

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

Target Housing Limited
(Limited by Guarantee)

Report and financial statements

For the year ended 31 March 2025

**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2025

Contents	Page
Company information	1
Board report	2 - 12
Statement of Board's responsibilities	13
Independent auditors' report	14 – 17
Accounting policies	18 – 20
Income and Expenditure Account	21
Statement of Comprehensive Income	22
Balance sheet	23
Cash flow statement	24
Notes to the financial statements	25 - 35

Target Housing Limited (Limited by Guarantee)

Company Information

Board members

Karen Rick – Chair
Rachel Heath - Treasurer (resigned 17 September 2024)
Richard Casken
Mike Day (resigned 17 September 2024)
Tom Doughty (appointed 28 May 2024 and resigned 09 June 2025)
Simon Holcombe
Jimitha Jacob (appointed 15 July 2024)
Sharon Moya Jones (resigned 17 September 2024)
Andrew Stott (appointed 1 July 2025)

Secretary

Steven Crane

Chief Executive Officer

Steven Crane

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

Charity Bank
Fosse House
182 High Street
Tonbridge
Kent
TN91BE

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025

The Board of Trustees presents their report, which incorporates the strategic report, together with the audited financial statements for the year ended 31 March 2025 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

Chair's introduction **Annual Report 2024 - 2025**

It gives me great pride to present this year's Annual Report for Target Housing. 2024/25 has been a year of both challenge and progress, as we have continued to grow our services and strengthen our impact despite the pressures of the wider economic climate. This year, Target's turnover increased to £18.6m, a rise of more than 20% on the previous year, reflecting the scale and breadth of the support we now provide. Importantly, after several years of deficit, we returned to surplus with a positive outturn, a testament to the resilience of our staff and the careful stewardship of resources.

Our property portfolio has expanded significantly. By March 2025, we managed 1,085 properties across Yorkshire, the East Midlands and the Humber, up from 986 in the previous year. Twenty-eight new acquisitions were completed, enabled by our continued partnerships with Homes England, Charity Bank and Social and Sustainable Capital (SASC). These investments are not only providing secure homes but also represent long-term stability for the charity.

Operationally, our frontline teams have once again delivered outstanding results. In 2024/25 we supported thousands of vulnerable individuals and families. Highlights and successes during the year include:

- Elliott Court – we started work on a five year contract for a 30 bed hostel with Rotherham local authority.
- Growth Project – A pioneering and innovative service offering support and accommodation to mothers who have experienced child removal, generously funded through the Big Lottery.
- SHAP Sheffield – 3 years revenue funding for the provision of support in our Homes England funded properties.
- CQC registration achieved in June 2024.
- Hull MHLD – our first 24 units of floating support for this cohort in Hull.
- Doncaster MH – an 8-bed accommodation project for those experiencing poor mental health.
- Successful conclusion of SHAP purchasing programmes – 31 properties purchased in total over two financial years, in partnership with Homes England.
- Our Queen Street refurbishment project via Big Lottery Capital funding.
- Cost of Living Grant – This funds our Cost of Living Worker, via Charity Bank.
- Green Energy Grant – to provide green energy and efficient upgrades to our properties, via Charity Bank.

The year was not without financial pressures. Rising costs, including mortgage interest, inflation and the rise to employer's NI contributions weighed heavily. However, the return to surplus, improvement in interest cover, and reduced gearing demonstrate our finances are strengthening, even as we invest for the future.

Looking ahead, our priorities include:

- Re-apply to Big Lottery for the Growth Project, to increase the units in Sheffield and expand into Rotherham.
- Independent evaluation of the Growth Project.
- Doncaster MHFS mobilisation and project start.
- Expansion of Hull MHLD by a further 17 units.
- Launch our first 24/7 service with Sheffield City Council.
- Refurbishment and development of Norman House/Oak Tower.
- Review and restructure of our dedicated in-house Maintenance Department.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Together, these developments demonstrate the trust placed in Target by commissioners and funders.

Finally, I want to thank our dedicated staff and volunteers. With a workforce of over 200 people, their professionalism and compassion remain the driving force behind all we achieve. I also extend my gratitude to my fellow Board members for their wisdom, challenge, and support, in particular Rachel Heath, Mike Day, Moya Jones and Tom Doughty who all retired from the Board in the last year. Three new Board members have also joined, bringing with them a range of valuable expertise in a variety of backgrounds.

Together, we will continue to build an organisation that is Agile, Innovative, Resilient, and People-Focused, ensuring that those we serve have the opportunity to live independently, fulfil their potential, and contribute to their communities.

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

Karen Rick

**Karen Rick
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Structure, governance and management

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM.

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 13, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees fluctuated during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Structure, governance and management (Continued)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 19 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Objectives and activities – General statement

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living.

During 2024–2025, Target Housing made significant progress toward these objectives, despite external financial pressures. Key achievements aligned with these objectives include:

- Continuing to successfully deliver excellent services to all our vulnerable clients despite a continued challenging economic climate.
- Expanded and improved the provision of supported housing and related services across Yorkshire, the East Midlands, the Humber, and surrounding areas.
- Achieved CQC registration, ensuring quality and compliance in care delivery.
- Secured new funding streams and partnerships to support service delivery and capital investment, including working with Homes England, Charity Bank, Big Lottery, and Social and Sustainable Capital.
- Continued to access new and innovative forms of training, to give staff the professional tools they need to succeed in their roles.
- Strengthened our financial position by returning to a surplus, while maintaining and growing service quality.
- Increased our property portfolio to meet growing demand, ensuring that accommodation remains safe, sustainable, and tailored to client needs.
- Invested in innovative, trauma-informed services, such as the specialised women-only Growth Project and our new floating support models, particularly for clients facing mental health challenges or recovering from domestic abuse.
- Improved service outcomes, with a continued emphasis on positive move-on rates, person-centred support, and client wellbeing.
- Commissioned and delivered several new and renewed projects, including Elliott Court in Rotherham, and MHLD support in Hull.

These objectives underpin our commitment to being an agile, resilient, and people-focused organisation, and guide the stewardship of our resources.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Performance – General statement

Our performance in 2024/25 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in continuing unprecedented circumstances; something noted by all commissioners of our services.

Complex Need Support Projects (Sheffield, Rotherham, Doncaster)

- Employs 29 Front line staff
- 226 Directly managed bed spaces
- 94% positive move on

TH:RIVE Project

- Employs 11 Front line staff
- 43 Directly managed bed spaces.
- 98% positive move on

Sheffield Mental Health & Supported Living Project

- Employs 22 Front line staff
- 26 Directly managed bed spaces, plus 102 floating support clients
- 95% positive move on

Hull AST Project

- Employs 9 Front line staff
- 100 Directly managed properties
- 97% positive move on

AST South Yorkshire

- Employs 7 front line staff
- 145 Directly managed properties
- 97% positive move on

GROWTH

- Employs 5 Front line staff
- 12 Directly managed bed spaces
- 99% positive move on

SHAP (Sheffield)

- Employs 4 Front line staff
- 11 Directly managed bed spaces
- 99% positive move on

Doncaster Mental Health Project

- Employs 4 Front line staff
- 8 Directly managed bed spaces
- 100% positive move on

Hull MHL D

- Employs 17 Front line staff
- 41 Directly managed bed spaces
- 98% positive move on

Rotherham Rough Sleeper Initiative Hostel

- Employs 3 staff
- 7 Specialist bed spaces
- 98% positive move on

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Performance – General statement (continued)

Housing First Rotherham

- Employs 3 staff
- 15 Directly managed bed spaces
- 98% positive move on

Grimsby AST

- Employs 4 staff members
- 80 Directly managed properties
- 97% Positive move on

AASC - Asylum Accommodation and Support Project

- Employs 20 staff
- Housed and supported a total of 2,101 individuals during the year, in both shared accommodation and family properties
- During this year we have had 875 people move out and 835 people move in
- The top 5 countries of origin were again Iraq, Iran, Eritrea, Albania and Pakistan

Maintenance Team

- Employs 40 staff
- 14,260 repair orders raised
- Completed 12,776 repairs completed by Target staff
- 1,484 repairs were completed by either landlords or contractors

Domestic Abuse Support (Sheffield, Rotherham, Doncaster)

- Employs 4 front line staff
- 67 Directly managed properties
- 95% positive move on

Elliott Court

- Employs 7 front line staff
- 30 Directly managed properties
- 98% positive move on

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Value for Money

The Regulator of Social Housing requires the Association, in common with all private registered providers of social housing, to publish evidence within its annual report to facilitate an understanding of its performance against certain key metrics set out by the Regulator, as follows:

1. Reinvestment: 23.1% (2024: 21.9%)

The Reinvestment metric looks at the investment in properties (Existing stock and New supply) as a percentage of the value of total properties held

2a. New supply delivered [social housing]: 18.9% (2024: 12.6%)

2b. New supply delivered [non-social housing]: NIL% (2024: NIL%)

The New supply metric sets out the number of new social housing and non-social housing units that have been newly constructed (acquired or developed) in the year as a proportion of total social housing units and non-social housing units owned at period end.

3. Gearing: 66.8% (2024: 76.0%)

Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

4. EBITDA MRI interest cover: 370.2% (2024: 268.3%)

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover. A key indicator of liquidity and investment capacity. Measures the level of surplus that a registered provider generates compared to interest payable, but in a way that avoids distortions stemming from the depreciation charge.

5. Headline social housing cost per unit: £1,313 (2024: £1,206)

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator. It is a proxy cash measure of a social housing cost per unit. This means it excludes non-cash items such as depreciation, amortisation and write downs. The Association has calculated this metric based on 1,085 (2024: 986) social housing units owned and/or managed at year end.

6a. Operating margin (social housing only): 2.4% (2024: 0.5%)

6b. Operating margin (overall): 2.3% (2024: 0.5%)

Measures the profitability of operating assets before exceptional items are taken into account. The Association specialises in providing supported housing, which means its margin will tend to be lower than average.

7. Return on capital employed: 2.6% (2024: 0.6%)

The Return on capital employed (ROCE) compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Financial review

Target Housing continued its programme of growth in 2024/25, with both income and expenditure rising in line with increased activity levels. Turnover reached £18.63m (2024: £15.38m), an increase of 21.1%, reflecting higher rental income, additional grant funding, and expansion of managed accommodation.

Operating costs increased correspondingly to £18.21m (2024: £15.31m), driven primarily by staffing growth (195 FTE staff, up from 183), property related expenditure from new acquisitions across the last two years, and general inflationary pressures. Depreciation charges also rose to £763k (2024: £650k), in line with the enlarged asset base.

Despite these pressures, the charity delivered an operating surplus of £421k (2024: £71k). After interest payable of £320k (up 22% from £261k in 2024) on expanded borrowings, the net surplus for the year was £101k (2024: £190k deficit). No actuarial losses were recorded in the pension scheme this year, in contrast to the £67k loss recognised in 2024, resulting in overall comprehensive income of £101k (2024: £257k deficit).

The balance sheet reflects continued investment in housing stock. Tangible fixed assets increased to £14.88m (2024: £12.05m), with housing properties alone representing £14.64m. Cash balances closed at £1.62m (2024: £1.08m), while debtors were £1.28m (2024: £1.16m). Borrowings rose to £11.40m (2024: £10.14m), in line with the organisation's financing of acquisitions.

Total reserves stood at £2.60m (2024: £2.50m). Net free reserves (excluding restricted funds and assets financed by borrowing) amounted to £1.995m, compared with the trustees' policy target of £1.233m.

Cash flow from operating activities was £3.20m (2024: £1.08m), demonstrating strong underlying cash generation. However, investment in housing stock required £3.59m of capital expenditure, largely funded through new loan drawdowns of £1.33m.

Overall, the financial results demonstrate a return to surplus despite continuing cost pressures, with strengthened liquidity and asset growth. The organisation remains reliant on mortgage finance to sustain its expansion but retains sufficient reserves and cash to support its ongoing commitments.

Reserves policy

The principal aim of Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission. This policy complements Target's risk management framework, ensuring the charity can continue operations in the face of adverse events and known reserves requirements. Our aim is to deliver the highest standard of housing and support to enable vulnerable people to live independently, fulfil their potential and contribute to their communities and wider society, having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASC
- To fund the enhancement of office premises as activities expand
- To invest in improvements and re-development of both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To allow for other unforeseeable risks and contingencies that may arise from time to time.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Reserves policy (continued)

Target's unrestricted reserves at 31 March 2025 were £2,597,060. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2025, the book value of owned assets was £14,640,919. Many of these fixed assets are financed by external borrowing, which totalled £11,400,177 at that date. In addition, some properties have been acquired using restricted grant funding, which totalled £2,638,980 at that date. In calculating free reserves, the Trustees consider that both:

- (a) the value of fixed assets financed by external borrowing, and
- (b) the value of fixed assets acquired using restricted grants, should be excluded. These assets are not freely available for use in meeting general expenditure or contingencies.

After excluding the value of fixed assets financed by borrowing and those funded through restricted grants, the net free reserves at 31 March 2025 are calculated as £1,995,298.

Based on the Trustees' evaluation of the above reserves requirements and a risk-based assessment of income volatility and capital commitments, the target level of net free reserves (excluding restricted funds and tangible fixed assets, whether grant or loan financed) has been set at £1,233,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to £1,995,298, resulting in a surplus of £762,298.

The current level of net free reserves is considered reasonable, providing operational flexibility and the capacity to pursue new opportunities in line with our mission. The Trustees are committed to deploying reserves where appropriate to expand support for vulnerable people.

This policy is reviewed annually by the Board of Trustees to ensure it remains fit for purpose and aligned with the organisation's strategic goals and risk profile.

Plans for future periods

During this extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop and build its projects and partnerships, building on this for the coming year the Charity intends:

- To successfully re-tender and retain our existing contracts, to continue to offer safe and secure accommodation to vulnerable individuals, and further develop and enhance the services we provide
- To re-apply for continuation funding of the Growth Project, to support the continued expansion of services. This will specifically enable an increase in the number of units in Sheffield and support the opening of the service into Rotherham.
- To publish an external evaluation of the Growth Project, commissioned to assess the project outcomes, and inform future strategic planning and funding applications.
- To mobilise and launch the new Mental Health Floating Support (MHFS) service in Doncaster. This project will commence in the next period and aims to address growing local needs.
- To expand our Mental Health and Learning Disabilities (MHLD) provision in Hull by a further 17 units, significantly increasing our capacity to support individuals with complex needs in the area.
- To work in partnership with Sheffield City Council, to implement our first 24/7 service, representing a key step forward in delivering responsive, round-the-clock support.
- To commence refurbishment and development of Norman House/Oak Tower, to improve the quality and suitability of the accommodation for current and future residents.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Plans for future periods (continued)

- To undertake a comprehensive review and restructure of the Maintenance Department, processes will be undertaken to ensure efficiency, responsiveness, and alignment with the organisation's expanding property portfolio.
- To expand into new strategic geographical areas, creating a link corridor between our current office bases.
- To continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- To continue to prioritise training for staff and managers in recognising and managing the stresses of work, and creating positive environments at work for all staff to be open, and supported, about any mental health issues they may face now, and in the future.
- To continue to foster our culture of professionalism, personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Karen Rick

.....
Karen Rick

23rd September 2025

Target Housing Limited (Limited by Guarantee)

Statement of Board's responsibilities

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 association and of the income and expenditure of the association for that period.

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 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 association and to enable it to ensure that the financial statements comply with the Companies Act 2006, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) (“the association”) for the year ended 31 March 2025 which comprise the Income and Expenditure Account, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association’s affairs as at 31 March 2025 and of its 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the board report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

Responsibilities of board

As explained more fully in the board's responsibilities statement set out on page 13, the board (who are also the directors of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The association is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the association to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Hawsons

Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

24/09/2025

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Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2025

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2025

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vehicles	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its charitable activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2025

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

The measurement of two of the loans is the higher of the amount transferred from the lender and the amount linked to the market value of the associated properties. The loan is held at transaction value but could be revalued to the fair value if or when the underlying properties are revalued.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 19.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2025

	Note	2025 £	2024 £
Turnover		18,627,965	15,383,742
Less: Operating costs		(18,207,342)	(15,312,723)
Operating surplus	1	420,623	71,019
Interest receivable and similar income	5	27	107
Interest payable and similar charges	6	(319,853)	(261,399)
Surplus/(Deficit) on ordinary activities for the year		<u>100,797</u>	<u>(190,273)</u>

There is no difference between the reported surplus for the period and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 23rd September 2025 and signed on its behalf by:

Karen Rick

Richard Casken

Karen Rick

Richard Casken

**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 £	2024 £
Surplus/(Deficit) for the year		<u>100,797</u>	<u>(190,273)</u>
Actuarial (losses) in respect of defined benefit pension scheme	19	-	(67,000)
		<u>100,797</u>	<u>(257,273)</u>
Total comprehensive income/(expenditure) for the year		<u>100,797</u>	<u>(257,273)</u>

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2025

Company Number – 2787689

	Note	2025 £	2024 £
Fixed assets			
Properties at depreciated cost	7	14,640,919	11,932,756
Other fixed assets	8	240,599	120,738
Total fixed assets		<u>14,881,518</u>	<u>12,053,494</u>
Current assets			
Debtors	10	1,277,147	1,155,159
Cash at bank and in hand	9	1,617,714	1,075,301
		2,894,861	2,230,460
Creditors – amounts falling due within one year	11	<u>(1,843,251)</u>	<u>(1,587,950)</u>
Net current (liabilities)/assets		1,051,610	642,510
Total assets less current liabilities		15,933,128	12,696,004
Creditors – amounts falling due after one year	12	<u>(13,137,068)</u>	<u>(9,932,741)</u>
Defined benefit liability	19	<u>(199,000)</u>	<u>(267,000)</u>
Total net assets		<u>2,597,060</u>	<u>2,496,263</u>
Capital and reserves			
Revenue reserve	16	2,597,060	2,454,596
Restricted reserves	16	-	41,667
		<u>2,597,060</u>	<u>2,496,263</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 23rd September 2025 and were signed on its behalf by:

Karen Rick

Richard Casken

Karen Rick

Richard Casken

**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flow from operating activities	17	3,195,495	1,084,519
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(3,591,430)	(2,648,027)
Receipts from sales of tangible fixed assets		-	131,690
Interest received		27	107
Net cash flow from investing activities		(3,591,403)	(2,516,230)
Cash flow from financing activities			
Interest paid		(319,853)	(261,399)
Repayment of long term loans		(74,998)	(60,625)
Cash inflow from new borrowings		1,333,172	2,070,720
Net cash flow from financing activities		938,321	1,748,696
Net increase in cash and cash equivalents		542,413	316,985
Cash and cash equivalents at the beginning of the reporting period		1,075,301	758,316
Cash and cash equivalents at the end of the reporting period		1,617,714	1,075,301
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	1,617,714	1,075,301

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2025

1. Social housing income and expenditure

	2025	2024
	£	£
Gross rents receivable	11,204,661	8,656,806
Supporting People income	1,508,733	1,242,245
Revenue grants receivable	421,847	215,308
AASC income	4,910,961	4,806,400
Other income	581,763	462,983
	18,627,965	15,383,742
Social housing operating costs	(18,207,342)	(15,312,723)
Operating surplus	420,623	71,019

2. Operating surplus

Operating surplus is stated after charging:

	2025	2024
	£	£
Auditors remuneration		
- as auditors	8,825	8,400
- for non audit services	5,500	5,250
Depreciation	763,406	649,648

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the eleven members of the senior management team amounted to £597,044 (2024 – twelve members £590,223). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year-end comprises the staff members listed below.

Chief Executive Officer
 Finance Director
 Business Development Director
 Head of Operations
 Head of Development
 Head of Property Acquisition
 Head of Housing & Asylum Support
 Head of Health & Safety and compliance
 Head of Central Services
 Head of Care
 Head of Human Resources

No remuneration or out of pocket expenses were paid to the Trustees during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

4. Employee information

The average number of persons employed during the year was:

	2025	2024
	No.	No.
Administration staff	34	28
Housing development staff	161	155
	195	183
<hr/>		
Total employee emoluments:	2025	2024
	£	£
Gross salaries	5,228,890	4,616,398
Employers national insurance	480,199	403,662
Pension contributions	233,951	199,898
	5,943,040	5,219,958
<hr/>		

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	-

5. Interest receivable

	2025	2024
	£	£
Bank deposits	27	107
<hr/>		

6. Interest payable

	2025	2024
	£	£
Mortgage interest	319,853	261,399
<hr/>		

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

7. Tangible fixed assets – housing properties (for letting)

	Properties £
Cost	
As at 1 April 2024	14,255,245
Additions	3,382,148
Disposals	-
As at 31 March 2025	17,637,393
 Depreciation	
As at 1 April 2024	2,322,489
Charge for the year	673,985
Eliminated on Disposals	-
As at 31 March 2025	2,996,474
 Net book value	
As at 31 March 2025	14,640,919
As at 31 March 2024	11,932,756

Social housing properties with a net book value of £13,920,944 (2024 - £11,126,082) have been pledged as security for liabilities of the company.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

8. Other tangible fixed assets

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2024	35,400	506,876	38,736	581,012
Additions	106,007	103,275	-	209,282
Disposals	-	-	-	-
As at 31 March 2025	141,407	610,151	38,736	790,294
Depreciation				
As at 1 April 2024	13,625	407,913	38,736	460,274
Charge for the year	18,936	70,485	-	89,421
Eliminated on Disposals	-	-	-	-
As at 31 March 2025	32,561	478,398	38,736	549,695
Net book value				
As at 31 March 2025	108,846	131,753	-	240,599
As at 31 March 2024	21,775	98,963	-	120,738

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

9.	Cash and cash equivalents	2025	2024
		£	£
	Cash at bank and in hand	<u>1,617,714</u>	<u>1,075,301</u>
10.	Debtors	2025	2024
	All receivable within one year:	£	£
	Rents receivable	318,089	281,140
	Other trade debtors	716,614	686,012
	Prepayments and accrued income	<u>242,444</u>	<u>188,007</u>
		<u>1,277,147</u>	<u>1,155,159</u>

Included within rents receivable is a provision of £427,398 (2024: £230,287) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors	2025	2024
	Amounts falling due within one year:	£	£
	Trade creditors	539,566	566,842
	Accruals and deferred income	918,110	811,846
	Bank loans	371,603	196,627
	Other loans	<u>13,972</u>	<u>12,635</u>
		<u>1,843,251</u>	<u>1,587,950</u>

12.	Creditors	2025	2024
	Amounts falling due after one year:	£	£
	Bank loans	3,971,281	3,376,452
	Other loans	7,043,321	6,556,289
	Accruals and deferred income	<u>2,122,466</u>	<u>-</u>
		<u>13,137,068</u>	<u>9,932,741</u>

Included within creditors are the following amounts due after more than 5 years:

	2025	2024
	£	£
After more than five years	<u>9,784,927</u>	<u>8,990,739</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025	2024
	£	£
Operating leases which expire:		
Within one year	236,464	229,135
Within two to five years	411,329	273,879
After five years	-	-
	647,793	503,014
	647,793	503,014

14. Accommodation in management

	2025	2024
	No.	No.
Social housing properties owned		
- General needs housing	157	120
Social housing properties managed		
- General needs housing	581	498
Non-social housing properties managed		
- Asylum housing	347	368
Total owned and managed	1,085	986
	1,085	986

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

16. Reserves note

2025	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
RSAP 1	-	4,400	(4,400)	-	-
RSAP 2	-	2,937	(2,937)	-	-
Clothworkers	-	1,000	(1,000)	-	-
RMBC Adult care	41,667	(16,667)	(25,000)	-	-
Efficiency North	-	1,000	(1,000)	-	-
SYHA Activities	-	10,000	(10,000)	-	-
SHAP Doncaster	-	15,868	(15,868)	-	-
SHAP Sheffield	-	5,462	(5,462)	-	-
Cost of Living grant	-	20,833	(20,833)	-	-
BLF Growth Project	-	139,119	(139,119)	-	-
SHAP Revenue	-	144,838	(144,838)	-	-
Barnsley DA	-	8,715	(8,715)	-	-
Unrestricted funds	<u>2,454,596</u>	<u>18,290,487</u>	<u>(18,148,023)</u>	-	<u>2,597,060</u>
	<u>2,496,263</u>	<u>18,627,992</u>	<u>(18,527,195)</u>	-	<u>2,597,060</u>
2024	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
RSAP 1	-	4,400	(4,400)	-	-
RSAP 2	-	2,937	(2,937)	-	-
Clothworkers	-	1,000	(1,000)	-	-
Efficiency North	-	1,000	(1,000)	-	-
RMBC Adult care	-	91,667	(50,000)	-	41,667
Small individual grants	-	235	(235)	-	-
SYHA Activities	-	14,330	(14,330)	-	-
SHAP Doncaster	-	1,172	(1,172)	-	-
Barnsley DA	-	484	(484)	-	-
Unrestricted funds	<u>2,753,536</u>	<u>15,266,624</u>	<u>(15,498,564)</u>	<u>(67,000)</u>	<u>2,454,596</u>
	<u>2,753,536</u>	<u>15,383,849</u>	<u>(15,574,122)</u>	<u>(67,000)</u>	<u>2,496,263</u>

SYF A capital grant funding to provide sprinkler system at HMO property.

RSAP A capital grant funding to purchase property as part of Ministry of Housing, Communities & Local Government Rough Sleeping Accommodation Programme.

Clothworkers A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people, match funded with Efficiency North.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

16. Reserves note (continued)

RMBC Adult care	Funding for 2 full time equivalent support workers to ensure provision of accommodation and related support for singles exiting custody and those at risk of re-offending.
Efficiency North	A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people, match funded with Clothworkers.
SYHA Positive Activities Fund	Grants funding to deliver positive activities (e.g. access to education, training and volunteering), to adults in Sheffield who are experiencing homelessness, substance misuse, mental health issues, contact with the criminal justice system or domestic abuse.
SHAP Doncaster & Sheffield	A capital grant funding to purchase properties as part of Ministry of Housing, Communities & Local Government Single Homeless Accommodation Programme.
Cost of Living	Grant funding to relieve financial hardship of individuals and communities who are struggling with everyday living costs, such as basic living expenses, household items, utilities, work or education related expenses, or rent arrears and specifically to introduce a Cost of Living Navigator programme across South Yorkshire.
BLF Growth Project	A project to provide specific support to vulnerable females who have had children removed into care.
SHAP Revenue	A revenue grant funding to provide support services to individuals occupying accommodation purchased by Target Housing.
Barnsley DA	A capital grant funding to purchase property to accommodate people accessing domestic abuse services.

17. Reconciliation of operating surplus to cash flows from operating activities

	2025	2024
	£	£
Total comprehensive income/(expenditure) for the year	100,797	(257,273)
Interest payable	319,853	261,399
Interest receivable	(27)	(107)
Depreciation	763,406	649,698
(Profit) on disposal	-	(12,788)
(Increase) in debtors	(121,988)	(55,853)
Increase in creditors	2,133,454	499,443
	<hr/>	<hr/>
Net cash flow from operating activities	3,195,495	1,084,519
	<hr/> <hr/>	<hr/> <hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

18. Analysis of changes in net debt

	2024	Cash flows	Non-cash changes	2025
	£	£	£	£
Short term borrowings	(209,262)	74,998	(251,311)	(385,575)
Long term borrowings	(9,932,741)	(1,333,172)	251,311	(11,014,602)
Total borrowings	(10,142,003)	(1,258,174)	-	(11,400,177)
Cash and cash equivalents	1,075,301	542,413	-	1,617,714
Total net debt	(9,066,702)	(715,761)	-	(9,782,463)

19. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

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

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

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2025	2024
	£000s	£000s
Fair value of scheme assets	1,112	1,151
Present value of defined benefit obligation	1,311	1,418
Defined benefit pension scheme deficit	<u>(199)</u>	<u>(267)</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

19. Defined benefit pension scheme (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025	2024
	£000s	£000s
Obligation at the start of the year	1,418	1,482
Service cost	(1)	(5)
Interest expense	68	70
Actuarial (gains)	(105)	(21)
Benefits paid	(84)	(127)
Member contributions	11	15
Other	4	4
	<hr/>	<hr/>
Obligation at the end of the year	1,311	1,418
	<hr/> <hr/>	<hr/> <hr/>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2025	2024
	£000s	£000s
Fair value at start of the year	1,151	1,215
Interest income	56	59
Return on plan assets, excluding amounts included in net interest	(105)	(88)
Employer contributions	83	77
Member contributions	11	15
Deficit contributions	(84)	(127)
	<hr/>	<hr/>
Fair value at the end of the year	1,112	1,151
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of deficit funding to defined benefit position

	2025	2024
	£000s	£000s
Deficit funding liability at 1 April 2024	267	267
Actuarial movements during the year	-	67
Current service cost during the year	15	10
Deficit contributions paid during the year	(83)	(77)
	<hr/>	<hr/>
Defined benefit liability at 31 March 2025	199	267
	<hr/> <hr/>	<hr/> <hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

19. Defined benefit pension scheme (continued)

Principal actuarial assumptions

The principal actuarial assumptions used are as follows:

	2025	2024
	% per annum	% per annum
Discount rate	5.77	4.89
Inflation (RPI)	3.11	3.17
Inflation (CPI)	2.78	2.77
Salary Growth	3.78	3.77
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

20. Capital commitments

As at 31 March 2025 the charitable company had contracted to purchase fixed assets amounting to £165,000 (2024: £1,414,000).

21. Controlling party

The Board considers that there is no overall controlling party.