



Croydon Churches Housing Association Limited
Financial Statements
For the Year Ended 31 March 2026

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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)
Matthew Hayday (Chair of People and Governance Committee)
Julian Chun (Chair of Development and Assets Committee)
Tracy Cullen (CE of ccha)
Mark Collins
Bruce Shelmerdine
Jim Dean
Christopher Newman
Adam Clark (Appointed July 2025)
Samantha Simon (Appointed July 2025)
Tracey Tibos (Independent Committee Member)
Felicity Gentle (Resigned September 2025)

Secretary Registered Office

Chris Abad

Deputy Secretary

Dinendra Dharmasuriya

External Auditors

Menzies LLP
Suite 16b, The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Internal Auditors

RSM Risk Assurance Services LLP
25 Farringdon Street
London
EC4A 4 AB

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 2026.

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 £2.55m compared to £3.00m in 2024-25. The overall surplus was £154k for the year ended 31 March 2026 before the recognition of the multi-employer defined benefit scheme. This compares to a surplus of £648k for the year ended 31 March 2025, before abortive costs.

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:



To help achieve the vision this was the first year of our business plan "ccha2030"

Our Plan has five key priorities for the five years:

- To deliver services shaped by residents, providing a positive resident experience.
- To create a positive culture and safe working environment where staff feel valued and able to deliver effectively.
- To be compliant and have residents who feel safe and secure in their home environment.
- To deliver quality and affordable homes for new and existing residents in our communities.
- To develop efficient and effective ways of working to deliver a quality service to residents.

Board Report

EMPLOYEES

One of the key strategic objectives of ccha2030 is to create a positive culture and a safe working environment where colleagues feel valued, supported and able to deliver effectively. Our new People Strategy sets out how we will achieve this over the next five years, with an overall aim of building a high-performance culture in which staff are supported to provide high-quality services to residents.

The Strategy was developed following employee engagement and consultation. We continue to involve staff through collaboration days, independent staff surveys, regular briefings and team meetings. Additional information is shared through internal communication channels to ensure colleagues remain informed and engaged.

We place strong emphasis on training and development for all staff, using both internal and external resources to support personal and professional growth. ccha is committed to ensuring that disabled people and those with additional needs are considered for employment, training, career development and promotion on the basis of their skills, aptitudes and abilities. Reasonable adjustments are made, where required, to support employees in their roles.

The Association uses specialist consultants, Citation PLC, to advise managers on employment legislation and good practice. This includes access to a dedicated helpline and training on current and forthcoming legislative requirements.

EQUITY, DIVERSITY AND INCLUSION

As a housing provider and employer, our aim is to provide fair and equal access to our services for all residents. We recognise that some people experience disadvantage, and we are committed to making our services more responsive and accessible to a diverse range of individual and community needs. To do this effectively, we need to understand our residents better. We are therefore committed to completing customer needs surveys and using this information to shape future policies, services and support.

We are committed to listening to residents, staff and other stakeholders, involving them in the development of services and recognising the value of their diversity. We want residents and colleagues to feel valued, respected and able to make a difference. The Board actively promotes fairness, inclusion and the elimination of prejudice across all activities of the Association.

A number of strategies will support delivery of our business plan, ccha2030. Each strategy will include specific commitments to Equity, Diversity and Inclusion (EDI), supported by action plans to embed EDI across our services. Our new Customer and People Strategies both include clear EDI objectives, helping to ensure fair access, inclusive services and a workforce that reflects and understands the communities we serve.

BOARD OF MANAGEMENT

The Board comprises 11 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 2026 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 2025/26

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 Regulator's latest risk review (published November 2025) recognises that Registered Providers are under growing pressure to both deliver safe, decent homes and increase housing supply, while operating amid economic constraints, regulatory change, and reputational scrutiny. The Regulator has emphasised that while the new consumer standards are important, good governance remains essential and will be a key inspection focus. Key risks highlighted were:

Safe & Decent Homes

- Ongoing need to comply with consumer standards and health & safety law. Major focus on fire safety remediation and damp/mould prevention.
- Managing new requirements including Awaab's Law, electrical safety, and energy efficiency regulations.
- Common weaknesses include incomplete safety checks and poor-quality data.

Supply of New Homes

- Government ambition is 300,000 homes over 10 years, supported by £39bn in grants plus £2.5bn in loans.
- However, increased investment needed in existing homes is putting pressure on the ability to fund development.
- Development risks include scheme viability, contractor insolvency, borrowing costs, and land availability.
- Climate change and Net Zero obligations add complexity across both existing and new stock.

Data, Systems and Operating Pressures

- The Regulator stresses accurate and timely data as critical for decision-making.
- Risks include outdated IT systems and rising rent arrears.
- Supported housing remains a risk due to funding reductions and workforce recruitment/retention challenges, though the document notes this risk may reduce with planned redeployment over the next few years.

Regulator's strategic imperatives (what Boards must focus on)

- Governance: strong board oversight and accountability.
- Data integrity: investment in systems to ensure accurate, timely information.
- Risk management: robust stress testing of financial and operational plans.
- Communication: proactive engagement with tenants, regulators, and other stakeholders.
- Boards must also maintain oversight of liquidity, covenants, stress test assumptions, and treasury discipline, while understanding heightened reputational risk.

Board Report

The Board are required annually to confirm compliance of the regulatory standards within the financial statements, with due regard to the RSH Annual Sector Risk Profile. For the Board to be assured of compliance, 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 details how we comply with all aspects of the regulatory standards and what evidence-based assurance the Board receives to support this in the form of self-assessments. It also highlights all external and internal assurance which has been provided throughout the year.

Compliance with the RSH Regulatory Standards

Consumer Standard

The Consumer Standard covers compliance with:

- Safety and Quality Standard
- Transparency, Influence and Accountability Standard
- Neighbourhood and Community Standard
- Tenancy Standard

ccha had their first regulatory inspection which included a full assessment of our compliance against the new Consumer Standards, we achieved a C1.

For the purposes of reporting compliance against 2025 - 26, we have developed our own self-assessment tool, from completing this self-assessment we believe that this demonstrates our full compliance against the consumer standards.

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 June 2026, the RSH completed a full Regulatory Inspection, and we achieved a **G1 V1 C1**.

We have adopted a Campbell Tickell self-assessment tool which they believe is more appropriate for an organisation of our size and complexity and combines all aspects of regulations, governance, financial viability, and legal compliance. From this self-assessment, we believe that we are fully compliant with all aspects of the NHF Code of governance 2020 and the Regulator's governance requirements under the Economic Standard.

Board Report

Financial Viability

The Board developed and approved the five-year plan ccha2030 and Year 2 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 as of the 31 March 2026 is reported to the Board annually.

We have an approved Asset management strategy, and an Active asset management report was brought to the Board in July 2025. In the future this will be taken to the Development and Asset Committee (DAC) 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. All changes to assets will be taken to the Board for formal approval. 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 and board assurance framework in September 2024 and a risk appetite Statement in December 2025. 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 undertook an independent Rent Review completed by Campbell Tickell. They concluded that over 99% of all rents were accurate. There were a small number of errors noted to the calculation of rents, but these have now all been rectified in year.

We believe that we are 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 that we are fully compliant and adhere to all relevant law appropriate for our business.

Internal and External Board assurance

Risk Management

The Audit and Risk Committee (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.

Board Report

The Board reviews the strategic top risks, controls, and assurances quarterly through the ARC and CE 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.

We now have a Risk management framework which was approved by Board in September 2024 together with Risk Appetite Statement which is reviewed by the Board annually. The last review was completed in December 2025.

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

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 quarterly at ccha's Senior Management team meetings. Changes to the overall risk scores are reviewed by ARC and then approved by Board.

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 majority of the new SPIs for 2026 - 27 were approved by the Board in February 2026 with the TSM targets being approved by the Board in April 2026.

Audit

Internal Audit Function

Our internal audits for 2025 - 6 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 2025 and covered the following areas:

- Governance (Substantial Assurance)
- IT Strategy (Reasonable Assurance)
- Voids and Lettings (Substantial Assurance)
- Customer Engagement (Substantial Assurance)
- Follow up audit (Good progress against actions)

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 is provided to ARC annually. The Chair of the ARC updates the Board on the results of the audits through the ARC Chair's update highlighting any areas of concern.

Board Report

Specialist Audits – Health and Safety

Tersus group, a specialist Health and Safety consultant, completed a complete review of our Health and Safety systems in 2022. Since then, we have retained them to deliver audits of the main six aspects of Landlord Health and Safety and monitor progress against the improvement plan quarterly. They also review the H & S update report which covers all aspects of Landlord and Employer Health and Safety prior to it going to the H & S committee quarterly and then on to ARC (DAC from 2026 – 27). In 2025 – 26, Tersus Group completed two deep dives for:

- Asbestos Management (Reasonable Assurance)
- Fire safety (Reasonable Assurance)

Specialist Audits – Rent Review

In 2025 – 26, we commissioned Campbell Tickell to undertake a rent review of our rents against the Rent Standard. It was noted that 99% of our rents were compliant. There were a small number of non – complaint rents identified which have been corrected in year.

Specialist Assurance – Treasury Advisors

Savills Financial consultants support us with our Treasury Strategy and Treasury Management Policy as well as reviewing our Financial plan as part of their Treasury Strategy work. They attend Board annually to support the Treasury Strategy presented by the Director of Finance and Resources.

External Audit Function

Our financial statements are subject to external audit and continually receive unqualified audit reports. The appointment of Menzies LLP (formerly Beevers and Struthers) as our external auditors for 2025 - 26 was approved at the AGM in September 2025.

The external audit plan is produced by Menzies LLP and presented to ARC annually for approval. The results of the external audit are presented by Menzies LLP to ARC, in the first instance with time for the auditors to speak to ARC 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 all appropriate policies and procedures are in place to deal with fraud. This view was supported by our internal auditors when they undertook a fraud risk assessment in 2023 - 24 and felt that appropriate policies and procedures are in place to deal with fraud.

VALUE FOR MONEY STATEMENT – 2025-26

This Value for Money statement sets out how ccha has used its resources during 2025-26 to support its strategic objectives, maintain financial resilience, invest in homes and services, and provide assurance to our residents, the RSH and other stakeholders. It should be read alongside the annual financial statements.

Our approach to value for money

Value for Money at ccha is about securing the best possible outcomes from the resources available to us. This means balancing economy, efficiency and effectiveness while maintaining compliance, financial viability and service quality, and ensuring that our resources have a positive impact on residents and local communities. In 2025-26, this has required careful management of cost pressures, continued investment in core systems and affordable homes, and clear prioritisation of resources to areas that support residents and organisational resilience.

Our approach is supported by regular budget monitoring, monthly leadership review of financial performance, ongoing covenant monitoring, and scrutiny of material variances. This enables the Board and leadership team to understand where resources are being used well, where pressures are emerging, and where further action is needed to improve forecasting, cost control and outcomes.

We are proud to create sustainable communities by forging strong local partnerships, local initiatives like our resident open days, estate action days and coffee mornings 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 continue to operate in areas where the supply of affordable housing remains significantly below demand. We recognise that the need for genuinely affordable homes for rent and sale continues to increase, particularly for people on lower incomes and those reliant on state benefits, whose income has fallen in real terms. Development therefore remains central to our value for money approach: increasing supply helps us meet local housing need, make best use of our assets and improve long-term cost effectiveness.

During 2025-26, we continued to progress our development plans with the support of the GLA's Affordable Homes Programme 2021-26. While development activity has been affected by wider market conditions, funding, planning and contractor challenges, we remain committed to delivering new homes that respond to the needs of our communities and support our long-term business plan.

Looking ahead, our proposed future development programme is focused on redeveloping 147 homes over the next five years. This will allow us to increase the number and quality of affordable homes available locally, while ensuring that schemes remain financially sustainable and aligned with our risk appetite. We are pleased that delivery will continue to address housing need in our community and contribute to stronger, more sustainable neighbourhoods.

Our approach to Value for Money is underpinned by a suite of interconnected strategies that support efficiency, effectiveness, sustainability and continuous improvement across the organisation. These include our Asset Management Strategy, Sustainability Strategy, Development Strategy, Customer Strategy, People Strategy, Neighbourhood Strategy, IT Strategy and Data Strategy. All strategies have been approved by the Board, with the IT and Data Strategies approved during the current year.

Together, these strategies provide a clear framework for delivering high-quality services, maximising the value of our assets and resources, improving customer outcomes, and ensuring informed decision-making through effective use of technology and data. Through ongoing investment in our people, systems and homes, we seek to drive operational efficiency, enhance performance and embed a culture of continuous improvement that delivers long-term value for residents and stakeholders.

Value for Money Statement

Strategic Context and Progress this year

We understand that the expectations of our residents have increased, alongside those of the Regulator of Social Housing. Our actions continue to be focused on meeting these expectations, improving services and maintaining trust with residents and stakeholders.

Our customer contact centre and new repairs model is embedding well and has supported a growth in customer satisfaction and increased awareness of where further improvements need to be made which has been built into our Customer Strategy.

Year 1 of our ccha2030 business plan continues this direction and sets out how we will provide a quality service to residents. The emphasis is now on delivering a great service to our current residents while continuing to provide more homes for our community. We recognise the pressing need for affordable housing and are balancing this with our responsibility to care for existing residents and homes.

During 2025-26, we have continued to navigate high borrowing costs, regulatory change and affordability concerns while prioritising residents' wellbeing. Feedback from residents and staff, together with the challenges experienced over the last five years, has shaped ccha2030 and helped us focus our resources on the areas that matter most.

This year, we mapped our key processes within the upgraded Cx housing management system and continued to ensure that these processes are efficient, documented and understood across teams. This work supports better data, clearer accountability, improved process control and more consistent services for residents.

We continue to move forward with more effective and efficient ways of working, growing our capability and expanding our potential to support residents and develop new affordable homes. More than ever, our strategic value for money aim remains to achieve median quartile cost and upper quartile quality.

Headline social housing cost per unit remains an important metric for assessing our value for money expenditure and continue to be benchmarked at Median Quartile which is within our risk appetite to achieve High Quality.

During the year, we continued to invest in technology and digital transformation to improve efficiency, reduce costs and enhance service delivery. Automation of routine processes, including rent statements, service charge communications and compliance monitoring, has reduced manual effort, improved accuracy and released staff time for higher-value activities. IT-led reviews and procurement initiatives delivered significant savings, including a 50% reduction in cyber insurance costs, over £60,000 savings of anticipated infrastructure costs and a further £20,000 of efficiencies across other services.

We have also invested in new systems, integrations and data capabilities to support organisational performance, including Outlook integration, enhanced business continuity arrangements, SharePoint migration and electronic document management. Work to embed Cx business processes and develop in-house performance dashboards is strengthening data quality, reporting and decision-making, while reducing reliance on external providers.

These improvements support continuous improvement, strengthen resilience and ensure resources are used effectively to deliver better outcomes for residents.

We are pleased to report that three development schemes started on site in 2025/26. These were Craignish Avenue, Buckthorn Apartments and Frederick Gardens.

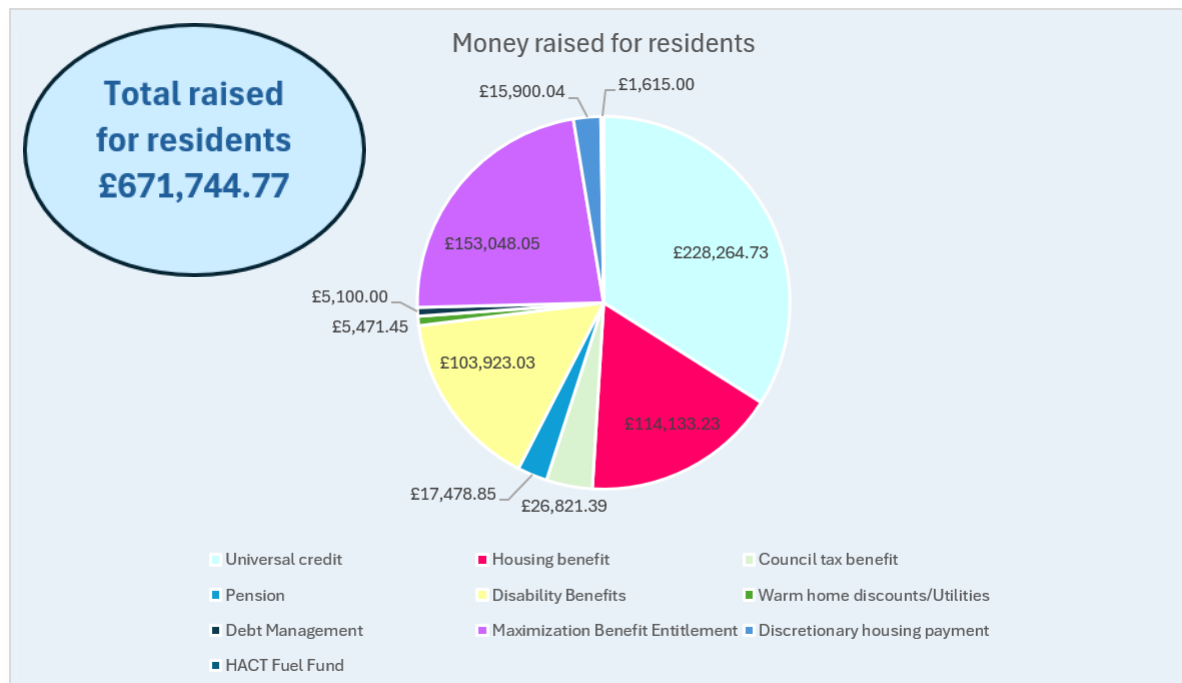
Resident Security and Wellbeing

We are pleased to report the additional 5% investment in the service has increased our income maximisation support for our residents by 10%, helping 768 households over the year. This is income that may not otherwise have been available for some of our vulnerable residents.

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, our total year end current arrears figures is 3.92%.

Value for Money Statement

This year, we were able to support the well-being of 335 residents through referrals for therapy and counselling. We also supported residents with 1,205 applications for financial assistance. This included support with council, disability, and housing related benefits which made up 65% of the income maximisation work carried out.



During the year, resident-led environmental and communal improvement projects delivered tangible benefits for 128 customers while ensuring effective use of resources. Improvements included replacement garden furniture, privacy screening, installation of a communal external tap, estate landscaping works and a new bin store. These investments responded directly to resident feedback, improving accessibility, safety, privacy and community cohesion. The projects have enhanced outdoor spaces, enabled more effective grounds maintenance, reduced health and safety risks, and increased resident satisfaction. By engaging residents in decision-making and targeting investment where it delivers greatest customer benefit, we have improved the quality of our homes and neighbourhoods while maximising value from our assets and services. This cost us £24k to provide this value to our residents.

We also continue to support residents through our dedicated Hardship Fund with over £18k helping 103 residents in financial crisis to alleviate some immediate needs with things like food, utilities and other essentials.

We have also focused on getting to know our residents better and now hold customer needs information on communication preferences, service needs and protected characteristics for 70% of our residents. This is up from 50% in 2024/25. We have used this information to help tailor services to meet individual needs.

In 2025/26, we brought in an additional resource to support our neighbourhoods team and help focus on improving ASB. Whilst a lot of improvements will be delivered through our new Neighbourhood Strategy, which was approved in February 2026, we saw improvements in our TSMs for neighbourhood contribution, up 7% to 69% and our approach to handling ASB up 9% to 64%. Through multi-agency working, we also tackled two serious and complex ASB cases achieving Closure Orders and possession orders, helping to improve the lives of other residents living in those blocks.

Value for Money Statement

Customer Service, Customer Satisfaction and Resident Engagement

Our independent surveys continue to be completed by Acuity, and they reported overall satisfaction for the year 2025-26 for all ccha residents was 69% which is a 7% improvement from 24-25. This compares positively to our TSM peer median of 66% for rented residents.

Satisfaction overall with services provided by landlord

Target	2023/24	2024/25	2025/26
68%	63%	62%	69%

We also saw improvements in all of our TSM measurements with overall satisfaction for our LCRA residents ending at 71%, up from 64% in 2024/25. Our repairs satisfaction went up 6% to 68% and satisfaction that we listen to views and act upon them went up 11% to 64% which are key areas of focus for us. Against our Housemark peers, we are also upper quartile in a number of areas including keeping residents informed 82% and keeping communal areas clean and well maintained 78%.

This year we have focused on using feedback from surveys and complaints and engaging with residents on all of our new strategies which have been approved throughout the year. This has included our Customers, Neighbourhoods and Sustainability Strategies. This will ensure we invest in services which are important to our residents and understand the improvements we need to make.

We also expanded our resident engagement activities and developed Resident Involvement Impact Assessments. These have enabled us to be more transparent about how we are engaging with residents and the outcomes that have been delivered as a result of this. These are published on our website and can be found [here](#).

Our Resident Panel have also grown and evolved through 2025/26. They have now formalised their structure, developed clear terms of reference and are now looking at how they work with the Board. Through the year they have reviewed performance information, documentation and policies and met with staff and contractors, helping to hold us to account. They have advised on how we can improve our communication to residents, co-designed our new Resident Involvement Policy and helped develop our new staff customer service training.

Customer Contact Centre

Launching our new Customer Contact Centre in 2025/26 has improved both service quality and value for money. By bringing repairs calls in-house, we have greater control over the customer experience, can identify issues more quickly and ensure services reflect our values and standards.

In its first year, the team answered nearly 20,000 calls, making it easier for residents to access our services. Resident satisfaction improved across all key measures as set out below. Our average call waiting times were 1 minute 50 seconds which compare favourably against other benchmark figures but will continue to be an area we want to improve.

	2024/25	2025/26
Ease of contact	61%	69%
Handling of query	60%	67%
Outcome of query	71%	74%

Value for Money Statement

Complaints Handling

Investing in a dedicated Complaints Officer and staff training helped improve both performance and resident outcomes. Stage 1 complaints responded to within target increased from 81% to 84%, while Stage 2 performance remained at 100%.

Resident satisfaction with complaints handling increased from 38% to 46%, and our 2025/26 Tenant Satisfaction Measure score for complaints handling was 47.5%, placing us in the top quartile in Housemark benchmarking. By improving early resolution and learning from complaints, we can reduce repeat contacts, target resources more effectively and drive continuous service improvement.

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 creating our People Strategy which has a robust action plan to ensure staff are achieving high performance while provided with high support.

During the year, we developed and approved our new People Strategy following extensive consultation with staff, residents and the People & Governance Committee. Feedback was gathered through collaboration days, team meetings, staff engagement surveys, Tenant Satisfaction Measures (TSMs) and Acuity's ECHO survey, enabling us to better understand the link between employee experience and resident outcomes. This evidence-based approach has helped us identify priorities for improvement and ensure resources are targeted where they will have the greatest impact.

Going forward, the strategy will strengthen workforce planning, leadership capability, employee wellbeing, health and safety, and organisational efficiency through improved systems, automation and data-led decision-making. By addressing capacity challenges, improving accountability and investing in our people, we aim to improve service quality, reduce organisational risk and deliver better outcomes for residents while achieving long-term value for money.

We maintained a stable workforce during the year, with staff turnover significantly reducing from 20.65% to 11.33%, at a time when improvements to our staffing structure announced and Phase 1 starting in Q4 of 2025-26.

Target	2023/24	2024/25	2025/26
10.50%	16.16%	20.65%	11.33%

We ended the year with six vacancies, with temporary arrangements in place to maintain service delivery while we progressed our organisational restructure.

Sickness absence remained low during the year, helping us maintain consistent services for residents. Staff feedback highlighted the importance of continuing to support colleague wellbeing and ensuring employees feel able to take the time they need to recover when unwell. Our new People Strategy includes a stronger focus on wellbeing, workload management and support mechanisms to help create a healthy, productive workforce that can continue delivering high-quality services.

Average working days lost due to sickness absence per FTE

Target	2023/24	2024/25	2025/26
4.40 days	1.53 days	0.44 days	1.46 days

Value for Money Statement

Contract Procurement and frameworks

Our repairs service demonstrates value for money primarily through effective procurement and contract management. Our main repairs contractor, KNK, was appointed through a robust procurement process designed to secure both competitive pricing and the quality standards required to deliver reliable repairs services for residents.

For higher-value project works, we use the Plentific platform to obtain and compare multiple quotations from approved contractors. This provides assurance that costs are competitive, that procurement decisions are transparent, and that we are securing the best value for money while maintaining the required quality of service.

These measures demonstrate effective stewardship of resources, helping ensure that residents receive high-quality repairs and investment works at a reasonable and competitive cost.

We are members 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 25-26. The estimated total savings from procuring through frameworks rather than individual tender is £45k, this does not take into account staff time saved which would increase the savings.

Support Providers

As part of our strategy for Supported Housing, we have continued to work with support providers such as Nehemiah, St Mungo's, Barnardo's and Lookahead in the leasing of our homes. In addition to this, we have been working closely with the GLA regarding the potential use of some of our homes to support a homelessness project. We also saw the start on site of the redevelopment of some of our Houses of Multiple Occupation HMOs which will go on to provide much needed family accommodation. We also continue to work with many other support providers and agencies to help support our residents.

Value for Money Statement

Regulator VfM metrics

The regulator's prescribed metrics provide a consistent basis for assessing and benchmarking performance across the sector. The table below summarises the key VfM metrics and the main interpretation for 2025-26. These have been benchmarked against housing associations with under 5000 homes in the London and Southeast Area.

VFM METRICS	BUDGET 2025/26	FS Year end 25/26	RSH Benchmark figures 24-25 Median
1. Reinvestment % (Annual only)	4.80%	1.72%	5.76%
2a New Supply Delivered Social Housing (Annual Only)	0.00%	0.00%	0.00%
2b New Supply Delivered Non-Social Housing	0.00%	0.00%	0.00%
3. Gearing %	36.34%	35.41%	40.40%
4. Earnings Before Interest, Tax, and Depreciation (EBITDA (MRI))	103.85%	99.51%	80.02%
5. Headline Social Housing Cost Per Unit	£7,665	£7,759	£8,342
6a. Operating Margin % (Social Housing)	15.86%	14.88%	18.56%
6b. Operating Margin% (Overall)	18.03%	16.65%	18.24%
7. Return on Capital Employed (ROCE)	1.94%	1.74%	2.15%

Metric	2025-26 position/commentary
Reinvestment	Reinvestment reflects investment in existing homes and new supply during the year. Performance is below the benchmark figure shown above, primarily due to delays in development activity and lower than anticipated development drawdowns. While this reduces reported reinvestment in 2025-26, ccha remains committed to its future development programme and continued investment in asset quality, sustainability and resident outcomes.
Gearing	Gearing is 35.41%, remaining in line with plan and reflecting lower than anticipated development drawdowns due to delays in development activity. This remains below the benchmark figure in the table above, demonstrating that ccha continues to operate with comparatively modest debt levels and retains borrowing capacity to support future investment and development, while remaining within risk appetite.
EBITDA MRI interest cover	EBITDA MRI interest cover has reduced compared with plan due to higher service charge costs, management costs and net interest payable. Performance is below the benchmark figure shown above, reflecting the impact of cost pressures and development-related financing costs. This will require continued monitoring in 2026-27, with a focus on cost control, improved forecasting and protecting covenant headroom. However, this is still above the median for our peer group, just below 1.0 and therefore still a financially good performance.
Headline social housing cost per unit	Headline social housing cost per unit remains above plan, reflecting accelerated planned works, increased responsive repairs and higher service charge costs. Compared with the benchmark figure in the table above, ccha is positively below median quartile, which out performs our strategic value for money aim of balancing cost control with investment in quality homes and services. Continued attention will be given to repairs demand, service charge recovery and procurement efficiencies.

Value for Money Statement

Operating margin – social housing lettings	The social housing lettings operating margin has been affected by higher repairs, service charge and management cost pressures during the year. Performance is below the benchmark figure shown above, highlighting the need to strengthen cost control and ensure that investment in homes and services is delivered efficiently.
Operating margin – overall	Overall operating margin is 16.65%, supported by staircasing income and lower management costs, but offset by service charge and other year-end cost pressures. Compared with the benchmark figure in the table above, performance remains below the sector comparison, reflecting the impact of inflationary pressures and investment in services. The focus remains on improving underlying operating performance while maintaining resident-facing investment.
Return on capital employed	Return on capital employed reflects the operating surplus generated from ccha's asset base. Performance is below the benchmark figure in the table above, reflecting lower operating returns in the year and the effect of investment in existing homes, services and future development capacity. Over the medium term, delivery of the development programme, improved asset performance and tighter cost control are expected to support stronger returns.

Summary of financial 2025-26 performance

For the year ended 31 March 2026, ccha reported a surplus after pension valuation gain of £204k and remained fully compliant with its loan covenants, with EBITDA interest cover of 1.76. We maintained sufficient liquidity and access to undrawn facilities, demonstrating continued financial resilience despite a result below budget.

The main pressures during the year were higher service charge costs, responsive repairs demand and additional interest costs linked to development delays. These were partly offset by savings in cyclical works, staff costs, staircasing income and other favourable movements. We have reflected the learning from this year in our 2026-27 planning, with a focus on stronger forecasting, cost control and monitoring.

Summary

ccha remains financially resilient, meeting all loan covenant requirements while continuing to invest in residents, homes and services. During the year, we delivered significant social value, including helping residents secure £672k in additional income through our income maximisation and support activities.

We have continued to balance rising costs and investment demands with the need to maintain strong financial performance and long-term sustainability. We recognise that there are opportunities to further improve financial forecasting, particularly in relation to service charges, and development programmes. Improvements to budgeting, reporting and accountability arrangements are being implemented to strengthen financial planning and decision-making.

Overall, ccha has continued to deliver value for money by protecting financial viability, investing in our homes, people and systems, and focusing resources on activities that deliver the greatest benefit for residents and communities. These actions will support continued service improvements, stronger financial performance and long-term value for stakeholders.

Board's Responsibilities in respect of the financial statements

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

The Board is responsible for preparing the report and financial statements in accordance with applicable law and 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 **5th August 2026** 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 2026 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 2026 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.

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

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.

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

- 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.

Menzies LLP
Chartered Accountants

Suite 16b, The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date

Consolidated and Association Statement of Comprehensive Income

	Notes	Year ended 31-Mar-26		Year Ended 31-Mar-25	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Turnover	2	14,863	14,863	15,228	15,228
Operating expenditure	2	(12,652)	(12,580)	(12,412)	(12,373)
Other Income	2	312	312	193	212
Gain on disposal of property, plant and equipment (fixed assets)	6	24	24	32	32
Operating surplus		2,547	2,619	3,041	3,099
Interest receivable	7	71	191	96	213
Interest payable and financing costs	7	(2,464)	(2,464)	(2,489)	(2,489)
Aborted Development Costs	29	-	-	(769)	(769)
Surplus before tax	8	154	346	(121)	54
Taxation	9	-	-	-	-
Surplus for the year after tax		154	346	(121)	54
Other comprehensive income					
Actuarial gains in respect of pension scheme	12	67	67	142	142
change in fair value of hedged financial instruments	26	(17)	(17)	97	97
Total comprehensive income for the year		204	396	118	293

The financial statements were approved by the Board **5th August 2026** and signed on their behalf by:

Maureen Adams
Board Member, Chair:

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

Dinendra Dharmasuriya
Deputy Secretary:

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The consolidated and parent results relate wholly to continuing activities and the notes on pages 27 to 59 form an integral part of these financial statements.

Consolidated and Association Statement of Financial Position

		At 31 Mar 2026		At 31 Mar 2025	
	Notes	Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Fixed assets					
Tangible fixed assets	13	141,993	141,993	140,375	140,375
Investment in subsidiary		-	-	-	-
		<u>141,993</u>	<u>141,993</u>	<u>140,375</u>	<u>140,375</u>
CURRENT ASSETS					
Stock	14	1,329	1,329	1231	1231
Trade and other debtors	15	2,231	3,160	2,374	4,797
Cash and cash equivalents	16	4,534	4,471	3,087	3,041
		<u>8,094</u>	<u>8,960</u>	<u>6,692</u>	<u>9,069</u>
Creditors: amounts falling due within one year	17	(3,446)	(3,726)	(4,805)	(6,788)
		<u>4,648</u>	<u>5,234</u>	<u>1,887</u>	<u>2,281</u>
Net current assets					
Total assets less current liabilities		<u>146,641</u>	<u>147,227</u>	<u>142,262</u>	<u>142,656</u>
Creditors: amounts falling due after more than one year	18	(119,911)	(119,911)	(115,479)	(115,479)
Derivatives Financial Instruments	26	(17)	(17)	97	97
Provisions for liabilities					
Pension – defined benefit liability	12	(713)	(713)	(1,084)	(1,084)
Total net assets		<u>26,000</u>	<u>26,586</u>	<u>25,796</u>	<u>26,190</u>
Reserves					
Non-equity share capital	21	-	-	-	-
Income and expenditure reserve		26,000	26,586	25,796	26,190
Restricted reserve		-	-	-	-
		<u>26,000</u>	<u>26,586</u>	<u>25,796</u>	<u>26,190</u>
Total reserves		<u>26,000</u>	<u>26,586</u>	<u>25,796</u>	<u>26,190</u>

The financial statements were approved by the Board 5th August 2026 and signed on their behalf by:

Maureen Adams
Board Member, Chair:

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

Dinendra Dharmasuriya
Deputy Secretary:

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The notes on pages 27 to 59 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 2024	25,897	-	25,897
Total comprehensive income for the year	292	-	292
	<u>26,190</u>	<u>-</u>	<u>26,190</u>
Balance as at 31 March 2025			
Total comprehensive income for the year	396	-	396
	<u>26,586</u>	<u>-</u>	<u>26,586</u>
Balance as at 31 March 2026			

CONSOLIDATED

	Income and expenditure reserve £'000	Restricted reserve £'000	Total reserves £'000
Balance as at 31 March 2024	25,678	-	25,678
Total comprehensive income for the year	118	-	118
	<u>25,796</u>	<u>-</u>	<u>25,796</u>
Balance as at 31 March 2025			
Total comprehensive income for the year	204	-	204
	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Balance as at 31 March 2026			

The notes on pages 27 to 59 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Year ended 31 Mar 2026 £'000	Year Ended 31 Mar 2025 £'000
Net cash generated from operating activities (see Note i)	2,342	4,719
Cash flow from investing activities		
Purchase of tangible fixed assets	(3,685)	(2,987)
Proceeds from sale of tangible fixed assets	-	109
Grants received	1,110	-
Interest received	71	96
	<u>(2,504)</u>	<u>(2,781)</u>
Cash flow from financing activities		
Interest paid	(2,849)	(2,743)
New drawn secured loans	4,500	-
Repayment of borrowings	(42)	(39)
Net change in cash and cash equivalents	<u>1,447</u>	<u>(844)</u>
	3,087	3,931
Cash and cash equivalents at beginning of the year	<u>4,534</u>	<u>3,087</u>
Cash and cash equivalents at end of the year	<u><u>4,534</u></u>	<u><u>3,087</u></u>

Note i

	Year ended 31 Mar 2026 £'000	Year ended 31 Mar 2025 £'000
Cash flow from operating activities		
Surplus for the year	<u>204</u>	<u>118</u>
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,794	1,787
Depreciation of Other fixed assets	240	-
Decrease/(increase) in stock	(98)	(594)
Decrease/(increase) in trade and other debtors	143	(371)
Increase/(decrease) in trade and other creditors	(1,399)	2,158
Pension Cost Less Contribution Payable	(67)	65
Bad Debt Provision	(22)	-
Carrying amount of tangible fixed asset disposals	(140)	-
Adjustments for investing or financing activities:		
Gain/loss on disposal of tangible fixed assets	-	32
Government grants utilised in the year	(724)	(724)
Interest and financing costs	2,464	2,408
Interest received	(71)	(96)
Effective change in fair value of cashflow hedge	17	-
	<u>2,342</u>	<u>4,719</u>
Net cash generated from operating activities	<u><u>2,342</u></u>	<u><u>4,719</u></u>

The notes on pages 27 to 59 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2026

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 RP
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 2026.

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 30 year business plan updated for 2026-27 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Notes to the financial statements for the year ended 31 March 2026

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 accounting policy. 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. 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.

Notes to the financial statements for the year ended 31 March 2026

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 2026 was a loss of £17k. There has been a £17k 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.

Notes to the financial statements for the year ended 31 March 2026

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.

Notes to the financial statements for the year ended 31 March 2026

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	10
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 2026.

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.

Notes to the financial statements for the year ended 31 March 2026

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.

Notes to the financial statements for the year ended 31 March 2026

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

Group	2026			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
Social Housing Lettings (Note 3a)	12,869	-	(10,411)	2,458
Other social housing activities	-	-	-	-
First Tranche low-cost home ownership sales	-	-	-	-
Charges for support services	1,994	-	(2,241)	(247)
	14,863	-	(12,652)	2,211
Activities other than social housing				
Other	312	-	-	312
Outright Sales	-	-	-	-
Total	15,175	-	(12,652)	2,523
Gain on disposal of property plant and equipment (fixed assets)	119	-	(95)	24
TOTAL				2,547

Group	2025			
	Turnover	Cost of sales	Operating expenditure	Operating Surplus
Social Housing Lettings (Notes 3a & 3b)	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
				3,041

Notes to the financial statements for the year ended 31 March 2026

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

Association	2026			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
Social Housing Lettings (Notes 3a & 3b)	12,869	-	(10,339)	2,530
Other social housing activities	-	-	-	-
First Tranche low-cost home ownership sales	-	-	-	-
Charges for support services	1994	-	(2,241)	(247)
	14,863	-	(12,580)	2,283
Activities other than social housing				
Other	312	-	-	312
Outright Sales	-	-	-	-
Total	15,175		(12,580)	2,595
Gain on disposal of property plant and equipment (fixed assets)	119	-	(95)	24
TOTAL				2,619
Association	2025			
	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	193	-	-	193
Outright Sales				
Total	15,421	(245)	(12,128)	3,067
Gain on disposal of property plant and equipment (fixed assets)	109	-	(77)	32
				3,099

Notes to the financial statements for the year ended 31 March 2026

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

	General Housing	Supported Housing and Housing for Older People	Low Cost Home Ownership	Total 2026	Total 2025
Group & Association	£'000	£'000	£'000	£'000	£'000
Income					
Rent receivable net of identifiable service charges and net of voids	9,939	885	740	11,564	11,224
Service charge income	1,440	788	120	2,348	2,777
Amortised government grants	549	119	56	724	724
Other income from Social Housing Lettings	25	202	-	227	247
Total turnover from Social Housing Lettings	11,953	1,994	916	14,863	14,972
Operating expenditure					
Management	4,352	1023	109	5,484	4,676
Service charge costs	1,161	707	119	1,987	2,093
Routine maintenance	2,744	325	56	3,125	2,929
Planned maintenance	-	-	-	-	490
Bad debts	(19)	(3)	-	(22)	74
Depreciation of Housing Properties	1,725	189	164	2,078	1,904
Total operating expenditure on Social Housing Lettings	9,963	2,241	448	12,652	12,166
Operating Surplus/(Deficit) on Social Housing Lettings	<u>1,990</u>	<u>(249)</u>	<u>467</u>	<u>2,211</u>	<u>2,806</u>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(59)	(37)	(29)	(125)	(95)

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

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Other	312	193	431	213
Other	<u>312</u>	<u>193</u>	<u>431</u>	<u>213</u>

Notes to the financial statements for the year ended 31 March 2026

4. Accommodation owned, managed and in development

Group	2026		2025	
	No. of properties Owned	Managed	No. of properties Owned	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	424	18	431	18
Low-cost home ownership	75	-	75	-
Social Leasehold	100	-	100	-
Non social leasehold	27	-	42	-
	<u>1,548</u>	<u>18</u>	<u>1,570</u>	<u>18</u>

Association	2026		2025	
	No. of properties Owned	Managed	No. of properties Owned	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	424	18	431	18
Low-cost home ownership	75	-	75	-
Social Leasehold	100	-	100	-
Non-social leasehold	27	-	42	-
	<u>1,548</u>	<u>18</u>	<u>1,570</u>	<u>18</u>

Notes to the financial statements for the year ended 31 March 2026

5. Accommodation managed by others

The Group owns property managed by other bodies.

Group	2026 No. of properties	2025 No. of properties
Supported housing and housing for older people	18	12
	=====	=====
Association	2026 No. of properties	2025 No. of properties
Supported housing and housing for older people	18	12
	=====	=====

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

	Low Cost Home Ownership Staircasing Sales	Others	Total 2026	Total 2025
	£'000	£'000	£'000	£'000
Proceeds of sales/disposal	119	-	119	109
Less: Costs of sales/depreciation	(95)	-	(95)	(77)
Surplus/(deficit)	24	-	24	32

Notes to the financial statements for the year ended 31 March 2026

7. Net interest

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Interest receivable and similar income				
On financial assets measured at amortised cost:				
Interest receivable	71	96	191	213
	<u>71</u>	<u>96</u>	<u>191</u>	<u>213</u>
	2026 £'000	2025 £'000	2026 £'000	2025 £'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	2,406	2,408	2,406	2,408
Interest on Recycled Capital Grant Fund	5	14	5	14
	<u>2,411</u>	<u>2,422</u>	<u>2,411</u>	<u>2,422</u>
On defined benefit pension scheme				
Net Interest on scheme liabilities	53	68	53	68
Net Interest before fair value hedge	2,464	2,490	2,464	2,490
Effective change in fair value of cashflow hedge	(17)	(97)	(17)	(97)
	<u>2,447</u>	<u>2,393</u>	<u>2,447</u>	<u>2,393</u>

8. Surplus on ordinary activities

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
The operating surplus is stated after charging/(crediting):	154	(121)	346	53
Auditors remuneration including expenses (excluding VAT):				
Audit of the group financial statements	46	20	43	20
Audit of subsidiary	3	4	-	-
Auditors remuneration including expenses (excluding VAT):				
Taxation compliance services	-	-	-	-
Accounts preparation services	-	-	-	-
Service charge certification	2	2	2	2
Operating lease rentals:				
Other (vehicles and IT equipment)	-	-	-	-
Land and buildings	-	-	-	-
Office equipment	-	-	-	-
Depreciation of housing properties	1,797	1,619	1,797	1,619
Depreciation of other fixed assets	240	252	240	252

Notes to the financial statements for the year ended 31 March 2026

9. Tax on surplus on ordinary activities

	Group		Association	
	2026	2025	2026	2025
	£'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 25% (2025: 19%). The differences are explained as follows:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Total tax reconciliation				
Surplus on ordinary activities before tax	154	(121)	345	53
Theoretical tax at UK corporation tax rate 25% (2025: 19%)				
- Tax on other comprehensive income items	39	(23)	86	10
- Non-taxable gains on asset sales	-	-	-	-
- Other non-deductible expenditure	(39)	23	(86)	(10)
- Non-taxable charitable activities		-		-
Total tax charge	-	-	-	-

Notes to the financial statements for the year ended 31 March 2026

10. Key management personnel remuneration

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £475k (2025: £451k).

Remuneration for executive directors for the year ended 31 March 2026:

	2026 £'000	2025 £'000
Wages and salaries (including performance related pay for period)	434	412
Pension contributions	41	39
Total	475	451

Non-executive Board Member remuneration for the year ended 31 March 2026:

	2026 £'000	2025 £'000
Neil Perrins	-	3
Mark Collins	4	3
Julian Chun	4	4
Felicity Gentle	2	3
Jim Dean	3	3
Matthew Hayday	3	3
Pamela Vera	-	2
Christopher Newman	2	2
Maureen Adams	8	6
Bruce Shelmerdine	3	3
David Hall	5	3
Adam Clark	2	-
Samantha Simon	2	-
Tracey Tibos	1	-
Total	39	35

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 £131k (2025: £125k) 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.

Notes to the financial statements for the year ended 31 March 2026

11. Employee information

The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:

Office staff

Group		Association	
2026 No.	2025 No.	2026 No.	2025 No.
52	49	-	49
52	49	-	49

Staff costs (for the other persons)

Wages and salaries
Social security costs
Other pension costs

£'000	£'000	£'000	£'000
2,616	2,267	2,616	2,267
356	256	356	256
128	24	128	24
3,100	2,547	3,100	2,547

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

	2026 Number	2025 Number
£60,000 - £70,000	6	2
£70,001 - £80,000	-	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	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 29. This scheme is now closed to future accruals as of April 2021.

12. Pension obligations (continued)

Principal Actuarial Assumptions

	At 31 March 2026	At 31 March 2025
Discount rate of scheme liabilities	6.08%	5.82%
Rate of increase in salaries	4.03%	3.79%
Inflation assumption (RPI)	3.31%	3.10%
Inflation assumption (CPI)	3.03%	2.79%
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 2026 Years	At 31 March 2025 Years
Retiring today		
Males	20.9	20.5
Females	23.2	23
Retiring in 20 years		
Males	22.2	21.7
Females	24.6	24.4

12. Pension obligations (continued)

Analysis of the amount charged to operating expenditure in the Statement of Comprehensive Income

	At 31 March 2026 £'000	At 31 March 2025 £'000
Employer service cost (net of employee contributions)	-	-
Expenses	(12)	(10)
Past service cost	-	-
Total operating charge	(12)	(10)

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	368	332
Interest on pension liabilities	(421)	(399)
Amounts charged/credited to financing costs	(53)	(67)

Amount of gains and losses recognised in the Statement of Comprehensive Income

Actuarial gains/(losses) on pension scheme assets	(189)	(850)
Actuarial gains/(losses) on scheme liabilities	256	992
Actuarial gain/(losses) recognised	67	142

Movement in surplus/(deficit) during year

	At 31 March 2026 £'000	At 31 March 2025 £'000
(Deficit)/surplus in scheme at 1 April 2024	(1,081)	(1,566)
Movement in year:		
Employer service cost (net of employee contributions)	(12)	(10)
Employer contributions	365	420
Past service cost	-	-
Net interest/return on assets	(53)	(67)
Remeasurements	67	142
(Deficit)/Surplus in scheme at 31 March 2026	(714)	(1,081)

Notes to the financial statements for the year ended 31 March 2026

12. Pension obligations (continued)

Asset and Liability Reconciliation	At 31 March 2026 £'000	At 31 March 2025 £'000
Reconciliation of liabilities		
Liabilities at start of period	7,425	8,261
Service cost	12	10
Interest cost	421	399
Employee contributions	-	-
Remeasurements	(256)	(992)
Benefits paid	(397)	(253)
Past Service cost	-	-
Curtailments and settlements	-	-
	7,205	7,425
Reconciliation of assets		
Assets at start of period	6,344	6,695
Return on plan assets	368	332
Remeasurements	(189)	(850)
Employer contributions	365	420
Employee contributions	-	-
Benefits paid	(397)	(253)
	6,491	6,344

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

	2026 £'000	2025 £'000
Global equity	719	711
Alternative Risk Premia	1,156	1,176
Risk Sharing		
Insurance-Linked Securities	10	20
Property	317	318
Infrastructure	0	1
Private Debt	14	6
Real Assets	611	759
Private Credit	784	776
Credit	258	243
Investment Grade Credit	382	195
Cash	1	-
Long Lease Property	1	86
Secure Income	0	2
Liability Driven Investment	197	106
Currency Hedging	1979	1921
Currency Hedging	0	10
Net Current Assets	63	14
Total Assets	6,492	6,344

Notes to the financial statements for the year ended 31 March 2026

13. Tangible fixed assets

Group & Association	----- Housing Properties -----				Total Housing Properties	----- Other fixed assets -----		
	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		Freehold Offices	Furniture and office equipment	Total Fixed Assets
	£'000	£'000	£'000	£'000		£'000	£'000	£'000
COSTS								
At start of the year	147,533	1,449	15,678	762	165,422	2,016	2,016	4,032
Transfers	307	-	(199)	-	108	-	-	-
Additions	-	1,132	-	120	1,252	-	856	856
Works to existing properties	1,577	-	-	-	1,577	-	-	-
Schemes completed	-	-	-	-	-	-	-	-
Disposals	-	-	(95)	-	(95)	-	-	-
Replaced components	(400)	-	-	-	(400)	-	-	-
At end of the year	149,017	2,581	15,384	882	167,864	2,016	2,872	4,888
Depreciation and impairment								
At start of the year	27,429	-	-	-	27,429	220	1,431	1,651
Charge for the year	1,794	-	-	-	1,794	15	225	240
Released on disposals	(355)	-	-	-	(355)	-	-	-
At end of the year	28,868	-	-	-	28,868	235	1,656	1,891
Net book value at 31 March 2026	120,149	2,581	15,384	882	138,996	1,781	1,216	2,997
Net book value at 31 March 2025	120,105	1,449	15,678	762	137,993	1,796	585	2,381

Notes to the financial statements for the year ended 31 March 2026

13. Tangible fixed assets

	2026 £'000	2025 £'000
Housing Properties comprise:		
Freeholds	129,892	128,889
Long leaseholds	8,895	8,895
Short leaseholds	209	209
	138,996	137,993
	2026 £'000	2025 £'000
Works to existing properties in the year:		
Components capitalised	1,577	1,937
Amounts charged to expenditure	292	292

The aggregate amount of interest and finance costs included in the cost of housing properties was £71k (2025: £46k) (the capitalisation rate used was 4.73% (2025: 4.48%)).

The net book value of other fixed assets includes £nil (2025: £nil) in respect of assets held under finance leases.

Cost of properties includes ££179,279 (2025: £162,154) for direct administrative costs capitalised during the year.

Freehold land and buildings with a carrying amount of £95m (2025: £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 2026 no impairment loss was recorded in profit or loss (2025: none)

14. Stock

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
First tranche Shared ownership properties:				
Completed	-	-	-	-
Work in progress	301	211	301	211
Land Held for Sale	1,028	1,020	1,028	1,020
Outright sale properties:				
Completed	-	-	-	-
	<u>1,329</u>	<u>1,231</u>	<u>1,329</u>	<u>1,231</u>

15. Trade and other debtors due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Rent Arrears	1,349	1,047	1,349	1,047
Less: provision for bad debts rent	(427)	(450)	(427)	(450)
Amounts owed by group undertakings	-	-	270	2,423
Other debtors	520	860	1,161	860
Less: provision for bad debts other	(168)	(204)	(168)	(204)
Prepayment and accrued Income	328	545	465	545
Trade debtors	629	576	510	576
	2,231	2,374	3,160	4,797

16. Cash and cash equivalents

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Cash at bank	4,534	3,087	4,471	3,041

17. Creditors: amounts falling due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans and overdrafts (Note 26)	47	42	47	42
Trade creditors	1,075	762	802	723
Rents and service charges paid in advance	1,312	1,122	1,312	1,122
Accruals and deferred income	106	1,994	659	1,446
Deferred Capital Grant (Note 19)	725	725	725	725
Recycled Capital Grant Fund (Note 20)	-	14	-	14
Other creditors	181	146	181	2,696
	3,446	4,805	3,726	6,788

Notes to the financial statements for the year ended 31 March 2026

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

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Bank and other loans (Note 26)	64,256	60,060	64,256	60,060
Deferred Capital Grant (Note 19)	55,242	54,857	55,242	54,857
Recycled capital grant fund (Note 20)	143	293	143	293
Leaseholder sinking funds	270	270	270	270
	119,911	115,480	119,911	115,480

Loans are secured by housing properties, see note 26.

19. Deferred capital grant

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At the start of the year	55,582	56,306	55,582	56,306
– Grants received during the year:	-	-	-	-
Housing properties	1,110	-	1,110	-
Recycled Capital Grant Fund	-	-	-	-
Grants recycled during the year:				
Housing properties	-	-	-	-
Recycled Capital Grant Fund	-	-	-	-
Amortised Grant	(725)	(725)	(725)	(725)
At the end of the year	55,967	55,581	55,967	55,581
Due within one year	725	725	725	725
Due in more than one year	55,242	54,857	55,242	54,857
	55,967	55,582	55,967	55,582

The gross amount of grant received prior to amortisation as at 31 March 2026 was £75,546k (2025: £74,436k).

Notes to the financial statements for the year ended 31 March 2026

20. Recycled capital grant fund

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At the start of the year	293	423	293	423
Inputs to fund:				
Grants recycled from deferred capital grants fund	-	-	-	-
Interest accrued	-	14	-	14
Transfers from other Private Registered Providers	-	-	-	-
Recycling of grant:				
New build properties	-	-	-	-
Outputs to fund:				
Repayment of grant	(150)	(130)	(150)	(130)
At the end of the year (Note 17 and Note 18)	143	307	143	307
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

	2026	2025
	£	£
Group and Association		
Allotted Issued and Fully Paid	-	-
At the start of the year	10	10
Issued during the year	3	1
Cancelled during the year	(1)	(1)
At the end of the year	12	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. All shares are fully paid.

Notes to the financial statements for the year ended 31 March 2026

22. Capital commitments

Tangible fixed assets/intangible fixed assets

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	1,778	-	1,778	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	13,109	19,894	13,109	17,095
	<u>14,887</u>	<u>19,894</u>	<u>14,887</u>	<u>17,095</u>
The Group expects these commitments to be contracted within the next year and financed with:				
Social Housing Grant	7,395	7,920	7,395	7,920
Proceeds from the sales of properties	-	5,623	-	1,902
Cash at Bank	2,000	2,000	2,000	2,000
Committed Loan Facilities	5,492	4,351	5,492	5,273
	<u>14,887</u>	<u>19,894</u>	<u>14,887</u>	<u>17,095</u>

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	
	2026	2025	2026	2025
	£'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	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	-	-	-	-
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

Notes to the financial statements for the year ended 31 March 2026

24. Grant and financial assistance

Group & Association	Social Housing Grant £'000	Other grants £'000	Total 2026 £'000	Total 2025 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March 2026:	75,546	-	75,546	74,436
Held as deferred capital grant	58,334	-	58,334	57,320
Recognised as income in statement of Comprehensive Income	17,212	-	17,212	17,116
	<u>75,546</u>	<u>-</u>	<u>75,546</u>	<u>74,436</u>

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:

2026	Turn-over £'000	Operating Expenses £'000	Other Income £'000	Interest Payable £'000	Interest receivable £'000	Loan Creditors £'000	Loan Debtors £'000	Other credit-ors £'000	Other debt-ors £'000
Subsidiary									
ccha Developments Limited	-	(68)	-	(121)	-	(140)	271	-	-
2025	Turn-over £'000	Operating Expenses £'000	Other Income £'000	Interest Payable £'000	Interest receivable £'000	Loan Creditors £'000	Loan Debtors £'000	Other credit-ors £'000	Other debt-ors £'000
Subsidiary									
ccha Developments Limited	-	(58)	-	(116)	-	(2,583)	2,423	-	-

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.

Notes to the financial statements for the year ended 31 March 2026

26. Financial instruments and risk management

Liquidity

Total loan and credit facilities

The Group had total borrowing facilities of £95m available at 31 March 2026 (2025: £95m), of which £34.5m (2025: £39m) were undrawn.

Undrawn borrowings at 31 March 2026 relate to a revolving credit facility of £24.5m and term loan of £10m (2025: £10.0m) with Nationwide Bank. Cash and cash equivalents totalled £4.5m (2025: £3.5m) at 31 March 2026.

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans repayable by instalments				
Repayable within one year	47	42	47	42
In one year or more but less than two	109	99	109	99
In two years or more but less than five	135	122	135	122
In five years or more	1,235	1,306	1,235	1,306
Loans not repayable by instalments				
Repayable within one year	7,500	7,500	7,500	7,500
In one year or more but less than two	-	-	-	-
In two years or more but less than five	19,000	14,500	19,000	14,500
In five years or more	37,479	38,037	37,479	38,037
Less: loan issue cost	(1,202)	(1,503)	(1,202)	(1,503)
Total drawn borrowings	64,303	60,103	64,303	60,103

The Group's weighted average cost of capital at 31 March 2026 is 4.73% (2025: 4.48%).

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		Notional Principal		Fair Value £'000	
	Fixed Rate		Value '£000			
	2026	2025	2026	2025	2026	2025
Due between 2 and 5 years	4.11%	4.11%	13,500	13,500	-17	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 £13.5m matures in 2030.

Notes to the financial statements for the year ended 31 March 2026

26. Financial instruments and risk management (continued)

Group fixed and variable rate outstanding borrowing at 31 March 2026:

	2026 £m	2026 Weighted average rate %	2026 Weighted average term Years	2025 £m	2025 Weighted average rate%	2025 Weighted average term Years
Fixed rate	43	3.46	11	49.5	2.97	11
Variable rate borrowings	18	5.07	8	10.6	4.15	8
Total drawn borrowings	60.60	4.27	10.00	60.10	3.56	10

Financial assets and financial liabilities at book value and fair value

The book value of all financial assets and financial liabilities at 31 March 2026 is deemed to equal fair value.

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

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Financial assets				
Financial assets measured at cost:				
Cash and cash equivalents	4,534	3,087	4,471	3,041
Financial assets measured at amortised cost:				
Trade receivables	781	-	781	-
Other receivables	1,301	860	1,161	860
Total financial assets	6,616	3,947	6,413	3,901
	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans payable	64,256	60,060	64,256	60,060
Trade creditors	1,075	723	802	723
Other creditors	181	-	181	-
Accruals	1,148	1,122	665	1,122
Measured at fair value and designated in an effective hedging relationship – derivative financial liabilities	(17)	(97)	(17)	(97)
Total financial liabilities	65,601	61,808	65,881	61,808

Notes to the financial statements for the year ended 31 March 2026

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	3,087	1,447	-	4,534
Housing Loans Due in One Year	(42)	42	(47)	(47)
Housing Loans Due After One Year	(60,060)	(4,500)	304	(64,256)
	(57,015)	(3,011)	257	(59,769)

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	3,041	-	-	3,041
Housing Loans Due in One Year	(42)	42	(47)	(47)
Housing Loans Due After One Year	(60,060)	(4,500)	304	(64,256)
	(57,061)	(4,458)	257	(61,262)

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

Subsequent to the reporting date, the Association became aware of information indicating that the financial viability of the developer associated with one of the commitments disclosed in Note 22 may be at risk. This creates uncertainty as to whether the scheme will proceed in its current form.

The Association is considering alternative options for delivery of the scheme, although these may require a return to planning and could delay the programme. Should the scheme not proceed, costs capitalised or otherwise incurred in respect of the project may require impairment or write-off in the 2026/27 financial year.

At the date these financial statements were approved, no adjustment has been made in respect of this matter, as the position remains under review and the financial effect cannot yet be estimated with sufficient reliability.