**Companies House Registration Number: 07860164**
**Charity Commission Registration Number: 1145847**
**Regulator of Social Housing Registration Number: A2074**

# Lench's Trust

Annual Report and Financial Statements

For the year ended 31 December 2025

**Lench's Trust**

**(A company limited by guarantee)**

**Trust Information**

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| **Trustees** | R S Moxon (Chair of Trustees)<br>T P Cuthbertson (resigned 19 June 2025)<br>R Evans<br>A O Sholuade (resigned 19 June 2025)<br>A Malik<br>A White<br>K K Takhar<br>I S Lotay<br>F G Mandonga<br>G Chaundy (appointed 19 June 2025)<br>M A Lake (appointed 19 June 2025)<br>M Mateo-Garcia (appointed 19 June 2025)<br>L T Teboul (appointed 19 June 2025)<br>S A Brennan (appointed 18 September 2025) |
| **Company Secretary and Chief Executive** | Dominic Bradley |
| **Companies House registration no.** | 07860164 |
| **Charity Commission registration no.** | 1145847 |
| **Regulator of Social Housing registration no.** | A2074 |
| **Registered office** | William Lench Court<br>80 Ridgacre Road<br>Quinton<br>Birmingham<br>B32 2AQ |
| **Independent auditor** | Dains Audit Limited<br>2 Chamberlain Square<br>Birmingham<br>B3 3AX |
| **Bankers** | Lloyds Bank Plc<br>114-116 Colmore Row<br>Birmingham<br>B3 3BD |

| | |
|---|---|
| **Investment advisors** | Evelyn Partners<br>103 Colmore Row<br>Birmingham<br>B3 3AG |

**Lench's Trust**

**(A company limited by guarantee)**

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**Lench's Trust**

**(A company limited by guarantee)**

**Chairman's statement**
**For the year ended 31 December 2025**

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The chairman presents his statement for the period.

Firstly, can I pay tribute to my predecessor Abdul Malik who left the Board of Trustees and the Trust in robust shape when I took over in July. Since then, I wish to place on record my thanks to all those who are involved in the running of the Trust from the Trustees, Senior Management team to everyone who looks after our residents. They do a superb job, and we are lucky to have them all.

I also want to pay a heartfelt tribute to two trustees who have left the Board. Firstly, Timothy Cuthbertson who was our longest serving Trustee on the current Board, he has been involved in the Trust for 18 years and during the time I have know him he has dedicated many hours to assist the Trust and has always contributed to the Board using his knowledge and wisdom.

Secondly Leke Sholuade a past Chair of the board who now resides in London and was finding it difficult to commit the time he felt the Trust deserves and as such decided to step down. Leke was a valuable member of the Board whose contribution will be missed.

I thank both former colleagues for their service to the Trust, their efforts over the years, the time commitment they made in sitting on the Board.

We have however a full Board of Trustees as we have been successful in recruiting some top calibre candidates who join us so welcome to Monica Mateo-Garcia, Louise Teboul, Matthew Lake, Sean Brennan & Guy Chaundy, I am looking forward to working with you all.

I view my succession to the role of Chair of the Board as a huge honour and privilege especially during this very special year for Lench Trust, the 500th Anniversary of our founding. That's some achievement for all those who have gone before us in addition to the current Board, management team and all connected with the Trust.

We are all only temporary custodians of Lench's Trust and it's our role to ensure the Trust endures and is here for many years to come so the benefits it provides continue to be available for future generations.

Highlights in 2025

There have been many events around the 500th Anniversary – The events have been far ranging involving all those involved at Lench's Trust but especially our residents. The year culminated in a day at the BMI in Margaret Street with various presentations highlighting our history, the future of the Almshouse movement and especially the new developments planned to make Lench's Trust grow and be even more relevant to the residents of the City of Birmingham into the future.

We have been officially declared Birmingham's Oldest Charity, again what great recognition for us all.

Firstly, we were delighted with our latest Tenant Satisfaction Measure results with 94% overall satisfaction, this gives us a really solid base to work from as we work with our residents to the next stage of Lench's journey.

The co-living space at Tanner's Close, Marion's Place has added another dimension to the Trusts offering and has already made a significant contribution in changing lives for the better.

The Bistro at William Lench Court has undergone a complete refurbishment.

**Chairman's statement (continued)**
**For the year ended 31 December 2025**

In a significant move the Trust has taken on the management responsibilities for four small Almshouse charities in Walsall. The team are using their considerable knowledge and skills to transform the 31 properties and the lives of the residents involved.

Lench's Close in Moseley entered themselves in the Moseley in Bloom competition giving a chance to show off the wonderful surroundings at that development.

These are but a few of the highlights and many more events and memorable moments have happened this year it is just impossible to mention them all.

So, to the future, what's in store???

The Trust is proposing to expand the number of living spaces we have by way of new development work in Moseley where 6 new homes will be built with a design that is both innovative, warm and in keeping with our existing Almshouses in Moseley.

Planning permission has been applied for to build some Eco pods in woodland to the rear of William Lench Court which is a very exciting development which will put the trust at the forefront of this type of development in the whole of the UK.

Plans are gathering pace to take back the property in Conybere Street, Highgate, refurbish and directly manage inhouse, again a jewel of a development in the neighbourhood of Highgate Birmingham, the scheme which will be called Agnes Gardens. With Agnes being the name of William Lench's Wife. The scheme will be intergenerational for women, with our traditional over 55's client group and Women who are in low paid work that need a high-quality affordable home in the heart of our city.

There is also scope for future development at 90 Lancaster Gate on the St Mary's Estate, this will provide much needed funds to the Trust in the short term whilst a master plan is developed for the whole site.

We have begun work on both decarbonising our housing stock and making our homes warmer & more efficient for our residents. We have secured funding from the Warm Homes Fund via the West Midlands Combined Authority and we hope to complete this work over the course of the next year.

Finally, we keep under review the Trust's investment and property portfolios which continue to provide valuable income and opportunities to the Trust to reduce the level of charges to residents and present long-term security for the Trust.

Name R S Moxon
Chairman

Date 11 June 2026

# Trustees' report
**For the year ended 31 December 2025**

The Trustees present their report and the financial statements for the year ended 31 December 2025.

## Principal activity

Lench's Trust is an Almshouse Charity regulated by a scheme of the Charity Commissioners, charity registration number 1145847. It is also a Registered Provider of Social Housing and Care which means it is subject to monitoring by the Regulator of Social Housing (RSH) as well as the Care Quality Commission (CQC). The Trust are also registered under the Companies Act 2006, limited by guarantee.

It was founded in 1525 by William Lench, a tanner, for the benefit of the Citizens of Birmingham. For some 300 years, the work of the Trust was divided between the maintenance of streets and bridges and the care of the elderly and poor.

With the incorporation of Birmingham in 1838 the Trustees became solely providers of Almshouses. Our policy is to provide care, according to our scheme, for people who are resident in the City, over 55 years of age and necessitous. The scheme specifies twelve Trustees and their duties are to provide care for our residents to meet their needs and to give consideration to other possibilities of care as finances and facilities become available. The financial policy of the Trustees is to maintain and improve the value of their endowment for the use of future generations and to make further financial resources available for the progressive expansion of the Trust's caring activities.

The management of the Trust is led by a Chief Executive and a small team of office staff, with day to day care and Almshouse staffing carried out by our team of scheme managers. The Trustees also have a group of befrienders for each Almshouse who get to know our residents individually and play a major part with the scheme managers in offering companionship and seeking out their needs.

## Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that there are systems in place to mitigate exposure to major risks.

## Value for Money (VfM) & benchmarking

### Introduction

Lench's Trust is committed to the principle and delivery of VFM as defined by the RSH, which requires the Trust to "articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting its organisational objectives".

The Board of Lench's Trust has overall responsibility for direction and governance.

### Achieving VFM

Achieving VFM is fundamental to the attainment of Lench's Trust's key strategic goal to "develop vibrant, caring and safe communities for the benefit of the community served by the Trust" and to achieve this, the Trust has adopted several objectives which are further detailed and developed in the Annual Plans over the life cycle of its Ten-Year Strategy (2015-2025).

The Board and Executive Team are working to embed VFM principles within the organisation at all levels through active engagement with staff, residents, and other key stakeholders.

Over the past 18 months, significant efforts have been made to not only achieve Value for Money but also to streamline processes and enhance efficiency in our working practices. So far, we have realised overall cost savings of approximately £45k and have been able to improve some of the services we provide to our residents and wider stakeholders.

**Benchmarking**

Critical to the success in achieving VFM is benchmarking the Trust's performance with other housing providers. In general, the outcomes from benchmarking highlight areas of strength and weakness, indicate whether the right balance between cost and quality has been obtained, and provide a point of reference for necessary business improvements.

Lench's Trust is committed to giving the beneficiaries of the Charity the best service that it can with the resources available and therefore is actively engaged with the benchmarking club to assess its performance and highlight areas for change and improvement.

In 2024, the Trust became a member of the Communities and Housing Investment Consortium Ltd (CHIC), a procurement portal. This membership enables the Trust to benchmark its Property and Maintenance services against a broader range of contractors and suppliers, ensuring that residents receive the best value.

**Quality Performance**

Lench's Trust is committed to continued ongoing engagement with the beneficiaries of the Charity to better understand the nature of any dissatisfaction and feed this back to housing staff and maintenance contractors to improve service delivery to residents and their homes. Meaningful engagement with customers and repairs contractors helps to reduce costs, improve efficiency (by reducing waste) and raise effectiveness (by doing the right things).

Additionally, Lench's Trust realises the value of increased engagement with residents to foster better relations, minimise misunderstandings, address areas of concern, revise methods of working and service delivery – this is achieved through various means of engagement such as one on one meetings with Trustees, Residents sitting on the Audit & Assurance Committee and an annual residents conference, which enables the residents to engage with the staff and trustees.

| **Value for Money Metrics** | | | |
|---|---|---|---|
| **Reinvestment %** | | | |
| | **2025** | | **2024** |
| Housing properties | 16,898,086 | | 15,391,659 |
| Additions | 314,671 | | 252,379 |
| | **1.86%** | | **1.64%** |
| During 2025 we went through a process of relaying pipework at one our schemes, for the heat network system, this took up considerable time as well as funding, to be able to provide residents with reliable heating for the winter months. | | | |
| **New supply delivered (social housing) as a % of total stock** | | | |
| | **2025** | | **2024** |
| No new developments | - | | - |
| No properties delivered | | | |
| Lench's Trust brought 3 properties into use in January 2025, increasing our overall units from 183 to 186, this may seem small but it is our first increase since 2016, when WLC phase 2 was developed. We have also had development plans approved by BCC during 2025 and will therefore be redeveloping during 2026. | | | |
| **Gearing %** | | | |
| | **2025** | | **2024** |
| Short term loans | 457,542 | | 546,149 |
| + long term loans | 6,162,204 | | 6,397,703 |
| less cash & equivalents | - 2,437,021 | | - 2,528,757 |
| | 4,182,725 | | 4,415,095 |
| Housing properties | 16,898,086 | | 15,391,659 |
| Gearing % | **24.75%** | | **28.68%** |
| Our gearing ratio at 24.75%, is higher than the median average of 5.9%, however, we are within our banking covenant limits of below 40%, and the fact this is decreasing year on year. | | | |
| **Operating % on social housing** | | | |
| | **2025** | | **2024** |
| Operating surplus on social housing | 703,823 | | 481,846 |
| Turnover from social lettings | 2,544,464 | | 2,318,066 |
| | **27.66%** | | **20.79%** |
| Our social housing margins has significantly improved year on year, reflecting the growth in turnover but also the operating surplus. This improvements has been made by enhacning operational efficiencies and cost controls within the housing portfolio. | | | |
| **Headline Social housing cost per unit** | | | |
| | **2025** | | **2024** |
| Social housing costs | **1,235,289** | | |
| Number of social housing | **186** | | |
| | **6,641** | | **5,947** |
| Our headline social housing costs have increased by £694.34 per annum, however, we have made changes within our services, that have increased costs but also the service we offer to our residents. We continue to make efficiencies year on year, so although costs increase, the VFM for our residents has also increased. | | | |

**Tenant Satisfaction Measures (TSM)**

As a registered social landlord, Lench's Trust are governed and regulated by the Regulator of Social Housing (RSH) and under the new Social Housing Regulatory Act, from 2024 onwards, we must record performance against TSM's.

The TSM's are a set of standardised perception questions to find out how satisfied residents are with the services Lench's Trust provide. They also provide excellent information on how and where we need to focus any improvements, allowing us to prioritise our services to ensure our homes remain of a high-quality standard for our residents to live in.

The below shows the percentages and figures based on the 60% of residents that responded:

| Title | 2023 | 2025 | All providers |
|---|---|---|---|
| TP01 – Overall satisfaction | 91% | 94% | 74% |
| TP02 – Satisfaction with overall repairs | 89% | 93% | 77% |
| TP03 – Satisfaction with time taken to complete most recent repair | 88% | 88% | 73% |
| TP04 – Satisfaction that the home is well maintained | 92% | 94% | 74% |
| TP05 – Satisfaction that the home is safe | 96% | 96% | 78% |
| TP06 – Satisfaction that the landlord listens to tenant views and acts upon them | 78% | 82% | 61% |
| TP07 – Satisfaction that the landlord keeps tenants informed about things that matter to them | 82% | 90% | 73% |
| TP08 – Agreement that the landlord treats tenants fairly and with respect | 89% | 94% | 78% |
| TP09 – Satisfaction with the landlord's approach to handling complaints | 56% | 64% | 36% |
| TP10 – Satisfaction that the landlord keeps communal areas clean and well maintained | 94% | 95% | 68% |
| TP11 – Satisfaction that the landlord makes a positive contribution to neighbourhoods | 76% | 86% | 67% |
| TP12 – Satisfaction with the landlord's approach to handling anti-social behaviour | 88% | 95% | 61% |

**Financial Report 2025**

The Trust have delivered a strong financial performance for 2025, maintaining stability despite the inflationary pressures whilst continuing to invest in housing and services. Total comprehensive income for the year totalled £580,561 and the balance sheet position has strengthened, supporting long-term sustainability.

Operating margins have improved, and resident satisfaction increased. The Trust continues to progress its development activity with future plans including a new development in Moseley, property redevelopment in Highgate, Birmingham and eco-housing in Quinton.

There has been a continued focus on delivering Value for Money during 2025, balancing cost control with resident outcomes; this is reflected in the current years TSM results.

Overall, the Trust has demonstrated financial resilience and strategic progress in 2025, with improved operating margins, enhanced liquidity and continued investment in current housing stock.

**Going concern**

Under the governance requirements, the Trustees confirm that after making enquiries they have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Whilst there have been inflationary issues and a cost-of-living crisis, the Trust have made changes to housing income and have carried out a thorough Value for Money exercise, along with a restructure within the Care team to help to ensure the Trust's financial future.

On this basis, the Board has a reasonable expectation that Lench's Trust has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

**Trustees' responsibilities statement**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of the profit or loss of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies for the Trust's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as the Trustees is aware, there is no relevant audit information of which the Trust's auditor is unaware, and
- the Trustees has taken all the steps that ought to have been taken as a Trustees in order to be aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

### Auditor

The auditor, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**R S Moxon**
Trustees

Date: 11 June 2026

## Independent Auditor's Report to the Members of Lench's Trust

### Opinion

We have audited the financial statements of Lench's Trust (the 'Trust') for the year ended 31 December 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves and the Statement of Cash Flow. and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Trust's affairs as at 31 December 2025 and of its profit 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 Acounting 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 Trust'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 Trustees 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 Annual Report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 8, the Trustees 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 Trustees 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 Trustees are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with the Trustees and other management, and from our commercial knowledge and experience of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the financial reporting legislation, the Companies Act 2006, the Housing and Regeneration Act 2008, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Association's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Other matter**

The financial statements of the Company for the year ended 31 December 2024 were audited by Forvis Mazars LLP who expressed an unmodified opinion on those financial statements on 23 June 2025.

## Independent Auditor's Report to the Members of Lench's Trust (continued)

### Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
**Dains Audit Limited**

Statutory Auditor
Chartered Accountants

Birmingham

11 June 2026

**Lench's Trust**

**(A company limited by guarantee)**

## Statement of comprehensive income
## For the year ended 31 December 2025

| | Note | 2025 £ | As restated 2024 £ |
|---|---|---|---|
| Turnover | | **3,345,699** | 3,048,869 |
| Operating expenditure | | **(3,199,557)** | (3,045,760) |
| **Operating surplus** | 4 | **146,142** | 3,109 |
| Finance income | 6 | **168,098** | 192,277 |
| Change in fair value of housing properties | 12 | **-** | 339,374 |
| Surplus on disposal of fixed assets | 7 | **146,133** | 16,824 |
| Interest and financing costs | 8 | **(82,079)** | (107,523) |
| Change in fair value of investments | 16 | **202,267** | 164,417 |
| **Total comprehensive income for the year** | | **580,561** | 608,478 |

The notes on pages 21 to 40 form part of these financial statements.

**Lench's Trust**

**(A company limited by guarantee)**
**Registered number:07860164**

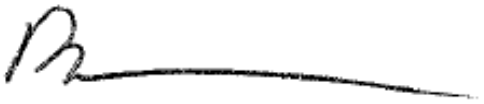
**Balance sheet**
**As at 31 December 2025**

| | Note | | 2025 | | As restated 2024 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Housing properties | 12 | | **16,898,085** | | 17,031,633 |
| Other tangible fixed assets | 15 | | **630,788** | | 780,347 |
| Investment properties | 14 | | **11,993,064** | | 11,984,696 |
| Fixed asset investments | 16 | | **3,711,080** | | 3,402,916 |
| | | | **33,233,017** | | 33,199,592 |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 18 | **372,364** | | 378,231 | |
| Current asset investments | 17 | **1,865,196** | | 2,401,947 | |
| Cash at bank and in hand | | **571,825** | | 126,807 | |
| | | **2,809,385** | | 2,906,985 | |
| Creditors: amounts falling due within one year | 19 | **(827,666)** | | (897,532) | |
| **Net current assets** | | | **1,981,719** | | 2,009,453 |
| **Total assets less current liabilities** | | | **35,214,736** | | 35,209,045 |
| Creditors: amounts falling due after more than one year | 20 | | **(5,822,833)** | | (6,397,703) |
| **Net assets** | | | **29,391,903** | | 28,811,342 |
| **Capital and reserves** | | | | | |
| Permanent endowment | | | **2,970,222** | | 2,824,486 |
| Revenue reserves | | | **26,421,681** | | 25,986,856 |
| | | | **29,391,903** | | 28,811,342 |

**Balance sheet (continued)**
**As at 31 December 2025**

The Trust's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**R S Moxon**
Chair of Trustees

Date: 11 June 2026

The notes on pages 21 to 40 form part of these financial statements.

## Statement of changes in reserves
## For the year ended 31 December 2025

| | Permanent endowment | Revenue reserves | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| **At 1 January 2024** | **2,809,404** | **25,393,460** | **28,202,864** |
| **Comprehensive income for the year** | | | |
| Surplus for the year | **-** | **608,478** | **608,478** |
| Transfer between reserves | **15,082** | **(15,082)** | **-** |
| **At 1 January 2025 (as previously stated)** | **2,824,486** | **25,647,482** | **28,471,968** |
| Prior year adjustment (see note 12) | **-** | **339,374** | **339,374** |
| **At 1 January 2025 (as restated)** | **2,824,486** | **25,986,856** | **28,811,342** |
| **Comprehensive income for the year** | | | |
| Surplus for the year | **-** | **580,561** | **580,561** |
| Transfer between reserves | **145,736** | **(145,736)** | **-** |
| **At 31 December 2025** | **2,970,222** | **26,421,681** | **29,391,903** |

The notes on pages 21 to 40 form part of these financial statements.

**Lench's Trust**

**(A company limited by guarantee)**

**Statement of cash flows**
**For the year ended 31 December 2025**

| | 2025 | As restated 2024 |
|---|---|---|
| | **£** | £ |
| **Cash flows from operating activities** | | |
| Operating surplus | **146,142** | 3,109 |
| **Adjustments for:** | | |
| Change in fair value of housing properties | **-** | 339,374 |
| Increase in debtors | **5,866** | (106,290) |
| Increase in creditors (excluding housing loans) | **18,744** | 26,446 |
| Depreciation | **636,707** | 759,135 |
| Abortive costs | **-** | 50,889 |
| Amortisation of Government grant | **(115,331)** | (115,331) |
| Rents received from investment properties | **(344,439)** | (257,369) |
| **Net cash generated from operating activities** | **347,689** | 699,963 |
| **Cash flows from investing activities** | | |
| Purchase of housing properties (including components) | **(314,670)** | (252,379) |
| Purchase of other tangible fixed assets | **(40,850)** | (1,932,103) |
| Proceeds from sale of tangible fixed assets | **-** | 26,857 |
| Purchase of investment properties (including capitalised costs) | **(8,368)** | - |
| Purchase of listed investments | **(682,557)** | (320,323) |
| Proceeds from sale of listed investments | **717,712** | 336,338 |
| Purchase of unlisted and other investments | **7,001** | - |
| Decrease/(increase) in current asset investments | **536,751** | (89,750) |
| Dividends, interest and rents received | **512,537** | 449,646 |
| **Net cash from investing activities** | **727,556** | (1,781,714) |

## Statement of cash flows (continued)
**For the year ended 31 December 2025**

| | 2025 | As restated 2024 |
|---|---|---|
| | **£** | £ |
| **Cash flows from financing activities** | | |
| Housing loans repaid | **(548,148)** | (523,593) |
| Interest paid | **(82,079)** | (107,523) |
| **Net cash used in financing activities** | **(630,227)** | (631,116) |
| **Net increase/(decrease) in cash and cash equivalents** | **445,018** | (1,712,867) |
| Cash and cash equivalents at beginning of year | **126,807** | 1,839,674 |
| **Cash and cash equivalents at the end of year** | **571,825** | 126,807 |
| **Cash and cash equivalents at the end of year comprise:** | | |
| Cash at bank and in hand | **571,825** | 126,807 |

## 1. General information

Lench's Trust is a registered Almshouse Charity registered with the Charity Commission in England and Wales and is registered in England and Wales under the Companies Act 2006. The Trust is also a registered provider of private social housing in the United Kingdom registered with the Regulator of Social Housing.

The principal activity of the Trust is to provide housing to over 55s in the Birmingham area and to prevent or relieve poverty for our residents. The address of the registered office is given in the Trust information page of these financial statements.

Lench's Trust constitutes a public benefit entity as defined by FRS 102.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements are presented in the the Trust's functional currency of £ (GBP Sterling). They are prepared to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Trust's accounting policies.

The following principal accounting policies have been applied:

### 2.2 Going concern

The Board have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorisation of these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Trust to be able to continue as a going concern.

The Board's assessment of going concern involves a number of subjective judgements including, but not limited to potential increased rent arrears, increased voids, increasing inflation and interest rates, a reduction in property prices and predicted cash outflows associated with fire and building safety and costs associated with achieving energy efficient housing properties.

On this basis the Board is confident that the Trust has adequate resources to continue in operation and have adopted the going concern basis in preparing these financial statements.

## 2. Accounting policies (continued)

### 2.3 Turnover

Turnover represents residents' contributions receivable in respect of Almshouses (net of losses from voids), rents receivable from investment properties, revenue grants receivable from local authorities and Homes England, and general donations.

### 2.4 Social Housing Grant (SHG) and other Government grants

Grants relating to assets are recognised on a systematic basis over the expected useful life of the asset.

Grants received for housing properties are recognised as income over the expected useful life of the housing property.

Grants received from non-Government sources are recognised as income using the performance model.

### 2.5 Finance income

Finance income is recognised in the Statement of Comprehensive Income using the effective interest method. Finance income includes dividends received from investments and bank interest received from cash deposits.

### 2.6 Interest and financing costs

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. Interest charges arising after that date are charged to the Statement of Comprehensive Income.

Other interest payable is charged to the Statement of Comprehensive Income.

### 2.7 Pensions

The Trust operates defined contribution pension schemes, the costs of which are written off to the Statement of Comprehensive Income on an accrual basis. The assets of the schemes are held separately from those of the Trust in independently administered funds.

### 2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

**2. Accounting policies (continued)**

**2.9 Housing properties**

Housing properties are initially recognised at cost. After recognition, under the cost model, housing properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development and expenditure incurred in respect of improvements.

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property.

Expenditure on existing housing properties is only capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general and cyclical repairs, and day-to-day maintenance is charged to the income and expenditure account as it is incurred.

Major components of housing properties are separately identified, such as kitchens and bathrooms, and are depreciated separately from the connected housing property, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

**2.10 Impairment of housing properties**

Properties held for their social benefit are not held solely for the cash inflows that they generate and are held for their service potential.

Housing properties are assessed annually for indicators of impairment. Where indicators are identified, an assessment for impairment is undertaken comparing the housing property's carrying amount to its recoverable amount. Where the carrying amount of a housing property is deemed to exceed its recoverable amount, the property is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Comprehensive Income. Recoverable amount is deemed to be the higher of a property's value in use and its fair value less costs to sell.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply. Such a reversal is shown within the Statement of Comprehensive Income.

**2. Accounting policies (continued)**

**2.11 Depreciation of housing properties**

Depreciation is charged to write down the cost of freehold housing properties to their estimated residual value on a straight-line basis over their expected useful economic lives.

Major components are treated as separable assets and depreciated over their estimated useful economic llives or the lives of the properties to which they relate, if shorter.

The estimated useful lives are as follows:

| | |
|---|---|
| Housing properties | 50 - 100 years |
| Roofs | 50 years |
| Kitchens | 20 years |
| Bathrooms | 30 years |
| Boilers | 15 years |
| Windows & doors | 30 years |

Freehold land and assets under construction are not depreciated.

**2.12 Shared ownership properties**

All shared ownership properties are split between fixed and current assets in line with the expectation relating to the first tranche sale percentage.

The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to the Statement of Comprehensive Income and matched against the proceeds received within the operating surplus in the Statement of Comprehensive Income. Any operating surplus is restricted to the overall surplus which takes account of the Existing Use Value – Social Housing (EUV-SH) of the remaining fixed asset element.

The remaining element of the asset is classified as a fixed asset and included in housing properties at cost, less any provision for depreciation or impairment.

## 2. Accounting policies (continued)

### 2.13 Other tangible fixed assets

Other tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Trust adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Trust. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to the Statement of Comprehensive Income during the period in which they are incurred.

The estimated useful lives range as follows:

| | |
|---|---|
| Office premises | 30 years |
| Motor vehicles | 4 years |
| Accommodation equipment | 5 years |
| Office equipment | 5 years |

### 2.14 Investment properties

Investment properties consist of land and commercial properties not held for social benefit but for use in the business.

Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year-end with changes in fair value recognised in the Statement of Comprehensive Income (revaluations are done every 5 years).

As at 31 December 2025, the investment properties were agreed by the Board of Trustees, to be held at the appropriate value, with the most recent valuation carried out by Savills as at 31 December 2022.

### 2.15 Investments

Fixed asset investments (investments in listed company shares) are a form of financial instrument and are initially recognised at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are remeasured to market (fair) value at each balance sheet date, unless the value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and are recognised in the Statement of Comprehensive Income for the period.

### 2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## 2. Accounting policies (continued)

### 2.17 Cash and cash equivalents

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Trust's cash management.

### 2.18 Creditors

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

### 2.19 Financial instruments

The Trust only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in ordinary shares.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank and other loans which are subsequently measured at amortised cost using the effective interest method.

### 2.20 Provision for liabilities

Liabilities are recognised when there is an obligation (legal or constructive) at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Comprehensive Income as a finance cost.

### 2.21 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year-end and is carried forward to future years.

## 2. Accounting policies (continued)

### 2.22 Permanent endowment

The permanent endowment represents the original endowment of the Trustees together with accumulated realised gains.

### 2.23 Revenue reserves

All the Trust's income from activities is accounted for through revenue reserves.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements include:

**Depreciation and residual values**
The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of housing properties, and have concluded that asset lives and residual values are appropriate.

**Estimation uncertainty**
The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Investment property valuation**
The Trust carries its investment properties at fair value and engages independent valuers to determine fair value using valuation techniques. The calculated fair value of the investment property uses assumptions which are subject to judgement, such as the estimated yield and the long-term vacancy rate.

## 4. Turnover, operating costs and operating surplus/(deficit)

| | Turnover 2025 £ | Operating costs 2025 £ | Operating surplus/ (deficit) 2025 £ | Operating surplus/ (deficit) 2024 £ |
|---|---|---|---|---|
| **Income and expenditure from lettings:** | | | | |
| Income and expenditure from lettings (note 5) | **2,544,464** | **(1,826,971)** | **717,493** | 481,846 |
| **Other income and expenditure:** | | | | |
| Care services | **419,503** | **(536,745)** | **(117,242)** | (146,476) |
| Catering services | **69,793** | **(151,379)** | **(81,586)** | (45,991) |
| Rents from investment properties | **294,239** | **(42,164)** | **252,075** | 234,459 |
| Management charges | **-** | **-** | **-** | 5,000 |
| Donations | **17,700** | **(11,371)** | **6,329** | 20 |
| Other administrative costs | **-** | **(630,927)** | **(630,927)** | (525,749) |
| | **801,235** | **(1,372,586)** | **(571,351)** | (478,737) |
| | **3,345,699** | **(3,184,122)** | **146,142** | 3,109 |

## 5. Particulars of income and expenditure from lettings

| | **Supported housing and housing for older people 2025 £** | Supported housing and housing for older people 2024 £ |
|---|---|---|
| **Turnover from lettings** | | |
| Housing contributions receivable net of voids - rented | **2,291,448** | 2,107,161 |
| Housing contributions receivable net of voids - shared ownership | **49,499** | 45,374 |
| Other housing rent | **50,200** | 50,200 |
| Amortisation of SHG | **115,331** | 115,331 |
| Walsall Almshouses and grant making trust charges | **37,986** | - |
| | **2,544,464** | 2,318,066 |
| **Operating expenditure on lettings** | | |
| Services | **300,608** | 248,153 |
| Management | **661,720** | 560,035 |
| Depreciation of housing properties | **605,353** | 727,268 |
| Repairs and maintenance | **259,290** | 300,764 |
| | **1,826,971** | 1,836,220 |
| **Operating surplus from lettings** | **717,493** | 481,846 |

Void rent losses for the year were £24,852 (2024: £22,702).

Included within housing contributions receivable is service charge income of £1,136,591 (2024: £1,121,363).

## 6. Finance income

| | **2025 £** | 2024 £ |
|---|---|---|
| Investment income | **75,086** | 85,710 |
| Bank interest | **93,012** | 106,567 |
| | **168,098** | 192,277 |

## 7. Surplus/(deficit) on disposal of fixed assets

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Surplus on disposal of listed fixed asset investments | **146,288** | 16,209 |
| (Deficit)/surplus on disposal of other tangible fixed assets | **(155)** | 615 |
| | **146,133** | 16,824 |

## 8. Interest payable and similar expenses

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Interest on housing loans | **82,079** | 107,523 |

## 9. Surplus on operating activities

The surplus on operating activities is stated after charging/(crediting):

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Depreciation of housing properties | **446,372** | 574,212 |
| Depreciation of other tangible fixed assets | **190,335** | 185,151 |
| Amortisation of Government grants | **(115,331)** | (115,331) |
| Lease payments recognised as an expense | **10,929** | 13,667 |
| **Auditor's remuneration:** | | |
| In their capacity as auditors | **16,750** | 13,418 |
| Other services | **-** | 813 |

## 10. Employees

Staff costs were as follows:

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Wages and salaries | **1,318,435** | 1,181,189 |
| Social security costs | **105,856** | 92,234 |
| Pension contributions | **107,253** | 99,791 |
| | **1,531,544** | 1,373,214 |

The average number of full-time equivalent employees during the year was as follows:

| | **2025** | 2024 |
|---|---|---|
| | **No.** | No. |
| Office staff | **8** | 8 |
| Other scheme staff | **11** | 12 |
| Care team | **14** | 16 |
| Catering team | **3** | 3 |
| | **36** | 39 |

The average number of employees is calculated using the number of hours worked by each employee. Full-time hours are based on the standard full-time working week of 35 hours.

The average staff headcount was 59 (2024: 55).

## 11. Chief Executive's emoluments

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Salary | **79,912** | 76,125 |
| Social security costs | **10,292** | 8,766 |
| Pension contributions | **7,991** | 7,613 |
| | **98,195** | 92,504 |

The Chief Executive is classified as key management personnel and is a member of the Trust's defined contribution pension scheme on the same terms as all other employees, and no special terms apply.

The Trustees did not receive any emoluments (2024: £Nil), and no expenses were reimbursed to Trustees during the year (2024: £Nil).

The number of staff who received remuneration greater than £60,000 was 2 (2024: 2).

## 12. Housing properties

| | Social housing properties held for letting £ | Completed shared ownership housing properties £ | Assets under construction £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2025 (as previously stated) | **20,147,528** | **457,874** | **-** | **20,605,402** |
| Prior year adjustment | **1,639,976** | **-** | **-** | **1,639,976** |
| At 1 January 2025 (as restated) | **21,787,504** | **457,874** | **-** | **22,245,378** |
| Additions | **64,419** | **-** | **250,251** | **314,670** |
| Transfers between classes | **(44,837)** | **-** | **44,837** | **-** |
| Disposals | **(2,475)** | **-** | **-** | **(2,475)** |
| At 31 December 2025 | **21,804,611** | **457,874** | **295,088** | **22,557,573** |
| **Amortisation** | | | | |
| At 1 January 2025 | **5,092,512** | **121,232** | **-** | **5,213,744** |
| Charge for the year | **437,215** | **9,157** | **-** | **446,372** |
| On disposals | **(628)** | **-** | **-** | **(628)** |
| At 31 December 2025 | **5,529,099** | **130,389** | **-** | **5,659,488** |
| **Net book value** | | | | |
| At 31 December 2025 | **16,275,512** | **327,485** | **295,088** | **16,898,085** |
| At 31 December 2024 (as restated) | 16,694,991 | 336,642 | - | 17,031,633 |

All housing properties are freehold.

## 12. Housing properties (continued)

### Prior year adjustment

A prior year adjustment has been processed in respect of a property purchased by the Trust in April 2024. Previously the acquired freehold property was accounted for at a cost of £1,300,602. This did not represent the property's fair value on account of the £339,374 outstanding Social Housing Grant vested in the property reducing the consideration paid and therefore the cost recorded. The prior year adjustment therefore increases the fair value of the property to £1,639,976 with a corresponding entry of £339,374 recognised in the 2024 Statement of comprehensive income: 'Changes in fair value of housing properties'. Lench's Trust is now responsible for the recycling of the grant in the event of the housing property being disposed.

The property has also been reclassified from Investment Property (note 14) to Social Housing Property in line with its use as social housing by the leaseholder and the peppercorn rent stipulated within the lease.

### Expenditure on works to existing properties

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Improvement works capitalised | **250,251** | 252,379 |
| Components capitalised | **64,419** | - |
| Amounts charged to income and expenditure | **259,290** | 300,764 |
| | **573,960** | 553,143 |

### Social housing assistance

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| **Total accumulated social housing grant received or receivable** | | |
| Recognised in the Statement of Comprehensive Income | **1,965,783** | 1,850,452 |
| Held as deferred income | **5,122,715** | 5,238,046 |
| | **7,088,498** | 7,088,498 |

## 13. Accommodation in management and development

At the year-end accommodation in management was as follows:

| | **2025 Number** | 2024 Number |
|---|---|---|
| Supported housing (extra care) | **88** | 88 |
| Housing for older people | **88** | 88 |
| Shared ownership | **7** | 7 |
| Co-living | **3** | - |
| Accommodation managed for others | **31** | - |
| | **217** | 183 |

There were 15 units in development at the year-end (2024: none).

## 14. Investment properties

| | **Freehold investment properties £** |
|---|---|
| **Valuation** | |
| At 1 January 2025 (as previously stated) | **13,285,298** |
| Prior year adjustment | **(1,300,602)** |
| At 1 January 2025 (as restated) | **11,984,696** |
| Additions at cost | **8,368** |
| **At 31 December 2025** | **11,993,064** |

Investment properties consist of land and commercial properties not held for social benefit.

## 15. Other tangible fixed assets

| | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2025 | **70,963** | **244,043** | **1,287,303** | **1,602,309** |
| Additions | **775** | **-** | **40,075** | **40,850** |
| Disposals | **-** | **-** | **(16,394)** | **(16,394)** |
| At 31 December 2025 | **71,738** | **244,043** | **1,310,984** | **1,626,765** |
| **Depreciation** | | | | |
| At 1 January 2025 | **35,049** | **48,666** | **738,247** | **821,962** |
| Charge for the year | **12,972** | **8,135** | **169,228** | **190,335** |
| Disposals | **-** | **-** | **(16,320)** | **(16,320)** |
| At 31 December 2025 | **48,021** | **56,801** | **891,155** | **995,977** |
| **Net book value** | | | | |
| At 31 December 2025 | **23,717** | **187,242** | **419,829** | **630,788** |
| At 31 December 2024 | 35,914 | 195,377 | 549,056 | 780,347 |

## 16. Fixed asset investments

| | Listed investments £ |
|---|---|
| **Market value** | |
| At 1 January 2025 | **3,402,916** |
| Additions | **675,556** |
| Disposals | **(569,660)** |
| Revaluations | **202,268** |
| At 31 December 2025 | **3,711,080** |

If the investments were held at historical cost they would be carried at £2,693,460 (2024 - £2,466,929).

## 17. Current asset investments

| | 2025 £ | 2024 £ |
|---|---|---|
| Cash held on deposit | **1,865,196** | 2,401,947 |

## 18. Debtors

| | 2025 £ | 2024 £ |
|---|---|---|
| Trade debtors | **147,502** | 91,657 |
| Other debtors | **3,258** | 11,304 |
| Prepayments and accrued income | **221,604** | 275,270 |
| | **372,364** | 378,231 |

## 19. Creditors: Amounts falling due within one year

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Housing loans | **457,542** | 546,149 |
| Government grants (note 21) | **115,331** | 115,331 |
| Trade creditors | **91,935** | 129,717 |
| Other taxation and social security | **61,671** | 25,272 |
| Other creditors | **50,559** | 11,408 |
| Accruals and deferred income | **50,628** | 69,655 |
| | **827,666** | 897,532 |

## 20. Creditors: Amounts falling due after more than one year

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Housing loans | **1,154,823** | 1,614,364 |
| Government grants (note 21) | **4,668,010** | 4,783,339 |
| | **5,822,833** | 6,397,703 |

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Repayable within 5 years | **1,154,823** | 1,614,364 |

The housing loans from Lloyds Bank are secured by specific charges on the Trust's housing properties (first charge over Lench's Close, dated 27 January 2015/first charges over William Lench Court, dated 20 June 2014) and are repayable at fixed rates of interest of 4.2% and 5.2% respectively.

## 21. Deferred Income - Government Grants

| | 2025 | 2024 |
|---|---|---|
| | **£** | £ |
| At 1 January | **5,238,046** | 5,014,003 |
| Amortisation charged to Statement of Comprehensive Income | **(115,331)** | (115,331) |
| **At 31 December** | **5,122,715** | 4,898,672 |
| Due < 1 year | **115,331** | 115,333 |
| Due > 1 year | **5,007,384** | 4,783,339 |
| | **5,122,715** | 4,898,672 |

## 22. Analysis of net debt

| | At 1 January 2025 | Cash flows | At 31 December 2025 |
|---|---|---|---|
| | **£** | **£** | **£** |
| Cash at bank and in hand | **126,807** | **445,018** | **571,825** |
| Housing loans due > 1 year | **(1,614,364)** | **459,541** | **(1,154,823)** |
| Housing loans due < 1 year | **(546,149)** | **88,607** | **(457,542)** |
| Current asset investments - deposits | **2,401,947** | **(536,751)** | **1,865,196** |
| | **368,241** | **456,415** | **824,656** |

## 23. Pension commitments

The Trust operates defined contribution pension schemes for all qualifying employees. The total expense charged to the Statement of Comprehensive Income in the year ended 31 December 2025 was £107,253 (2024: £99,791). Contributions totalling £4,213 (2024: £Nil) were payable to the fund at the Balance Sheet date and are therefore included in creditors.

## 24. Commitments under operating leases

At 31 December 2025 the Trust had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | **2025** | 2024 |
|---|---|---|
| | **£** | £ |
| Not later than 1 year | **6,345** | 6,345 |
| Later than 1 year and not later than 5 years | **19,036** | 25,381 |
| | **25,381** | 31,726 |

## 25. Related party transactions

There are no related party transactions to note.