Croydon Churches Housing Association Limited
Financial Statements
For the Year Ended 31 March 2025

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Croydon Churches Housing Association Limited

Board, Executive & Advisers

Board and Independent Members

Maureen Adams (Chair of ccha)

David Hall (Chair of Audit & Risk Committee (ARC))

Mark Collins (Chair of Remuneration and Nomination Committee)

Julian Chun (Chair of Development and Assets Committee)

Felicity Gentle

Tracy Cullen (CE of ccha)

Bruce Shelmerdine

Jim Dean

Matthew Hayday

Pamela Vera

Christopher Newman

Neil Perrins (Resigned December 2024)

Secretary and Registered Office

Chris Abad

29 Sheldon Street

Croydon

CR0 1SS

External Auditors

Beever and Struthers

150 Minories

London

EC3N 1LS

Internal Auditors

RSM Risk Assurance Services LLP

25 Farringdon Street

London

EC4A 4AB

Bankers

Natwest

County Gate 2

Stacey’s Street

Maidstone

Executive Officers / Leadership Team

Tracy Cullen	Chief Executive
Chrishanti Shah	Director of Finance and Resources
Sarah Revett	Director of Customers
Dinendra Dharmasuriya	Director of Homes

Registered under the Co-operative and Community Benefit Societies Act 2014 (17772R)

Regulator of Social Housing Registration No. LH0495

Report of the Board of Management

The Board present the financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITY

Croydon Churches Housing Association Limited's ("ccha") principal activities are the development and management of social housing. ccha provides homes for families, couples and single people, accommodation for older people and supported accommodation for those who need support as well as a home to live in.

REVIEW OF RESULTS

ccha made an operating surplus of £3m compared to the same result of 2023-24. The overall surplus of £745k for the year ended 31 March 2025 before abortive costs and the recognition of the multi-employer defined benefit scheme. This compares to a surplus of £763k for the year ended 31 March 2024.

BUSINESS AND STRATEGIC PLANS

ccha's vision is "delivering on our promises" and we work to a key set of values which underpin the culture of the organisation which are:

C - Care
We care about our customers, staff and our wider environment

A - Adapt
We adapt and embrace change to achieve our goals

R - Resilient
We are resilient and effective in challenging times

E - Everyone
Our strength is in our unity with everyone playing their part

To help achieve the vision this was our final year of our business plan "ccha2025"

Our Plan had five key priorities for the five years:

- Resident voice
- Our people (staff and partners)
- Safety – landlord, employer, business
- More homes – affordable, good quality, sustainable
- Better value for money – performance, risk and services

With an overarching commitment to ensure all activities are linked to our community.

EMPLOYEES

The Association's policy is to consult directly with employees through quarterly staff briefings and regular team meetings. Additional information is given through internal communications systems.

Emphasis is placed on training for all staff using both internal and external facilities to encourage staff in personal development. Suitable procedures are in operation to support ccha's policy that disabled persons shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

The Association employs specialist consultants, Citation PLC, to advise its managers on complying with all aspects of legislation in relation to employees. They provide a dedicated helpline and training facilities on forthcoming legislation, including changes on age discrimination and EEC Directives.

EQUALITY AND DIVERSITY

As a housing provider and employer, we can reduce the disadvantages that some people experience, by making our services more responsive and accessible to a diverse range of individual and community needs. We are committed to listening to our internal and external customers and involving them in the development of services and recognising the value of their diversity. We want our colleagues to feel that in everything they do they are valued and are making a difference and that the Board actively promotes fairness and the elimination of prejudice in all the activities of the Association.

During our previous business plan Commitment2020, we signed up to the Chartered Institute of Housing Equality and Diversity Charter and delivered a number of initiatives through this including detailed and impactful resident surveys, support for the Legacy Youth Zone, promotion of ccha's Horizon programme which tackles worklessness and offering residents digital workshops.

This ED&I strategy supports the new business plan ccha2025 and underpins our commitment to promote equality, diversity, and inclusion (ED&I), and to meet the needs and expectations of all our employees and customers. Our goal is for our workforce to be truly representative of all sections of society, and for each employee and customer to feel respected and valued.

As an organisation we have committed to a renewed focus on ED&I over the next 5 years with four key strategic objectives detailed below to give an overview of ccha's plan moving forward.

- The organisation has a clear idea of its strengths and weaknesses with regards to equality, diversity and inclusion and areas for development.
- Equality, Diversity, and Inclusion is core to the organisations values and ethos and communicated to staff, residents, and service users.
- Prejudice-related incidents are dealt with effectively and staff, customers and contractors have confidence in the process.
- A diverse team with engaged and talented staff who are innovative and truly understand customer needs.

BOARD OF MANAGEMENT

The Board comprises 10 members. The overall role of the Board is to direct ccha in accordance with its rules and objectives on behalf of the shareholders, tenants, employees and community at large. The Board meets at least six times a year. The Board members as at 31 March 2025 are listed on page 3.

LEADERSHIP TEAM

The Leadership Team comprises those Senior Managers listed on page 3. They are responsible for the day to day management of ccha within the authority delegated by the Board.

Annual Statement of Internal Controls 2024/25

INTRODUCTION

The Regulator for Social Housing (RSH) is responsible for the regulation of social housing providers in England. It has two distinct roles set out in statute in relation to economic and consumer regulation. Both documents emphasise the RSH's general approach as being one of co-regulation with more responsibility on the Board to ensure compliance against both the consumer and the economic standards.

The Board are required annually to confirm compliance of the regulatory standards within the financial statements. For them to have confidence in providing this assurance, they must satisfy themselves that they have the correct monitoring tools and reporting mechanisms in place to ensure that they are fully informed of our compliance against all regulatory standards.

This report outlines what our main monitoring and reporting mechanisms are and aims to provide assurance that we are compliant with all relevant regulatory standards.

COMPLIANCE WITH RSH REGULATORY STANDARDS

Consumer Standard
The Consumer Standard covers compliance with Neighbourhood and Community, Safety and Quality, Tenancy and Transparency, Influence and Accountability (including Tenant Satisfaction Measures)**..** There was a new set of consumer standards from 1 April 2024 and this is the first year that we are required to report against the new standards. The new Tenant satisfaction measures have been introduced already and the results are published on the website.

Our next regulatory inspection is due in February 2026 and will include full assessment of our compliance against the new Consumer Standards.

For the purposes of reporting compliance against 2024 - 25, we have developed our own self-assessment tool which was completed and presented to the Board on 4 June 2025. There are five areas for improvement to achieve good practise detailed below, and these have been set as objectives of Year 1 of our new Business plan ccha2030 and will be completed by the end of March 2026.

"Registered providers must clearly communicate to tenants and relevant organisations how they will assist tenants seeking housing adaptations services."

We have an Aids and Adaptations procedure that we actively promote to residents through the website. We also promote it when we conduct visits, estate action days, and stock tours. We have good links with the council regarding the Aids and Adaptations service. Although we are not yet best practice, we are partially compliant and will be fully compliant once we produce and communicate the new policy.

"Registered providers must use relevant information and data to:

a) understand the diverse needs of tenants, including those arising from protected characteristics, language barriers, and additional support needs; and

b) assess whether all tenants have fair access to, and equitable outcomes of, housing and landlord services."

We want to have 100% data and be able to target our services to meet the specific needs of residents. We do have information regarding many of our residents, particularly our older persons as our staff have weekly contact, and also in our supported services, where we actively engage with the support providers. Where we find concerns in our general needs rented homes ‘flags’ are added to the Civica CX system, and neighbourhood staff are informed so they can take action as needed.

“Registered providers must support tenants to exercise their Right to Manage, Right to Transfer or otherwise exercise housing management functions, where appropriate”.

We are fully aware of the requirement. Whilst it is not explicitly stated in our policies, we support this in principle, as evidenced by the developing Heads2gether project. This Consumer Standards requirement will be included in our Neighbourhood Policy, being updated in 2025/26 so that wherever residents wish to take on the running of services, they will know we are open to exploring that and explaining what is involved.

“Registered providers must clearly set out their approach for how they tackle and deter hate incidents in neighbourhoods where they provide social housing.”

We address hate crime as part of our overall Anti-Social Behaviour (ASB) policy, working closely with the relevant authorities and ensuring that our staff understand the definition of hate crime. We consider ourselves to be partially compliant because the best practice would be to establish a separate Hate Crimes Policy and Procedure to ensure we take proactive action. We will do so in 2025/26.
“Registered providers must take action to prevent and tackle tenancy fraud.”

We recognise we are behind the curve in this area, so it is a priority action for this year. Staffing levels have prevented us from getting this underway as it is resource-intensive for an organisation of our size. Now that staffing levels have improved, we are committed to getting this underway in the current financial year. We do, however, identify tenancy fraud through gas safety, income team contact, and neighbourhood offers visits, and actively pursue cases to their conclusion. We have a very good relationship with London Borough of Croydon on this point and with that team in particular. As evidenced in the last Fraud Report to ARC, we have already successfully won two cases and are currently pursuing several others.

We believe that we currently can demonstrate our compliance against the consumer standards acknowledging that there are improvements that we would like to make.

Economic Standard

The economic standards relate to governance and financial viability, value for money and rent. The RSH will review information such as the financial statement, the business plan, financial forecast return and the value for money statement annually and provide a grading based upon this information. They are looking for assurance in the following areas:

- Governance
- Financial strength
- Risk management and risks to social assets including stress testing
- Vulnerability to covenant breaches
- Liquidity

Governance

There is a greater emphasis on good governance and risk management in the latest standards in recognition of the government’s requirement for co-regulation. In February 2024, we were informed that following the satisfactory completion of our IDA action plan, the RSH were reinstating our V1 G1 status. Our next inspection is due in February 2026.

We have adopted a self-assessment tool recommended by Campbell Tickell as being more appropriate for an organisation of our size and complexity and combines all aspects of regulations, governance, financial viability, and legal compliance. This was presented to the Board on 4 June 2025 and they were satisfied that we were able to demonstrate full compliance with all aspects of the NHF Code of Governance 2020.

Financial Viability
The Board developed and approved the five-year plan ccha2030 and Year 1 objectives have been approved by the Board. Progress, achievements, and areas of concern are reported to the Board at least annually. A full financial plan linked to the business plan is stress tested and approved by the Board annually.

We are financially viable and have a strong surplus which is invested in the services provided to our residents and new homes.

We have an Assets and Liability register which is reviewed and updated regularly. The register was subjected to an RSM internal audit in 2024-25 and was deemed as providing reasonable assurance. A report on Assets and Liabilities is presented to the Board annually.

We have an approved Asset management strategy, and an active asset management report is brought to the Board annually to update them as to the performance of all our assets and appraise them of actions we are taking on any non-performing assets. This information is linked to our long-term financial plan.

Covenants for gearing and interest cover are met, and our financial plans are designed to remain within a set margin (Golden rules) of the covenants, including stress tested scenarios for significant risks which may affect our future. The board have also approved trigger limits set on our key covenants which they would need to be informed of if reached.

The Board approved a new risk management framework including the board assurance framework in September 2024 and a risk appetite Statement in December 2024. The Risk Appetite Statement includes specific acceptable limits and criteria for new development within both ccha and cchadl, our “for profit” development company. It also states the limits for on-lending from ccha group to the subsidiary to contain risk within manageable limits.

We provide an annual Value for Money (VfM) Statement which is published through our financial statements and on the website as a separate document, this includes performance against the RSH’s Value for Money metrics.

We adhere to the new Rent Standard published in April 2020 and the Welfare Reform and Work Act 2016 for all our existing and new residents. We will operate within the guidelines set out in the document and through the government’s guidance to the regulator. This year, we had one incident which was subject to a self-referral to the Regulator against the Rent Standard, in the referral we outlined the extent of the issue and what we had done to rectify it together with what had been put in place to prevent a reoccurrence. We have received confirmation of receipt from the Regulator with no further action.

We believe that we are fully compliant with the financial viability standards set out by the Regulator.

LEGAL COMPLIANCE
We are required to ensure that the organisation “adheres to all relevant law” and as such we have included a section on legal compliance within our Governance self - assessment tool. We believe this provides all the evidence of our legal compliance against all relevant law appropriate to our sector and business.

PERFORMANCE INDICATORS
A set of Special Performance Indicators (SPIs) are developed annually to represent all critical aspects of the business. These are presented to the Board for approval annually together with proposed targets. Once the Board has approved the SPIs, they are provided quarterly together with an exception report which identifies any failures and mitigating actions along with any areas which have gone particularly well in that quarter. The new SPIs for 2025 - 26 were approved by the Board in February 2025.

Audit

INTERNAL AUDIT FUNCTION
Our internal audits for 2024 - 25 were undertaken by RSM. The ARC review and approve an annual plan at the start of each year, the audit plan which is linked to the key risk areas of the business was approved in February 2024 for 2024 - 25 and covered the following areas:

- Asset Management (reasonable assurance)
- Safeguarding (reasonable assurance)
- Data Quality (reasonable assurance)
- Asset and Liability Register (reasonable assurance)
- Follow up (reasonable progress)

All internal audit reports are presented by RSM at the ARC meetings and ARC members have the right to ask for discussion time without the Leadership Team present. The RSM Annual report for 2024 - 25 has been provided to both ARC in May 2025 and Board in June 2025. The Chair of the ARC updates the Board on the results of the audits through the ARC update highlighting any areas of concern.

EXTERNAL AUDIT FUNCTION
Our financial statements are subject to external audit and continually receive unqualified audit reports. The appointment of Beevers and Struthers as our external auditors for 2024 - 25 was approved at the AGM in September 2024.

The external audit plan is produced by Beevers and Struthers and presented to the ARC annually for approval. The results of the external audit are presented by Beevers and Struthers to the ARC and the ARC can speak to the auditors without the Leadership Team present. The external auditors will also report to Board annually.

No incidents of fraud or Cyber Security breaches have been reported during the year that have caused us loss, and the Board considers that appropriate policies and procedures are in place to deal with fraud. This view is supported by our internal auditors who undertook a fraud risk assessment last year and felt that appropriate policies and procedures are in place to deal with fraud.

RISK MANAGEMENT
The ARC meets four times during the financial year and reports its activities to the Board through ARC updates from the Chair at Board meetings. The meeting minutes and all ARC papers are provided to Board members for information. The ARC and the Board regularly review their terms of reference which highlight the relationship between the Board and committee.

The Board reviews the strategic top risks, controls, and assurances quarterly through the ARC updates and minutes to ensure that it is current and reflects the true risks to the business.

The Board requires assurance that critical controls to manage the key risks are in place and are effective. This assurance is provided by a combination of methods, including independent assurance from auditors and benchmarking services as well as performance monitoring.

A new risk management framework replaced the policy and was approved by Board in September 2024 together with a new Risk Appetite Statement. The Risk Appetite statement is reviewed by the Board annually.

The ARC is also responsible for reporting on risk management of cchadl to the Board and where necessary highlighting any concerns.

We engage Hargreaves Risk and Strategy (HRS) as a key partner/adviser to support us in the management of risk and advise us on good practice throughout the sector. They undertake a full review of our risk management provision annually which is presented to the ARC and the Board by a representative of HRS. As part of the review, HRS look at our current practice against changes in the sector and report on trends in the risk drivers since the previous report as well as both internal and external sources of risk. Changes to the risk register and key controls are discussed and agreed monthly with the Leadership team and discussed at least annually at ccha's Senior Management team meetings.

VALUE FOR MONEY STATEMENT – 2024-25

At ccha, we take pride in our mission to provide decent, safe, and affordable homes to our local community in Croydon, Sutton, and Bromley. Since we were founded in 1967, we have been deeply rooted in this community, weathering challenges and evolving to meet the needs of our residents.

Value for money (VFM) is extremely important to ccha, as we want to ensure our limited resources are being used effectively to achieve our strategic objectives, be able to meet the demand for our services, have a positive impact on our customers and bring value to the communities we work with and provide a home for. We aim to manage our costs to maximise the resources available and identify and implement improvements in the way we work to bring about efficiency savings. This is also supported by providing more affordable homes for the area, which will bring economies of scale.

We are proud to create sustainable communities by forging strong local partnerships, local initiatives like our, resident open days, estate action days and Legacy Youth Zone and working closely with residents to increase our social value. We are also committed to developing more homes to meet the increasing demand in our community. We currently provide just under 1600 homes in the area.

We are still operating in an area where housing is in short supply compared to the demand. We therefore recognise that the supply of genuinely affordable housing for rent, and sale needs to be increased and that many people in our community, particularly those on lower income and on state benefits are seeing their income fall in real terms. We therefore need to continue to develop to meet the needs of the community and in turn will help us become more cost effective. We have a programme to build 103 more homes over the next two years with the support of the GLA's Affordable Homes Programme 21-26. We are pleased that we will be starting on site in Q2 of 25-26 to address the housing need in our community.

We understand that expectations of our residents have increased alongside that of the regulator of social housing, but we continually set our actions on reaching these. In 2020, we set new foundations for ccha, centred around our CARE values. This was about providing an excellent customer service that meets residents' needs. Over the past five years, we've been building on these foundations – introducing customer service advisors to take calls and support our teams, implementing a new repairs model which would give us greater control over our repairs service, improving our systems and data, and building new homes.

The new business plan ccha2030 continues to address this and ensures we are providing a quality service. The emphasis now is on delivering a great service to our current residents while continuing to provide more homes for our community. We understand the pressing need for affordable housing and want to balance this with caring for our existing residents and homes.

We have been navigating high borrowing costs, regulatory changes, and affordability concerns, while prioritising our residents' well-being. Resident and staff feedback and challenges from the past five years have shaped our new five-year business plan.

This year we have mapped all our key processes on our upgraded Cx housing management and continue to ensure these are efficient and documented.

Value for Money Statement

We continue to move forward in strength, with new effective and efficient ways of working, able to grow our capabilities and expand on our potential, to support our residents, and develop new affordable homes.

More than ever, our strategic VFM aim remains the same to achieve **Median Quartile Cost and Upper Quartile Quality.** Our headline cost per unit serves as a metric for assessing our value-for-money (VfM) expenditure. In the 24-25 period, we achieved our aim of the medium quartile compared to our peers. When we compare our 24 – 25 TSM results with the TSM results from 23 – 24 for London associations, 5 of these achieve upper quartile. While customer satisfaction remains an area for improvement, we've made progress with our internal changes this year and we are aiming to reach the upper quartile in the remaining areas by the end of our business plan ccha2030.

Resident Safety and Wellbeing

ccha are proud to report **100% Landlord Compliance** at the end of 2024-25. This year our Audit and Risk Committee oversaw steady state audits into each of the top six areas which were externally undertaken by Tersus Group. All audits had substantial or reasonable assurance.

We have improved the damp and mould reporting and management processes so that it is live data reported through our CRM system, and we have ensured that #everyvisitcounts to gain access to all properties to inspect and will continue to monitor and keep track of damp and mould cases.

The team have been working to improve the energy efficiency of our homes and now have over 93% homes with an EPC-C rating or above. In 2025- 26, there will be a new sustainability strategy which will map out our pathway to achieving not only 100% of all homes having an EPC-C but also how we intend to get to Carbon Net Zero.

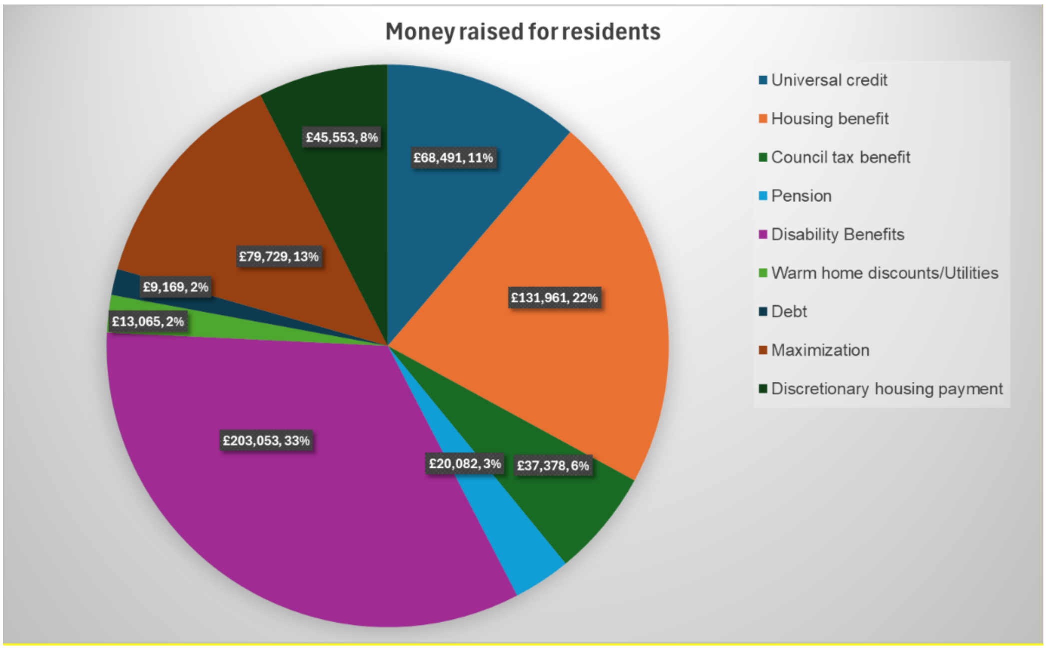
The cost of living this year has risen to financially challenging levels which has had a significant impact on our residents. Despite this, we have finished the year in a good position in terms of our overall rent arrears figure and have achieved our target for residents on universal credit. We invest in this service as it provides much needed support for our residents at a financially challenging time. The income management team truly work to our values, and their approach is supportive wherever possible.

We have continued to support residents over the phone where residents prefer this approach, saving time on both sides and increasing efficiency of this service.

We are pleased to have been able to invest further in our income team and provide an additional welfare and debt administrator to our existing welfare and debt officer. This service provides significant value for money and is an effective investment that ccha has chosen to support our residents, especially at a time when cost of living continues to rise and people need more support with accessing the right services. As a result of this, we are pleased that our current arrears figures are at 3.51%.

We are proud of the income maximisation work completed by our income team who have managed to bring in a huge **£609k** for our residents which otherwise would not be available for some of our vulnerable residents.

This year, we enhanced the social well-being for 161 of our residents, with 480 separate households receiving financial assistance from ccha. Among those, 88% obtained support for their council, disability, or housing benefits.



We carried out additional work to improve the environment for 473 residents through estate improvements. The ccha estate improvement budgeted Fund enabled us to invest just over £47k on these improvements to our communal spaces. This included providing additional outdoor planting, changes and improvements to landscaping, fencing and gates, improving bin store and parking areas, additional lighting to help deter anti-social behaviour and providing additional seating for residents to enjoy their outdoor spaces.
We completed sixteen estate action days across out general needs estates and ran regular coffee mornings at our older persons schemes. Our annual residents open days which were held over two days in the office also attracted 53 Residents. These activities enabled us resolve individual and estate-based issues. They also helped us to get to know our residents better, increased our understanding of what's working and what needs to improve, and enabled us to explain the changes we were looking to make following resident feedback and the benefits we expected this to bring.

We also continue to support residents through our dedicated Hardship Fund with over £11k helping 89 residents in financial crisis to alleviate some immediate needs with things like food, utilities and other essentials.

We have also promoted job and training opportunities through our regular job bulletins to help improve access to work through our partners. We also promoted the Legacy Youth Zone to residents and offered free holiday places for young residents to attend.

Customer Service, Customer Satisfaction and Resident Engagement
Our independent surveys are completed by Acuity, and they reported overall satisfaction for the year 2024 – 25 was 62% which is up 2% on Q4 position but down 1% on the year 2023 – 24. If we refer to our TSM satisfaction measures, overall, our year end position 2024-25 has dropped from year end 2023 – 24 with satisfaction dropping in 11 out of the 12 areas reported. Improvements have only been seen in complaints handling which improved from 36.6% in 2023/24 to 41% in 2024/25. However, if we then benchmark our results against others, 5 of our results achieve upper quartile, 3 achieve median quartile and only 4 of these measures are below median quartile, so whilst we had hoped to see improvements with the year end results, we are still comparable with the sector.

Satisfaction has been hugely impacted by our repairs service as well as issues with customer service and communication. The embedding of the new repairs model and customer contact centre is going well, and we have already received positive feedback from residents about it being easier to get through to us and finding the service more responsive.

We have also now invested additional resources in our Neighbourhoods team with a new senior role which will have a greater focus on supporting the team with ASB, so we expect to see improvements in this area. Our estate services have also improved in the second half of the year following a new contract manager and delivery of a service improvement plan. We also intend to continue our programme of Estate Action Days and Coffee Mornings which are well received by residents.

We are also working hard to improve customer service and communication with training being delivered to staff over the last few months. In addition to this, we have also started to do more work on sharing with residents where their feedback has led to changes. This includes a new webpage to highlight resident led changes. We will be building on this over the coming year and will also be launching our new Business Plan which was designed as a direct result of resident feedback.

Satisfaction overall with services provided by landlord

Target	2022/23	2023/24	2024/25
Upper Quartile – 63%	62%	63%	62%

Staff Wellbeing and Engagement

It is important to ccha to have a motivated workforce, aligned to our strategic objectives and values. We have had a significant focus on our culture plan during the year to meet this objective.

A committed and satisfied team is more likely to provide excellent service to our residents, operating effectively and efficiently. As a result, each staff member contributes to increased value for money. At ccha, we conduct bi-annual 'Pulse' surveys to gain insights into staff sentiments, engagement, and satisfaction. The feedback from these surveys informs our culture plan, driving positive changes. While there have been common themes emerging relating to accountability and workload pressures from this year's survey, we are pleased with the predominantly positive feedback. Staff feel that our organisational culture empowers them to align with ccha's values which is a good foundation for us to have.

We support our staff to maintain a work/life balance and a healthy lifestyle as we recognise that a happy staff team enables good performance and an improved service for our residents. Our wellbeing committee are now an essential part of this.

We have continued to focus our efforts on performance, recruitment and retention during the year. This has contributed to the increased staff turnover during 24-25. We had 11 leavers this year. We have classed five of these as involuntary (resigned during performance processes or did not pass probation). If these are removed from the figure it comes down to 11.42% which is just above target.

Target	2022/23	2023/24	2024/25
10.50%	8.5%	**16.16%**	**20.65%**

The organisation effectively manages the average working days lost due to sickness absence per full-time equivalent (FTE). We continue to monitor this, as we are aware hybrid working can mean staff continue to work from home when they are unwell. Staff members are encouraged to take time off when unwell, as prolonged absence can lead to longer recovery periods. During this absence, they receive strong support, but we are aware that staff do not take days off as they would have done if they were in the office. As a result, we have achieved a rate well below our target—just 0.44 days.

Target	2022-23	2023-24	2024-25
4.4 days	10.54 days	**1.53 days**	**0.44 days**

Partnership Working

Croydon Youth Zone

Though we are no longer patrons of Croydon Youth Zone (Legacy), we still promote the Youth Club and Holiday clubs to all residents with children between 8-19 as the Youth Zone is open all year round after school providing a safe space for children to attend and socialise with their friends, take part in extracurricular activities or do their homework. We have stated that we will reimburse any resident who wants to send their child there during half term.

Contract Procurement and frameworks

We are now a member of five consortiums, and the majority of both our major and minor contracts are being procured through this procurement route. This is a more efficient way of procuring contracts and ensures compliance with the new Procurement Act which came in in February 2025. We have renewed six contracts in 24-25. The estimated total savings from procuring through frameworks rather than individual tender is £33k, this does not take into accounts staff time saved which would increase the savings.

Support Providers

As part of our strategy for Supported Housing, we have also continued to build on our relationships with Nehimiah, Lookahead and St Mungo's (support providers) and are pleased have provided Nehemiah with new lease agreements, which also supports our development of our own land.

Value for Money Metrics

We have taken measures to invest in quality of service and ensure we have the systems in place to do this which is continuing into 2025-26. We strive to do this cost efficiently at a headline social housing cost per unit that is benchmarked at the median for our peer group ensuring that the expectations of our residents and stakeholders continue to be met.

The table below shows the Value for Money metrics as set out in the Value for Money metrics technical note. These have been benchmarked against housing associations with under 5000 homes in the London and Southeast Area.

	Actuals			Budget	Actuals	VfM RSH Median
VFM METRICS	2021-22	2022-23	2023-24	2024-25		2023-24
1. Reinvestment %	2.89%	1.47%	3.21%	8.15%	**2.19%**	6.14%
2a New Supply Delivered Social Housing	2.64%	0.00%	0.00%	96.00%	**0.00%**	0.85%
2b New Supply Delivered Non-Social Housing	0.00%	0.00%	0.00%	0.00%	**0.00%**	0.00%
3. Gearing %	40.28%	45.85%	38.13%	47.43%	**41.32%**	39.75%
4. Earnings Before Interest, Tax, and Depreciation (EBITDA (M	151.65%	123.80%	147.29%	142.28%	**100.93%**	109.30%
5. Headline Social Housing Cost Per Unit	£ 6,889	£ 7,098	£ 7,120	£ 8,025	**£ 7,730**	£ 8,214
6a. Operating Margin % (Social Housing)	14.76%	19.76%	19.57%	20.79%	**18.81%**	19.28%
6b. Operating Margin% (Overall)	14.19%	19.14%	19.67%	21.49%	**19.58%**	13.97%
7. Return on Capital Employed (ROCE)	1.78%	2.11%	2.14%	2.23%	**1.60%**	2.11%

Reinvestment and New supply Delivered.

We had planned on starting on the redevelopment of our own sites this year, but due to delays in getting planning permission we only now ready to start on site in 25-26. New supply has also been impacted by rising building costs and high expectations of land vendors which affects new scheme appraisals. We expect all new developments to be at least cost-neutral; if they cannot yield a positive return, they should cover their own expenses. Unfortunately, these challenges have led to delays in our development program, resulting in a further year without any site launches and no new supply for 24-25. We have invested in our planned maintenance and start of redevelopments, and this is shown in our reinvestment of 2.19%.

Gearing

We have undergone a refinance exercise at the end of 24-25 which has increased our available loans for development. However, we did not need to draw on any further loans in year due to the development delays. Gearing is reduced to 41.32% as cash also increased at year end ready for purchase of a newly agreed development which exchanged in March. Furthermore, there has been little increase in the cost of our housing properties.

EBITDA MRI – Interest Cover
We are pleased to report that despite one off abortive costs, our EBITDA loan interest cover is met at 1.60 against a loan covenant of 1.40. This demonstrates our strong ability to meet our interest obligations. However, our EBITDA MRI metric has been impacted by several factors, high interest costs on our variable loans, reduction in development costs and capital associated with this, increased revenue costs associated with supporting residents during major repairs that was not covered by insurance.

Headline Social Housing Cost Per Unit
We are pleased to report that despite the ccha Board's recent focus on short-term efficiency improvements, we have managed to stay below budget and achieve our target of being at median quartile cost. These investments, made for the long-term benefit of our residents and stakeholders, will result in increased quality of service and better customer care, ultimately delivering greater value for our customers as we see this to have greater impact over the next few years.

As a small organisation with no growth this year, we faced inflationary rises, leading to an increase in our cost per unit compared to last year. However, our careful management of management costs has reduced overall operational expenditure, ensuring that we remain at medium quartile cost and meet our targets in this area.

Moving forward, our continued focus on embedding efficient practices, including rationalising our IT infrastructure and achieving economies of scale, will enhance our efficiency while maintaining and improving service quality.

Operating Margin
Through careful budget monitoring, we have improved on our budgeted social letting operating margin compared to 23-24. This is reduced against budget due to a reduction in rental income from our supported housing homes, which we have actively been working with the borough to fill voids. The lack of growth in the number of homes we provide has also contributed to this reduction against budget. Though the sector has increased cost pressures, overall, the operating margin has remained healthy.

Return on Capital Employed (ROCE)

At the end of March 2025, our organisation's return on capital employed (ROCE) was 1.60%, below our target of 2.23%. We invested less in development projects because of delays, which led to a smaller overall surplus. However, this decrease in surplus has only a small effect on our ROCE, which is calculated by dividing our surplus by the difference between our assets and current liabilities. The significant impact has been our abortive scheme costs of £769k

Board’s Responsibilities in respect of the financial statements

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

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

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the group and association and to prevent and detect fraud and other irregularities.

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

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

Public Benefit Entity
As a public benefit entity, Croydon Churches Housing Association Limited has applied the public benefit entity ‘PBE’ prefixed paragraphs of FRS 102.

The Board Report was approved on behalf of the Board on **31st July 2025** and signed on its behalf by:

Maureen Adams

Chair

Report of the Independent Auditors to the Members of Croydon Churches Housing Association Limited

Opinion

We have audited the financial statements of Croydon Churches Housing Association Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Association’s affairs as at 31 March 2025 and of the Group’s income and expenditure and the Association’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the 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 Group and 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 Group or 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 other information comprises the information included in the Board Report, other than the financial statements and our auditor’s report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board
As explained more fully in the Statement of Board's Responsibilities set out on page 17, 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 and 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 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association 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 for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Chartered Accountants

150 Minories
London
EC3N 1LS

Date

Consolidated and Association Statement of Comprehensive Income

	Notes	Year ended 31-Mar-25 Consolidated £'000	Year ended 31-Mar-25 Association £'000	Year Ended 31-Mar-24 Consolidated £'000	Year Ended 31-Mar-24 Association £'000
Turnover	2	**15,228**	**15,228**	15,796	15,381
Operating expenditure	2	**(12,412)**	**(12,373)**	(12,795)	(12,371)
Other Income	2	**193**	**212**	-	-
Gain/(loss) on disposal of property, plant and equipment (fixed assets)	6	**32**	**32**	-	-
Operating surplus		**3,041**	**3,099**	3,001	3,010
Interest receivable	7	**96**	**213**	193	405
Interest payable and financing costs	7	**(2,489)**	**(2,489)**	(2,431)	(2,431)
Aborted Development Costs	29	**(769)**	**(769)**	-	-
Surplus / (deficit) before tax	8	**(121)**	**54**	763	984
Taxation	9	**-**	**-**	-	-
Surplus / (deficit) for the year after tax		**(121)**	**54**	763	984
Other comprehensive income					
Actuarial (losses)/gains in respect of pension scheme	12	**142**	**142**	(294)	(294)
Change in fair value of hedged financial instruments	26	**97**	**97**	-	-
Total comprehensive income for the year		**118**	**293**	469	690

The financial statements on pages 21 to 57 were approved and authorised for issue by the Board on 31st July 2025 and were signed on its behalf by:

Maureen Adams
Board Member, Chair:

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Maureen Adams
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David Hall
Board Member, Chair (Audit & Risk):

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Chris Abad
Secretary:

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The consolidated and parent results relate wholly to continuing activities and the notes on pages 24 to 57 form an integral part of these financial statements.

Consolidated and Association Statement of Financial Position

	Notes	At 31 Mar 2025 Consolidated £'000	At 31 Mar 2025 Association £'000	At 31 Mar 2024 Consolidated £'000	At 31 Mar 2024 Association £'000
Fixed assets					
Tangible fixed assets	**13**	**140,375**	**140,375**	141,710	141,710
Investment in subsidiary		**-**	**-**	-	-
		140,375	**140,375**	141,710	141,710
CURRENT ASSETS					
Stock	**14**	1,231	1,231	637	637
Trade and other debtors	**15**	2,374	4,797	2,003	5,054
Cash and cash equivalents	**16**	3,087	3,041	3,931	3,021
		6,692	9,069	6,571	8,712
Creditors: amounts falling due within one year	**17**	**(4,805)**	**(6,788)**	(6,361)	(8,283)
Net current assets		**1,887**	**2,281**	210	429
Total assets less current liabilities		**142,262**	**142,656**	141,920	142,139
Creditors: amounts falling due after more than one year	**18**	**(115,479)**	**(115,479)**	(114,677)	(114,677)
Derivatives Financial Instruments	**26**	**97**	**97**	0	0
Provisions for liabilities					
Pension – defined benefit liability	**12**	**(1,084)**	**(1,084)**	(1,565)	(1,565)
Total net assets		**25,796**	**26,190**	25,678	25,897
Reserves					
Non-equity share capital	**21**	**-**	**-**	-	-
Income and expenditure reserve		**25,796**	**26,190**	25,678	25,897
Restricted reserve		**-**	**-**		
Total reserves		**25,796**	**26,190**	25,678	25,897

The financial statements on pages 21 to 57 were approved and authorised for issue by the Board on 31st July 2025 and were signed on its behalf by:

Maureen Adams
Board Member, Chair:

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Maureen Adams
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David Hall
Board Member, Chair (Audit & Risk):

Signed by:
David Hall
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Chris Abad
Secretary:

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Chris Abad
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The notes on pages 25 to 57 form an integral part of these financial statements.

Statement of Changes in Reserves

ASSOCIATION

	Income and expenditure reserve £'000	Restricted reserve £'000	Total reserves £'000
Balance as at 31 March 2023	25,169	38	25,207
Total comprehensive income for the year	728	(38)	690
Balance as at 31 March 2024	25,897	-	25,897
Total comprehensive income for the year	292	-	292
Balance as at 31 March 2025	26,190	-	26,190

CONSOLIDATED

	Income and expenditure reserve £'000	Restricted reserve £'000	Total reserves £'000
Balance as at 31 March 2023	25,171	38	25,209
Total comprehensive income for the year	507	(38)	469
Balance as at 31 March 2024	25,678	-	25,678
Total comprehensive income for the year	118	-	118
Balance as at 31 March 2025	25,796	-	25,796

The notes on pages 25 to 57 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Year ended 31 Mar 2025 £'000	Year Ended 31 Mar 2024 £'000
Net cash generated from operating activities (see Note i)	4,719	1,896
Cash flow from investing activities		
Purchase of tangible fixed assets	(2,987)	(2,874)
Proceeds from sale of tangible fixed assets	109	1,310
Grants received	-	1,758
Interest received	96	193
	(2,781)	367
Cash flow from financing activities		
Interest paid	(2,743)	(2,431)
Repayment of borrowings	(39)	(6,034)
Net change in cash and cash equivalents	(844)	(6,202)
Cash and cash equivalents at beginning of the year	3.931	10,133
Cash and cash equivalents at end of the year	3,087	3,931

Note i

	Year ended 31 Mar 2025 £'000	Year ended 31 Mar 2024 £'000
Cash flow from operating activities		
Surplus for the year	118	763
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,787	1,869
Decrease/(increase) in stock	(594)	1,116
Decrease/(increase) in trade and other debtors	(371)	673
Increase/(decrease) in trade and other creditors	2,158	(3,666)
Pension Cost Less Contribution Payable	65	(374)
Carrying amount of tangible fixed asset disposals	-	-
Adjustments for investing or financing activities:		
(Gain)/loss on disposal of tangible fixed assets	(32)	-
Government grants utilised in the year	(724)	(725)
Interest and financing costs	2,408	2,431
Interest received	(96)	(193)
Net cash generated from operating activities	4,719	1,896

The notes on pages 25 to 57 form an integral part of these financial statements.

Legal Status
Croydon Churches Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 29 Sheldon Street, Croydon, England, CR0 1SS. Croydon Churches Housing Association Limited's principal activity is to provide social housing.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Croydon Churches Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered
CCHA Developments Limited	Companies Act 2006	Non-registered

1. Principal Accounting Policies

Basis of Accounting
The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply with 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. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £'000.

The Group's financial statements have been prepared in compliance with FRS 102. The Group meets the definition of a public benefit entity (PBE).

Parent association 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, and
- 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.

Basis of consolidation
The consolidated financial statements incorporate the results of Croydon Churches Housing Association Limited and its subsidiary undertaking as at 31 March 2025.

Going concern
The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2025-26 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

1. Principal Accounting Policies (continued)

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

a. Development expenditure. The Group capitalises development expenditure in accordance with the accounting policy described on page 30. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b. Categorisation of housing properties. The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented property and student accommodation are investment properties.

c. Impairment. The Group considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset. See note 13 for more information. Any impairment loss is charged to the Statement of Comprehensive Income.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property. The cash flows are derived from the business plan and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Following the assessment of impairment no impairment losses were identified in the reporting period.

1. Principal Accounting Policies (continued)

Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 12.

Other key sources of estimation and assumptions:

a. **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

b. **Lease accounting**. Whether the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease.

c. **Fair Value Instruments:** The calculation of fair value of financial instruments at each reporting date is based on active market quotes if available, where not available a valuation technique is used to make maximum use of market inputs and transactions, using a discounted cash flow analysis. The carrying value of financial instruments measured at fair value at 31 March 2025 was £97k. There has been no change in fair value since inception.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities, the Greater London Authority, and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

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

Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan interest costs

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

1. Principal Accounting Policies (continued)

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

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiary operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax
The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

1. Principal Accounting Policies (continued)

Tangible fixed assets and depreciation

Housing properties
Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. For mixed tenure housing properties, costs are allocated in the following way:

Freehold land is not depreciated.

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

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

UELs for identified components are as follows:

	Years
Leasehold properties - structure	Over the lease term
Freehold properties - structure	125
Kitchens	20
Bathrooms	30
Electrics	40
Windows and Doors	30
Roofs	70
Heating including Boilers	20
Lifts	25

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

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Office equipment	5
Office furniture	10
Scheme assets	5
Photovoltaic roof panels	25
ICT equipment	3
ICT Software	6
Office premises improvements	25

1. Principal Accounting Policies (continued)

Low cost home ownership properties

The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets/property sales in operating profit.

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

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

Property managed by agents
Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

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

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

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

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

Valuation of investments
Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

1. Principal Accounting Policies (continued)

Stock and properties held for sale
Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

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

Non-government grants
Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

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

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

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

Non-monetary government grant
On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

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

1. Principal Accounting Policies (continued)

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Agreements to improve existing properties
Where the PRP has entered into agreements to purchase property from a third party and subsequently enters into a sub-contracting agreement to carry out improvement works to the properties, the related assets and liabilities are shown at gross values unless the right of net settlement exists.

Retirement benefits
The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services. The difference between the deficit funding liability and the net defined benefit deficit for the Social Housing Pension Scheme was recognised in Other Comprehensive Income for the year ending 31 March 2025.

Restricted Reserve
The group holds a restricted reserve. This reserve can only be utilised in accordance with the wishes of the funder. Movements in reserves are shown in the Consolidated Statement of Changes in Reserves.

Contingent Liabilities
A contingent liability is recognised where settlement is not probable and/or cannot be reliably estimated.

1. Principal Accounting Policies (continued)

Financial Instruments
Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
  - Fair value with changes in fair value recognised in profit or loss if the shares are publicly traded or their value can otherwise be measured reliably, and
  - At cost less impairment for all other such investments.

Financial instruments held by the Group are classified as follows:
- Financial assets such as current asset investments and receivables are classified as loans and receivables are held at amortised cost using the effective interest method,
- Financial assets such as cash are held at historic cost,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method,
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment,
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value,
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.
- Where an interest rate swap that converts variable rate debt into fixed rate debt qualifies for hedge accounting, it is accounted for as a cash flow hedge.

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:
(a) The best evidence of fair value is a quoted price in an active market.
(b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
(c) Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations using a discounted cashflow analysis.

Loans
All loans held by the group are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

1. **Principal Accounting Policies (continued)**

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

The following financial instruments are assessed individually for impairment:

(a) All equity instruments regardless of significance; and
(b) other financial assets that are individually significant.

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

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

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

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

2a Particulars of turnover, Cost of sales, Operating expenditure and Operating surplus

Group	2025 Turnover	Cost of sales	Operating expenditure	Operating surplus
Social Housing Lettings (Note 3a)	12,578	-	(9,714)	2,864
Other social housing activities				-
First Tranche low-cost home ownership sales	256	(245)	-	11
Charges for support services	2,394	-	(2,453)	(59)
	15,228	**(245)**	**(12,167)**	**2,816**
Activities other than social housing				
Other	193	-	-	193
Outright Sales	-	-		-
Total	**15,421**	**(245)**	**(12,167)**	**3,009**
Gain on disposal of property plant and equipment (fixed assets)	109	-	(77)	32
Total Operating Surplus				**3,041**

Group	2024 Turnover	Cost of sales	Operating expenditure	Operating Surplus
Social Housing Lettings (Note 3a)	11,760	-	(8,974)	2,786
Other social housing activities	-	-	-	-
First Tranche low-cost home ownership sales	890	(957)	-	(67)
Charges for support services	2,485	-	(2,477)	8
	15,135	**(957)**	**(11,451)**	**2,727**
Activities other than social housing				
Other	241	-	(24)	217
Outright Sales	420	(363)	-	57
Total	**15,796**	**(1,320)**	**(11,475)**	**3,001**
Gain on disposal of property plant and equipment (fixed assets)				-
Total Operating Surplus				**3,001**

2(b). Particulars of turnover, cost of sales, operating expenditure and operating surplus/(deficit) (continued)

	2025			
Association	**Turnover**	**Cost of sales**	**Operating expenditure**	**Operating surplus**
Social Housing Lettings (Notes 3a & 3b)	12,578	-	(9,675)	2,903
				-
Other social housing activities	-	-	-	-
First Tranche low-cost home ownership sales	256	(245)	-	11
Charges for support services	2,394	-	(2,453)	(59)
	15,228	(245)	(12,128)	2,855
Activities other than social housing				
Other	212	-	-	**212**
Outright Sales				
Total	**15,440**	**(245)**	**(12,128)**	**3,067**
Gain on disposal of property plant and equipment (fixed assets)	109	-	(77)	32
Total Operating Surplus				**3,099**

	2024			
Association	**Turnover**	**Cost of sales**	**Operating expenditure**	**Operating Surplus**
Social Housing Lettings (Notes 3a & 3b)	11,760	-	(8,974)	2,786
				-
Other social housing activities	-	-	-	-
First Tranche low-cost home ownership sales	890	(957)	-	(67)
Charges for support services	2,485	-	(2,477)	8
	15,135	**(957)**	**(11,451)**	**2,727**
Activities other than social housing				
Other	246	-	37	283
Outright Sales	-	-	-	-
Total	**15,381**	**(957)**	**(11,414)**	**3,010**
Gain on disposal of property plant and equipment (fixed assets)	**-**	**-**	**-**	-
Total Operating Surplus				**3,010**

3(a). Particulars of turnover and operating expenditure from social housing lettings

Group & Association	General Housing £'000	Supported Housing and Housing for Older People £'000	Low Cost Home Ownership £'000	Total 2025 £'000	Total 2024 £'000
Income					
Rent receivable net of identifiable service charges and net of voids	**9,761**	**880**	**583**	**11,224**	10,687
Service charge income	**1,533**	**1,153**	**91**	**2,777**	2,606
Amortised government grants	**549**	**119**	**56**	**724**	725
Other income from Social Housing Lettings	**5**	**242**	**-**	**247**	**227**
Total turnover from Social Housing Lettings	**11,848**	**2,394**	**730**	**14,972**	**14,245**
Operating expenditure					
Management	**3,773**	**804**	**99**	**4,676**	4,227
Service charge costs	**1,106**	**846**	**141**	**2,093**	2,410
Routine maintenance	**2,418**	**483**	**28**	**2,929**	2,295
Planned maintenance	**413**	**73**	**4**	**490**	575
Bad debts	**63**	**11**	**-**	**74**	94
Depreciation of Housing Properties	**1,586**	**236**	**82**	**1,904**	**1,850**
Total operating expenditure on Social Housing Lettings	**9,359**	**2,453**	**354**	**12,166**	**11,451**
Operating Surplus/(Deficit) on Social Housing Lettings	**2,489**	**(59)**	**376**	**2,806**	**2,794**
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(42)	(53)	-	(95)	(57)

3(b). Turnover from activities other than social housing

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Other	**193**	**241**	**212**	**246**
Other	**193**	**241**	**212**	**246**

4. Accommodation owned, managed and in development

Group	**2025 No. of properties Owned**	**2025 No. of properties Managed**	2024 No. of properties Owned	2024 No. of properties Managed
Social Housing				
Under development at end of year:				
General needs housing affordable rent	**-**	**-**	-	-
London Living Rent	**-**	**-**	-	-
Low-cost home ownership	**-**	**-**	-	-
Under management at end of year:				
General needs housing	**922**	**-**	922	-
Supported housing and housing for older people	**431**	**18**	446	18
Low-cost home ownership	**75**	**-**	76	-
Social Leasehold	**100**	**-**	85	-
Non social leasehold	**42**	**-**	41	-
	1,570	18	1,570	18

Association	**2025 No. of properties Owned**	**2025 No. of properties Managed**	2024 No. of properties Owned	2024 No. of properties Managed
Social Housing				
Under development at end of year:				
General needs housing affordable rent	**-**	**-**	-	-
London Living Rent	**-**	**-**	-	-
Low-cost home ownership	**-**	**-**	-	-
Under management at end of year:				
General needs housing	**922**	**-**	922	-
Supported housing and housing for older people	**431**	**18**	446	18
Low-cost home ownership	**75**	**-**	76	-
Social Leasehold	**100**	**-**	85	-
Non-social leasehold	**42**	**-**	41	-
	1,570	18	1,570	18

5. Accommodation managed by others

The Group owns property managed by other bodies.

Group	**2025 No. of properties**	2024 No. of properties
Supported housing and housing for older people	**12**	12

Association	**2025 No. of properties**	2024 No. of properties
Supported housing and housing for older people	**12**	12

6. Gain/(loss) on disposal of property, plant and equipment (fixed assets)

Group & Association	**Low Cost Home Ownership Staircasing Sales**	**Others**	**Total 2025**	Total 2024
	£'000	**£'000**	**£'000**	£'000
Proceeds of sales/disposal	**109**	**-**	**109**	-
Less: Costs of sales/depreciation	**(77)**	**-**	**(77)**	-
Surplus/(deficit)	**32**	**-**	**32**	-

7. Net interest

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Interest receivable and similar income				
On financial assets measured at amortised cost:				
Interest receivable	**96**	193	213	405
	96	193	213	405

	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Interest payable and financing costs				
On financial liabilities measured at amortised cost:				
On loans repayable within five years	**-**	-	**-**	-
On loans wholly or partly repayable in more than five years	**2,408**	**2,349**	**2,408**	**2,349**
Interest on Recycled Capital Grant Fund	**14**	**14**	**14**	14
	2,422	**2,363**	**2,422**	**2,363**
On defined benefit pension scheme				
Net Interest on scheme liabilities	**68**	68	**68**	68
Effective change in fair value of cashflow hedge	**(97)**	-	**(97)**	-
	2,393	**2,431**	**2,393**	**2,431**

8. Surplus on ordinary activities

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
The operating surplus is stated after charging/(crediting):	**(121)**	-	**53**	-
Auditors remuneration including expenses (excluding VAT):				
Audit of the group financial statements	**20**	20	**20**	20
Audit of subsidiary	**4**	2	**-**	-
Auditors remuneration including expenses (excluding VAT):				
Taxation compliance services	**-**	1	**-**	1
Accounts preparation services	**-**	1	**-**	1
Service charge certification	**2**	2	**2**	2
Operating lease rentals:				
Other (vehicles and IT equipment)	**-**	-	**-**	-
Land and buildings	**-**	-	**-**	-
Office equipment	**-**	-	**-**	-
Depreciation of housing properties	**1,619**	1,624	**1,619**	1,624
Depreciation of other fixed assets	**252**	260	**252**	260
Surplus on sale of fixed assets	**-**	-	**-**	-

9. Tax on surplus on ordinary activities

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Current tax				
UK corporation tax on surplus for the year				
Adjustments in respect of prior years	-	-	-	-
Changes in accounting policies/errors				
Total current tax charge	-	-	-	-

The tax assessed in the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2024: 19%). The differences are explained as follows:

	Group		Association	
	2025	2024	**2025**	2024
Total tax reconciliation	**£'000**	£'000	**£'000**	£'000
Surplus on ordinary activities before tax	(121)	762	53	983
Theoretical tax at UK corporation tax rate 19% (2024: 19%)				
- Tax on other comprehensive income items	**(23)**	145	**10**	187
- Non-taxable gains on asset sales	**-**	(3)	**-**	-
- Other non-deductible expenditure	**23**	(142)	**(10)**	(187)
- Non-taxable charitable activities	**-**	-		-
Total tax charge	-	-	-	-

10. Key management personnel remuneration

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £451k (2024: £416k).

Remuneration for executive directors for the year ended 31 March 2025:

	2025	2024
	£'000	£'000
Wages and salaries (including performance related pay for period)	412	382
Pension contributions	39	34
Total	**451**	**416**

Non-executive Board Member remuneration for the year ended 31 March 2025:

	2025	2024
	£'000	£'000
Heather Thomas	-	6
Carolyn Porretta	-	1
Neil Perrins	3	3
Mark Collins	3	3
Nathan Gravesande	-	2
Julian Chun	4	2
Phiroze Dastur Mackenzie	-	1
Felicity Gentle	3	2
Jim Dean	3	2
Matthew Hayday	3	2
Pamela Vera	2	1
Christopher Newman	2	1
Maureen Adams	6	-
Bruce Shelmerdine	3	-
David Hall	3	-
Total	**35**	**26**

Tracy Cullen is remunerated as Chief Executive and receives no additional salary as a member of the Board.

Remuneration payable to the highest paid director who is the Chief Executive in relation to the period of account amounted to £125k (2024: £119k) excluding pension contributions.

Tracy Cullen was a member of the defined benefit pension scheme which is now closed to future accrual. The scheme is a final salary scheme which was funded by annual contributions by the employer and employee. Tracy Cullen is now a member of the defined contribution scheme.

11. Employee information

	Group		Association	
	2025	2024	**2025**	2024
	No.	No.	**No.**	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	**49**	48	**49**	48
	49	48	**49**	48

	£'000	£'000	**£'000**	£'000
Staff costs (for the other persons)				
Wages and salaries	**2,267**	2,158	**2,267**	2,158
Social security costs	**256**	232	**256**	232
Other pension costs	**166**	150	**166**	150
	2,688	2,540	**2,688**	2,540

Aggregate number of full time equivalent staff whose remuneration (including compensation for loss of office) exceeded £60,000 in the period:

	2025 Number	2024 Number
£60,000 - £70,000	**2**	**-**
£70,001 - £80,000	**1**	1
£80,001 - £90,000	**1**	2
£90,001 - £100,000	**1**	-
£100,001 - £110,000	**1**	1
£110,001 - £120,000	**-**	1
£120,001 - £130,000	**1**	-

There were no loans made to employees in the year (2024: £0). All loans are interest free and for a maximum term of one year.

12. Pension obligations

Social Housing Pension Scheme
The Group participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT'). The accounting policy in relation to SHPS is set out on page 28. This scheme is now closed to future accruals as of April 2021.

12. Pension obligations (continued)

Principal Actuarial Assumptions

	At 31 March 2025	At 31 March 2024
Discount rate of scheme liabilities	5.82%	4.90%
Rate of increase in salaries	3.79%	3.78%
Inflation assumption (RPI)	3.10%	3.15%
Inflation assumption (CPI)	2.79%	2.78%
Commutation of pensions to lump sums	75% of maximum allowance	75% of maximum allowance

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2025	At 31 March 2024
	Years	Years
Retiring today		
Males	20.5	20.5
Females	23	23
Retiring in 20 years		
Males	21.7	21.8
Females	24.4	24

12. Pension obligations (continued)

Analysis of the amount charged to operating expenditure in the Statement of Comprehensive Income	At 31 March 2025 £'000	At 31 March 2024 £'000
Employer service cost (net of employee contributions)	-	-
Expenses	(10)	(10)
Past service cost	-	-
Total operating charge	**(10)**	**(10)**
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	332	349
Interest on pension liabilities	(399)	(417)
Amounts charged/credited to financing costs	**(67)**	**(68)**
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gains(/losses) on pension scheme assets	(850)	(874)
Actuarial gains/(losses) on scheme liabilities	992	580
Actuarial gain/(loss) recognised	**142**	**(294)**

Movement in surplus/(deficit) during year	At 31 March 2025 £'000	At 31 March 2024 £'000
(Deficit)/surplus in scheme at 1 April 2024	(1,566)	(1,592)
Movement in year:		
Employer service cost (net of employee contributions)	(10)	(10)
Employer contributions	420	398
Past service cost	-	-
Net interest/return on assets	(67)	(68)
Remeasurements	142	(294)
(Deficit)/Surplus in scheme at 31 March 2025	**(1,081)**	**(1,566)**

12. Pension obligations (continued)

Asset and Liability Reconciliation	At 31 March 2025 £'000	At 31 March 2024 £'000
Reconciliation of liabilities		
Liabilities at start of period	8,261	8,658
Service cost	10	10
Interest cost	399	417
Employee contributions	-	-
Remeasurements	(992)	(580)
Benefits paid	(253)	(244)
Past Service cost	-	-
Curtailments and settlements	-	-
	7,425	**8,261**
Reconciliation of assets		
Assets at start of period	6,695	7,066
Return on plan assets	332	349
Remeasurements	(850)	(874)
Employer contributions	420	398
Employee contributions	-	-
Benefits paid	(253)	(244)
Assets at end of period	**6,344**	**6,695**

The assets at the end of the period are as follows:

	2025 £'000	2024 £'000
Global equity	711	667
Absolute Return	-	261
Distressed Opportunities	-	236
Credit Relative Value	-	219
Alternative Risk Premia	-	213
Fund of Hedge Funds	1,176	87
Emerging Market Debt	-	392
Risk Sharing	-	35
Insurance-Linked Securities	20	269
Property	318	676
Infrastructure	1	5
Private Debt	6	264
Real Assets	759	262
Private Credit	776	-
Credit	243	-
Investment Grade Credit	195	-
High Yield	-	1
Cash	86	132
Long Lease Property	2	43
Secure Income	106	200
Liability Driven Investment	1921	2725
Currency Hedging	10	(3)
Net Current Assets	14	11
Total Assets	**6,344**	**6,695**

13. Tangible fixed assets

Group & Association	Social Housing Properties For Letting Completed	Social Housing Properties for letting under construction	Low cost home ownership Properties completed	Low cost home ownership properties under construction	Total Housing Properties	Freehold Offices	Long Leasehold Property	Furniture and office equipment	Total Fixed Assets
	---------------------- Housing Properties ------------------					------------------ Other fixed assets ------------------			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COSTS									
At start of the year	145,635	1,412	16,549	1,647	165,243	2,016	324	2,007	4,347
Transfers	393	(557)	(871)	(1,331)	(2,366)	-	-	-	-
Additions	-	594	-	446	1,040	-	-	9	9
Works to existing properties	1,937	-	-	-	1,937	-	-	-	-
Schemes completed	-	-	-	-		-	-	-	-
Disposals	-	-	-	-		-	(324)	-	(324)
Replaced components	(432)	-	-	-	(432)	-	-	-	-
	-	-	-	-					-
At end of the year	**147,533**	**1,449**	**15,678**	**762**	**165,422**	**2,016**		**2,016**	**4,032**
Depreciation and impairment									
At start of the year	26,158	-	-	-	26,158	198	323	1,201	1,722
Charge for the year	1,619	-	-	-	1,619	22	-	230	252
Released on disposals	(348)	-	-	-	(348)	-	(323)	-	(323)
		-	-	-	-				
At end of the year	**27,429**				**27,429**	**220**		**1,431**	**1,651**
Net book value at 31 March 2025	**120,105**	**1,449**	**15,678**	**762**	**137,993**	**1,796**		**585**	**2,381**
Net book value at 31 March 2024	119,477	1,412	16,549	1,647	139,085	1,818	1	806	2,625

13. Tangible fixed assets

Housing Properties comprise:	2025 £'000	2024 £'000
Freeholds	**128,889**	129,981
Long leaseholds	**8,895**	8,895
Short leaseholds	**209**	209
	137,993	139,085

Works to existing properties in the year:	2025 £'000	2024 £'000
Components capitalised	**1,937**	1,568
Amounts charged to expenditure	**292**	292

The aggregate amount of interest and finance costs included in the cost of housing properties was £46.4k (2024: £54k) (the capitalisation rate used was 4.48% (2024: 4.89%)).

The net book value of other fixed assets includes £nil (2024: £nil) in respect of assets held under finance leases.

Cost of properties includes £162,154 (2024: £168,931) for direct administrative costs capitalised during the year.

Freehold land and buildings with a carrying amount of £71m (2024: £71m) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

13. Tangible fixed assets

Impairment of Housing Properties
Housing properties are assessed at each reporting date to determine whether an indicator of impairment exists, where there is evidence of impairment an assessment is carried out to estimate the recoverable amount of the asset.
The recoverable amount is the higher of fair value less costs to sell and value in use.

The recoverable amount is compared to the book value of the asset (or cash generating unit) and any write down is charged to profit or loss.

Value in use is defined as value in use – service potential (VIU-SP), this is the present value of the asset's remaining service potential plus the net amount the entity will receive from its disposal.

Group & Association

As at 31 March 2025 no impairment loss was recorded in profit or loss (2024: none)

14. Stock

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
First tranche Shared ownership properties:				
Completed	**-**	149	**-**	149
Work in progress	**211**	488	**211**	488
Land Held for Sale	**1,020**	-	**1,020**	
Outright sale properties:				
Completed	**-**	-	**-**	-
	1,231	637	**1,231**	637

15. Trade and other debtors due within one year

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Rent Arrears	**1,047**	830	**1,047**	830
Less: provision for bad debts rent	**(450)**	(375)	**(450)**	(375)
Amounts owed by group undertakings	**-**	-	**2,423**	2,998
Other debtors	**860**	760	**860**	762
Less: provision for bad debts other	**(204)**	(199)	**(204)**	(199)
Prepayment and accrued Income	**545**	681	**545**	681
Trade debtors	**576**	306	**576**	357
	2,374	2,003	**4,797**	5,054

16. Cash and cash equivalents

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Cash at bank	**3,087**	3,931	**3,041**	3,021

17. Creditors: amounts falling due within one year

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Loans and overdrafts (Note 26)	**42**	1,039	**42**	1,039
Trade creditors	**762**	1,099	**723**	1,099
Rents and service charges paid in advance	**1,122**	862	**1,122**	862
Accruals and deferred income	**1,994**	1,785	**1,466**	1,331
Deferred Capital Grant (Note 19)	**725**	725	**725**	725
Recycled Capital Grant Fund (Note 20)	**14**	-	**14**	-
Other creditors	**146**	851	**2,696**	3,227
	4,805	6,361	**6,788**	8,283

18. Creditors: amounts falling due after more than one year

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Bank and other loans (Note 26)	**60,060**	58,646	**60,060**	58,646
Deferred Capital Grant (Note 19)	**54,857**	55,581	**54,857**	55,581
Recycled capital grant fund (Note 20)	**293**	422	**293**	422
Leaseholder sinking funds	**270**	28	**270**	28
	115,480	114,677	**115,480**	114,677

Loans are secured by housing properties, see note 26.

19. Deferred capital grant

		Group		Association	
		2025	2024	**2025**	2024
		£'000	£'000	**£'000**	£'000
At the start of the year		**56,306**	55,293	**56,306**	55,293
– Grants received during the year:		**-**		**-**	
Housing properties		**-**	1,738	**-**	1,738
Recycled Capital Grant Fund		**-**	-	**-**	-
Grants recycled during the year:					
Housing properties		**-**	-	**-**	-
Recycled Capital Grant Fund		**-**	-	**-**	-
Amortised Grant	**11**	**(725)**	(725)	**(725)**	(725)
At the end of the year		**55,581**	56,306	**55,581**	56,306
Due within one year		**725**	725	**725**	725
Due in more than one year		**54,857**	55,581	**54,857**	55,581
		55,582	56,306	**55,582**	56,306

The gross amount of grant received prior to amortisation as at 31 March 2025 was £74,436k (2024: £74,436k).

20. Recycled capital grant fund

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
At the start of the year	**423**	459	**423**	459
Inputs to fund:				
Grants recycled from deferred capital grants fund	**-**	-	**-**	-
Interest accrued	**14**	14	**14**	14
Transfers from other Private Registered Providers	**-**	3	**-**	3
Recycling of grant:				
New build properties	**-**	-	**-**	-
Outputs to fund:	**-**	-	**-**	-
Repayment of grant	**(130)**	(54)	**(130)**	(54)
At the end of the year (Note 17 and Note 18)	**307**	422	**307**	422
Amounts of 3 years and older where repayment may be required.	**141**	-	141	-

Withdrawals from the recycled capital grants fund were used for new build affordable homes. Amounts in the RCGF are due to the GLA where repayment may be required.

21. Non-equity share capital

	2025	2024
	£	£
Group and Association		
Allotted Issued and Fully Paid		
At the start of the year	**10**	7
Issued during the year	**1**	7
Cancelled during the year	**(1)**	(4)
At the end of the year	**10**	10

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

22. Capital commitments

Tangible fixed assets/intangible fixed assets

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**-**	-	**-**	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**19,894**	8,322	**17,095**	8,322
	19,894	8,322	**17,095**	8,322
The Group expects these commitments to be contracted within the next year and financed with:				
Social Housing Grant	7,920	1,480	7,920	1,480
Proceeds from the sales of properties	5,623	-	1,902	-
Cash at Bank	2,000	1,211	2,000	1,211
Committed Loan Facilities	4,351	5,631	5,273	5,631
	19,894	8,322	**17,095**	8,322

The above figures include the full cost of shared ownership properties contracted for.

There are no performance conditions attached to the above commitments.

23. Operating leases

The association holds properties and office equipment under non-cancellable operating leases. At the end of the year the association and group had commitments of future minimum lease payments as follows:-

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Land and buildings:				
In one year or less	-	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-
Others:				
In one year or less	**9**	-	**9**	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-
	9		**9**	

24. Grant and financial assistance

Group & Association	Social Housing Grant £'000	Other grants £'000	Total 2025 £'000	Total 2024 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March 2025:	74,436	-	**74,436**	74,436
Held as deferred capital grant	57,320	-	**57,320**	56,306
Recognised as income in statement of Comprehensive Income	17,116	-	**17,116**	18,130
	74,436	-	**74,436**	74,436

25. Related parties

There are no related party transactions for this year or the prior year.

Transactions with registered and non-registered elements of the business

In accordance with the Accounting Direction 2022, transactions between private registered providers and other non-registered entities in the Group are disclosed as follows:

2025	Turn-over £'000	Operating Expenses £'000	Other Income £'000	Interest Payable £'000	Interest receivable £'000	Loan Creditors £'000	Loan Debtors £'000	Other creditors £'000	Other debtors £'000
Subsidiary									
ccha Developments Limited	-	(58)	-	(116)	-	(2,583)	2,423	-	-

2024	Turn-over £'000	Operating Expenses £'000	Other Income £'000	Interest Payable £'000	Interest receivable £'000	Loan Creditors £'000	Loan Debtors £'000	Other creditors £'000	Other debtors £'000
Subsidiary									
ccha Developments Limited	-	(63)	-	(212)	-	(2,617)	2,998	-	-

ccha provides a loan to ccha Developments Limited on commercial terms. ccha also provides operational resources sufficient for the running of ccha Developments Limited, under a Service Level Agreement.

26. Financial instruments and risk management

Liquidity
Total loan and credit facilities

The Group had total borrowing facilities of £95m available at 31 March 2025 (2024: £74.2m), of which £39m (2024: £19m) were undrawn.

Undrawn borrowings on 31 March 2025 relate to a revolving credit facility of £14.0m with Santander Bank and revolving credit facility of £15.0m with Natwest Bank in addition to a term loan with Nationwide of £10m.

Cash and cash equivalents totalled £3m (2024: £3.9m) at 31 March 2025.

Maturity profile of outstanding borrowing at 31 March 2025:

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Loans repayable by instalments				
Repayable within one year	**42**	1039	**42**	1,039
In one year or more but less than two	**99**	42	**99**	42
In two years or more but less than five	**122**	156	**122**	156
In five years or more	**1,306**	1,370	**1,306**	1,370
Loans not repayable by instalments				
Repayable within one year	-	-	-	-
In one year or more but less than two	**7,500**	17,500	**7,500**	17,500
In two years or more but less than five	**14,500**	2,072	**14,500**	2,072
In five years or more	**38,037**	38,465	**38,037**	38,465
Less: loan issue cost	**(1,503)**	(959)	**(1,503)**	(959)
Total drawn borrowings	**60,103**	59,685	**60,103**	59,685

The Group's weighted average cost of capital at 31 March 2025 is 4.48% (2024: 4.27%).

All of the group's borrowing facilities are secured by fixed charges on individual properties.

Managing market risk

Interest rate risk
The Group manages volatility of cash flows and interest payments in relation to interest rate risk via limiting its exposure to variable interest rate risk and hedging. Interest rate risk policy managed by Treasury and approved by the board states that variable rate borrowings shall not exceed more than 30% of total outstanding borrowings.

Cash flow hedges

Group and Association	**Average Contract Fixed Rate**		**Notional Principal Value '£000**		**Fair Value £'000**	
	2025	2024	2025	2024	2025	2024
Due between 2 and 5 years	4.11%	-	13,500	-	97	-

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' SONIA. ccha settles the difference between the fixed and floating interest rate on a net basis, the first of which occurs in June 2025. The £13.5m matures in 2030.

26. Financial instruments and risk management (continued)

Group fixed and variable rate outstanding borrowing at 31 March 2025:

	2025 £m	**2025 Weighted average rate %**	**2025 Weighted average term Years**	2024 £m	2024 Weighted average rate%	2024 Weighted average term Years
Fixed rate	49.5	2.97	11	48.6	3.46	22
Variable rate borrowings	10.6	4.15	8	11	5.07	10
Total drawn borrowings	60.1	3.56	10	59.6	4.27	17

Financial assets and financial liabilities at book value and fair value
The book value of all financial assets and financial liabilities at 31 March 2025 is deemed to equal fair value.

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

	Group		**Association**	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Financial assets				
Financial assets measured at cost:				
Cash and cash equivalents	**3,087**	3,931	**3,041**	2,471
Financial assets measured at amortised cost:				
Trade receivables	**-**	-	**-**	-
Other receivables	**860**	760	**860**	760
Total financial assets	**3,947**	4,691	**3,901**	3,231

	Group		**Association**	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans payable	**60,060**	58,646	**60,060**	58,646
Trade creditors	**723**	1,099	**723**	1,099
Other creditors	**-**	-	**-**	-
Accruals	**1,122**	1,120	**1,122**	1,120
Measured at fair value and designated in an effective hedging relationship – derivative financial liabilities	**(97)**	-	**(97)**	-
Total financial liabilities	**61,808**	60,865	**61,808**	60,865

27. Analysis of Changes in Net Debt

Group	At the Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	3,931	(844)	-	3,087
Housing Loans Due in One Year	(1,039)	39	958	(42)
Housing Loans Due After One Year	(58,646)	-	(1,414)	(60,060)
	(55,754)	(805)	(456)	(57,015)

Association	At the Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	8,666	(5,625)	-	3,041
Housing Loans Due in One Year	(1,039)	39	958	(42)
Housing Loans Due After One Year	(58,646)	-	(1,414)	(60,060)
	(51,019)	(5,586)	(456)	(57,061)

28. Contingent Liability – Social Housing Pension Scheme

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes.

The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2026 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

29. Events after the end of the reporting period

The buyer of the Wheatsheaf Land withdrew from the purchase agreement. This occurred after the exchange of contracts but prior to completion. As a result, the Group has retained the deposit paid by the buyer and will relist the land for sale at the previously agreed price.

The land remains classified as held for sale at the reporting date, with a carrying value of £1.02 million as disclosed in Note 14 to the financial statements.

Nature of the Event: This is a non-adjusting event after the reporting period, which does not otherwise require an adjustment as there is no impairment

Abortive costs incurred in relation to sunk development costs incurred on the land, which include legal and advisory fees, have been charged to expenditure and are disclosed in the Statement of Changes in Income and Expenditure (SOCIE). These costs total £769k, including £20k for Selcroft Road scheme costs which we were to purchase at the beginning of the year and fell through after further due diligence.