

Registered no: IP000136

Clanmil Housing Association Limited
Annual Statement of Accounts
for the year ended 31 March 2025

Clanmil Housing Association Limited

1

Annual Statement of Accounts for the year ended 31 March 2025

Contents	Page(s)
Board and advisers	2
Strategic report of the Board	3 - 11
Report of the Board	12 - 14
Independent auditors' report to the members of Clanmil Housing Association Limited	15 – 16
Consolidated statement of comprehensive income	17
Consolidated statement of changes in reserves	17
Association statement of comprehensive income	18
Association statement of changes in reserves	18
Consolidated statement of financial position	19
Association statement of financial position	20
Consolidated cash flow statement	21
Notes to the financial statements	22 – 51

Board and advisers

Board

M Monaghan MBE MSc (Chair)
M McCann MA (Vice Chair)
P Cassidy BA (QUB) CPFA (retired Jun24)
N Adams BSc (Hons)
K O'Neill MEng
D Orr CBE MA
L Hannigan BSc (Hons) MRICS (retired Jun24)
N Hill BSc Econ (Hons) FCPFA
E Patterson MSc CIHCM (retired Dec24)
J Hannigan FCCA MBA CIHCM CDir
C Lillie BA (Hons)
S Robson BA (Hons) PgDipTP MRTPI (co-opted Sep24)
A Press MSc Dip IoD Lib IoB (co-opted Dec24)

Group Chief Executive and Company Secretary

C McTaggart Adv Dip CIHCM AssocRICS MCFI

Registered office

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Belfast
BT1 2DX

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, No. IP000136

Solicitors (primary)

Mills Selig
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BT1 4GA

Bankers (primary)

Danske Bank
Donegall Square West
Belfast
BT1 6SJ

Independent auditors

Sumer AuditCo NI
Statutory Auditors
Glendinning House
6 Murray Street
Belfast
BT1 6DN

Strategic report of the Board for the year ended 31 March 2025

The Board present their strategic report and the audited financial statements for the year ended 31 March 2025 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

The Board is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day-to-day management of operations is delegated to the Group Chief Executive and the Executive Team.

Gender analysis

The Executive Team of the Association comprises 3 females and 3 males at year end. The Group had 325 employees on the 31 March 2025, both part and full time, of which 106 are male and 219 are female.

Status

Clanmil Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity with HMRC (Charity No. XR 43042).

The Association is registered with the Charity Commission for Northern Ireland (Registration No. NIC103840).

Group structure

Clanmil Housing Association Limited provides social and affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist Clanmil Housing Association in delivering its social housing development programme. Clanmil Properties Limited provides services to property management companies and other Housing Associations/Organisations. Milbreen Limited is currently dormant but intends to develop housing for sale.

Refer to note 18 for details of Clanmil Housing Association Limited’s investments in subsidiary undertakings.

Principal activities

The Group provides over 5,980 high quality homes for rent throughout Northern Ireland and helps facilitate home ownership for people who cannot afford to purchase a home outright through its shared equity product.

Our social homes are allocated to people from the housing selection scheme managed by the Northern Ireland Housing Executive.

A wide range of people live in our homes. All share a need for a good quality home, and to be part of a sustainable community where they can live well, flourish and thrive. We offer a wide range of high quality housing and services including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia and for people with learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children escaping domestic violence;
- houses for Irish Travellers; and
- supported housing for young people leaving care.

Our equity share, part-buy, part-rent scheme makes home ownership achievable for people who cannot afford to purchase a home outright. It allows first time buyers to purchase a share in a home and pay rent on the remaining share, with an option to buy the remainder at a time that suits them.

Strategic report of the Board for the year ended 31 March 2025 (cont'd)

Shaping our Future Strategy 2026

2024/25 was the fourth year of our Strategic Plan, Shaping our Future, which we launched in April 2021. This plan was co-designed by colleagues, customers and stakeholders, and is both challenging and ambitious and provides, we believe, focus for us all, whilst reinforcing the importance of genuine partnerships that help our customers thrive and flourish within sustainable communities.

Together we want to:



Leave a positive experience

- ▶ We believe there's always an opportunity to leave a positive lasting impression if you show compassion and demonstrate you care
- ▶ We see the person, not the problem
- ▶ Whilst we know that sometimes we might have to have a tough conversation or make a hard decision, we will always act with honesty, fairness and respect regardless of the circumstances
- ▶ We are a people business, so trust and great relationships are crucial



Believe in better

- ▶ With a world of opportunity and a head full of possibility, we have a shared ambition to do more
- ▶ We challenge ourselves, each other, what we do and the world around us to not just settle but improve and strive for better
- ▶ We remain curious about what could be, embracing change whilst never losing sight of what we believe in
- ▶ We are a force for good, so we're confident to stand up and be counted



Achieve together

- ▶ Together we are stronger, it's as simple as that
- ▶ By working as one with colleagues, customers and communities we can make real change happen, overcome challenges and move things forward with great energy
- ▶ We all see the world differently, and we might not always agree. We embrace that
- ▶ We celebrate our diversity and the benefit that brings as we know that with unity comes strength

The five key aims of our Strategy are:



Build and maintain quality homes whilst preserving the environment

Having the right place to call home is an essential part of being able to live well. With that in mind we want to play a leading role in tackling the housing crisis in Northern Ireland. We want to strengthen existing communities and help to create new ones through the development of new sustainable homes that are built for the future. The homes we build will be well maintained, safe and energy efficient. Climate change is the challenge of a generation so we must play our part in reducing our carbon footprint. We aim to:

- Build and develop up to 1,400 well designed, energy efficient, mixed-tenure homes in the next five years.
- Target the design and delivery of new homes in both urban and rural areas with the greatest housing need.
- Be innovative in our delivery and adopt all affordable delivery options, including modern methods of construction, to minimise our carbon footprint.
- Invest in actively managing our assets, making them safe and attractive places to live.
- Subsidise our core activity by diversifying our approach, capitalising on new opportunities for growth through initiatives such as the empty and affordable homes schemes.



Provide services that make life easier for our customers

We want our customers to sustain their tenancies for as long as they choose. It's important that we remain responsive to changing customer needs and that we make life easier for them by making it easy to do business with us. We need to build and maintain healthy, trusting and respectful relationships with our customers, so they are empowered to help shape the standard of services we provide. We will:

- Create services that provide a great customer experience, being clear about what we offer and how we work to support diverse customer needs.
- Build trusting relationships by getting to know our customers, their communities and listening to their individual needs.
- Working in partnership with other service providers, create an environment where stable communities can thrive and customers are empowered to make informed decisions that are right for them.
- Create more opportunities for regular and robust customer feedback to generate quality insights that will help us to continually enhance our services.
- Develop an excellent multi-channel approach to serving our customers, giving customers a real choice in how they want to talk to us.

Strategic report of the Board for the year ended 31 March 2025 (cont'd)



Create a brilliant and sustainable organisation, fit for the future

In a world of digital, environmental and social disruption we must be ready to change and adapt to fulfil our purpose, and as a business we're only as good as our people and that's why we want to create a great place to work. We realise that to achieve our ambitions we must have financial strength and operational efficiency, and that we have to manage our business to the highest standards. This will come through robust financial management and systems, as well as seeking to potentially generate additional revenue that we can re-invest for the benefit of our customers. We seek to:

- Review our organisational design and capability to ensure we have the right people and expertise to deliver our strategy, managing and communicating change well.
- Strengthen our employer brand and offer to retain great people and attract diverse new talent.
- Lead with our new values and create the right culture where people can deliver their best work.
- We will create more opportunities for colleagues to contribute, feel empowered, supported in personal and professional development and have their voices heard.
- Deliver organisational efficiency and operational excellence by maximising the benefits of new and existing technologies to improve our end-to-end processes.
- Optimise our financial group structure and identify opportunities for future growth through partnership or innovation, launching new effective services for our customers and communities.



Be a respected voice to grow our impact

We believe that everyone has the right to a quality home and the opportunity to live in a safe and supportive community, that's why we will stand up and be heard when it comes to social housing. We want people to understand the importance of the sector and we want to add our voice to future housing policy so that we can ensure the issues that really impact on people's lives are addressed. We will promote a positive view of Clanmil, both locally and regionally, to create both interest and demand in partnering with us or in becoming a customer. This will be achieved by:

- Creating strong, trusted and productive relationships with new and existing stakeholders.
- Initiating change, influence policy and be leaders within the housing sector to deliver our purpose.
- Powerfully communicating our new strategy and brand so people understand who we are, what we do and how we add value to people's lives.
- Using the right communication channels to effectively engage our audiences and maximise our impact, sharing our successes beyond the housing sector.
- Cultivating new partnerships with service providers that are beneficial in helping our customers to live well, whilst also addressing future societal challenges.



Reach, connect and collaborate to strengthen communities

We know that some communities do not get the chance to thrive. We believe there are more ways in which we can support people and their communities beyond simply providing them with a home. We want to help make this a more shared place and we know that shared communities have a lasting positive impact on people's lives. We appreciate the value in developing great partnerships and we understand the importance of these in supporting our customers. We want to maximise these partnerships so that customers know where to look for guidance, help and expertise. We aim to:

- Focus our resources on the people who need most support, working closely with expert partners to deliver more services that communities need.
- Commission a review of existing community development activity to identify the biggest challenges and opportunities; determining whether we lead, leave, collaborate or delegate.
- Contribute to building stable communities by supporting people to live well and keep their homes. We will achieve this through financial inclusion services, creating opportunities and by exploring new ways of tackling isolation in a post-COVID world.
- Support our existing shared communities and deliver at least five more shared schemes that are welcoming to all and give people the choice of living alongside neighbours from many backgrounds and traditions.
- Raise environmental awareness by nurturing a community culture that values the environment, community landscapes and energy efficiency.

Strategic report of the Board for the year ended 31 March 2025 (cont'd)

Our Performance

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability. Our performance is also assessed through a number of statutory inspection regimes, and we are committed to continuing to achieve the highest standards where we can.

We assess our performance by how satisfied our customers are with the homes and services we provide. We regularly seek feedback from the people who live in our homes on everything from repairs to neighbourhoods.

In 2024-25, customer satisfaction was strongest in relation to general repairs and maintenance (79%) and the safety of home (76%).

Service Performance and Key Improvements:

All comparable measures have seen improvements since 2023-24. Significant increases in satisfaction were observed for handling anti-social behaviour (+4%), neighbourhood contribution (+6%), trust in Clanmil (+6%). The most significant gains were achieved for listens and acts on feedback (+8%) and recent repairs service (+13%). These increases resulted in a modest 1% increase in overall satisfaction, suggesting that broader concerns may still be influencing customer sentiment. Overall satisfaction for 24/25 was 67.04%.

We continue to focus on the services that matter to our customers and are working with them to improve satisfaction levels.

The Group continues to grow, and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services, maintain and improve the condition and value of our homes as well as the delivery of new homes.

We strive to operate efficiently and effectively, and outputs are monitored by the Board who receive performance reports covering a variety of financial and non-financial performance information.

In challenging operating conditions, the Association achieved the following performance against its key targets for 2024/25:

Performance Indicator	Actual 2024/25	Target 2024/25	Comment
Gearing ratio	35%	45%	Gearing is calculated in line with new loan covenants as debt as a percentage of gross book value of property. The Group was fully compliant with loan covenants during the year.
Interest cover	3.41 times	1.25 times	Now calculated excluding major repairs. Better performance than target. Largely due to significant interest received during the year which lowered net interest to be covered. The Group was fully compliant with interest cover covenants during the year.
Operating margin	27.2%	23.9%	Operating margin of 27.2% is better than budget which can be attributed to lower than anticipated salary costs as not all budgeted posts were filled.
Social Housing arrears including rent, rates and service charges	7.5%	7.7%	Despite the ongoing impact of the cost-of-living crisis on our customers and the increase in numbers of customers moving onto Universal Credit, predictive software helping to highlight customers who may need help, is starting to realise benefits
Voids as a per centage of gross charges	2.0%	2.3%	Performance improved on 2023/24 levels.
Response maintenance repairs completed within timescale based on current completion of work orders up to 31/03/25	71.6%	Internal target 85% Contract target 90%	We were disappointed by continued difficulties in the delivery of our repairs service. We know just how important this service is for our customers Repairs completion performance fell to 71.6% and a major focus during the year was procuring new response maintenance contractors and clearing the backlog of outstanding repairs. Customer transactional repair surveys were 85.1% satisfied.
Customer satisfaction	67.0%	85%	This will continue to be an area of focus throughout Clanmil in 2025/26.

* All figures have been rounded up to one decimal place

Strategic report of the Board for the year ended 31 March 2025 (cont'd)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the registered Housing Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in our existing homes and services, the delivery of new homes to play our part in alleviating the housing crisis in Northern Ireland, providing for longer term maintenance obligations, to meet our commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

The key strengths of the Group which enable its primary objectives to be achieved are:

- A commitment to the highest standards of corporate governance;
- A financial position which secures the confidence of funders, facilitating future investment and strategic growth opportunities;
- Professional and dedicated staff who are committed to the Group's objectives; and
- A proven ability to play its part in the delivery of the social housing development programme.

Colleagues

Our success is due to the hard work, commitment and professionalism of the people who make up Clanmil. We are very grateful to our highly motivated and engaged colleagues who are working tirelessly to deliver an improving service to our customers. They turn up every day with energy and enthusiasm to do the right thing and we really value that. We have continued with colleague pulse surveys throughout the year to help us understand what is needed to make Clanmil an even better place to work. We are also very proud to have just received GOLD accreditation for Investors in People.

The Group's total staff costs increased from £10.2m in 2023/24 to £11.5m in 2024/25. As a percentage of turnover staffing costs increased from 19.4% in 2023/24 to 21.0% in 2024/25. Sickness absence levels have increased from 3.44% to 4.70%. Labour turnover has increased from 16.5% in 2023/24 to 17.80% in Year ending March 2025.

Value for Money (VfM)

Our aim is to utilise our assets and resources as much as possible to meet the needs of existing and future customers.

To do this we continue to work collaboratively across Clanmil, harnessing the innovation and creativity of our people, our customers and stakeholders to deliver improvements through efficiency, effectiveness and economy.

There were 38 projects throughout the year which we assessed as having a value over £30,000 and therefore subject to a full tender exercise, the pre-tender estimates provided where exceeded by £1,073,199.00. This has primarily been attributed to actual tender costs received for asset contracts

There are a number of factors which has influenced this outturn, mainly the volatility of the current market with material cost increases and specifically within the response maintenance environment significant labour shortages – both of which have seen a rise in costs to deliver a response maintenance service.

13 individual quotation exercises were undertaken this year (ie they were under £30,000 each), which ensured we received the best value for money in relation to a £159,192.00 saving based on the lowest and second lowest quotation received.

Through the work of our Financial Inclusion Team we delivered strong positive social impact, whereby we:

- Assisted 1,335 customers with money advice: an increase of 17% on 2023/24.
- Helped them secure £3.8m in additional income, an increase from £3.6m in 2023/24.
- Supported 105 customers to set up and run their homes by accessing discretionary support grants with an average award of £1,454 each.
- Engaged with Bryson Energy Fund to secure £18,000 in electricity top-ups for customers.
- Worked with contractors to secure £23,460 in social value above statutory requirements; up from £7,500 in 2023/24.

We will continue to integrate Value for Money into our operating activities with value defined from the perspective of our customers and the services we deliver.

Strategic report of the Board for the year ended 31 March 2025 (cont'd)

Delivering more social housing to address the housing need in Northern Ireland

2024/25 saw housing finally move up the agenda in Northern Ireland and rightfully become a strategic priority for the NI Executive. We welcomed the Housing Supply Strategy, a 15 year framework for the delivery of homes to meet Northern Ireland's current and future needs and the fact that more social, affordable and sustainable housing was one of nine priorities for making a real difference to people's lives in the Executive's Programme for Government (PFG) This confirms what we in the housing sector have always known, a good home is vital for a good life.

During the year we started construction on 259 new homes, bringing the total number of homes under construction at the end of the financial year to 752 representing an investment in Northern Ireland by Clanmil of £170m. Our handover target was impacted by a number of issues across several schemes including delays with statutory bodies and the continued impact of material cost increases and rising inflation, however we did take handover of 100 new homes and welcomed new Clanmil customers. The Development team continued to manage construction contracts robustly in line with contract terms

We are also delighted to have been chosen by Belfast City Council as their strategic partner for the delivery of a mixed tenure, mixed use scheme in the inner northwest of the city and we look forward to seeing our plans come to life in the years ahead.

It is encouraging to have the NI Executive set a target of 5,850 new sustainable social homes by 2027 and see investment in wastewater infrastructure and improvements to the planning system prioritised in the Programme for Government. We at Clanmil are looking forward to working with all partners to deliver homes on the scale needed to make a real difference to people's lives.

To achieve this, we plan to make our assets work harder, through increasing our gearing (which remains within the covenants granted by the lending institutions that have supported us), focusing on driving improvement on voids, investigating complementary income streams and improving operational efficiency. We successfully launched a private placement for £100m in September 2022 complementing the renegotiation of £150m of existing borrowing facilities at more favourable rates in 2021/22. We have £45m of cash and short-term deposits and £50m of agreed undrawn loan facilities available to assist in funding our growth strategy and meeting ongoing commitments.

We have generated modest surpluses from diversification into housing related activities. The purpose of the diversification is to provide surpluses to continue to subsidise new affordable housing. These diversified activities, albeit on a relatively small scale, are successfully operating in the market rental sector, commercial retail units and Management Agent services

Providing good quality and efficient services to tenants

During the year we spent £9.6m with third parties carrying out repairs and improvements to our existing homes, replacing kitchens, bathrooms, new windows, redecoration, new heating and fire alarm systems and processed 28,000 repair requests, with 71.6% being completed within their timeframes. This was disappointing as we faced continued difficulties in the delivery of our repairs service. We know just how important this service is for our customers and a major focus during the year was procuring new response maintenance contractors and clearing the backlog of outstanding repairs. We continued to grow our in-house repairs team, who carried out 20% of our response repairs.

So much work and effort has gone into improving this service by our teams and we are very grateful to our customers and colleagues for their patience and understanding. We look forward to working with our new response maintenance partners to provide a more efficient and reliable service that meets our customers' needs.

Customer service and engagement has remained a top priority for us and over the year we implemented the second phase of our Customer Services Centre, and we hope that this will mean that customer enquiries are resolved more efficiently. We also implemented new lettable standards, standards of service and our customer handbook to ensure both customers and colleagues are clear about the services we provide. We also introduced a new Customer Home visit protocol, visiting around 1,300 customers in their homes during the year to get to know them better and to ensure that our services are meeting their individual needs.

The rising cost of living continues to impact many of our customers and for some, bridging the gap between household income and the day-to-day cost of running a home and raising a family was extremely difficult. During the year, our team supported 1,335 customers through money and debt management advice, generating more than £3.8m in additional income for them.

Strategic report of the Board for the year ended 31 March 2024 (cont'd)

Investing in our communities

Clanmil is committed to improving community cohesion and good relations by increasing the number of Shared Neighbourhoods across Northern Ireland. During the year we continued to deliver Good Relations Projects to strengthen relationships between our Customers and Communities within a five-mile radius in our current nine Shared Neighbourhood programme schemes in Banbridge, Belfast (Annadale), Cookstown, Crossgar, Carrickfergus, Downpatrick, Glenwhirry, Newtownabbey and Newcastle. The Cohesion team are currently working hard to promote further schemes in Antrim and Crumlin and during the year we received approval to take forward three further shared housing schemes in Magherafelt, Bangor and in Belfast's Titanic Quarter.

Other value for money considerations

The Association achieved a lower than prior year operating margin of 27.2% (2024 31.6%). Even though turnover increased, the increase in operational costs outweighed this. We continue to monitor and actively mitigate costs as far as possible.

Environment

We continue to focus on making existing homes as energy efficient as they can be, and our new Environmental Strategy 2024-2029 sets out our intent to bring all Clanmil homes to EPC rating C by 2030. This Strategy is our route map towards achieving net zero by 2050. It embeds environmental protection in all that we do and includes a commitment that the heating systems in our homes will be electric first.

Our strategy has five goals:

1. Design and build energy efficient homes, creating sustainable places to live
2. Effectively manage our energy use and reduce our carbon output
3. Invest in our existing homes to improve their energy efficiency, helping to minimise the impact of fuel poverty on customers and ensure homes are safe, decent and free from dampness and mould
4. Improve our environmental management of waste and water and support biodiversity and habitat.
5. Engage with our customers, colleagues and partners to inform them of our environmental management work and journey towards sustainability and net zero

Currently 99.9% of our stock meet Decent Homes standard. We are working to improve levels of thermal comfort, as a result 87.3% of our homes are already at EPC rating C. We began conversion of communal gas heating to individual electric heating. Our electricity supply contracts are all from green renewable tariffs.

Over the year we have continued construction on our exemplar project at Deerpark, Antrim to meeting EPC rating A. Our Clanmil Design Guide which clearly sets out our ambitions for our new homes so that we are minimising the environmental impact of our construction activity and providing energy efficient homes that are cost effective for our customers. We remain focused on designing and building our new homes on a fabric first basis to reduce energy use and we will continue to design and build all our new homes to EPC rating A.

Details of Clanmil Energy Consumption and Emission Report for the period 1 April 2024 to 31 March 2025 were as follows:-

Energy consumption used to calculate emissions (KWH):	
Gas:	5,683,417
LPG:	N/A
Gas Oil:	1,764,308
Kerosene:	124,586
Electricity:	3,014,287
Total	10,586,598
Emission from combustion of gas (kgCO ₂ e)	1,037,394
Emission from combustion of LPG (kgCO ₂ e)	N/A
Emission from combustion of heating oil-Kerosene (kgCO ₂ e)	30,595
Emission from consumption of heating oil-Gas Oil (kgCO ₂ e)	447,411
Emission from purchased electricity (kgCO ₂ e)	624,108
Emission from business travel in company owned vehicles (kgCO ₂ e)	24,174
Emission from travel in non-company owned vehicles (kgCO ₂ e)	58,417
Total Gross (tCO₂e)	2,187
Intensity ratios:	tCO₂e based on:
Properties owned:	0.37tCO ₂ e/house owned
Energy supplies:	6.65tCO ₂ e/supply
Annual Turnover:	4.01tCO ₂ e/£100,000

Strategic report of the Board for the year ended 31 March 2025 (cont'd)

Our business carbon footprint of 2,187 tonnes of CO2 represents a 10% reduction from the base year of 2019/20. Figures are derived from the Energy Consumption Master Spreadsheet controlled by Clanmil Housing Association, containing Electricity, Natural Gas, LPG, Heating Oil consumption on a monthly basis sourced from invoices.

Company vans mileage data obtained from Clanmil Housing. Non-company owned mileage data obtained from Clanmil Housing from staff mileage business mileage claims.

For the year ahead 2025/26

Our year ahead will again focus on listening and acting upon what our customers are telling us to ensure we are tailoring our services that best meet their needs. We will also continue to play our part in addressing Northern Ireland's continuing housing crisis by delivering more new homes, and ensuring our existing homes are safe, secure and comfortable, work hard to deliver services our customers need and will continue our digital journey maximising the efficiencies we can achieve in the delivery of high-quality services.

Risk Management

Clanmil continues to manage risk in line with our Risk Management Policy, framework, and governance structures. Responsibility for the identification of risk at a strategic, directorate and operational level is clearly defined, and risks are regularly assessed and reviewed.

Key risks facing the Group are considered by the Board / Group Audit and Risk Committee and the Executive Team Board on a quarterly basis and the Board has adopted a risk-aware strategic approach. Our risk appetite statement is reviewed annually to ensure continued focus on the management of risk as it drives forward the delivery of its strategic ambitions. It was fully reviewed and approved in February 2025.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year and considered by our Board in March 2025 are:

- Ability to deliver a high standard of customer service (associated reputational risks).
- Net zero carbon/sustainability/environmental commitments.
- Cyber and data security.
- Recruitment and retention of the right people.
- Strategic Asset Management
- Impact of increased costs due to Contractor Performance
- Fire and building safety, including damp and mould.
- Data quality and adequacy of ICT Systems
- Inability to deliver growth ambition due to pressures associated with the NI Budget.

Performance in the year ended 31 March 2025

Overall, the number of properties increased, with 100 new homes handed over. These were partially offset by the loss of 4 homes via the right to buy house sales scheme and 6 shared ownership homes, (where customers purchased the remaining equity in their homes). Overall, the number of properties increased from 5,888 to 5,980 (note 31).

The Association's annual review of rental charges at April 2024 resulted in a 7.2% increase in the majority of rents.

There were 752 homes under construction by the Group at 31 March 2025.

£53.4m was spent on housing properties additions and component replacement during the year (notes 14 and 17) partially funded by Housing Association Grant of £33.6m (note 15).

Turnover for the Group increased by 4% from £52.5m in 2023/24 to £54.5m. This was mainly due to rent increases.

Group operating costs increased by £3.8m to £39.7m and represent 72.8% of turnover (68.3% in 2023/24). This was impacted by inflationary pressures on maintenance costs, increased salary costs reflecting inflationary pressures as well as increased head count.

Strategic report of the Board for the year ended 31 March 2025 (cont'd)

The surplus on ordinary activities for the Group was £10.3m, a decrease of £0.6m over 2023/24 (as restated for capitalisation of interest of £0.4m – see note 38). This was partially offset by significant increase in interest receivable in period. Delays in the development programme were a direct consequence of the N.I. Executive budget uncertainty. To ensure best use of borrowings a portion was repurposed to generate interest income for the Group.

Financing costs increased marginally from £6.5m (as restated) in 2023/24 to £6.9m. Loan balances were £232.3m (£204.8m in 2023/24).

Investment properties comprising commercial premises to let and market rent residential property were revalued at year end 31 March 2025. Values increased by £0.9m compared with a small decrease in value in 2023/24 of £0.06m.

Events after the balance sheet

There were no post balance sheet events. The potential ongoing impact of the current economic and political uncertainty is considered under Risk Management and expected performance in 2024/25 is outlined above.

Expected performance in the year ending 31 March 2026

Notwithstanding the ongoing economic upheaval, the Group expects further growth in 2025/26, as a result of the significant on-going development programme and the requirement to include inflationary increases in rental charges. Turnover is projected to increase by around 3.6% to approximately £56.5m.

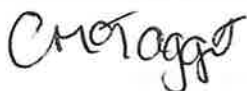
It is planned that approximately 161 additional homes will be completed during the year bringing the total homes owned or managed to approximately 6,141 units.

£4.1m of expenditure regarding the on-going programme of major repairs and improvements to properties is anticipated in the year. The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

Financial sustainability

The Group has a robust and comprehensive framework of longer-term financial planning in place. The Board regularly considers the longer-term financial plan which covers a 40-year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable. To demonstrate the robustness of the plan, and to inform the Board of the potential risks associated with the financial plan, several scenario analyses are completed. The most recent plan was considered by the Board in March 2025. This incorporated stress testing on a multi-variate basis that considered the potential downside from economic and business risks potentially arising. This demonstrated that the financial plan does not put undue pressure on the Group, and that through the adoption of planned mitigation strategies the Group can continue to operate within its covenant limits.

By order of the Board



C McTaggart
Group Chief Executive and Company Secretary
26 June 2025

Report of the Board for the year ended 31 March 2025

The Board present their report and the audited financial statements for the year ended 31 March 2025 of Clanmil Housing Association Limited (the "Association") and its subsidiaries (the "Group").

Board

The Board is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day-to-day management of operations is delegated to the Group Chief Executive and the Executive Team.

Performance in the year ended 31 March 2025 and expected performance in the year ended 31 March 2026

The sections on performance in the year ended 31 March 2025 and expected performance in the year ended 31 March 2026, are contained in the strategic report, which forms part of this report.

Treasury

The Group's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities. An update to the policy was approved by the Board in February 2025.

At 31 March 2025 the Association had loans outstanding of £232.3 million, compared with £204.8m at 31 March 2024. Short term investments and cash balances total £45.3m compared with £28.5m at 31 March 2024. Average net debt per unit was £31k at 31 March 2025 (£30k 2023/24) as 90 homes (net of disposals) were added in the year.

The Group was fully compliant with loan covenants during the year.

The Association's interest cover ratio for the year of 3.41 times and the gearing ratio as at 31 March 2025 of 35.0% comfortably meet the Association's primary lender requirements.

Responsibility for the management of interest rate risk and liquidity risk is with the Board. The Association finances its operations through a combination of borrowing and the reinvestment of reserves. The amount of borrowings and its terms are reviewed and determined by the Board. The Group engages specialist Treasury Management Advisors to assist in this process.

Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there are sufficient funds to achieve business objectives and to facilitate planned growth.

As at 31 March 2025, the Group had agreed facilities unused across a number of Institutions of £50m, to assist in funding its growth strategy and meeting ongoing commitments.

Currency risk

The Association and Group do not engage in foreign currency transactions and so are not exposed to exchange risk.

Regulation

The Association's principal regulator is the Department for Communities (DfC). It is also regulated by the Charity Commission Northern Ireland (CCNI) and the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding and Manager of the Social Housing Development Programme.

Report of the Board for the year ended 31 March 2025 (cont'd)

The Association complies with the DfC Regulatory Standards. Based on the last Regulatory Framework rating received in relation to 2022/23, DfC determined that Clanmil Housing Association Limited met the Regulatory Standards for Governance, Finance and Consumer with the highest Rating 1.

Quality Management

The quality of the Association's management systems is recognised through the Investors in People Gold accreditation awarded in May 2025, and the standards of the Regulation and Quality Improvement Authority. The Association also received during the year a bronze accreditation from Diversity Mark charting our pathway on Equality, Diversity and Inclusion.

Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts and its intent is outlined in our new Environmental Strategy 2024 – 2029. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Statement of the responsibilities of the members of the Board

The Co-operative and Community Benefit Societies Act and registered housing association legislation require the members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

- Select suitable accounting policies and 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 to operate.

The members of the Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and Group and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each of the members of the Board at the date of approval of these financial statements is aware:

- There is no relevant audit information of which the Association and Group's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that the Association and Group's auditors are aware of that information.

Internal Control

The Board has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board with reasonable, and not absolute, assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

Report of the Board for the year ended 31 March 2025 (cont'd)

Audit

The Board has established a Group Audit and Risk Committee with clearly defined terms of reference. The main functions of the Group Audit and Risk Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Group Audit and Risk Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The provision of the external auditor's report to those Charged with Governance also provides some assurance through the year-end audit and the provision of an internal control report.

Board and Executive Officers

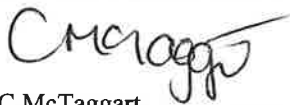
The members of the Board and the Executive Officers of the Association are listed on page 2.

In accordance with the Standing Orders, after a qualifying period Board members are invited to become shareholders and hold a fully paid share of £1 in the Association.

Independent auditors

The auditors, Sumer AuditCo NI, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board



C McTaggart
Group Chief Executive and Company Secretary
26th June 2025

Independent auditors' report to the members of Clanmil Housing Association Limited**Report on the audit of the financial statements****Opinion**

We have audited the financial statements, included within the Annual Statement of Accounts ("the Annual Report"), which comprise: the consolidated and association statements of financial position as at 31 March 2025; the consolidated and association statements of comprehensive income, the consolidated and association statements of changes in reserves, and the consolidated cash flow statement for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

In our opinion, Clanmil Housing Association Limited's group financial statements and association financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2025 and of the group's and association's surplus, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the groups and association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the groups and association's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit**Responsibilities of the board for the financial statements**

As explained more fully in the Statement of the responsibilities of the members of the Board of Management set out on pages 12 and 13, the Board is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditors' report to the members of Clanmil Housing Association Limited
(continued)**

In preparing the financial statements, the board is responsible for assessing the group and association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group and association or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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:

We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals and complex transactions. We discussed the risks with client management and designed audit procedures to test a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks..

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with section 43 of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting**Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 exception reporting**

Under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 we are required to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the association; or
- the association financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Brian Clerkin (Senior Statutory Auditor)
for and on behalf of Sumer AuditCo NI
Statutory Auditor
Glendinning House
6 Murray Street
Belfast
BT1 6DN

26th June 2025

Consolidated statement of comprehensive income for the year ended 31 March 2025

	Note	2025 £	2024 (Restated) £
Turnover	5	54,522,361	52,542,249
Operating costs	6	(39,691,974)	(35,916,953)
Operating surplus	7	14,830,387	16,625,296
Surplus arising from disposals of fixed assets		239,122	1,330,754
Transfer to disposal proceeds fund	10	(192,256)	(1,241,069)
Interest receivable and similar income	11	2,367,607	707,556
Interest payable and similar charges	12	(6,852,204)	(6,486,360)
Other finance (costs)/income	13	(58,000)	(54,000)
Surplus on ordinary activities		10,334,656	10,882,177
Revaluation of Investment Properties	17	856,312	(60,820)
Actuarial gain/(loss) in respect of Pension scheme	33	(6,000)	(589,000)
Retained surplus for the financial year		11,184,968	10,232,357
Retained surplus brought forward		87,438,724	77,206,367
Retained surplus carried forward		98,623,692	87,438,724

All amounts above relate to continuing operations of the Group.

Consolidated statement of changes in reserves for the year ended 31 March 2025

		2025 £	2024 £
Surplus on ordinary activities previously reported		10,334,656	10,456,423
Prior Year Adjustment	38	-	425,754
Surplus on ordinary activities		10,334,656	10,882,177
Movement in share capital	26	(2)	(1)
Revaluation of Investment Properties	17	856,312	(60,820)
Actuarial gain / (loss) in respect of Pension scheme	33	(6,000)	(589,000)
Net addition to capital and reserves		11,184,966	10,232,356
Opening total capital and reserves		87,438,734	77,206,378
Closing total capital and reserves		98,623,700	87,438,734

The notes on pages 22 to 51 form part of these financial statements.

Association statement of comprehensive income for the year ended 31 March 2025

		2025	2024
		£	(Restated) £
Turnover	5	54,580,090	52,665,668
Operating Costs	6	(39,749,703)	(36,029,234)
Operating Surplus	7	14,830,387	16,636,434
Surplus arising from disposal of fixed assets		239,122	1,330,754
Transfer to disposal proceeds fund	10	(192,256)	(1,241,069)
Interest receivable and similar income	11	2,367,607	707,556
Interest payable and similar charges	12	(6,852,204)	(6,486,360)
Other finance costs	13	(58,000)	(54,000)
Surplus on Ordinary Activities		10,334,656	10,893,315
Revaluation gain/(loss) on Investment Properties	17	856,312	(60,820)
Actuarial gain/(loss) in respect of Pension scheme	33	(6,000)	(589,000)
Retained Surplus for the financial year		11,184,968	10,243,495
Retained surplus brought forward		87,271,812	77,028,317
Retained surplus carried forward		98,456,780	87,271,812

All amounts above relate to continuing operations of the Association.

Association statement of changes in reserves for the year ended 31 March 2025

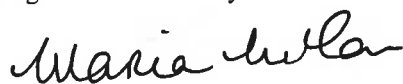
		2025	2024
		£	£
Surplus on ordinary activities previously reported		10,334,656	10,467,561
Prior Year Adjustment	38	-	425,754
Surplus on ordinary activities		10,334,656	10,893,315
Movement in share capital	26	(2)	(1)
Revaluation gain/(loss) on investment properties	17	856,312	(60,820)
Actuarial gain/(loss) in respect of Pension scheme	33	(6,000)	(589,000)
Net addition to capital and reserves		11,184,966	10,243,494
Opening total capital and reserves		87,271,822	77,028,328
Closing total capital and reserves		98,456,788	87,271,822

The notes on pages 22 to 51 form part of these financial statements.

Consolidated statement of financial position as at 31 March 2025

	Note	2025 £	2024 (Restated) £
Fixed assets			
Housing properties - depreciated cost	14	622,236,860	581,389,873
Investment Properties	17	18,377,339	17,503,194
Other tangible fixed assets	16	2,167,965	2,039,991
Investments	18	20,085	20,085
		642,802,249	600,953,143
Current assets			
Debtors	19	37,558,957	24,116,318
Investments	20	24,226,556	18,954,304
Cash at bank and in hand	21	21,069,011	9,578,621
		82,854,524	52,649,243
Creditors: amounts falling due within one year	22	(50,688,907)	(39,659,860)
Net current assets		32,165,617	12,989,383
Total assets less current liabilities		674,967,866	613,942,526
Creditors: amounts falling due after more than one year	23	(575,468,166)	(525,024,792)
Pension deficit	33	(876,000)	(1,479,000)
Net assets		98,623,700	87,438,734
Capital and reserves			
Called up share capital	26	8	10
Revenue reserve		98,623,692	87,438,724
Total funds		98,623,700	87,438,734

The financial statements on pages 17 to 51 were approved by the Board of Management on 26th June 2025 and were signed on its behalf by:



M McCann
Vice-Chair of the Board



K O'Neill
Board Member

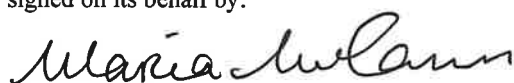


C McTaggart
Group Chief Executive and Company Secretary

Association statement of financial position as at 31 March 2025

		2025	2024 (Restated)
	Note	£	£
Fixed assets			
Housing properties - depreciated cost	14	622,236,860	581,389,873
Investment Properties	17	18,377,339	17,503,194
Other tangible fixed assets	16	2,167,965	2,039,991
Investments	18	25,087	25,087
		642,807,251	600,958,145
Current assets			
Debtors	19	35,991,497	22,243,310
Investments	20	24,226,556	18,954,304
Cash at bank and in hand	21	20,735,544	9,091,605
		80,953,597	50,289,219
Creditors: amounts falling due within one year	22	(48,959,894)	(37,471,750)
		31,993,703	12,817,469
Net current assets (liabilities)		31,993,703	12,817,469
Total assets less current liabilities		674,800,954	613,775,614
Creditors: amounts falling due after more than one year	23	(575,468,166)	(525,024,792)
Pension deficit	33	(876,000)	(1,479,000)
Net assets		98,456,788	87,271,822
Capital and reserves			
Called up share capital	26	8	10
Revenue reserve		98,456,780	87,271,812
Total funds		98,456,788	87,271,822

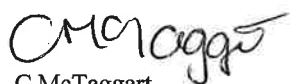
The financial statements on pages 17 to 51 were approved by the Board of Management on 26th June 2025 and were signed on its behalf by:



M McCann
Vice-Chair of the Board



K O'Neill
Board Member



C McTaggart
Group Chief Executive and Company Secretary

Consolidated cash flow statement for the year ended 31 March 2025

	Note	2025 £	2024 (Restated) £
Net cash inflow from operating activities	27	15,439,963	16,994,623
Cash flow from investing activities			
Purchase and development of housing properties		(50,910,146)	(36,353,048)
Housing Association Grant and other grants		30,078,218	17,694,612
Voluntary Purchase Grant		98,131	435,216
Receipts from disposal of housing properties		682,675	2,354,653
Purchase of other tangible assets		(508,254)	(253,899)
Interest received		2,134,608	676,996
Net cash used in investing activities		(18,424,768)	(15,445,470)
Cash flows from financing activities			
New loans		30,000,000	35,000,000
Loan principal repayments		(2,518,463)	(12,335,964)
Allotment of shares		1	-
Interest paid		(7,734,091)	(6,651,947)
Net cash used in financing activities		19,747,447	16,012,089
Net Increase in cash and cash equivalents		16,762,642	17,561,242
Cash and cash equivalents at the beginning of the year		28,532,925	10,971,683
Cash and cash equivalents at the end of the year	28/29	45,295,567	28,532,925

The notes on pages 22 to 51 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2025

1 General information

The group and association's principal activity during the financial year was providing high quality, affordable homes for rent throughout Northern Ireland and to help facilitate home ownership for people who cannot afford to purchase a home outright. The group is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and domiciled in the UK. The address of the registered office is Northern Whig House, 3 Waring Street, Belfast, BT1 2DX.

2 Statement of compliance

These financial statements of Clanmil Housing Association Limited have been prepared on the going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice for Accounting by Registered Social Landlords. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. The significant accounting policies adopted by the group are as follows:

Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, except for the revaluation of investment properties. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and association accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Basis of consolidation

The group Statement of comprehensive income account and Statement of financial position include the financial statements of the group and its subsidiary undertakings made up to 31 March 2025. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

Foreign currencies

Transactions and non-monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and association and value added taxes. The group and association bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash and cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest. The group and association recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group and association retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow through the group and association and (e) when the specific criteria

Notes to the financial statements for the year ended 31 March 2025**3 Summary of significant accounting policies (continued)**

relating to each of the group and association's sales channels have been met, as described below and in note 5.

i) Net rental income

Income includes rent and service charge income arising from the provision of housing accommodation and the amortisation of Housing Association Grant. Income is recognised in the period to which it relates.

ii) First tranche equity sales

Proceeds from the first tranche disposals are accounted for as turnover in the Statement of comprehensive income in the period in which the disposal occurs.

iii) Other income

Other income is recognised in the Statement of comprehensive income and retained earnings when the terms of revenue recognition have been met.

Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the benefit is received.

ii) Defined contribution pension plans

The group operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

iii) Multi-employer pension plan

The Group operates a defined benefit scheme through the Social Housing Pension Scheme (SHPS). From the year ended 31 March 2019, it was possible for the first time for the Group to account for the plan as a defined benefit plan. It previously accounted for the plan as a defined contribution scheme. Similar to the year end 31 March 2024, the assets and liabilities relating to the defined benefit plan have been recognised in the financial statements as at 31 March 2025 (note 33).

The assets of SHPS are held separately from those of the Group. The Group has adopted section 28 of FRS 102 in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Association's defined pension scheme arising from the employee service in the year is charged to operating surplus. The net interest on the deficit or surplus is included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

iv) Interest receivable and interest payable

There was a change in accounting policy in the current year to capitalise interest on development projects as described below. This change has been exercised as it more accurately reflects the cost of bringing these assets into use.

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

Notes to the financial statements for the year ended 31 March 2025

- (a) Interest on borrowing specifically financing the development programme after deduction of related grants received in advance; or
- (b) A fair amount of interest on borrowings of the association as a whole after deduction of Housing Association Grant (HAG) received in advance to the extent that they can be deemed to be financing the development programme.

A qualifying asset is one which necessarily takes a substantial period of time to get ready for its intended use or sale. Other interest payable is charged to income and expenditure in the year.

Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in Income and Expenditure Account as they accrue, using the effective interest method.

Tangible fixed assets

Housing properties

The group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

Other housing properties

For housing acquired by the Association to provide a supply of affordable homes on an equity sharing basis, sales proceeds are accounted for in the Statement of comprehensive income account with proceeds recorded in turnover and costs in cost of sales in accordance with SORP. The Association's share of the costs of developing the property are disclosed in tangible fixed assets – housing properties (note 14).

Investment Properties

Commercial properties and residential properties for market rent are held at market valuation in the Statement of Financial Position (note 17). The aggregate surplus or deficit arising from any movement in year end valuation is accounted for in the Statement of Comprehensive Income.

Other fixed assets

Other fixed assets are stated at cost.

Housing Association Grant and other grants

In line with the requirements of the Housing SORP, Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are included as 'Creditors: amounts falling due after more than one year' and 'Creditors: amounts falling due within one year' rather than set against the capital cost and are amortised to the Statement of comprehensive income as per the turnover policy above. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

Such grants, although treated as a grant for accounting purposes, may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

Depreciation and Impairment

Housing properties

Housing properties are split between land, structure and major components which require periodic replacement. Replacement

Notes to the financial statements for the year ended 31 March 2025

or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional guidance and the group's asset management strategy. In determining the remaining useful lives for the housing stock, the group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation of the freehold housing properties and major components on a straight-line basis over their expected use economic lives.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, over the following periods:

Main fabric	100 years
Roof structure and coverings	70 years
Windows and external doors	30 years
Heating system boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems (heating, ventilation, plumbing)	30 years
Electrics	40 years
Lift	20 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

Other tangible fixed assets

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Freehold buildings	- 2% on cost
Office furniture and fittings	- 10% to 20% on cost
Fixed asset property	- 10% on cost
Motor vehicles	- 25% on cost

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of any replaced component is derecognised.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of comprehensive income.

Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating

Notes to the financial statements for the year ended 31 March 2025

leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments are investments in short-term deposits with an original maturity between one and twelve months.

Investment in subsidiary company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Impairment of non-financial assets

At each Statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the assets.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of comprehensive income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income and retained earnings.

i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligations can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Notes to the financial statements for the year ended 31 March 2025**Financial instruments**

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of comprehensive income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Statement of comprehensive income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of comprehensive income and retained earnings, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Disposal proceeds fund

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Communities can be utilised by the Association (note 10).

If the surpluses are not used within two years of receipt, they may be payable in part or in full to the Department for Communities.

Notes to the financial statements for the year ended 31 March 2025

Restricted fund

Under the terms of the Supporting People Funding Agreement (Schedule 8, paragraph 4) Supporting People funding must be identified as a Restricted Fund. Income and expenditure relating to Supporting People has been denoted as restricted (note 36). Supporting People reserves, if applicable, are held separately and denoted as Restricted Funds. Any deficit is offset against a general reserve.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Group and Association financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity’s accounting policies

There are no critical judgements in applying the entity’s accounting policies.

(b) Critical accounting estimates and assumptions

The Board of Management makes estimates and assumptions concerning the future in the process of preparing the Group and Association financial statements. 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.

(i) *Useful economic lives of housing properties*

The annual depreciation on housing properties is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of housing properties and note 3 for the useful economic lives for each component of housing property.

There are no other critical accounting estimates and assumptions.

5 Analysis of turnover

Turnover and results relate to the group’s main activities which are carried out in the United Kingdom. Turnover represents rental and service charge income and residential charges for housing with care, net of voids. It also includes first tranche equity share sales, amortisation of grants, income arising on the lease of a property to a related company, services provided to other Housing Associations and special needs management allowance (interim protection) received for the provision of housing with care.

6 Operating costs

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Direct Costs	31,048,449	29,153,303	31,220,111	29,528,767
Administrative Expenses	8,643,525	6,763,650	8,529,592	6,500,467
	39,691,974	35,916,953	39,749,703	36,029,234

Notes to the financial statements for the year ended 31 March 2025

7 Operating surplus

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
This is stated after charging				
Staff Costs (Note 8)	11,501,257	10,213,558	11,501,257	10,213,558
Depreciation	10,490,621	10,270,090	10,490,621	10,258,951
Amortisation of Grant	(7,770,984)	(8,691,425)	(7,770,984)	(8,691,425)
Release of Capital Grant	(818,280)	(2,361,807)	(818,280)	(2,361,807)
Auditors' remuneration				
- audit services	49,800	32,320	40,200	24,120
- non audit services	4,020	4,400	2,520	3,000

8 Employee information

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Staff costs				
Wages and salaries	8,967,863	7,977,775	8,967,863	7,977,775
Social security costs	821,954	699,835	821,954	699,835
Other pension costs	1,711,440	1,535,948	1,711,440	1,535,948
	11,501,257	10,213,558	11,501,257	10,213,558
Average monthly number of persons employed during the financial year by activity:				
Administration	174	165	174	165
Scheme co-ordinators and ancillary staff	100	104	100	104
Supported Housing	66	61	66	61
	340	330	340	330

Notes to the financial statements for the year ended 31 March 2025

9 Executive team’s emoluments

The remuneration of the Management Team of the Association during the year was:

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Aggregate emoluments	701,321	645,980	701,321	645,980
Pension contributions	176,319	167,797	176,319	167,797
	877,640	813,777	877,640	813,777

The emoluments to the highest paid Management Team member (currently included within the above table) are as follows:

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Aggregate emoluments	157,351	147,255	157,351	147,255

The number of management team members to whom emoluments were paid during the year falls within each of the following bands:

Salary Band:	Group		Association	
	2025	2024	2025	2024
	No	No	No	No
£155,000 - £160,000	1	0	1	0
£150,000 - £155,000	0	0	0	0
£145,000 - £150,000	0	1	0	1
£140,000 - £145,000	0	0	0	0
£135,000 - £140,000	0	0	0	0
£130,000 - £135,000	0	0	0	0
£125,000 - £130,000	0	0	0	0
£120,000 - £125,000	0	0	0	0
£115,000 - £120,000	1	0	1	0
£110,000 - £115,000	0	0	0	0
£105,000 - £110,000	4	0	4	0
£100,000 - £105,000	0	1	0	1
£95,000 - £100,000	0	4	0	4
£90,000 - £95,000	0	0	0	0
£85,000 - £90,000	0	0	0	0
Total	6	6	6	6

Members of the Board serve in a voluntary capacity, and none were in receipt of emoluments during the year.

The Board and Committee members were reimbursed for expenses totalling £5,626 during the year (2024: £2,714).

Notes to the financial statements for the year ended 31 March 2025

10 Transfer to disposal proceeds fund

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Proceeds of disposal	431,000	2,155,000	431,000	2,155,000
Allowable costs net of grant	(238,744)	(913,931)	(238,744)	(913,931)
Transfer to disposals proceeds fund	192,256	1,241,069	192,256	1,241,069
Utilisation of disposal proceeds fund	(3,281,043)	(623,275)	(3,281,043)	(623,275)
Net change in disposal proceeds fund	(3,088,787)	617,794	(3,088,787)	617,794

Balance of disposals proceeds fund is included in creditors see notes 22 and 23

11 Interest receivable and similar income

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
	2,367,607	707,556	2,367,607	707,556

12 Interest payable and similar charges

	Group		Association	
	2025	2024	2025	2024
	£	(Restated) £	£	(Restated) £
Housing Property Loans	6,683,481	6,343,109	6,683,481	6,343,109
Bank Interest and charges	168,723	143,251	168,723	143,251
	6,852,204	6,486,360	6,852,204	6,486,360

13 Other finance costs

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Other finance costs arising on pension scheme	58,000	54,000	58,000	54,000

Notes to the financial statements for the year ended 31 March 2025

14 Fixed Assets – Housing Properties

Group and Association	Social Housing Properties Held for Lettings 2025 £	Social Housing Properties under construction 2025 £	Equity Share Properties Held for Letting 2025 £	Total 2025 £
Cost				
At 1 April 2024	638,642,621	37,277,630	2,587,661	678,507,912
Additions - Schemes Completed	25,641,583	(25,641,583)	20,448	20,448
Additions - Capitalised Planned Maintenance	3,518,781	-	-	3,518,781
Additions - Work in Progress	-	50,227,883	-	50,227,883
Disposals	(3,131,885)	-	(284,532)	(3,416,417)
At 31 March 2025	664,671,100	61,863,930	2,323,577	728,858,607
Depreciation				
At 1 April 2024	(96,981,365)	-	(136,675)	(97,118,040)
Charge for the year	(10,068,797)	-	(41,544)	(10,110,341)
Disposals	598,798	-	7,836	606,634
At 31 March 2025	(106,451,364)	-	(170,383)	(106,621,747)
Net book value				
At 31 March 2025	558,219,736	61,863,930	2,153,194	622,236,860
At 31 March 2024	541,661,256	37,277,630	2,450,987	581,389,873
Net book amount comprises:				
Freehold property	326,908,283	61,863,930	221,139	388,993,352
Long leasehold property	231,311,453	-	1,932,055	233,243,508
	558,219,736	61,863,930	2,153,194	622,236,860
Net book amount comprises:				
Completed schemes	558,219,736	-	2,153,194	560,372,929
Properties under construction	-	61,863,930	-	61,863,930
	558,219,736	61,863,930	2,153,194	622,236,860

During the year, £693,677 of interest costs were capitalised in relation to housing properties under construction (2024: £425,754)

Notes to the financial statements for the year ended 31 March 2025

15 Tangible fixed assets – Housing Association and other grants

Group and Association	Social Housing Properties Held for Lettings 2025 £	Social Housing Properties under construction 2025 £	Total 2025 £
Housing Association and other grants			
At 1 April 2024	(386,488,610)	(17,204,265)	(403,692,875)
Additions - Schemes Completed	(5,997,735)	5,997,735	-
Additions - Capitalised Planned Maintenance	-	-	-
Additions Work in Progress	-	(33,086,004)	(33,086,004)
Disposals	834,475	-	834,475
At 31 March 2025	(391,651,870)	(44,292,534)	(435,944,404)
Amortisation			
At 1 April 2024	75,194,718	-	75,194,718
Charge for the year	7,770,984	-	7,770,984
Disposals	(363,362)	-	(363,362)
At 31 March 2025 (notes 22/23)	82,602,340	-	82,602,340
Net book value			
At 31 March 2025 (notes 22/23)	(309,049,530)	(44,292,534)	(353,342,064)
At 31 March 2024 (notes 22/23)	(311,293,892)	(17,204,265)	(328,498,157)

Notes to the financial statements for the year ended 31 March 2025

16 Other tangible fixed assets

Association	Freehold buildings	Office furniture and equipment	Total
	£	£	£
At 1 April 2024	2,247,180	3,320,217	5,567,397
Additions	9,533	498,721	508,254
Disposals	-	(1,517,202)	(1,517,202)
At 31 March 2025	2,256,713	2,301,736	4,558,449
Depreciation			
At 1 April 2024	(1,263,371)	(2,264,035)	(3,527,406)
Charge for year	(31,916)	(348,364)	(380,280)
Disposals	-	1,517,202	1,517,202
At 31 March 2025	1,295,287	1,095,197	(2,390,484)
Net book amount			
At 31 March 2025	961,426	1,206,539	2,167,965
At 1 April 2024	983,809	1,056,182	2,039,991

Notes to the financial statements for the year ended 31 March 2025

17 Investment Property

Association	Commercial/ Private Properties Held for Letting 2025 £	Total 2025 £
Cost or valuation		
At 1 April 2024	17,503,194	17,503,194
Planned Mtce additions	17,833	17,833
Revaluation gain at 31st March 2025	856,312	856,312
At 31 March 2025	18,377,339	18,377,339

The valuation of investment properties held for letting was carried out at 31 March 2025 and is based on their market value as at that date. The valuations across the Group were carried out by CBRE Limited, a firm of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors (“RICS”) Valuation – Global Standards and the UK national supplement using qualified chartered surveyors who had sufficient current local and national knowledge of the particular market, and skills and understanding to undertake the valuation competently. Investment properties under construction are valued at cost. The companies have adopted the provisions under section 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment properties (fair value movements being taken to the Statement of Comprehensive Income). On consolidation of the Group’s housing property values, any unrealised surpluses deriving from inter-group property sales are removed.

18 Investments

Group	2025 £
Cost	
At 1 April 2024	20,085
At 31 March 2025	20,085

The group owns an investment in share capital in MORHOMES PLC, a company registered in England and Wales. The company’s registered address is the 8th Floor, 71 Queen Victoria Street, London, Greater London, EC4V 4AY. The company’s principal activity is financial intermediation.

Association	2025 £
Cost	
At 1 April 2024	25,087
At 31 March 2025	25,087

Notes to the financial statements for the year ended 31 March 2025

As well as the Group investments listed above the investment represents the Association's holding in wholly owned subsidiary companies, (i) Clanmil Properties Limited, (ii) Milbreen Limited and (iii) Clanmil Developments Limited. The registered addresses of these companies are Northern Whig House, 3 Waring Street, Belfast, BT1 2DX. The principal activities of these companies are (i) the management of commercial property rentals and the provision of services to housing associations and property management companies (ii) dormant company and (iii) the provision of property development services. In addition, we hold 85 shares in management companies in which the association has beneficial interests in properties.

19 Debtors

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Rental Debtors Gross - Technical	2,363,982	2,049,448	2,363,982	2,049,448
Rental Debtors Gross - Non Technical	1,277,637	1,274,553	1,277,637	1,274,553
Provision for Bad Debts	(1,928,495)	(1,783,226)	(1,928,495)	(1,783,226)
Net Rental (including rates, service charges) Debtors	1,713,124	1,540,775	1,713,124	1,540,775
Other Debtors	6,305,419	5,808,247	6,032,304	5,569,763
Prepayments and accrued income	3,293,154	2,832,940	1,578,985	840,650
Housing Association Grant receivable	26,247,260	13,934,356	26,247,260	13,934,356
Amounts owed by subsidiary undertakings (Note 37)	-	-	419,824	357,766
	37,558,957	24,116,318	35,991,497	22,243,310

Amounts owed by subsidiary undertakings and related undertakings are unsecured, interest free and repayable on demand. Included in other debtors is £1,596,515 relating to the services equalisation account – this has increased from a debtor of £1,461,250 in 2024.

20 Current asset - Investments

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Short term deposits - Other	24,226,556	18,954,304	24,226,556	18,954,304
Total Short term deposits	24,226,556	18,954,304	24,226,556	18,954,304

This represents cash held on deposit with an original maturity between 1 and 12 months. At the balance sheet date, the average maturity of the deposits was 3 months. The average interest rate was 4.6% (2024: 4%).

The funds received from DfC are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

21 Cash at bank and in hand

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Other cash balances held short term	21,069,011	9,578,621	20,735,544	9,091,605
	21,069,011	9,578,621	20,735,544	9,091,605

Notes to the financial statements for the year ended 31 March 2025

22 Creditors: amounts falling due within one year

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Bank Loans (Note 24)	2,289,869	1,670,519	2,289,869	1,670,519
DfC Loans (Note 24)	100,000	131,176	100,000	131,176
Other taxes and social security	17,057	193,902	2,249	193,902
Rent, rates and service charges received in advance	860,783	573,345	860,783	573,345
Housing Association Grant in advance	23,078,636	14,209,705	23,078,636	14,209,705
Deferred historic building grant	22,668	22,668	22,668	22,668
Other creditors	9,471,993	7,866,355	9,078,345	7,353,751
Amounts owed to subsidiary undertakings	-	-	-	100,467
Services equalisation accounts	131,993	110,368	131,993	110,368
Accruals and deferred income	6,943,717	5,314,740	5,623,160	3,538,767
Disposal proceeds fund	-	1,847,678	-	1,847,678
Housing Association Grant (Note 15)	7,772,191	7,719,404	7,772,191	7,719,404
	50,688,907	39,659,860	48,959,894	37,471,750

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

23 Creditors: amounts falling due after more than one year

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Bank Loans (Note 24)	221,798,293	194,704,930	221,798,293	194,704,930
DfC Loans (Note 24)	8,100,000	8,300,000	8,100,000	8,300,000
Disposal proceeds fund	-	1,241,109	-	1,241,109
Housing Association Grant (Note 15)	345,569,873	320,778,753	345,569,873	320,778,753
	575,468,166	525,024,792	575,468,166	525,024,792

The balance of the disposal proceeds fund has been fully utilised in the year to 31 March 2025.

Notes to the financial statements for the year ended 31 March 2025

24 Loans

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Bank loans - Housing property and other loans				
Less than one year , or on demand (Note 22)	2,289,869	1,670,519	2,289,869	1,670,519
Between one and two years	2,292,562	1,670,519	2,292,562	1,670,519
Between two and five years	6,895,032	6,682,075	6,895,032	6,682,075
After more than five years	212,610,699	186,352,336	212,610,699	186,352,336
	224,088,162	196,375,449	224,088,162	196,375,449

Security

The Danske Bank holds a mortgage over related housing properties as security.
 First Trust and Ulster Bank loans are secured by way of mortgages upon the deeds of the related housing properties.
 The Housing Finance Corporation loans are secured by way of mortgages upon the deeds of the related housing properties.
 Senior notes are secured by way of mortgages upon the deeds of the related housing properties.

	Group		Association	
	2025	2024	2025	2024
	£	£	£	£
Department for Communities - Housing Property Loans				
Less than one year , or on demand (Note 22)	100,000	131,176	100,000	131,176
Between one and two years	100,000	100,000	100,000	100,000
Between two and five years	300,000	300,000	300,000	300,000
After more than five years	7,700,000	7,900,000	7,700,000	7,900,000
	8,200,000	8,431,176	8,200,000	8,431,176

Notes to the financial statements for the year ended 31 March 2025

25 Financial instruments

The group has the following financial instruments:

	Group 2025	2024	Association 2025	2024
	£	£	£	£
Financial assets that are cash instruments measured at amortised cost				
Rental debtor (Note 19)	1,713,124	1,540,775	1,713,124	1,540,775
Other debtors (Note 19)	6,305,419	5,808,246	6,032,304	5,569,763
Housing association grants - receivable (Note 19)	26,247,260	13,934,356	26,247,260	13,934,356
Amounts owed by subsidiary undertakings (Note 19)	-	-	-	-
Accrued income (Note 19)	-	100,467	-	-
Investments (Note 20)	24,226,556	18,954,304	24,226,556	18,954,304
Cash at bank and in hand (Note 21)	21,069,011	9,578,621	20,735,544	9,091,605
	79,561,370	49,916,769	78,954,788	49,090,803
Financial liabilities measured at amortised cost				
DfC loans (Note 22/23)	8,200,000	8,431,176	8,200,000	8,431,176
Bank loans (Note 24)	224,088,162	196,375,449	224,088,162	196,375,449
Amounts owed to subsidiary undertakings (Note 22)	-	-	-	100,467
Other creditors (Note 22)	9,471,993	7,866,355	9,078,345	7,353,751
Accruals (Note 22)	6,943,717	5,314,740	5,623,160	3,538,767
	248,703,872	217,987,720	246,989,667	215,799,610

26 Called up share capital

	Group 2025	2024	Association 2025	2024
	£	£	£	£
Ordinary shares of £1 each, fully paid				
At 1 April 2024	10	11	10	11
Transfer	0	0	0	0
Allotted during the year	1	1	1	1
Transfer to reserves	(3)	(2)	(3)	(2)
At 31 March 2025	8	10	8	10

Notes to the financial statements for the year ended 31 March 2025

27 Net cash inflow from operating activities - Group

	2025	2024
	£	(Restated) £
Surplus on ordinary activities	10,334,656	10,882,177
Surplus arising from disposals of housing property	(239,122)	(1,330,754)
Transfer to disposal proceeds fund	192,256	1,241,069
Interest receivable and similar income	(2,367,607)	(707,556)
Interest payable and similar charges	6,852,204	6,486,360
Other finance costs	58,000	54,000
Operating Surplus	14,830,387	16,625,296
Movement in service charges equalisation account	(131,527)	665,739
Depreciation charge	10,942,192	10,270,090
Amortisation charge	(7,770,984)	(8,691,425)
Release of capital grant	(818,280)	(2,361,807)
Movement in debtors	(1,125,281)	(1,038,035)
Movement in creditors	(486,544)	1,522,464
Movement in WIP	-	2,301
Net cash inflow from operating activities	15,439,963	16,994,623

28 Analysis of net debt

	At 1 April 2024	Cashflow	At 31 March 2025
Cash at bank and in hand	9,578,621	11,490,390	21,069,011
Short term investments	18,954,304	5,272,252	24,226,556
Cash and cash equivalents	28,532,925	16,762,642	45,295,567
Debt due after 1 year	(203,004,930)	(26,893,363)	(229,898,293)
Debt due within 1 year	(1,801,695)	(588,174)	(2,389,869)
	(176,273,700)	(10,718,895)	(186,992,595)

Notes to the financial statements for the year ended 31 March 2025

29 Reconciliation of net cash flow to movement in net debt

	2025	2024
	£	£
(Decrease)/Increase in cash and cash equivalents in financial year	16,762,642	17,561,242
Repayment of loans	2,518,463	12,335,965
New loans	(30,000,000)	(35,000,000)
Movement in net debt in the financial year	(10,718,895)	(5,102,793)
Net debt at 1 April	(176,273,700)	(171,170,907)
Net debt at 31 March	(186,992,595)	(176,273,700)

30 Turnover, operating costs and operating surplus - Association

	2025		2024	
	Operating Turnover	Operating Costs	Operating Surplus	Operating Surplus
	£	£	£	£
Social Housing activities	52,456,758	39,435,327	13,021,431	15,300,413
Non-Social Housing activities	2,123,332	314,376	1,808,956	1,336,021
Total	54,580,090	39,749,703	14,830,387	16,636,434

31 Housing Stock – Association

Number of units owned on 31 March	2025	2024
Self-contained		
General needs housing	3,815	3,760
Supported housing (including housing with care)	122	122
Sheltered housing	1,707	1,672
Shared Ownership/ Affordable Housing	200	198
	5,844	5,752
Non Self contained		
Supported	136	136
Total Units Owned	5,980	5,888
Number of units managed (but not owned) on 31 March		
Self-contained		
General needs	-	-
Total Units Owned and Managed	5,980	5,888

Notes to the financial statements for the year ended 31 March 2025

32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association

	2025		2024		2025		2024		2024
	£	£	£	£	£	£	£	£	Total
Turnover, operating costs and operating surplus or deficit from social housing activities									
<i>Income from Social Housing Lettings</i>									
Rent Receivable net of service charges	28,447,944	8,274,022	1,740,651	619,261	39,081,878	1,359,656	40,441,534	37,506,564	
Service charges receivable	1,774,576	3,479,001	5,767	515,121	5,768,698	5,768,698	5,768,698	5,371,629	
Supporting People Hardship Funding		5,767			5,767		5,767	22,271	
First tranche equity share / outright sales					0		0	565,000	
Other	1,470	12,659	19,565	93,994	127,688	437,675	437,675	893,737	
Amortisation of Housing Association Grant	6,161,349	1,446,808	4,885	157,942	7,770,984	389,926	517,614	7,721,169	
Income from Other Grants (SNMA)			139,469		139,469		139,469	494,170	
TBUC Grant Income	389,262	72,413			461,675		461,675	970,256	
Less voids	(278,034)	(278,770)	(65,893)	(276,704)	(899,401)	(63,925)	(963,326)	(879,128)	
Net Income from rents and service charges	36,496,567	13,011,900	1,838,677	1,109,614	52,456,758	2,123,332	54,580,090	52,665,668	
<i>Operating Costs</i>									
Services	2,032,983	2,498,053	589,279	306,321	5,426,636		5,426,636	5,352,220	
Supporting People Costs		810,902		25,655	836,557		836,557	960,937	
Care Costs			929,846		929,846		929,846	811,769	
Management Costs	4,298,364	1,684,857	267,406	150,396	6,401,023	283,448	6,684,471	6,245,576	
Maintenance Administration Costs	2,130,311	927,616		90,689	3,148,616	78,812	3,227,428	2,201,942	
Planned and cyclical maintenance	1,046,850	443,268	146,818	65,144	1,702,080	19,820	1,721,900	2,465,189	
Reactive maintenance	3,394,120	945,133		127,307	4,466,560	114,828	4,581,388	4,198,847	
Major repairs	1,405,643	663,784		48,490	2,117,917		2,117,917	95	
Impairment of Housing Properties					0		0	0	
Property Lease Charges					0		0	0	
Depreciation of housing properties	8,104,985	1,785,526	13,571	172,072	10,076,154	34,396	10,110,550	9,954,564	
Bad debts (rent and service charges)	324,820	28,136	26,014	217,227	596,197	26,064	622,261	408,066	
Rates Payable	2,986,114	745,333		12,226	3,743,673	53,006	3,796,679	3,713,747	
Development Costs Written Off					0		0	0	
Cost of sales first tranche equity / Outright sales					0		359,735	485,191	
Services Equalisation	(290,695)	99,991		22,905	(167,799)		(167,799)	(665,739)	
Other Costs	155,493	3,089		(715)	157,867	(655,733)	(497,866)	(103,170)	
Total Operating Costs	25,588,988	10,635,688	1,972,934	1,237,717	39,435,327	314,376	39,749,703	36,029,234	
Operating Surplus / (Deficit)	10,907,579	2,376,212	(134,257)	(128,103)	13,021,431	1,808,956	14,830,387	16,636,434	

Notes to the financial statements for the year ended 31 March 2025

32 Turnover, operating costs and operating surplus or deficit from social and non-social housing activities – Association (continued)

	Association	
	2025	2024
DSD Allowances		
Management Allowances	2,696,860	2,592,432
Management Costs	<u>(6,401,023)</u>	<u>(5,713,282)</u>
Surplus / Deficit	<u>(3,704,163)</u>	<u>(3,120,850)</u>
Maintenance Allowances	2,141,978	2,103,290
Planned and cyclical maintenance	<u>(1,046,850)</u>	<u>(1,225,951)</u>
Reactive maintenance	<u>(3,394,120)</u>	<u>(2,970,726)</u>
Surplus / Deficit	<u>(2,298,992)</u>	<u>(2,093,387)</u>
Gross Income from Rents and service charges		
Technical	34,700,922	31,034,880
Non Technical	<u>10,149,654</u>	<u>10,631,948</u>
Total	<u>44,850,576</u>	<u>41,666,828</u>

Note that the Association operates a rent pooling policy. This can impact on the assessment of surplus or deficit arising from a particular type of housing activity.

Notes to the financial statements for the year ended 31 March 2025

33 Pension commitments

The Association participates in the defined benefit section of the Social Housing Pension Scheme (SHPS). The Association offers a hybrid arrangement where employees can join the Career Average Revalued Earnings (CARE) structure with a 1/120th accrual rate, as well as receiving contributions from the Association to the defined contribution section of SHPS.

SHPS is a UK registered trust-based pension scheme. SHPS is a multi-employer scheme with around 400 non-associated employers. SHPS is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from SHPS.

Verity Trustees are responsible for running SHPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the SHPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every 3 years. The last triennial actuarial valuation of SHPS for funding purposes was carried out as at 30 September 2023. This valuation revealed a total scheme deficit of £693m. A recovery plan has been put in place with each employer paying contributions with the aim of removing this deficit by 31 March 2028. The Association expects to pay £328k towards the funding deficit in SHPS during the accounting year beginning 1 April 2025. The Association's share of expenses in relation to running SHPS are paid in addition. The next actuarial valuation as at 30 September 2026, is due in September 2027.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. The Association's potential share is estimated at £265k. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Fair value of plan assets	6,568	6,317
Present value of defined benefit obligation	7,444	7,796
Surplus (deficit) in plan	(876)	(1,479)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(876)	(1,479)

Notes to the financial statements for the year ended 31 March 2025

33 Pension commitments (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2024 to 31 March 2025 (£000s)
Defined benefit obligation at start of period	7,796
Current service cost	255
Expenses	12
Interest expense	394
Member contributions	13
Actuarial losses (gains) due to scheme experience	416
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(1,340)
Benefits paid and expenses	(102)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	7,444

Reconciliation of opening and closing balances of the fair value of plan assets

	Period from 31 March 2024 to 31 March 2025 (£000s)
Fair value of plan assets at start of period	6,317
Interest income	336
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(918)
Employer contributions	922
Member contributions	13
Benefits paid and expenses	(102)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	6,568

The actual return on plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£582,000).

Notes to the financial statements for the year ended 31 March 2025

33 Pension commitments (continued)

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	Period from 31 March 2024 to 31 March 2025 (£000s)
Current service cost	255
Expenses	12
Net interest expense	58
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	325

Defined benefit costs recognised in other comprehensive income

	Period from 31 March 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(918)
Experience gains and losses arising on the plan liabilities - gain (loss)	(416)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,340
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	6
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	6

Notes to the financial statements for the year ended 31 March 2025

33 Pension commitments (continued)

Assets

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Global Equity	736	629
Absolute Return	-	247
Distressed Opportunities	-	223
Credit Relative Value	-	207
Alternative Risk Premia	-	200
Liquid Alternatives	1,218	-
Emerging Markets Debt	-	82
Risk Sharing	-	370
Insurance-Linked Securities	20	33
Property	329	254
Infrastructure	1	638
Private Equity	6	5
Real Assets	786	-
Private Debt	-	248
Opportunistic Illiquid Credit	-	247
Private Credit	804	-
Credit	251	-
Investment Grade Credit	202	-
High Yield	-	1
Cash	89	125
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	2	41
Secured Income	110	189
Liability Driven Investment	1,989	2,570
Currency Hedging	11	3
Net Current Assets	14	11
Total assets	6,568	6,317

Notes to the financial statements for the year ended 31 March 2025

Key Assumptions

	31 March 2025	31/03/2024
	% per annum	% per annum
Discount Rate	6.00%	5.00%
Inflation (RPI)	3.00%	3.10%
Inflation (CPI)	2.80%	2.80%
Salary Growth	3.80%	3.80%
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	20.3
Female retiring in 2025	22.8
Male retiring in 2045	21.5
Female retiring in 2045	24.3

Notes to the financial statements for the year ended 31 March 2025

34 Contingent liabilities

The Association released Housing Association Grant (net of amortisation) of £669,878 during the year in relation to building components replaced arising from planned maintenance works. The accumulated position of total Housing Association Grant released at 31 March 2025 is £7,863,350. The accumulated amount of Housing Association Grant amortised and recognised as income as at 31 March 2025 is £82,602,340. The possibility of any reimbursement to the Department for Communities is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

35 Capital commitments - Housing Properties – Association

	2025	2024
	£	£
Capital expenditure		
Contracted for but not provided in the financial statements	68,206,560	63,511,436

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Communities and by private finance, both external and internal.

36 Restricted fund – Supporting People

	Total
	£
Income relating to Supporting People Funding	559,612
Additional Supporting People Hardship Funding	5,767
Expenditure relating to Supporting People Funding	(664,292)
At 31 March 2025	(98,913)

Notes to the financial statements for the year ended 31 March 2025

37 Related party disclosures

Details of the subsidiaries are disclosed in Note 18. The balances with the subsidiaries at the year-end were as follows:

	2025	2024
	£	£
Amounts owed by subsidiary undertakings (note 19)		
Clanmil Properties Limited	119,670	183,003
Clanmil Developments Limited	300,154	174,763

	2025	2024
	£	£
Amounts owed to subsidiary undertakings (note 22)		
Clanmil Properties Limited	9,876	-
Clanmil Developments Limited	-	100,467

Transactions between these related parties during the year were as follows:	2025	2024
	£	£
Clanmil Properties Limited		
Rent charge from Clanmil Housing Association Limited to Clanmil Properties Limited	-	111,349
Management and administration charge from Clanmil Housing Association Limited to Clanmil Properties Limited	61,100	64,177
Contribution from Clanmil Properties Limited to Clanmil Housing Association Limited in respect of the insurance of Northern Whig House	-	1,852
Gift aid donation from Clanmil Properties Limited to Clanmil Housing Association Limited	30,463	61,058
Rent and service charges from Clanmil Properties Limited to Clanmil Housing Association Limited	-	115,371
Clanmil Developments Limited		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Developments Limited	24,794	24,794
Development projects charge from Clanmil Housing Association Limited to Clanmil Developments Limited	64,028	97,375
Charge from Clanmil Developments Limited to Clanmil Housing Association Limited for the provision of property development services	8,500,822	6,196,560
Gift aid donation from Clanmil Developments Limited to Clanmil Housing Association Limited	55,022	28,161

Notes to the financial statements for the year ended 31 March 2025**38 – Income and Expenditure Account - Prior Period Adjustment**

The accounts for year ended 31 March 2025 include a change in accounting policy in relation to capitalisation of interest. Previously interest incurred was fully expensed to income and expenditure in the year. Interest incurred during development of qualifying assets is now capitalised by increasing asset additions in the year and reducing interest charged in the income and expenditure account.

The cumulative impact of this change in accounting policy on the comparative figures to 31 March 2024 is to increase fixed asset additions by £425,754 and to reduce interest payable by £425,754. The full adjustment of £425,754 was added to the restated Income and Expenditure account for year ended 31 March 2024. There is no adjustment to opening reserves as at 1 April 2024, as 1 April 2024 was the earliest practical period from which the impact of the change in accounting policy could be calculated.

The capitalised interest for the year ended 31 March 2025 is £693,677.