - | (9) | (206) |
| **At 31 March 2025** | **528** | **499** | **640** | **3,930** | **5,597** |
| **Net book value** | | | | | |
| **At 31 March 2025** | **2,926** | **460** | **439** | **2,216** | **6,041** |
| At 31 March 2024 | 2,920 | 384 | 482 | 2,254 | 6,070 |

## 17. Other intangible assets

| Group | Computer Software £'000 |
|---|---|
| **Cost** | |
| At 1 April 2024 | 709 |
| Additions | 240 |
| **At 31 March 2025** | **949** |
| **Amortisation** | |
| As at 1 April 2024 | 566 |
| Charge for the year | 109 |
| **At 31 March 2025** | **675** |
| **Net book value** | |
| **At 31 March 2025** | **274** |
| At 31 March 2024 | 143 |

## 18. Goodwill

| Group | £'000 |
|---|---|
| **Cost** | |
| At 1 April 2024 | 7,969 |
| **At 31 March 2025** | **7,969** |
| **Amortisation** | |
| At 1 April 2024 | (3,564) |
| Amortisation in year | (489) |
| **At 31 March 2025** | **(4,053)** |
| **Net book value** | |
| **At 31 March 2025** | **3,916** |
| At 31 March 2024 | 4,405 |

## 18. Goodwill [Continued]

The goodwill figure shown above relates to goodwill on acquisition of the following subsidiaries:

| | £'000 |
|---|---|
| M&Y Maintenance and Construction Limited | 1,068 |
| McDonald Property Rentals Limited | 687 |
| Alder Training Limited | 1,295 |
| Positive Footprints Limited | 25 |
| Ecogee Limited | 2,676 |
| | **5,751** |

## 19. Investments in subsidiaries

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Association** | | |
| **Cost** | | |
| Investment in M&Y Maintenance and Construction | **1,134** | 1,134 |
| Investment in Alder Care Limited | **1,600** | 1,600 |
| Investment in The Learning Foundry Limited | **678** | 678 |
| Investment in Positive Footprints Limited | **212** | 212 |
| Investment in Ecogee Limited | **6,819** | 6,819 |
| | **10,443** | 10,443 |
| **Impairment** | | |
| Impairment of investment in Alder Care Limited | **(1,600)** | (1,600) |
| Impairment of investment in The Learning Foundry Limited | **(250)** | (250) |
| Impairment of investment in Positive Footprints | **(212)** | (212) |
| | **(2,062)** | (2,062) |
| **Carrying value at 31 March 2025** | **8,381** | 8,381 |

## 19. Investments in subsidiaries [Continued]

As required by statute, the financial statements consolidate the results of the following companies which were subsidiaries of the Association as at 31 March 2025:

- Redwing Living Limited
- M&Y (Regenda Partnership) Limited
- M&Y Maintenance & Construction Limited
- McDonald Property Rentals Limited
- Petrus Community Limited
- The Learning Foundry Limited
- Centre 56 Limited
- E Hind & Co Limited
- Templar Homes Limited
- Regenda Developments Limited
- The National Communities Resource Centre Limited
- Ecogee Limited

The Association has the right to appoint members to the board of all subsidiaries and thereby exercises control over them. Redwing Living Limited is a Registered Provider; Petrus Community Limited, The National Communities Resource Centre Limited and Centre 56 are registered charities; the other subsidiaries are companies incorporated under the Companies Act 2006.

Regenda Limited is the ultimate parent undertaking.

Further details in relation to subsidiary undertakings is detailed in note 39.

## 20. Transactions with non-regulated entities

During the year the Association had the following intra-group transactions with non-regulated entities:

| | **2025** | 2024 |
|---|---|---|
| **M&Y Maintenance and Construction Limited** | **£'000** | £'000 |
| Provision of repairs and maintenance services | **(43,296)** | (36,273) |
| **McDonald Property Rentals Limited** | | |
| Management of market rented stock | **-** | - |
| **The National Communities Resource Centre Limited** | | |
| Purchase of Trafford Hall | **-** | - |
| **The Learning Foundry** | | |
| Training and refurbishment | **(247)** | (82) |
| **Petrus Community Limited** | | |
| Management of rental schemes | **(335)** | (428) |

## 20. Transactions with non-regulated entities [Continued]

| Regenda Developments Limited | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Development and construction schemes | **(18,995)** | (10,514) |
| **Ecogee Limited** | | |
| Ecogee Limited | **-** | - |

## 21. Fixed asset investment

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| At 1 April 2024 | **473** | 407 | **-** | - |
| Additions | **-** | - | **-** | - |
| Gain on revaluation | **(15)** | 66 | **-** | - |
| **At 31 March 2025** | **458** | 473 | **-** | - |

The historical cost of investments is £396,854 (2024: £396,854).

## 22. Properties held for sale

| Shared ownership properties | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Work in progress | **-** | 295 | **-** | 295 |

The impairment charge in the year was £nil (2024: £76k).

## 23. Stock

| | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Finished goods and goods for resale | **163** | 186 | **-** | - |

## 24. Debtors

| Amounts falling due in more than one year | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Other debtors | **1,813** | 1,611 | **1,813** | 1,611 |

**24. Debtors** [Continued]

| Amounts falling due within one year | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| Rent and service charges receivable | **2,981** | 3,277 | **2,782** | 2,579 |
| Less: Provision for bad and doubtful debts | **(1,890)** | (2,265) | **(1,742)** | (1,761) |
| Net rent arrears | **1,091** | 1,012 | **1,040** | 818 |
| Trade debtors | **3,295** | 3,387 | **-** | - |
| Social housing grants receivable | **115** | 115 | **115** | 115 |
| Other debtors | **1,474** | 2,730 | **513** | 174 |
| Amounts owed by group undertakings | **-** | - | **1,190** | 1,437 |
| Prepayments and accrued income | **8,140** | 4,827 | **1,630** | 1,488 |
| Corporation tax | **5** | 5 | **-** | - |
| Deferred tax | **668** | 790 | **-** | - |
| **Total debtors falling due within one year** | **14,788** | 12,866 | **4,488** | 4,032 |
| **Total debtors** | **16,601** | 14,477 | **6,301** | 5,643 |

Other debtors due after more than one year relate to cash security in relation to long term borrowing arrangements.

Amounts owed by group undertakings are interest free and repayable on demand.

**25. Cash**

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| | **17,828** | 16,866 | **8,116** | 6,810 |

Included within cash balances is £3.4m (2024: £3.2m) relating to client funds that are not available for use by the group.

## 26. Creditors: amounts falling due within one year

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| Debt (note 29) | **5,452** | 6,049 | **17,952** | 6,049 |
| Bank overdraft | **6** | - | **-** | - |
| Trade creditors | **2,709** | 3,364 | **246** | 862 |
| Rent and service charges received in advance | **3,489** | 3,036 | **3,143** | 2,633 |
| Amounts owed to group undertakings | **-** | - | **8,397** | 23,739 |
| Other creditors | **5,626** | 3,123 | **4,117** | 2,257 |
| Other taxation and social security | **795** | 215 | **478** | 5 |
| Accruals and deferred income | **12,797** | 13,073 | **4,140** | 5,734 |
| Recycled capital grant fund (note 30) | **1,569** | 688 | **1,203** | 342 |
| Deferred capital grant (note 31) | **2,649** | 2,632 | **2,434** | 2,411 |
| Leaseholder funds | **632** | 521 | **-** | - |
| | **35,724** | 32,701 | **42,110** | 44,032 |

Amounts owed to group undertakings are interest free and repayable on demand.

## 27. Creditors: amounts falling due after more than one year

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| Recycled capital grant fund (note 30) | **3,888** | 3,519 | **3,384** | 2,906 |
| Deferred capital grant (note 31) | **229,237** | 224,906 | **200,475** | 194,788 |
| Debt (note 29) | **218,232** | 209,582 | **218,207** | 209,532 |
| Sinking funds | **2,444** | 2,339 | **1,415** | 1,256 |
| | **453,801** | 440,346 | **423,481** | 408,482 |

## 28. Provisions for liabilities

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| At 1 April 2024 | **4,203** | 1,300 | **-** | - |
| Provision charged to income and expenditure - Caton | **-** | 615 | **-** | - |
| Provision charged to income and expenditure – Fire remedial works | **254** | 3,583 | **-** | - |
| Onerous contract | **650** | - | **-** | - |
| Other provisions | **25** | - | **-** | - |
| Expenditure | **(2,364)** | (1,295) | **-** | - |
| | **2,768** | 4,203 | **-** | - |

**28. Provisions for liabilities [Continued]**

| | 2025 | | | | | 2024 | | |
|---|---|---|---|---|---|---|---|---|
| | Fire Safety Work £'000 | Caton £'000 | Bluebrook £'000 | Onerous Contract £'000 | Total £'000 | Fire Safety Work £'000 | Caton £'000 | Total £'000 |
| At 1 April 2024 | **3,583** | **620** | - | - | **4,203** | - | 1,300 | 1,300 |
| Charged to income and expenditure | **254** | - | **25** | **650** | **929** | 3,583 | 615 | 4,198 |
| Expenditure incurred in the year | **(2,076)** | **(288)** | - | - | **(2,364)** | - | (1,295) | (1,295) |
| **At 31 March 2025** | **1,761** | **332** | **25** | **650** | **2,768** | 3,583 | 620 | 4,203 |

**29. Debt analysis**

| **Due within one year** | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Bank loans (note 26) | **5,452** | 6,049 | **5,452** | 6,049 |
| Loan from subsidiary undertaking | **-** | - | **12,500** | - |
| | **5,452** | 6,049 | **17,952** | 6,049 |
| **Due after more than one year** | | | | |
| Bank loans | **162,191** | 152,668 | **162,166** | 152,618 |
| Notes and debentures | **55,000** | 55,000 | **55,000** | 55,000 |
| Loan premium | **5,321** | 5,586 | **5,321** | 5,586 |
| Loan set up costs | **(4,280)** | (3,672) | **(4,280)** | (3,672) |
| | **218,232** | 209,582 | **218,207** | 215,581 |
| **Total** | **223,684** | 215,631 | **236,159** | 215,581 |

## 29. Debt analysis [Continued]

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| In one year or less (note 26) | **5,452** | 6,049 | **17,952** | 6,049 |
| Between one and two years | **5,744** | 5,502 | **5,719** | 5,452 |
| Between two and five years | **54,522** | 38,512 | **54,522** | 38,512 |
| In five years or more | **102,966** | 110,568 | **102,966** | 110,568 |
| | **168,684** | 160,631 | **181,159** | 160,581 |
| M&G Senior Note 4.96% repayable 2043 | **22,000** | 22,000 | **22,000** | 22,000 |
| M&G Senior Note 5.01% repayable 2048 | **22,000** | 22,000 | **22,000** | 22,000 |
| M&G Senior Note 5.00% repayable 2053 | **11,000** | 11,000 | **11,000** | 11,000 |
| | **223,684** | 215,631 | **236,159** | 215,581 |

**Security**

Bank and other loans are secured by fixed charged on individual properties.

**Terms of repayment and interest rates**

The loans (other than the M&G notes) are repayable by instalments by up to 15 years and are at fixed or variable interest rates between 2.98% and 10.43%. The group has facilities of £292.6m (2024: £278.7m). At 31 March 2025, the group had undrawn loan facilities of £70m (2024: £65m). The group uses its housing properties as security for all its existing loan facilities.

Three of the loans are bullet repayments due between 2025 and 2047.

There is a loan balance of £12.5m at 31 March 2025 in the Association. This is an intercompany loan from Redwing to Regenda. The loan facility permits a total principal amount of £13.0m to be on-lent from Redwing to Regenda. The loan is repayable upon demand. The interest rate on the loan is based on SONIA (plus a margin of 1.1% minus a cost of carry of 0.5%).

The group assessed its bank loans as basic using the criteria in section 11 of FRS 102, although the loan agreements contain two-way breakage clauses.

The group's interpretation of the financial reporting standard is that the clauses do not prevent the loans being accounted for as basic.

| | Group 2025 £'000 | Group 2024 £'000 |
|---|---|---|
| Fixed rate | **160,480** | 162,818 |
| Variable rate | **86,785** | 74,472 |
| **At 31 March 2025** | **247,265** | 237,290 |

The fixed rate financial liabilities have a weighted average interest rate of 4.49% (2024: 4.51%) and the weighted average period for which is fixed is 15 years (2024: 16 years).

## 30. Recycled capital grant fund

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| At 1 April 2024 | **4,208** | 3,094 | **3,249** | 1,946 |
| Grants recycled | **1,655** | 2,056 | **1,399** | 1,809 |
| Transfer to/from | **-** | - | **346** | - |
| Grants utilised in the year | **(606)** | (1,089) | **(607)** | (654) |
| Interest accrued | **200** | 146 | **200** | 148 |
| **At 31 March 2025** | **5,457** | 4,207 | **4,587** | 3,249 |
| Amounts to be released within one year (note 26) | **1,569** | 688 | **1,203** | 343 |
| Amounts to be released in more than one year (note 27) | **3,888** | 3,519 | **3,384** | 2,906 |
| | **5,457** | 4,207 | **4,587** | 3,249 |

## 31. Deferred capital grant income

| | Group 2025 £'000 | Group 2024 £'000 | Association 2025 £'000 | Association 2024 £'000 |
|---|---|---|---|---|
| At 1 April 2024 | **227,538** | 225,286 | **197,199** | 195,647 |
| Grants received in the year | **9,257** | 6,336 | **9,257** | 5,029 |
| Released to income in the year | **(2,847)** | (2,811) | **(2,392)** | (2,350) |
| Grant disposed in the year | **(2,062)** | (1,274) | **(1,155)** | (1,127) |
| **At 31 March 2025** | **231,886** | 227,538 | **202,909** | 197,199 |
| Amounts to be released within one year (note 26) | **2,649** | 2,632 | **2,434** | 2,411 |
| Amounts to be released in more than one year (note 27) | **229,237** | 224,906 | **200,475** | 194,788 |
| | **231,886** | 227,538 | **202,909** | 197,199 |
| Government funding received | **313,674** | 304,416 | **267,636** | 258,379 |
| Grants amortised to date (contingent liabilities) | **(81,788)** | (76,878) | **(64,727)** | (61,180) |
| | **231,886** | 227,538 | **202,909** | 197,199 |

### 32. Net pension liability

**Social Housing Pension Scheme (Group and Association)**

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Group to account for the Scheme as a defined benefit scheme.

For accounting purposes, an actuarial valuation of the scheme was carried out with effective date of 31 March 2025. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus at the accounting period start and end dates.

| **Present values of defined benefit obligation, fair value of assets and defined benefit asset/(liability)** | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Fair value of plan assets | **32,117** | 32,888 |
| Present value of defined benefit obligation | **(37,270)** | (40,447) |
| Deficit in plan | **(5,153)** | (7,559) |

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Defined benefit obligation at start of year | **40,447** | 40,919 |
| Expenses | **34** | 33 |
| Interest expense | **1,949** | 1,957 |
| Actuarial (gains)/losses due to scheme experience | **1,405** | (158) |
| Actuarial (Gains)/losses due to changes in demographic assumptions | **(5,080)** | (460) |
| Actuarial (Gains)/losses due to changes in financial assumptions | **-** | (325) |
| Benefits paid and expenses | **(1,485)** | (1,519) |
| **Defined benefit obligation at end of period** | **37,270** | 40,447 |

## 32. Net pension liability [Continued]

| Reconciliation of opening and closing balances of the fair value of plan assets | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Fair value of plan assets at start of year | **32,888** | 33,587 |
| Interest income | **1,624** | 1,643 |
| Experience on plan assets (excluding amounts included in interest income) (loss)/gain | **(2,834)** | (2,648) |
| Contributions by the employer | **1,924** | 1,825 |
| Benefits paid and expenses | **(1,485)** | (1,519) |
| **Fair value of plan assets at end of year** | **32,117** | (32,888) |

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 March 2024 to 31 March 2025 was a loss of £1,210,000 (2024: loss of £1,005,000).

| Defined benefit costs recognised in Statement of comprehensive income | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Expenses | **34** | 33 |
| Net interest expense | **325** | 314 |
| **Defined benefit costs recognised in Statement of comprehensive income** | **359** | 347 |

| Defined benefit costs recognised in other comprehensive income | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Experience on plan assets (excluding amounts included in net interest cost) - loss | **(2,834)** | (2,648) |
| Experience gains and losses arising on the plan liabilities - (loss)/gain | **(1,405)** | 158 |
| Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain | **-** | 460 |
| Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain | **5,080** | 325 |
| **Total amount recognised in other comprehensive income - gain/(loss)** | **841** | (1,705) |

**32. Net pension liability** [Continued]

| Assets | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Absolute Return | **-** | 1,284 |
| Alternative Risk Premia | **-** | 1,044 |
| Credit relative value | **-** | 1,078 |
| Distressed Opportunities | **-** | 1,159 |
| Emerging markets debt | **-** | 425 |
| Liquid Alternatives | **5,956** | - |
| Global equity | **3,598** | 3,278 |
| Infrastructure | **5** | 3,322 |
| Insurance-linked securities | **99** | 170 |
| Liability driven investment | **9,728** | 13,385 |
| Long lease property | **9** | 212 |
| Net current assets | **69** | 56 |
| Private debt | **-** | 1,294 |
| Property | **1,609** | 1,321 |
| Risk sharing | **-** | 1,925 |
| Secured income | **536** | 982 |
| Opportunistic Illiquid Credit | **-** | 1,285 |
| High yield | **-** | 5 |
| Real Assets | **3,845** | - |
| Cash | **436** | 649 |
| Private equity | **28** | 27 |
| Currency hedging | **51** | (13) |
| Private credit | **3,931** | - |
| Credit | **1,228** | - |
| Investment Grade Credit | **989** | - |
| **Total assets** | **32,117** | 32,888 |

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

| Key assumptions | **2025 % per annum** | 2024 % per annum |
|---|---|---|
| Discount rate | **5.86%** | 4.91% |
| Inflation (RPI) | **3.09%** | 3.14% |
| Inflation (CPI) | **2.79%** | 2.78% |
| Salary growth | **3.79%** | 3.78% |

Allowance for commutation of pension for cash at retirement — 75% of maximum allowance

## 32. Net pension liability [Continued]

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

| Key assumptions | Life expectancy at age 65<br>**2025 (Years)** | 2024 (Years) |
|---|---|---|
| Male retiring in 2025 | **20.5** | 20.5 |
| Female retiring in 2025 | **23.0** | 23.0 |
| Male retiring in 2045 | **21.3** | 21.8 |
| Female retiring in 2045 | **24.5** | 24.4 |

## 33. Share capital

| **Allotted, issued and fully paid** | **Association 2025 £** | Association 2024 £ |
|---|---|---|
| At 1 April 2024 and 31 March 2025 | **9** | 9 |

The share capital of the association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled, and the amount paid thereon becomes the property of the Association. Therefore, all shareholdings relate to non-equity interests.

## 34. Reserves

Reserves are made up of the following:

- Restricted reserves relate to a gift aid reserve in the Association, for which there has been no movement in the year or prior year, as well as restricted reserves in The National Communities Resource Centre Limited and Petrus Community Limited which are restricted for various reasons in line with the Charities' objectives.
- The endowment fund principally comprises a legacy received in 2005 in Petrus Community. The trustees have the discretion to spend the capital (an expendable endowment), but their intention is to maintain the capital and use the investment income arising for the benefit of the homeless people under the terms of the legacy.
- Revenue reserve - these are the accumulated designated and income and expenditure reserves for the Group. Distribution is restricted by the corresponding company's rules.

## 35. Capital commitments

| Capital expenditure | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | **13,746** | 33,110 | **13,746** | 33,110 |
| Capital expenditure that has been authorised but has not yet been contacted for | **-** | 3,548 | **-** | 3,548 |
| | **13,746** | 36,658 | **13,746** | 36,658 |

Capital commitments will be funded from cash reserves and planned future borrowing.

## 36. Operating leases

| Land and buildings: | **Group 2025 £'000** | Group 2024 £'000 | **Association 2025 £'000** | Association 2024 £'000 |
|---|---|---|---|---|
| In one year or less | **193** | 175 | **-** | 4 |
| Between one and five years | **897** | 29 | **-** | - |
| In more than five years | **400** | - | **-** | - |
| | **1,490** | 204 | **-** | 4 |
| **Office equipment, computer equipment and motor vehicles:** | | | | |
| In one year or less | **681** | 780 | **7** | 7 |
| Between one and five years | **896** | 1,839 | **13** | 20 |
| | **1,577** | 2,619 | **20** | 27 |

## 37. Contingent liabilities

The Group receives capital grant from Homes England which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties, the group is required to recycle grant by crediting the Recycled Capital Grant Fund.

During financial year 2017/18, 1,201 properties were transferred from Redwing Living to Regenda Homes as part of an intra-group stock transfer with an associated grant value of £24.0m. The transfer resulted in a surplus on sale of £36.7m which is recorded in the Statement of Comprehensive Income of Redwing Living Limited.

Although the stock transfer has not given rise to a relevant event for the purposes of recycling the grant (as the group retains the property asset) Regenda Homes Limited does have a future obligation to recycle the grant if the property is disposed of.

As the timing of disposal is uncertain, no provision has been recognised in the financial statements.

## 38. Cash flow from operating activities

| | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Surplus for the year | **8,916** | 4,523 |
| **Adjustments for non-cash items:** | | |
| Depreciation of tangible fixed assets – housing properties | **8,790** | 8,631 |
| Depreciation of tangible fixed assets – other | **913** | 952 |
| Impairment | **(501)** | 278 |
| Amortisation of grant | **(2,847)** | (2,811) |
| Movement in debtors | **(2,254)** | (2,350) |
| Movement in creditors | **1,166** | 3,678 |
| Movement in provisions | **(1,435)** | 2,894 |
| Pension costs less contributions payable | **(1,565)** | (1,478) |
| Movement in properties held for sale/stock | **318** | 1,419 |
| Amortisation of intangibles | **598** | 542 |
| Unwinding of loan premium | **(265)** | (265) |
| Amortisation of debt issue costs | **(5)** | 38 |
| Gain on fixed asset investment | **15** | (66) |
| Corporation tax paid | **-** | - |
| Corporation tax charge | **130** | (816) |
| Interest receivable | **(510)** | (263) |
| Interest payable | **9,582** | 9,735 |
| Surplus on sales of assets | **(1,866)** | (1,555) |
| Fair value (gains)/losses | **(945)** | (208) |
| **Net cash generated from operating activities** | **18,235** | 22,878 |

## 39. Related parties

During the year gift aid of £2,423k (2024: £1,348K) was received from subsidiary undertakings. £277k (2024: £Nil) was received from M&Y Maintenance and Construction, and £98 (2024: £Nil) from Regenda Developments. £2,031k (2024: £1,000) was received from Ecogee Limited. (2024: £Nil) from The Learning Foundry.

Transactions with other members of the group are disclosed in note 20.

**39. Related parties [Continued]**

The following are subsidiaries whose results have been incorporated into the consolidated accounts on the basis of common control:

| Organisation | Status | Country | Principal activity | Basis of control |
|---|---|---|---|---|
| Redwing Living Limited | Co-operative and Community Benefit Societies | England | Registered provider | Control over Board membership |
| M&Y Maintenance and Construction Limited | Company Act | England | Registered Contractor | Ownership of share capital and control over Board membership |
| McDonald Property Rentals Limited | Company Act | England | Lettings Agent | Ownership of share capital and control over Board membership |
| Petrus Community | Charity | England | Registered Charity providing community support | Control over Board membership |
| M&Y (Regenda Partnership) Limited | Company Act | England | Property repairs and build services | Ownership of share capital and control over Board membership |
| The Learning Foundry Limited | Company Act | England | Training Provider | Ownership of share capital and control over Board membership |
| Centre 56 Limited | Charity | England | Provide assistance to families in necessitous circumstances | Ownership of share capital and control over Board membership |
| Regenda Developments Limited | Company Act | England | Developments Agent | Ownership of share capital and control over Board membership |
| The National Communities Resource Centre Limited | Charity | England | Registered Charity providing community support | Control over Board membership |
| Ecogee Limited | Company Act | England | Provision of renewables solutions | Ownership of share capital and control over Board membership |