Financial Statements

YEAR ENDING 31 MARCH 2026

Green Square Accord

Contents

Board members, exec. directors and advisors

Chair
C Dennis

Board members
P Andres (resigned 25 March 2026)
A Fox (appointed 1 March 2026)
S Goldsmith (resigned 27 April 2026)
C Hampson
P Lyons
R Cooke (Chief Executive)
J Creswell
G Durden
C Jones
E Lewis
M Tiplady
M Shah (appointed 1 May 2026)
G Teasdale (appointed 25 March 2026)

Secretary
S Atkinson

Bankers
Lloyds
Natwest

Auditors
BDO (external)
KPMG (internal)

Funders
Natwest
Barclays
Blackrock
ABN Amro
Metlife
Aviva
THFC
PIC

Solicitors
Bevan Brittan

Registered office
10 Brindleyplace
Birmingham B1 2JB

Executive directors

Chief Executive
R Cooke

Executive Director of Governance
S Atkinson

Chief Finance and Investment Officer
M Shah
(appointed 17 June 2025)

Interim Chief Finance and Investment Officer
K Youngman
(resigned 24 June 2025)

Executive Director of Corporate Services
H Pennack
(resigned 30 April 2026)

Chief Customer Officer
G Hardy
(appointed 1 April 2025)

Interim Chief Property Officer
J Holder
(appointed 1 April 2025, resigned 28 October 2025)

Interim Chief Property Officer
P Evans
(appointed 17 November 2025, resigned 20 April 2026)

Chief Property Officer
B Sutch
(appointed 20 April 2026)

Chair's statement

Overview

This has been another year defined by challenge, resilience and continued progress against our strategic priorities. We have operated within a complex external environment, characterised by sustained inflationary pressures, ongoing regulatory development, and increasing demand for affordable housing. We have remained focused on delivering safe, high-quality homes and services to our customers while maintaining financial strength and organisational stability.

In May 2026 our governance and viability gradings have been placed under review and we are working collaboratively with the regulator on a service improvement plan.

This has been an important year for GreenSquareAccord (GSA). While the external environment remains demanding, we have continued to strengthen the business, improve services for customers and firmer foundations for the future.

At the heart of everything we do is our social purpose. Demand for our homes and services continues to grow, reflecting both the affordability pressures faced by many households and the critical role we play in our communities.

GSA has continued its strategic focus on its core mission of providing high-quality social and affordable housing, ensuring that resources, investment and management attention are directed towards delivering the greatest value for customers and communities. As part of this approach, GSA is reducing its involvement in non-core and more commercially focused activities, including construction services, open market sales and offsite manufacturing through LoCaL Homes. This strategic realignment enables the organisation to simplify its operating model, strengthen financial resilience, and concentrate on the development, management and maintenance of social housing, where it can have the most significant and sustainable impact.

During the year, we have continued to prioritise service quality and resident engagement. Listening to our customers and acting on their feedback has been central to our approach. We have strengthened our mechanisms for customer voice, ensuring that customer insight informs decision-making at every level of the organisation.

Customer satisfaction improved across most measures in the second year since its inception. Complaints reduced significantly, and landlord health and safety compliance improved. We also continued major fire safety, stock condition and energy efficiency programmes, while improving the systems and data that support better customer service.

We also took further steps to strengthen the business for the future. This included reshaping parts of the care and support portfolio, progressing disposals of non-core assets, and maintaining compliance with all loan covenants despite reporting a loss for the year. The loss was mainly due to accounting adjustments and the cost of making strategic changes. Our core social housing business continues to perform well.

We have also continued to invest in core services, including repairs and maintenance, recognising the importance of providing safe, well-maintained homes. While performance in some areas has been impacted by external supply chain pressures and cost increases, we have taken decisive steps to improve responsiveness and reliability.

Ensuring the safety of our customers remains our highest priority. Over the past year we have maintained a strong focus on compliance with evolving building safety requirements, including enhanced data, assurance and reporting processes. The Board continues to receive detailed oversight of safety performance, and we are committed to continuous improvement in this critical area.

The Group reported a total comprehensive loss of £0.34m for the year. This result was principally driven by a number of one-off strategic and accounting adjustments associated with the continued implementation of the Simpler, Stronger, Better strategy. These included £3.9m of non-recurring costs relating to the impairment of properties identified for disposal or deemed uneconomic to retain, provision for rectification works on a development scheme, costs associated with the closure of the LoCaL Homes factory, redundancy provisions linked to the rationalisation of the Group's office estate, and the write-off of expenditure on a discontinued IT project.

The reported result also reflects the financial impact of reshaping the Group's portfolio and reducing exposure to non-core commercial activities. While these actions resulted in impairments and restructuring costs in the short term, they are intended to simplify the business, reduce future risk and improve long-term financial resilience. These costs were substantially offset by a £24.9m surplus generated from strategic property disposals, with proceeds being reinvested into existing homes and key investment programmes. Excluding these exceptional and non-recurring items, the Group's core social housing operations remained profitable, generating a stable operating surplus despite continued inflationary pressures and significantly increased investment in repairs, building safety and stock quality improvements.

Board and colleagues

We have welcomed three new Board members this year. Ashling Fox joins us as an experienced leader specialising in customer focused leadership and transformation, having held senior leadership roles in housing as well as recognised organisations such as RAC, the AA and Homeserve. Gail Teasdale has a strong track record of helping housing providers to deliver energy efficiency upgrades programmes and has experience of serving on executive boards for both housing associations and financial institutions. Mona Shah, our Chief Finance & Investment Officer has also joined our Board. Pablo Andres and Susan Goldsmith concluded their terms during the year, and I would like to place on record our appreciation of their support during their time with us.

Helen Pennack left us as Executive Director of Corporate Services following the year end. We thank Helen for her many contributions in her time with us. We also welcome Mona Shah, Gary Hardy and Billy Sutch as Chief Finance and Investment Officer, Chief Customer Officer and Chief Property Officer respectively, and we place on record our thanks to Ken Youngman, Jason Holder and Peter Evans for the interim support they have provided whilst our permanent recruitment took place.

I would like to also thank colleagues across the organisation for their commitment during a year of significant change. Their work has helped us improve service performance, strengthen our operating foundations and prepare for the next phase of investment in our homes and services.

Looking ahead

Looking ahead, our priority is to translate stronger foundations into consistently better outcomes for customers. We now have the funding structures and planning framework to support increased investment in existing homes, with a continued focus on fire safety, damp and mould, major repairs and energy efficiency.

My aim as chair is to support the organisation in improving its Governance and financial performance in the upcoming financial year.

We will continue to simplify the business, improve digital capability and use better data to support service delivery and decision-making. Alongside this, our disposals and portfolio review activity will remain focused on ensuring resources are directed to the homes and services that best support our social purpose.

While the external environment remains challenging, we are better placed to respond with greater clarity of purpose, stronger financial discipline and a clear focus on being a great social landlord.

Colin Dennis
Chair

4 August 2026

Strategic report

Introduction

The Board presents its report together with the audited financial statements for the year ended 31 March 2026. In preparing this Strategic Report and Board report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018.

GreenSquareAccord ('GreenSquareAccord' or 'the Group') comprises GreenSquareAccord Limited ('The Association') and its trading subsidiaries, GreenSquare Homes Limited, GreenSquare Estates Limited, LowCarbonLivingHomes Limited and GreenSquareAccord 1 Limited.

The main business of the Group is the management and development of homes for rent, and the delivery of care and support services.

GreenSquareAccord Limited (the Association) provides a range of central services to its subsidiaries, under the scope of intra-group agreements. These cover communications, compliance, development, finance, governance, human resources, information and communications technology, performance and planning, procurement, property services, and risk and assurance.

The financial statements are prepared on a group basis. They therefore reflect the activities of subsidiary companies and share of joint ventures as well as the Association.

This Strategic Report focuses on the Group's activities during the third year of our Simpler Stronger Better strategy. This strategy includes four key objectives – Simplify and Strengthen our Business; Improve our Customer Offer; Improve the Quality of our Homes; and Empower our People.

Operating environment

The social housing sector continues to operate in a challenging and uncertain environment shaped by ongoing global instability and economic volatility. Continued inflationary pressures, increased regulatory scrutiny and rising customer expectations place upward pressure on operating costs and capital investment. Inflation in wages, materials, supplier costs and a growing demand for repairs and maintenance services has had a sustained impact on cost bases and is increasingly viewed as structural rather than temporary.

At the same time, growing regulatory requirements are raising the bar around performance, assurance and transparency. Customers are also rightly demanding more reliable communication, faster resolution of issues and consistently delivered core services. Together, these factors require the Group to balance financial resilience with service improvement and regulatory compliance.

A key strategic consideration for the Group is striking the right balance between continuing to deliver new affordable homes and maintaining sustained investment in existing homes. While the need for new housing remains acute, the scale of investment required to improve the quality, safety, energy efficiency and long-term sustainability of existing homes has increased significantly. We have continued to build, albeit, a reduced programme, as we carefully prioritise investment in line with our purpose, risk appetite and long-term financial capacity.

Against this backdrop, the Group has maintained a strong focus on continuous improvement and on delivering the basics well. This includes ensuring that homes are safe, warm and well maintained, that repairs are completed efficiently, and that customers receive consistent and reliable services. Strengthening operational grip, improving compliance, and embedding learning from complaints and customer feedback remain central to our response to the operating environment.

The Group is operating within a rapidly changing digital landscape, which presents both challenges and opportunities. There is growing customer expectation for easy-to-use digital services, better access to information and more joined-up communication. At the same time, technological change brings increased cyber and data protection risks. The Group is therefore focused on harnessing digital and data-led solutions to improve service quality, efficiency and insight, while maintaining appropriate controls to safeguard systems and customer information.

The Board and Executive recognise both the scale of the challenge and the pace of change. Their focus remains on delivering the Simpler Stronger Better strategy while supporting customers, protecting homes, strengthening resilience and managing risk in line with the Group's social purpose.

Purpose, mission and core business

GSA is a registered society and exempt charity governed by the Board, operating across the West Midlands, Oxfordshire, Gloucestershire and Wiltshire. We provide affordable homes and services that create a foundation from which people in our communities can thrive. Often, a good-quality, affordable home is all someone needs. When our customers need more, we offer a range of services and tailored interventions. These help people remain independent, respond to individual vulnerabilities and build on their strengths.

Our charitable objectives are supported by appropriate and increasingly limited commercial activities. We continue to review, scale back or exit activity outside of the core business to focus resources on becoming a great social landlord.

During the year, the Group delivered activity across the following principal business streams:

- Housing for rent, primarily for households unable to rent or buy at open market rates
- Supported housing and accommodation for people requiring additional support
- Residential and specialist care services for older people
- Low-cost home ownership through shared ownership
- Development and construction of new homes, including low-carbon delivery
- Maintenance of public open spaces

In addition to owning and managing more than 26,000 homes, GSA remains an active developer of new affordable housing and a Strategic Partner under the Homes England National Affordable Housing Programme. We are proud to play an active role in responding to the housing crisis by providing affordable homes for people who need them most.

The Group currently manages the Matrix partnership in the West Midlands and is a member of Homes for the West Midlands as well as Homes for the South-West. We collaborate with sector peers to address barriers to the delivery of affordable housing.

The Group employs approximately 1,500 colleagues on a full-time equivalent basis.

Strategy and achievements

In 2023, we launched our business strategy for the next five years – Simpler, Stronger, Better. It sets out four objectives that will help us to deliver it and we are proud to have made some key achievements across each of them in 2025-26.

We will simplify and strengthen our business

Key achievements

- We are in the process of restructuring the service charge team, building a new asset management team and shifting ownership of budgets to operational teams. These changes improved business efficiency and services to customer.
- We reviewed the performance of our care and support services to ensure the balance of risk and returns was appropriate for us. This involved selling some of our care homes and remodelling our care and support services.
- We increased levels of asset disposals following a stock condition survey to support investment funding, while reducing cost in use of older homes. This has generated a profit of £21.8m during the year.

We will improve the quality of our existing and new homes

Key achievements

- We delivered a programme of planned works designed to improve customers' comfort with a particular focus on containing instances of damp and mould.
- We undertook a large volume of repairs in response to high demand.
- We undertook significant compliance and fire safety improvement works to ensure customers remain safe in their home.
- We have made provision for a significant programme of energy efficiency works as part of our successful application for government matched funding grant to improve EPC ratings.

We will improve our customer offer

Key achievements

- We delivered a 50% reduction in complaints, improving responsiveness and overall customer satisfaction.
- We achieved 100% completion of fire safety actions on our Risk Hub. By carrying out regular inspections and acting promptly to remove items that could increase fire risk, we enhanced safety and provided reassurance to customers.
- Our Localities Team launched the Your Home App, a new tool that helps housing officers assess homes more effectively, identify risks sooner, report safeguarding concerns and receive instant support while out on visits.
- We continued working with our Customer Panel to scrutinise our performance and ensure our service reflects customer needs. They awarded 29 Community Impact Fund grants that directly benefit our customers.

We will create a culture that empowers our people

Key achievements

- Following the success of the Brindleyplace Head Office move at the end of 2024, our workspace project rationalised and improved office provision for all colleagues.
- Brindleyplace has become a vibrant, collaborative hub for live Q&As, webinars, conferences and training workshops. The feedback from colleagues about the move has been overwhelmingly positive.
- We've reduced our office estate from 11 locations to four, helping to achieve significant cost savings. As we progress to the next stage of the workplace project, activity is taking place across our Rubery Owen, Methuen Park, Chedworth House and Royal Wootton Basset offices as we prepare for our planned exits.
- In July 2025, the final cohort of our Leadership Development Programme completed their training. Over 18 months, a total of 254 leaders took part to build their capacity and skills, recognising the crucial role of managers in our business.

Tenant Satisfaction Measures (TSMs)

Tenant Satisfaction Measures (TSMs) are a set of 22 metrics used in England to assess how well social housing landlords are serving their customers. These measures include feedback from tenant surveys and management information across different tenure types, including low-cost home ownership (LCHO) and low-cost rental accommodation (LCRA).

Based on the 2025/26 TSM results, customer satisfaction has improved to 66.75% for LCRA (+8.55%) and 51.19% for LCHO (+9.39%). We have seen increased satisfaction across most areas for the second year, with increases due to service improvements starting to positively impact customer experience.

Areas with the highest positive variance, as compared to 2024/25, are:

- TP08 – Agreement that the landlord treats tenants fairly and with respect: for LCRA, this has increased 17.63% to 81.93%; for LCHO, this has increased 20.51% to 74.31%.
- TP05 – Satisfaction that the home is safe: for LCRA, this has increased 14.84% to 80.24%; for LCHO, this has increased 21.71% to 78.51%.

Performance across the management measures also indicates consistent performance in health and safety compliance, with only minor variances in other areas compared to the 2024/25 survey results.

Improvements are already underway to address areas where customers indicate areas of dis-satisfaction, including complaint handling and ASB management. We set out our current performance, what we have done and what we intend to do at greensquareaccord.co.uk/about/our-performance.

Financial review

Overview

The Group achieved a net deficit for the year of £0.7m (2025: £17.6m deficit restated), with turnover of £209m (2025: £222m) and an operating margin of 12.8% (2025: 13.7%) (excluding non-recurring costs and disposals.) The results were a combination of the continuing challenging operating environment, increasing levels of investment in existing homes and non-recurring costs of £3.9m (2025: £14.0m) driven by the Group's change in strategic direction. All of these non-recurring costs are non-cash items. Performance in the year showed a stable underlying performance in core areas of activity.

Non-recurring costs (see Note 6) included:

- Impairments on several properties within the Group's housing and shared ownership portfolio were identified where those properties are intended for disposal, no longer fitting with the Group's strategic direction or are not now economically viable to retain. These impairments totalled £1.3m. In addition, rectification costs on a development scheme have been identified totalling £1.1m.
- The Group has reviewed its workspaces offer and with move to a new head office location has sought to divest of locations which do not fit with the future strategy The former GreenSquare Group head office in Chippenham is currently on the market for sale, as a consequence staff entered into a consultancy process and provision has been made for redundancy costs of £0.6m.
- A review of progress on a project to implement a new system has been undertaken and is not now considered feasible to complete, subsequently costs to date of £0.4m have been written off.
- A review of commercial activities has resulted in a decision to close the LoCaL Homes factory, consequently provisions have been made for redundancy costs of £0.3m and an onerous equipment lease of £0.2m.
- Impairment at an Association level only of £3.4m was made reflecting the costs associated with the Group's strategic decision to reduce and/or exit from commercial activity in subsidiaries. These impairments represent a write off against the intercompany loan balances, to the extent that these cannot be repaid.

After these adjustments, the Group generated an operating surplus for the year of £47.6m (2025: £34.0m restated). The items identified above represent the ongoing delivery of the Group's strategy to simplify, de-risk and strengthen the business for the longer term and all of the actions taken in year are anticipated to contribute to a stronger financial performance in 2026/27 and beyond.

Whilst the results this year are heavily impacted by the above factors, we continue to have sufficient headroom against funder covenants, with a low level of refinancing risk and strong liquidity.

The consolidated Statement of Comprehensive Income and the Statement of Financial Position are summarised below, and the following paragraphs detail the key features of the Group's position at 31 March 2026.

Statement Of Comprehensive Income

	2026 £000	2025 £000
Turnover	208,932	221,900
Operating costs	(177,843)	(172,296)
Cost of sales	(4,409)	(19,096)
Operating surplus before non-recurring and disposals	**26,680**	**30,508**
Non recurring operating costs	(3,897)	(14,048)
Gain on disposal of properties	24,859	17,535
Operating surplus	**47,642**	**33,995**
Net interest	(48,309)	(51,500)
Share of operating deficit in joint ventures	(78)	(74)
Net (deficit)/surplus	**(745)**	**(17,579)**
Key Financial Metrics - Group		
Operating margin	22.8%	15.3%
Operating margin (excluding non recurrent costs and property sales)	12.8%	13.7%
EBITDA MRI interest cover	91%	79%
EBITDA interest cover	159%	128%

Operating surplus before disposals reduced to £26.7m (prior year £30.5m restated), with the key movements being:

- Reduction in turnover of £13.0m (6%), predominantly due to a reduced level of sales activity, with first tranche and open market sales turnover reducing by £14.4m, we reported a 1% increase in turnover for social housing activity which is reflective of annual rent and service charge increases of 2.7% offset by the impacts of exiting some Care & Support contracts in the 24/25 financial year.
- Operating costs have increased £5.5m (3%) due to pay awards to colleague, and cost increases in several operational areas, most significantly routine and planned maintenance costs, which have increased 28% year on year. Social housing operating margin has reduced to 16% (2025: 19%).
- Costs of sale have decreased £14.7m (77%) delivered through reduced open market sales activity as we completed the final sales from our subsidiary, GreenSquare Homes during the year.
- We continued to increase investment in improving the quality of our existing homes, with capitalised expenditure of £31.3m (2025: £22.6m) and a further £22.8m in revenue (2025: £18.2m) for other repairs and refurbishment activities.
- Shared ownership sales income for the year was £3.2m (2025: £6.0m). We sold 28 shared ownership homes, with an average first tranche share of 33% (2025: 54 sales, average share 35%). Outright sales income reduced to £0.1m (2025: £12.5m) with the completion of final schemes, however cost pressures and overruns on these schemes generated a loss in year of £0.9m. This however concludes the remaining outright sale activity, removing future downside risk.
- Management costs remained in line with the prior year at £24.4m. We continue to see a high level of legal costs associated with disrepair claims which are also included here.
- EBITDA MRI interest cover is impacted by the reduction in operating surplus year on year, with the increased surplus on disposals not included in the calculation of the metric. We expect this metric to remain lower than peers over the medium term whilst we increase our level of investment in existing homes.

Performance By Business Activity

	Turnover		Operating Surplus		Gross margin	
	2026 £000	**2025 £000**	**2026 £000**	**2025 £000**	**2026 £000**	**2025 £000**
Operating summary by activity						
General needs	141,201	136,449	28,490	38,465	20%	28%
Supported and housing for older people	28,957	28,329	-1,039	368	(4%)	1%
Shared Ownership	10,171	9,453	4,638	3,683	46%	39%
Residential Care Homes & Garages	4,989	9,577	(439)	(1,841)	(9%)	(19%)
Total social housing lettings	**185,318**	**183,808**	**31,650**	**40,675**	**17%**	**22%**
First tranche shared ownership sales	3,157	5,974	514	1,170	16%	20%
Other social housing activities	5,231	5,247	317	498	6%	9%
Total social housing activities	**193,706**	**195,029**	**32,481**	**42,343**	**17%**	**22%**
Non-social housing activities	14,326	14,404	(4,415)	(9,912)	(31%)	(69%)
Development for sale	900	12,467	(1,386)	(1,923)	(154%)	(15%)
Disposal of properties	-	-	24,859	17,535	-	-
One-off non-recurring costs	-	-	(3,897)	(14,048)	-	-
Total	**208,932**	**221,900**	**47,642**	**33,995**	**23%**	**15%**

The Group's strategy continues to be the simplification of activity with an evident increased focus on social housing activity which now accounts for 88% of turnover at £185.3m (2025: 83%.) The underlying social housing business has shown resilience, although impacted by cost pressures. Turnover increased by 1% year on year, principally due to inflationary rental increases at 2.7% offsetting contract exits seen in the 24/25 financial year, while surplus reduced year on year to £31.7m (2025 restated: £40.7m), because of ongoing cost pressures and increased repairs activity, particularly on responsive repairs and fire works.

First Tranche sales have reduced due to a smaller development programme.

Other social housing activities include abortive development costs, the provision of management services and delivery of Supporting People contracts. Abortive costs have been recognised on a scheme of £1.1m where rectification works are required. Other activities are largely unchanged year on year delivering broadly consistent levels of turnover and surplus.

Non-social housing activities

This includes the provision of nursing care, outreach services, construction services provided to others and our LoCaL Homes business which constructs timber framed units. LoCaL Homes made a loss of £1.9m as it begins to close out remaining contracts ahead of its closure in the early part of the 26/27 financial year. In addition, £2.0m was incurred on project costs relating to workspaces and IT infrastructure.

Development for sale

This activity is open market sales undertaken by the Group's commercial subsidiary, GreenSquare Homes. An overall loss of £1.4m in year reflects the completed sales of the final two units offset by cost pressures in completing these schemes. The Group has no further open market sale exposure in this area.

Disposal of properties

This year saw a successful planned increase in the level of disposal activity. As part of our agreed strategy, we have chosen to dispose of properties where appropriate, principally properties with unviable future cost requirements, with proceeds being reinvested in existing stock. This saw an increase in surplus on disposal to £24.9m (2025: £17.5m).

Statement Of Financial Position

	2026 £000	2025 £000
Fixed assets	2,091,492	2,074,812
Net current (liabilities)/assets	(17,173)	1,654
Long-term liabilities and provisions	(1,529,485)	(1,531,287)
Net assets	544,834	545,179
Reserves	544,834	545,179
Key financial metrics		
Units owned/managed	26,313	26,490
Gearing (net debt)	50%	51%
Average cost of finance	4.3%	4.5%

Fixed assets have increased in year by £17m, with investment in new homes totalling £27.4m, capital expenditure on existing homes £31.3m, offset by disposals, depreciation and other items of £42.2m. Capital investments were funded by a combination of social housing grant, loan finance and working capital. Further detail on the Group's treasury management is set out below.

Net current (liabilities)/assets have decreased by £19m due to an increase in strategic grant income being held on behalf of matrix partners and other creditors, offset by an increase in cash held.

Net assets have decreased marginally by £0.3m in the year, with an increase in social housing grant monies due to other matrix partners, offset by an increased level of cash held.

Treasury and funding

Overview of treasury management function

The Group adopts a prudent and conservative approach to treasury management, recognising it as a key enabler in delivering its objectives rather than an end in itself. During the financial year, the Board and Treasury Committee obtained independent advice from external consultants and received quarterly reports from management. Treasury activities are overseen by the Chief Finance and Investment Officer and conducted in accordance with the Board-approved Treasury Management Policy and Financial Golden Rules, which are reviewed and updated at least annually.

The treasury management function is designed to ensure the Group maintains adequate liquidity to support its operations, secures sufficient funding to deliver its Corporate Plan, minimises exposure to financial risks, and complies with loan covenant requirements. Treasury management activities are subject to regular review by internal audit and external treasury specialists.

Covenants and reporting during the year

Compliance with financial covenants is closely and regularly monitored as part of the Group's routine treasury management activities. The Group's principal covenants comprise interest cover, gearing and asset cover ratios. The Group remained compliant with all covenant requirements throughout the financial year, and forecasts continued compliance over the life of its 30-year financial plan.

Quarterly monitoring reports and management accounts are submitted to stakeholders in line with funder and regulatory requirements. Liquidity requirements across the short, medium and long term are assessed through ongoing forecasting and the financial planning process. The Group's policy is to optimise cash balances by repaying debt where appropriate, while maintaining sufficient access to committed funding facilities to support investment and development activities.

Key metrics

	2026	**2025**
Drawn facilities	£1,162m	£1,155m
Undrawn facilities	£185m	£210m
Retained Bonds	£100m	£100m
Cash and cash equivalents*	£122.8m	£91m
Fixed rate borrowing**	83%	84%

*Includes restricted cash
**Excludes inflation linked borrowing costs

Capital Structure

The Group is financed by a combination of retained earnings, bank debt, capital market debt and social housing grant.

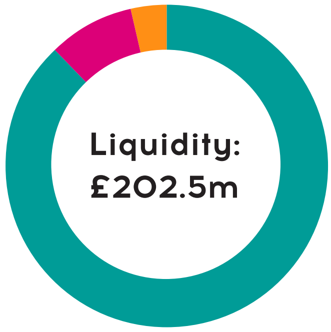
Borrowings

As at 31 March 2026 the Group had total facilities of £1,347m (2025: £1,365m) of which £1,162m were drawn, a net increase of £7m on the previous year. The available group facilities have reduced by £25m due to the drawdown of a term loan to pay back debt with a higher margin to reduce interest costs.

Liquidity

The Group has in place minimum cash and liquidity requirements to ensure sufficient immediately available liquidity to meet all operational and development cashflows, including uncommitted spend for a minimum of 24 months. The Group maintained compliance with these requirements during the financial year.

The Group's available liquidity totalled £202.5m on 31 March 2026, comprising of £122.8m cash (£17.5m cash at bank and £105.3m of cash held on behalf of others), £178m undrawn facilities (not including £100m of retained bonds), and a £7m overdraft. This is equivalent to 33 months liquidity for the Group (excluding the retained bond) based on forecast cash requirements within the approved business plan, including committed operating expenditure, capital investment and development commitments. This provides certainty of funding to deliver the corporate plan whilst also protecting the Group from economic uncertainty.



£178m Headroom

£17.5m Cash

£7m Overdraft facility

Credit ratings

During the financial year GSA's public credit ratings remained unchanged with a Fitch rating of A- (Stable) and a Moody's rating of Baa1- (Stable).

Management and control

During the year, the organisation managed its exposure to interest rate movement by maintaining a high level of fixed rate borrowing that provides a level of certainty over future interest costs in the current economic environment. At the year-end, 83% (2025: 84%) of borrowings were at fixed rates. The fixed debt is from capital market transactions, vanilla embedded fixes and an £80m stand-alone swap. We also have inflation-based loans of £65.1m which are not impacted by changes in interest rates.

Asset cover

GSA's debt facilities are all secured by charges over housing and other properties. The Group uses a Security Trustee for the purposes of holding secured assets on the majority of its debt facilities. On 31 March 2026 8,662 units were uncharged at a value of around £868m, providing security for additional funding facilities.

Environmental, sustainability and governance (ESG) reporting

The Group issued its annual ESG report for March 2025 with the release of the financial statements. The report sets out the Group's ongoing ESG credentials and included an update on allocations under its sustainable bond issuance, with 100% of the £295m proceeds directed to eligible projects.

Development

Performance and delivery

The Group invested £27.3m (2025: £52.2m) in the development of new homes during the year. 121 completed affordable units were added into management in the year across 6 different sites.

During the year the Group generated sales receipts of £3.2m (2025: £6.0m) from the sale of 28 LCHO shared ownership homes plus a further £0.8m (2025: £12.5m) from 2 Outright sales as part of our GreenSquare Homes developments for sale.

In addition, the Group continued its proactive asset management approach in line with the Board-approved disposals and sales programme, and completed 231 strategic housing disposals, 2 right to buy/acquire sales, 62 LCHO shared ownership staircasing sales and completed on the sale of the former Accord head office in West Bromwich.

In May 2026, Low Carbon Living Homes Ltd has completed production and following an extensive but ultimately unsuccessful process of searching for potential buyers, the business will now be wound up.

Partnerships

GSA is a development partner under the Homes England National Affordable Housing Programme (NAHP).

We lead the Matrix Housing Partnership which comprises seven housing associations to collectively deliver new affordable housing across the West Midlands. The Partnership has

- Delivered 1,897 new affordable homes through the SP1 programme
- Achieved starts on site for 1,796 new homes through the SP2 funding programme which represents 90% of total properties reaching that milestone by 31st March 2026
- At the request of Matrix Partners, GSA has during the year resumed the leadership role for the introduction of the Affordable Homes Programme 2026-2036. As part of this, Matrix have submitted a bid for £333.6m of new grant funding to deliver a further 2,497 homes

The Group has a 50% share in Sharpness LLP, a joint venture which is promoting land options for a residential led development in Gloucestershire. The investment is carried at £1.5m.

Future focus

We continue to rebalance our use of resources towards existing homes to ensure that we are effectively tackling stock condition and compliance matters over the long term, and that we begin to make significant investments to improve the environmental performance of our homes.

GSA does however, retain an appetite for the development of new stock, with a particular focus on developing in communities where it has been necessary to dispose of some legacy properties.

With the final two sales completed, the former Open Market Sales business, GreenSquare Homes will now become a non-trading entity that holds the Group's joint venture investment in Sharpness Development LLP whilst the Association focusses on core activities

Value for money

Strategic approach and achievements

Our corporate strategy is to deliver 'Simpler Stronger Better' by 2028:

Simpler

Focusing our organisation on providing services where we can deliver the biggest impact and simplifying the way we provide services, will result in better outcomes.

Stronger

Making our organisation stronger will increase our resilience.

Better

Improving the way we work, our homes and our services will make us a better organisation for our customers, colleagues and communities.

Our strategic aims include investing significantly in our homes, our services, our people and our platforms to deliver real improvements and help colleagues work smarter.

We want to be an efficient, high-performing social landlord providing excellent services for our customers. To achieve this, we need to focus our work where we can make the biggest difference and deliver services which contribute to a strong financial position.

Strategies include reviewing our services, deciding which we should retain, and which should be better delivered by others; changing our funding arrangements; improving service charge management; reviewing our portfolio of properties, including geography and how properties are performing to develop disposal/investment targets; and simplifying and improving our systems and processes so they are effective and efficient. We also want effective procurement and robust supply chains.

The Group's Value for Money (VfM) Strategy is built around two core ways of thinking – 'doing things right' and 'doing the right things'. These are unchanged from the previous year, so our strategy and approach remain consistent.

Doing things right

Doing things right' is a relationship between inputs, and outputs, outcomes and impact. It does not just mean doing things more cheaply. It is about economy, efficiency and effectiveness. VfM activities focus on the delivery of both financial savings and qualitative benefits. We need to manage inputs via our policies, processes and systems, to create better quality or broader impact.

Doing the right things

- Ensure that activities are consistent with our core purpose
- Deliver a high quality and effective service to all stakeholders
- Protect social housing assets from commercial risk so that returns are invested back into social housing activities.

The strategy has continued to inform our activities during 2025/26 which has led to a number of actions being taken to de-risk the business in a number of areas, resulting in £3.9m of non-cash, non-recurring items being recognised in the year. In addition, there were a number of key achievements made against other key VfM objectives set by the Board over the course of the financial year which are described below:

Doing things right: Key achievements

Achievements	VfM benefits
Enhancing electrical safety We undertook an extensive programme of accelerated electrical safety works in the year to move from a 10 year to 5 year testing cycle.	◆ Invested nearly £6m in electrical safety and works to reach a 98% compliancy rating
Fire safety We invested £18m in fire safety improvement reducing our overdue fire risk actions from a peak of 7000 down to approximately 300 “hard to reach” actions at year end, with a clear plan to clear these quickly.	◆ £3.9m invested in fire doors ◆ £4.1m in compartmentation
Workspaces During the year, the legacy Accord office in West Brom was sold, realising a capital receipt of over £1m. The offices at Rubery Owen, Methuen Park and Chedworth House will also be exited in 2027.	◆ Reduction in office portfolio which is better populated with increased staff collaboration
Strategic Disposals The disposals program saw a step change in 2026 with profits of circa £25m generated from the sale of older properties past their appropriate usable life in social housing.	◆ £21.8m of profit on sale ◆ Circa £40m cash received ◆ Loss making assets removed will have a long term benefit
TSM Improvement Measures put in place to improve our performance on repairs and broader support for customers have been recognised with a significant increase in customer satisfaction across all measures.	◆ Overall scores up 9% to 67% ◆ 80% of customers feel their home is safe (up 14%)
Supporting more customers to own their own home Record year for “Staircasing” which is the process by which low-cost home-ownership customers buy more or all of their home. The launch of Stairpay® aimed at supporting even more customers in 2027 to achieve full home ownership.	◆ 61 transactions completed ◆ £6.7m cash back into the Group

Doing the right things: Key achievements

Achievements	VfM benefits
Commercial and non-core activities review The Group has continued to reduce the impact of commercial activities ensuring that this activity remains appropriate and proportionate to our key purpose of being a great social landlord. This includes the exit from multiple care and support schemes where changes to Local Authority funding means they are no longer financially viable.	◆ Reduced reliance commercial income ◆ Lower risk profile of core v non-core activity
Exit from LoCaL Homes Following extensive but unsuccessful attempts to find a buyer, the difficult decision was taken in year to close the timber-frame factory in Walsall.	◆ Reduced losses through commercial subsidiary
Commercial activities concluded Handovers concluded on the Northicote scheme for WV Living and the final Open Market Sale properties sold at GreenSquare Homes which will now cease trading	◆ Reduced risk exposure of the group ◆ Refocus of development only in social tenures

VfM indicators and global sector scorecard peer analysis

The Regulator of Social Housing requires providers to assess performance against prescribed VFM metrics. Peer group data is taken from the Regulator's published 2025 Global Accounts VfM Metrics. The following table outlines GSA's performance against the published 2025 Median and Quartile VFM regulatory standard metrics and against the group target for the year.

	2026 outturn Actuals	2026 target (GSA VfM Strategy 2025/26)	Variance to strategy target	2025 outturn Actuals	2025 Global Accounts weighted average	2024 Global Accounts weighted average
Reinvestment %	3.0%	4.6%	-1.6%	3.9%	7.5%	7.7%
New Supply Delivered %	0.5%	1.2%	-0.7%	1.3%	1.3%	1.7%
Gearing %	49.8%	53.0%	3.2%	51.4%	46.0%	48.1%
EBITDA MRI interest cover	30%	41%	-11%	35%	87%	89%
Social housing cost per unit	£6,632	£6,514	-£118	£5,710	£5,690	£5,769
Operating margin SHL	16.4%	21.5%	-5.1%	19.2%	20.0%	21.6%
Operating margin Overall	10.9%	20.0%	-9.1%	8.5%	17.4%	16.9%
ROCE %	2.3%	1.8%	0.5%	1.6%	3.0%	2.5%

- **Reinvestment and new supply delivered:** The Group took the conscious decision to slow its development programme, to improve financial resilience and preserve capacity for investment in existing homes. As a result, both reinvestment and new supply are at levels below those forecast.
- **Gearing:** Gearing at 31st March 2026 is higher than peers at 49.8% v 46.0%. It shows a marginal reduction from previous years due to refinancing work undertaken and is manageable under our financial plan, which shows full covenant compliance within significant headroom.
- **EBITDA MRI:** Interest cover has decreased significantly, most notably as a result of one-off costs taken in the year, added to investment in fire safety and decarbonisation works with energy upgrade works to nearly 250 properties in the year. Adjusted for non-recurring items this would have been 37%.
- **Social housing cost per unit:** Cost per unit increased materially year on year and ended 2% above target. This was driven by a notable increase in the demand for responsive repairs
- **Operating margin:** Margin outturn was lower than the yearly target as a result of increased investment on repairs in our existing homes.
- **ROCE:** one off costs incurred have led to a deterioration to this metric which is below sector averages.

VfM plans for the future

The Board has approved a revised long term Financial Plan for the Group which includes the following targets for key VfM metrics over the next 5 years.

	Benchmark*	2026	2027	2028	2029	2030	2031
Reinvestment %	7.5%	3.0%	3.4%	3.4%	3.6%	3.5%	3.2%
New Supply Delivered %	1.3%	0.5%	1.3%	0.7%	0.0%	0.6%	0.6%
Gearing %	46.0%	49.8%	55.2%	55.0%	54.2%	53.1%	51.7%
EBITDA MRI interest cover	87%	30%	49%	47%	44%	54%	74%
Social housing cost per unit	£5,690	£6,632	£7,175	£7,083	£7,260	£7,106	£6,913
Operating margin SHL	20.0%	16.4%	33.0%	34.4%	35.4%	37.6%	38.0%
Operating margin Overall	17.4%	10.9%	16.8%	20.7%	23.0%	25.8%	26.2%
ROCE %	3.0%	2.3%	2.9%	3.2%	3.4%	3.7%	3.0%

**2025 Global Accounts weighted average*

- **Re-investment remains steady over the next 5 years:** A reduction in new development is offset by a significant increase in investment in our existing properties.
- **New supply delivered:** 2% new supply delivered in first 2 years (2027 and 2028) reflecting the 500 homes still being completed as part of Strategic Homes phase 2, funded by Homes England. There are no completions expected in 2029 as the organisation ramps up to start delivery of AH26-36 with completions from 2030 onwards.
- **Gearing** is largely static over the 5-year time frame, with some variability due to planned investment timings. Debt repayments are shown to commence in our post 5-year planning phases.
- **EBITDA MRI:** Remains low through the next 5 years. Investment plans include a full range of energy efficiency, fire safety and component replacements, this metric does not include disposals profit which has the impact in these years of balancing out the extra investment required in properties.
- **Social housing cost per unit** increased dramatically in 2026 with the inclusion of significant fire safety programme costs and a material increase in component replacement. EPC C works and cyclical decoration of our properties continues over the next 5 years along with the delivery of £87m of fire safety works (2026-2029)
- **SHL and overall margin** while low in 2026 due to exceptionally high repairs costs (linked to fire and electrical safety as well as demand for responsive repairs) SHL recovers during the planning cycle as efficiencies are delivered and fire safety programmes conclude
- **ROCE** improved in 2026 vs previous year due to non-repeat of one-off impairments. This continues through the planning period as business health and performance improves.

Risk management

Introduction

The delivery of our strategic priorities and the sustainable growth of our business is dependent on effective risk management. Like all social housing providers, we recognise that there will always be business uncertainties, and our structured approach to risk management helps us to mitigate key risks and embrace opportunities when they arise.

The Board is accountable for effective risk management, agreeing the Principal Risks facing our business and ensuring these are managed effectively. The Board also has responsibility for defining, and reconfirming annually, our risk appetite (i.e., the amount of risk we are willing to take in pursuit of achieving our strategic priorities).

We encourage our colleagues to consider risk as part of every business decision. We ensure that risk is managed at all levels, through implementation of effective mitigations.

Our Risk Management Framework

The Board reviews and approves a comprehensive Risk Management Framework on at least an annual basis, most recently in January 2026. The Framework describes the responsibilities of our Boards and Committees, alongside our Executive and Leadership teams in relation to the regular appraisal and reporting of risks.

The Framework includes an overall Board Risk Appetite Statement and a specific Risk Appetite for each of our Principal Risks. These risks have been reviewed and updated where appropriate across 2025/26 through regular engagement with the Board and the Audit and Risk Committee. Our Risk Appetite defines the level of risk we are prepared to accept across different risk themes. Risk appetite is key to our decision-making processes, including strategy and business planning.

The Board reviews the current assessment of our Principal Risks and the improvement actions being taken to mitigate these at each meeting.

Our Executive Board also reviews our Principal Risks on a monthly basis. This supports effective and strategic decision-making and ensures that GSA can adapt to an ever-changing environment.

Our Audit and Risk Committee receives a detailed risk report at every meeting, which highlights the basis for any changes in our assessment of risks and tracks actions for completion to ensure our risk portfolio aligns with our risk appetite.

Our committees will also periodically undertake deep dives into our most significant risks, focusing on those areas relevant to their terms of reference. These reviews provide assurance on the robustness of controls and assurance in place and may generate further actions to improve our risk mitigation.

The Risk Framework incorporates a requirement for the detailed mapping of controls and assurance for all identified risks, and we promote a positive risk culture through regular engagement with our teams in the regular review and refresh of significant risks.

Our management teams are responsible for identifying and managing a broad spectrum of operational risks, with each operational risk being linked to the most relevant Principal Risk, to help facilitate the ongoing assessment.

Key risk analysis

Our analysis of risk considers inherent and residual risk assessments and identifies current controls and sources of assurance, and where these should be further strengthened. Our Principal Risks as at 31 March 2026 are set out below. These are the areas which are likely to have the greatest current or near-term impact on our strategic priorities and reputation.

Data quality

Risk outside of appetite (drivers: data quality and ability to automate reporting)

How we manage the risk

- ✓ Independent data maturity assessments
- ✓ Digital Delivery Plan projects include data quality and integrity as key deliverables
- ✓ Progress monitoring data quality improvements through our Information Governance Group and a number of data sub-groups
- ✓ Robust data protection arrangements and improvements in cultural awareness through data privacy champions network and reporting to ARC
- ✓ Comprehensive controls over the preparation and submission of regulatory and statutory returns
- ✓ Data quality dashboard reporting

Across 2025/26 we have further improved our confidence in the quality of our data through strengthening our data maturity, making improvements to asset and compliance data sets, and automating much of our Key Performance Indicator reporting process. Next year this will remain a key area of focus as we deliver on our new Data Strategy. We are strengthening data governance arrangements, automating performance reporting and streamlining data to align with new systems.

Health and safety

Risk outside of appetite (drivers: outstanding Fire Risk Assessment actions and role specific health and safety training compliance)

How we manage the risk

- ✓ Board and Committee oversight on KPIs, incident reporting, action plans and policy updates
- ✓ Core and role-specific mandatory training programme and completion monitoring
- ✓ Comprehensive fire safety investment programme, with delivery assured by external partners
- ✓ Robust risk assessments, assured by our health and safety function and accompanied by rolling internal audit reviews of landlord health and safety
- ✓ Detailed risk maps for all landlord health and safety compliance risks
- ✓ Specific governance oversight including Safeguarding Lead Officers Group and Health and Safety Committee

We have made significant improvements in the delivery of fire risk assessment actions through major investment. We have also enhanced induction and training arrangements for each of our teams, including those working within our customers' homes. Next year we will focus on testing the improvements we have made via our internal audit programme to ensure that they have been properly embedded in our business. We will also be implementing Phase 2 of the required changes under Awaab's law, focusing on damp and mould.

Financial resilience

Risk outside of appetite (Drivers: External macroeconomic factors, financial control environment, exits from commercial activities)

How we manage the risk

- ✓ Long-term Financial Plan in place which is approved by the Board and regularly reviewed
- ✓ Detailed Procurement Strategy
- ✓ Financial Golden Rules in place with associated triggers Approved Annual Budget and monitoring of financial performance at Board and Executive Board
- ✓ Focus on margins across all service areas and related exits from non-core service delivery
- ✓ External assurance partners advising on the robustness of our financial plans
- ✓ Stringent Financial Plan stress testing completed annually with detailed mitigations and responses
- ✓ Ongoing projects to improve business efficiency and continual improvement
- ✓ Monitoring and oversight of covenant compliance and headroom at Board

We recognise that, like other social housing providers, we are facing significant financial pressures, and the Board and Executive Team have identified this as one of our most significant risks in 2026/27. Next year we will be closely monitoring our financial performance, following the approval of our Financial Plan and refreshed Financial Golden Rules. We have implemented a series of triggers and mitigation actions which we will be utilising to ensure effective budget management.

Service delivery – Care and support

Risk within appetite

How we manage the risk

- ✓ Quality review programme covering all Care and Support services
- ✓ Robust Safeguarding framework
- ✓ CQC framework compliance assurance from internal and external reviews
- ✓ Completion of service transition programme
- ✓ GSA customer satisfaction surveys on landlord services include Care and Support customers
- ✓ Tailored CQC related and other mandatory training programmes

Next year we will be focusing on maintaining the high quality of care we provide, as well as delivering against the updated CQC inspection regime.

Service delivery – Housing

Risk within appetite

How we manage the risk

- ✓ Customer Panel delivering scrutiny and feedback on behalf of customers to our Board and committees
- ✓ Improved complaints management and compliance with Housing Ombudsman Complaints Handling Code
- ✓ Locality boards focusing on performance and customers' needs
- ✓ Tenancy Sustainment Team in place to support vulnerable customers
- ✓ TSM action plan and continuing improvements in repairs performance
- ✓ New Customer Strategy and related projects which enhance customer data and support targeted services for vulnerable customers.

Next year, we are focusing on improving outcomes for customers under the Consumer Standards. This will include the continuation of the work we have been doing to improve complaints handling and eliminating a backlog of repairs. We are improving the quality of data that we hold on our customers so that we can tailor our services accordingly – particularly for the most vulnerable.

Regulation

Risk outside of appetite (Drivers: Current Gradings Under Review process, delivery of the service improvement plan)

How we manage the risk

- ✓ Regular self-assessment of compliance with all regulatory standards
- ✓ Designated Quality and Compliance teams undertaking thematic assurance reviews across all areas of service delivery
- ✓ Agreed Service Improvement Plan developed from our 2025 Inspection, with active engagement with the Regulator of Social Housing as part of the Grading Under Review (GUR) process
- ✓ Comprehensive suite of policies on a scheduled review cycle
- ✓ Annual compliance check against Housing Ombudsman Complaints Handling Code
- ✓ Governance and Risk frameworks in place and regularly reviewed and updated

Next year we will continue to work with the RSH to deliver our service improvement plan. We will also implement any findings from the Grading Under Review process.

Investment in homes

Risk within appetite

How we manage the risk

- ✓ Disposals programme to ensure that we only maintain and invest in stock that is fit for the future
- ✓ Improvements made to the disrepair process, including case management and repairs
- ✓ Programme to bring all properties up to a minimum of EPC C in place, utilising external funding
- ✓ Extensive Stock Condition Survey programme in place
- ✓ Scrutiny exercised by Investment Committee on Decent Homes and Awaab's Law compliance
- ✓ Active damp and mould and disrepair case management and reporting

Next year we will continue to improve our stock condition data to supports targeted stock investment, as well as enhancing the quality of our stock.

People

Risk within appetite

How we manage the risk

- ✓ Health and Wellbeing action plan and Wellbeing champions appointed
- ✓ Regular colleague engagement surveys which inform our Colleague Engagement action plan
- ✓ Board and Committee member skills mapping, recruitment, development and succession planning
- ✓ Extensive leadership development programme
- ✓ Oversight exercised by People and Culture Committee
- ✓ Programmes of mandatory and legal/regulatory training regularly reviewed and refreshed

Next year we will continue to deliver our People Priority Plan, focusing on upskilling our colleagues to meet the new requirements of the Competency and Conduct Standard. Our focus is to empower colleagues to provide a high standard of service to our customers.

Reputation

Risk within appetite

How we manage the risk

- ✓ Regular and active stakeholder engagement
- ✓ Careful project planning, weighing up risks associated with any change and putting in place mitigations
- ✓ Corporate strategy communications setting out the rationale for any changes in strategic direction
- ✓ Ongoing constructive dialogue with the RSH and HOS

Next year we will continue to manage relationships with stakeholders, focusing on regulators, local authorities, major suppliers and key partners. We aim to provide clear communications and updates on our strategy and to work collaboratively with partners where we hold common objectives.

Cyber security

Risk within appetite

How we manage the risk

- ✓ Programme of vulnerability and penetration testing
- ✓ Monthly assurance reports on cyber protection status
- ✓ Regular independent cyber maturity assessments undertaken
- ✓ Comprehensive anti-malware and intrusion prevention tools
- ✓ Full Security Operations Centre in place through external cyber partner
- ✓ Colleague training suite and regular phishing exercises

At the end of 2025/26 we reduced our assessment of risk on the basis of positive third-party assurance and improvement made to our cyber security arrangements. Next year we will continue with this work, including testing our arrangements to ensure they are effective.

Governance and internal control

Compliance with laws, regulations and standards

It is an expectation of the Regulator of Social Housing that registered providers should assess their compliance with the Governance and Financial Viability Standard at least once a year and certify in their annual accounts their compliance.

GSA has carried out its own review of compliance with the Governance and Financial Viability Standard and reported its findings to the Audit and Risk Committee and the Board. As part of this assessment we have identified some areas of improvement. These include:

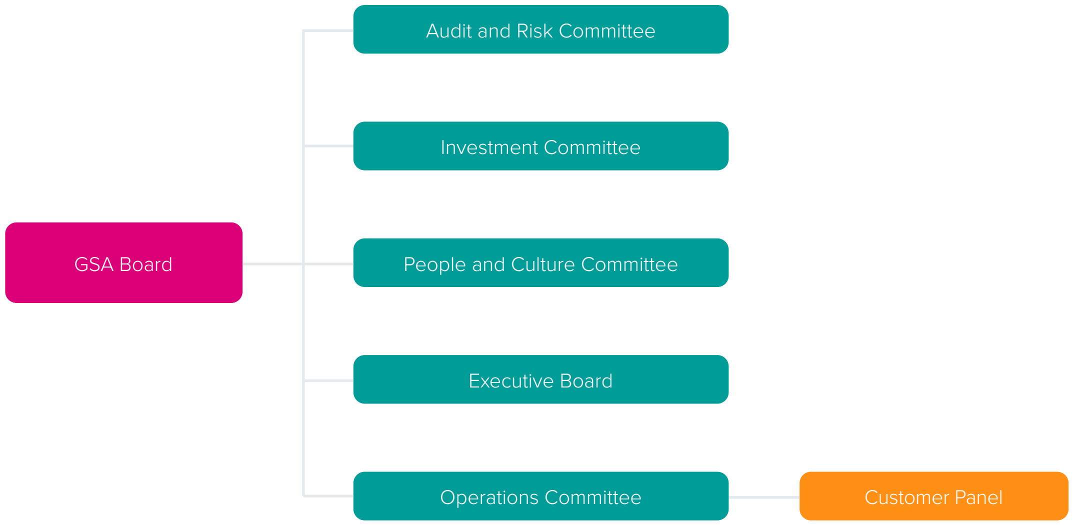
- the completion of outstanding actions arising from Fire Risk Assessments;
- financial monitoring and reporting;
- data quality and integrity; and
- procurement arrangements.

Following an inspection by the Regulator of Social Housing in October 2025, GSA received compliant gradings of G2 (governance), V2 (financial viability) and C2 (consumer). It was noted that GSA met the Regulator's requirements but needed to enhance some aspects of its governance arrangements, as well as improve the delivery of outcomes for customers and continue to manage material risks to the business. As a result, the Board has agreed a service improvement plan to ensure that the required improvements are delivered. Since then, we have entered into a Gradings Under Review process with the Regulator of Social Housing. At the time of printing, we await the outcome of this process.

In 2025, an independent external governance effectiveness review was completed by DTP. Overall, the finding was that governance arrangements were effective. The external support continues to be retained to provide critical thinking, oversight and support in relation to the Service Improvement Plan.

Board and committee structure

Those Board members who served during the period to 31 March 2026 and the Group's executive directors are set out on page 2.



The Board

The Board may comprise up to twelve members and is responsible for the Group's strategy, policy framework and managing the affairs of the Group. The Chief Executive and Chief Finance and Investment Officer are members of the Board.

The Board evaluates its performance annually, confirming it has the right mix of skills to approach the challenges it faces. Succession planning ensures regular refresh of the Board; our Board members are drawn from a wide background bringing together professional, commercial and local skills and experience.

This year we have successfully recruited two new Board members joining us in March 2026, to replace existing Board members that have completed their maximum term of office.

Committee structure

The Board is supported by a number of committees which provide detailed scrutiny on its behalf. Our committee structure was streamlined during the year, removing the Treasury Committee, with oversight for treasury matters returning to the Board.

Audit and Risk Committee

The Committee's primary role is to provide assurance to the Board on the systems of internal control, internal and external audit and risk management functions. It is also responsible for maintaining an appropriate relationship with the Group's internal and external auditors. During the year, the Committee had the following membership:

- Pablo Andres (Chair to 25 March 2026)
- Craig Jones (Chair from 25 March 2026)
- Melvyn Garrett (to 25 September 2025)
- Susan Goldsmith (to 27 April 2026)
- Eleanor Taig (to 23 January 2026)
- Martin Tiplady (from 25 November 2025)
- Ashling Fox (from 1 March 2026)
- Gail Teasdale (from 25 March 2026)

Executive Board

The Chief Executive has delegated authority for the management and day-to-day running of the Group. The Executive Board supports the Chief Executive in discharging this responsibility. It provides scrutiny and input on delivering the strategic objectives of the business, ensuring good governance and championing its values. The Executive Board uses subcommittees to support with detailed scrutiny.

- Ruth Cooke (Chair)
- Sophie Atkinson
- Mona Shah (from 17 June 2025)
- Helen Pennack (to 30 April 2026)
- Ken Youngman (Interim to 25 June 2025)
- Gary Hardy (from 1 April 2025)
- Billy Sutch (from 20 April 2026)
- Jason Holder (Interim from 1 April 2025 to 28 October 2025)
- Peter Evans (Interim from 17 November 2025 to 20 April 2026)

Investment Committee

The Investment Committee's primary role is to provide assurance to the Board on GSA's investment in existing and new homes. This includes the development of affordable housing, homes for sale and rent, asset management and disposals. During the 2025/26 financial year, the Investment Committee met co-terminously with the subsidiary board of GreenSquare Homes Ltd.

- Philip Lyons (Chair)
- Gillian Durden
- Craig Jones
- Manny Lewis
- Colin Dennis
- Gail Teasdale (from 25 March 2026)

People and Culture Committee

The Committee oversees the remuneration of colleagues, Executive Directors and Board and Committee members, making recommendations to the Board for approval where required. It also oversees Board and Committee member recruitment, succession planning, appraisal and nominations arrangements. As part of its remit, the Committee considers matters relating to culture, colleague engagement and diversity. During the year the Committee had the following membership:

- John Creswell
- Susan Goldsmith (Chair to 27 April 2026)
- Manny Lewis (Chair from 27 April 2026)
- Martin Tiplady
- Colin Dennis (from 27 January 2026)

Operations Committee

Operations Committee provides assurance to the Board on GSA's operations, including the delivery, quality and value for money of its services. The scope of the Committee's oversight includes operational service delivery (housing and repairs), customer service, complaints, customer engagement and community investment. Its remit extends across housing, care and support. The Committee is responsible for ensuring that customer feedback is incorporated into service delivery and that learning from complaints is acted upon appropriately. It also has responsibility for overseeing GSA's landlord compliance and the quality and safety of the homes and services we provide. During the year the Committee had the following membership:

- Chris Hampson (Chair)
- John Creswell
- Gillian Durden
- Martyn Hale
- Sarah Mason (as Chair of the Customer Panel)
- Martin Tiplady
- Ashling Fox (from 1 March 2026)

Treasury Committee (until 18 September 2025)

The Treasury Committee provides scrutiny and assurance to the Board on treasury and financial planning matters including the Group's treasury strategy, capital structure, raising new finance, treasury risk management, security and liquidity arrangements, covenant position and financial planning assumptions. During the year, the Committee had the following membership:

- Pablo Andres (Chair)
- Ruth Cooke
- Colin Dennis
- Craig Jones

Customer Panel

The Customer Panel works in partnership with the Board to ensure customer-led engagement and scrutiny, ensuring that the customer voice is used to drive service improvements.

The Customer Panel focuses on GSA's responsibilities as a landlord and works on behalf of all customers in receipt of landlord services (including customers in housing, supported housing and care). It provides feedback on key areas of performance and ensures that customers can inform strategic decision making. The Chair is a member of the Operations Committee and attends GSA Board meetings to provide feedback on behalf of the Customer Panel.

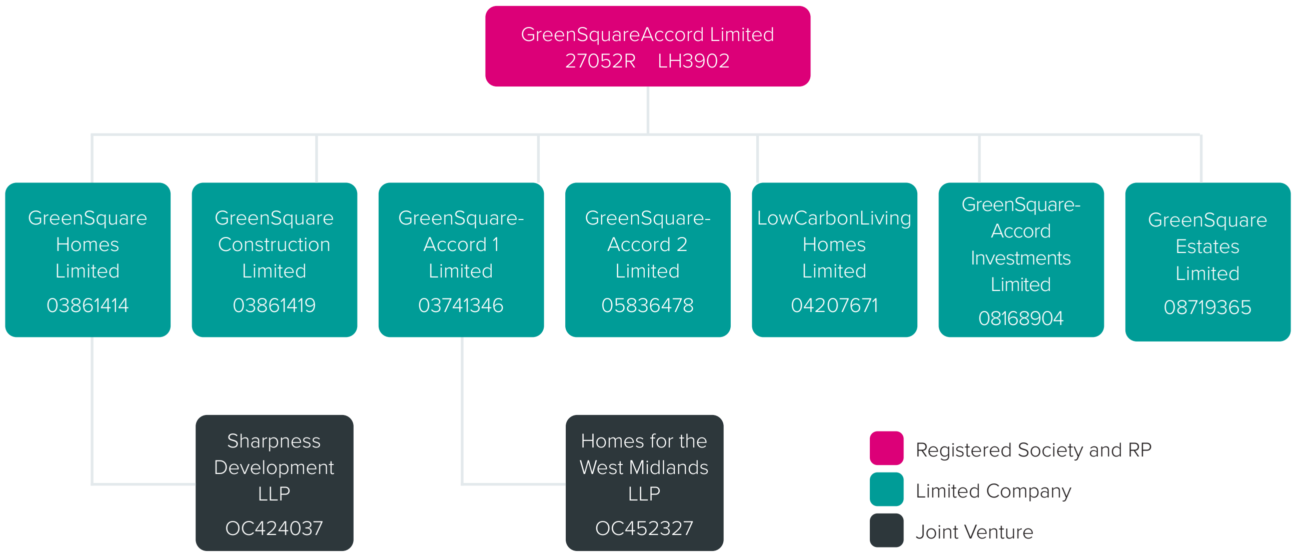
The Customer Panel is not part of GSA's formal governance structure and is not directed in its activities. This gives it freedom to scrutinise any aspect of the services we provided.

You can find out more about the Customer Panel and its members on our website.

Company structure

Our company structure is set out in the diagram below.

Subsidiaries are wholly owned by GreenSquareAccord Limited and their membership is made up of Board members and Executives. Intra-group agreements are in place which include provisions giving GreenSquareAccord Limited control of these entities. This is reinforced by our Governance Framework where decision making for key matters is delegated by subsidiaries to the Board. This ensures that activities carried out in the subsidiaries are overseen and managed by GSA for the purposes of reducing risk.



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Remuneration policy

GSA has the following governance arrangements in place in respect of remuneration:

- The annual pay settlement for colleagues is reviewed and recommended by the People and Culture Committee to the Board for approval.
- The remuneration of Executive Directors is approved by the People and Culture Committee.
- The Chief Executive's remuneration is a reserved matter for the Board, in line with the NHF Code of Governance 2020.
- The People and Culture Committee is responsible for the scrutiny of non-contractual payments made to colleagues, and for approving non-contractual payments made to Executive Directors.
- Board and Committee Member remuneration is recommended by the People and Culture Committee for approval.

Executive Directors terms and conditions and remuneration

Executive Directors are employed on either three or six-month notice periods.

Some Executive Directors are members of the Social Housing Pension Scheme, which includes both a closed defined benefit (final salary) and defined contribution pension scheme. They participated in the schemes on the same terms as all other eligible staff, and the Group contributed to the schemes on behalf of its employees.

Chief Executive remuneration

The Chief Executive has a formal contract of employment and this, together with the remuneration paid under it, are reviewed every two years. The last review took place in March 2025. Any non-contractual or discretionary payments to the Chief Executive must be approved by the Board.

People

A key strength of the Group lies in the quality and commitment of its colleagues. The Group's ability to meet its objectives and commitments to customers in an efficient and effective manner depends on the contribution of our employees. The Group aims to be an employer of choice in the areas in which it works.

Every year we complete an annual group employee engagement survey to provide feedback from across the business. We believe our colleagues' feedback is critical to the Group given our focus on colleague satisfaction and the direct impact we believe this has on customer satisfaction. Our latest survey was carried out in September 2025 where our participation rate was 63% and our overall engagement recorded 50%. To ensure that we remain focused on listening to our colleagues we have agreed on a regular business action plan to address the feedback received by colleagues which is reviewed by our Executive Team and our People and Culture Committee. At GSA we have an employee forum "Colleague Voices", which is our workforce representation group. Colleague Voices representatives have attended meetings of both the Board and People and Culture Committee in the last year to provide insight and feedback.

Equality, Diversity and Inclusion (EDI)

Our EDI mission is simple – we work towards becoming a diverse and inclusive organisation that reflects the communities and people we serve. We want to be described, and behave as, a fair and inclusive employer, service provider and landlord. This mission is at the core of the Group's strategy – Simpler, Stronger, Better – and purpose. In April 2026, the People and Culture Committee approved a single, integrated approach to embedding inclusion, wellbeing and engagement as critical enablers of the organisation's values. The unified culture plan defines a clear two-year roadmap for execution and impact.

Our mean gender pay gap has increased from 9.69% in 2024 to 12.12% in 2025 due to changes in the makeup of the organization. The group remains committed to fair and consistent pay practices across recruitment, pay progression and reward. We continue to improve our internal ethnicity pay gap measurement to help us increase the parameters that we review pay fairness from and in readiness for legislation implementation.

Our EDI ambassadors continue to be an important part of our approach to EDI, and we remain committed to improving the EDI data information we hold both for our customers and colleagues and have a number of workstream programmes within our strategy focused on addressing data gaps.

We are an active participant at a number of EDI forums and networking groups across the sector.

At Board level we continue to engage in equality and diversity upskilling sessions and remain committed to having a diverse board which reflects the communities we serve.

Modern slavery and human trafficking

Modern slavery can take many forms, including human trafficking and child labour. The Group will not tolerate modern slavery in any aspect of our business. We hold ourselves and our supply chains accountable with respect to compliance with the provisions of the Modern Slavery Act 2015 in our work. We publish our Modern Slavery Statement annually on the home page of our website.

Health and safety

The Board is clear on its responsibilities in all matters relating to health and safety. The Group has adopted robust health and safety policies and provides training and information on health and safety to colleagues and Board and Committee members.

Corporate health and safety and landlord safety KPIs are in place and reported to the Board and Operations Committee. KPIs include a range of measures such as the number of Reporting of Injuries, Diseases and Dangerous Occurrence Reporting (RIDDOR) incidents, and the number of near misses.

Environmental impact and carbon usage

GSA acknowledges that we have an impact on the environment both directly, through our business operations, and indirectly, through our supply chain and customers. Large UK companies are required to report publicly on their UK energy use and carbon emissions.

As GSA we are committed to continually improving our environmental performance and listen and engage a wide range of views so that we can strengthen our environmental credentials and continue to make a positive impact on society. We believe it is best practice to voluntarily disclose our emissions data, therefore partial disclosure of our emissions data is provided.

This table provides the carbon footprint for GSA at 31 March 2026. The prior year comparatives have been restated following a correction made to the data source.

Total Annual CO2 Emissions (tonnes)	**2025/26**	**2024/25**
Total emission from properties in management	52,429	57,987
Average emissions per property	2.40	2.44

The stock that we manage uses the following KWHM2 primary energy use:

	2025/26	**2024/25**
Property average kWh/m2/year	208	211
Total KWHM2 used by properties in management in year	4,615,369	4,916,718

UK energy use covers electricity, natural gas, direct diesel and mileage activities across all GSA Group entities. Estimates have been made where it has not been possible to obtain supplier detail.

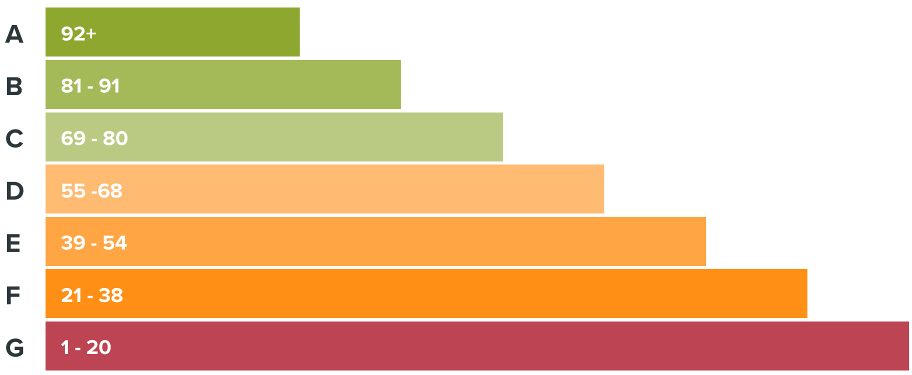
We produced additional carbon from our offices and from mileage as per the table below:

Total Annual CO2 Emissions (tonnes)	**2025/26**	**2024/25**
Properties in management	52,429	57,987
Fuel/mileage	792	2,813
Offices	163	253
Total emissions per property	**53,384**	**61,053**

Property EPC improvements

Dwellings in the UK are assessed and banded according to their energy efficiency. In England, Wales and Northern Ireland, there are seven bands labelled A to G:

Very energy efficient - lower running costs



Not energy efficient - higher running costs

Once assessed, a property is given an Energy Performance Certificate (EPC). Improvements are achieved by carrying out heating or thermal/energy efficiency upgrades to those properties. Typical upgrades include topping-up loft insulation and replacing boilers and electric heating systems with newer more efficient models.

We have reached the end (year 6) of our Energy KPI programme with NatWest. The purpose of this programme (which is also linked to a lending facility) is to improve the EPC rating of a number of GSA dwellings which currently sit in band 'D' or lower, so that they move into band 'C' or higher.

The following table illustrates the targets for all six years and the progress made.

Year of Programme	Energy KPI end of year	Energy KPI Target number of EPC improvements (minimal, on a cumulative basis)	Actual achieved end year	Cumulative improvements achieved	Cumulative target met?
1	31 March 2021	33	34	34	Y
2	31 March 2022	66	42	76	Y
3	31 March 2023	99	23	99	Y
4	31 March 2024	132	64	163	Y
5	31 March 2025	165	39	202	Y
6	31 March 2026	200	21	223	Y

This year we completed a further tranche of retrofit projects, and those homes which were reassessed in the same financial year are included in the figures above. We have met or exceeded our target in each of the six years.

The Group (in its capacity as lead bidder for the Matrix housing partnership) was also the lead partner for funding from Wave 2.1 of the Social Housing Decarbonisation Fund. This provided £3.3m of grant funding to add to a contribution from GSA of £7.3m, these funds were used to provide significant energy efficiency improvements to 273 of our homes up to March 2026. This will significantly reduce energy costs for these customers as well as bringing these homes up to a rating of EPC C – helping to meet our obligation as a social landlord to bring all homes to this level or above by 2030.

Moving forward, we are working with the West of England Combined Authority (WECA) and have secured part funding to improve the energy efficiency of a further 882 of our customer's homes. WECA has acted as the lead bidder for a group of 18 housing providers, known as the South West Net Zero Hub consortium, to the Warm Homes: Social Housing Fund. The fund is administered by the Department of Energy Security and Net Zero (DESNZ) and provides support to uplift the energy performance certificate (EPC) of social homes up to a 'C' rating. Over the next 3 years, those eligible to be part of the programme will receive a package tailored to their individual needs which may include installing new windows and doors, improving ventilation in the home and insulation works.

Control environment and internal controls

Introduction

The Board has overall responsibility for the system of internal control within GSA and for reviewing its effectiveness. Such a system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide the Board with reasonable and not absolute assurance against material misstatement or loss. The Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks to the achievement of the Group's strategic objectives. The process has been in place throughout the year to 31st March 2026 and up to the date of approval of the Annual Report and Financial Statements. The effectiveness of this process has been reviewed regularly by the Audit and Risk Committee which met seven times in 2025/26.

Under our Risk Management Framework it is the responsibility of the Chief Executive to review and manage operational risks and systems of internal controls. This is delegated to Executives and Directors by way of their operational responsibilities. The Chief Executive has provided the Board with assurance that the Group's internal controls are of an adequate level to provide reasonable assurance of:

- the reliability or integrity of financial, property and performance information,
- the safe, effective and efficient operation of our business,
- identification and management of risk,
- effective governance arrangements,
- compliance with the Regulator of Social Housing's regulatory standards,
- compliance with relevant UK and EU legislation; and
- the operation of the business in line with ethical standards of conduct.

During this year the Regulator of Social Housing carried out an inspection of GSA under the new regulatory framework which saw GSA awarded with gradings of G2, C2 and V2 in Autumn 2025. These gradings are currently under review.

We reported last year on our progress in eliminating a backlog of fire safety actions which remained following a comprehensive building safety programme which took place from 2021 to 2023. This year we have made strong progress in eliminating the backlog, reducing it to 212 overdue actions by the end of May 2026.

Internal control remains an area that we are still in the process of strengthening; this includes in relation to our financial performance and oversight.

The main processes and policies which the Board has established, and which are designed to provide effective internal control, are summarised below.

Identification and evaluation of key risks, monitoring and corrective action

i. Risks are regularly reviewed and updated, and risks are managed in accordance with our Risk Management Framework, approved by the Board at least annually. Risks have been scored in line with risk appetites and are documented. Where risk mapping has identified internal controls as being in existence, these controls are in place. Implementation of any improvements to controls identified by the risk mapping process are monitored by the Executive, Audit and Risk Committee and by the Board.

ii. Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls, and restrict the unauthorised use of GSA's assets. There is an effective policy framework that supports GSA in meeting its regulatory and statutory responsibilities.

iii. An Anti-Fraud Policy and Procedure (including tax evasion) and Anti Bribery and Corruption Policy are in place covering the prevention, detection and reporting of fraud, the recovery of assets and the prevention of bribery.

iv. GSA's governance policies and procedures have been reviewed and updated where applicable to ensure their robustness.

Control environment and control procedures

i. Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place in order to maintain standards of performance.

ii. The Executive and Leadership Team are supportive of the internal audit function and respond appropriately to all recommendations for improvement in internal controls, and direct colleagues reporting to them do the same.

Information and financial reporting systems

i. Forecasts and budgets are prepared which allow the Board and Executive to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term. The Group's 30-year financial plan and Financial Golden Rules set the overall framework for the management of the Group's financial performance.

ii. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.

iii. Appropriate measures have been taken to ensure compliance with the requirements of the Data Protection Act 2018 and the UK's General Data Protection Regulation (UK GDPR)

iv. A rigorous and independent review and assessment of key areas of the business is undertaken by our internal auditors through a phased programme of internal audits. Reports and recommendations are received and acted upon by the Executive with presentations given directly to the Audit & Risk Committee to endorse the findings. During the 2025/26 financial year, internal audit services were provided by KPMG.

Accounting policies

The Group prepares its financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102).

The Group and Association's principal accounting policies are set out in note 2 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and capital grants, pension costs and financial instruments. This also includes capitalisation of interest and development administration costs, housing property depreciation and treatment of shared ownership properties.

Principal accounting policies have been updated to include significant accounting judgements and estimates that management have made which have the most significant effect on the amounts recognised in the financial statements.

Significant judgements relate to the classification of loans as basic financial instruments, impairment of tangible fixed assets, and the impairment of investments, intangibles and the capitalisation of development costs.

Accounting estimates relate to the useful lives of depreciable assets where management reviews its estimate at each reporting date based on the expected utility of the assets; the recoverable amounts of rental debtors where provision is made for potential non recovery based on the total amount of former tenant arrears; obligations under defined benefit pension schemes which is provided by the scheme administrator and has been formulated based on a series of assumptions as set out in Note 26 to the financial statements; the allocation of costs for mixed tenure developments; shared ownership sales on a basis which management deems appropriate; and fair value measurement of assets where in the absence of an active market the best information available is used.

During the year, the Group identified an error in the estimation of recoverable service charge deficits recognised in the prior year financial statements. The error arose from deficiencies in the calculation methodology used to allocate costs between fixed and variable service charges to determine the recoverable balances. As a result, the comparative information has been restated, reducing retained earnings at 1 April 2025 by £3,976k and increasing operating costs by the same amount. The impact of the restatement is disclosed in Note 33 to the financial statements.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report on page 5. In making its judgement on the future viability of the organisation, the Board has carried out a review of the impact of challenges from both the external environment and regulatory changes. and how we will protect financial viability through strategies to mitigate impacts.

The Board and Executive Management Team have proactively reviewed and managed financial performance of the organisation throughout the year.

Services are considered well managed and contributions to the organization are understood. Clear plans are in place for activities which no longer fit organisational requirements through our divestment programme. Future efficiency savings are planned though the Simply Stronger Better strategy.

We have robust cash flow management processes in place, Board have approved a clear Financial Plan, and have agreed and updated the Treasury Management policy, including financial golden rules which ensure that we always maintain sufficient liquidity levels and headroom against funder covenants.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group's long-term business plan shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

The Financial Plan has been subject to a number of severe multi-variant stress testing scenarios surrounding the economic, operational and housing market impacts and the mitigating actions that could be taken to ensure the Association remains viable and within loan covenants, as required.

In making their assessment, the Board has undertaken a detailed review of the future plans of GSA, its liquidity levels, the financial plan outputs, stress testing and risk mitigations. The organisation has adequate cash to meet its obligations, always remains compliant with funders' covenants, and manages its financial and operational risk for the foreseeable future, which is at least 12 months from the signing of the financial statements. It has therefore concluded that the organisation is a going concern and we have prepared these financial statements on that basis.

Statement of the responsibilities of the Board for the Report and Financial Statements

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards as reflected in FRS102 and applicable laws).

Under the Co-operative and Community Benefit Society legislation the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association for that period.

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

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers update 2018, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each member of the Board is aware:

- there is no relevant audit information of which the Association's auditor are unaware; and
- the Board has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to reappoint BDO LLP as auditor will be proposed at the forthcoming Annual General Meeting. The report of the Board was approved on 4 August 2026 and signed on its behalf by:

C Dennis
Board Member

R Cooke
Chief Executive

Independent auditors' report to the members of GreenSquareAccord Limited

Opinion on the Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group and of the Association's affairs as at 31 March 2026 and of the Group and the Association's deficit and the Group's and the Association's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of GreenSquareAccord Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2026 which comprise of the following:

- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in reserves
- Consolidated statement of cash flows
- Association statement of comprehensive income
- Association statement of financial position
- Association statement of changes in reserves
- Notes 1 to 34 to the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Group and the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Association's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of the going concern status of the Group and the Association which included forecasts and stress-testing covering a period of 12 months from the date of sign off of the financial statements;
- Obtaining and assessing the availability of financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations through to March 2028 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements;
- Considering the appropriateness of the Board's forecasts by testing their mathematical accuracy, assessing historical forecasting accuracy and understanding the Board's consideration of downside sensitivity analysis;

- Re-performing sensitivities on the Board's base case and stressed case scenarios, considering the likelihood of these occurring and understanding and challenging the mitigating actions the Board would take under these scenarios; and
- Assessing the going concern disclosures against the requirements of the accounting standards and assessed the consistency of the disclosures with the Board's forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Association's ability to continue as a going concern.

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

Overview

		2026	**2025**
Key audit matters	Management override of controls	✓	✓
Materiality	**Group financial statements as a whole** £38m (2025: £35.2m) based on 1.7% (2025: 1.6%) of total assets.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

There are 6 entities within the Group, including the Parent Association. In addition, there is a joint venture, in which the Group has a 50% share. The nature of the entities in the Group is as follows:

- Parent and Charitable Registered provider of social housing
- One entity manufacturers low carbon flat pack homes for the Group and externally
- One entity is the development vehicle, which develops properties for sale
- One entity is responsible for the management and development of estate land throughout the Group
- Two entities are dormant and have no financial impact on the financial statements

We performed risk assessment procedures to identify areas in the Group's financial statements that may be at risk of material misstatement. We used both qualitative and quantitative factors to perform this assessment including evaluating the size, complexity, and nature of each entity's activities, reviewing significant transactions or estimates and any changes in the business environment. The Group is centrally managed, with the Group Finance team controlling the processes and controls for all entities within the Group.

We identified the specific areas that could lead to a material misstatement at Group level. As part of our Group audit, we assessed each component against the risks of material misstatement identified.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component Name	Entity	Group Audit Scope
1	GSA	GreenSquareAccord Limited	Statutory audit and procedures on the entire financial information of the component.
2	LoCaL Homes	LowCarbonLiving Homes Limited	Procedures on one or more classes of transactions, account balances.
3	GS Homes	GreenSquare Homes Limited	
4	GS Estates	GreenSquare Estates Limited	
5	Sharpness	Sharpness Development LLP	
6	GSA 1	GreenSquareAccord 1 Limited	

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit.

Procedures performed centrally

The Group manages its operations from multiple locations within the UK however has centrally managed financial systems, processes and controls. We considered there to be a high degree of centralisation of financial reporting and commonality of controls as well as similarity of the Group's activities in relation to:

- Impairment of housing assets;
- Recoverable amount of inventory;
- Tax balances;
- Consolidation, financial statement preparation and cash flow statement;
- Going concern; and
- Laws and regulations

We therefore designed and performed procedures centrally in these areas.

The Group operates a centralised IT function that supports IT processes for certain components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Changes from the prior year

There were no significant changes in Group audit scope from the prior year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>Management override of control</td><td>Management override is a key audit matter because it poses a significant risk of material misstatement, allowing Management to bypass controls and potentially alter financial records.

Due to economic pressures and the level of reported deficit, there is an inherent risk that management may be motivated to distort financial performance.

Distortions may be initiated either via the posting of inappropriate journals or through bias in the application of judgements and estimates.

Managements judgements and estimates are explained in the accounting policies section of note 2 to the financial statements.

For these reasons we consider this to be a key audit matter.</td><td>Our response included the following:

Journals
◆ Perform an assessment of characteristics associated with journals that may exhibit features associated with potential management override of control, including fraud.
◆ Extract all transactions recorded in the year, perform a reconciliation to verify the completeness of the population, including both manual and automated journals, and isolate all journals that exhibit previously determined features associated with potential management override of control, including fraud.
◆ Characteristics include unusual journal combinations associated with revenue recognition.
◆ Check the legitimacy and appropriateness of the transactions by reviewing supporting documentation.
◆ Randomly select journal entries from the financial records and review these entries for any anomalies or inconsistencies that might indicate errors or irregularities..

Journals and estimates
Review of significant judgements and estimates made by management for bias, including the impairment of housing properties, rent arrears provision, defined benefit pension scheme assumptions, impairment of investments and scheme rectification costs.

Key observations
Based on the evidence obtained we did not identify any indications that financial statement information has been subject to material misstatement due to management override of control.</td></tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Association financial statements	
	2026 £m	**2025 £m**	**2026 £m**	**2025 £m**
Financial statement materiality				
Materiality	£38m	£35.2m	£38m	£34.8m
Basis for determining materiality	1.7% of total assets	1.6% of total assets	1.7% of total assets	1.6% of total assets
Performance materiality	£28.5m	£24.6m	£27.1m	£24.5m
Basis for determining specific performance materiality	75% of materiality	70% of materiality	75% of materiality	70% of materiality
Specific materiality				
Specific Materiality	£4.7m	£4.4m	£4.5m	£4.1m
Basis for determining specific materiality	2.25% of revenue	2% of revenue	2.25% of revenue	2% of revenue
Specific performance materiality	£3.5m	£3.1m	£3.4m	£2.8m
Basis for determining specific performance materiality	75% of materiality	70% of materiality	75% of materiality	70% of materiality

Rationale for the benchmarks applied

A housing association's key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using Revenue as the benchmark to these balances and transactions.

We have determined that 75% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Association whose materiality and performance materiality are set out above, based on a percentage of 75% (2025: between 80% and 95%) of Group performance materiality dependent on a number of factors including the components control environment, their relative size, the level of disaggregation, the degree of public interest, and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £25.6m to £27.1m (2025: £19.5m to £24.5m).

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £1.9m (2025: £1.0m) in relation to financial statement materiality and £0.2m in relation to specific materiality (2025: £0.15m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of the Responsibilities of the Board for the Report and Financial Statements, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, tax legislation, the Regulator of Social Housing's Regulatory Standards, data protection, building safety and health and safety legislation.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Enquiries of management as to whether there was any correspondence with regulatory and tax authorities or any instances of non-compliance with laws and regulations, and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Group Audit and Risk Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be improper revenue recognition and management override in relation to accounting estimates and journal posting.

Our procedures in respect of the above included:

- Testing all journal entries that met defined risk criteria, as well as a random sample from the non-risky population, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including:
  - impairment indicators and assumptions associated with determining recoverable amount within housing properties; and
  - the suitability of key assumptions associated with the determination of the present value of defined benefit pension scheme obligations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

TThis report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP
Statutory Auditor
Gatwick

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2026

	Note	2026 £000	2025 restated £000
Turnover	3	208,932	221,900
Operating costs	3	(177,843)	(172,296)
Cost of sales	3	(4,409)	(19,096)
Non-recurring operating costs	3,6	(3,897)	(14,048)
Total operating expenses		(186,149)	(205,440)
Gain on disposal of properties	3,7	24,859	17,535
Operating surplus	**3,6**	**47,642**	**33,995**
Interest receivable and other income	8	3,577	2,285
Interest payable and financing costs	9,26	(51,886)	(53,785)
Share of operating deficit in Joint Ventures		(78)	(74)
Deficit before tax		**(745)**	**(17,579)**
Taxation	12	-	-
Deficit for the year		**(745)**	**(17,579)**
Movements in fair value of cash flow hedged financial instrument	23	345	(23)
Actuarial gain in respect of pension schemes	26	55	1,462
Total comprehensive (deficit)/income for the year		**(345)**	**(16,140)**

The consolidated results relate wholly to continuing operations. The accompanying notes on pages 51 to 93 form part of these financial statements.

The Financial statements were authorised and approved by the Board on 4 August 2026.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Association Statement of Comprehensive Income
for the year ended 31 March 2026

	Note	2026 £000	2025 restated £000
Turnover	3	199,876	204,846
Operating costs	3,6	(168,261)	(166,084)
Cost of sales	3	(2,643)	(4,804)
Non-recurring operating costs	3,6	(6,779)	(23,426)
Total operating expenses		(177,683)	(194,314)
Gain on disposal of properties	3,7	24,859	17,535
Operating surplus	**3,6**	**47,052**	**28,067**
Interest receivable and other income	8	3,584	2,985
Interest payable and financing costs	9,26	(51,884)	(53,823)
Qualifying charitable donations		280	250
Deficit before tax		**(968)**	**(22,521)**
Taxation	12	-	-
Deficit for the year		**(968)**	**(22,521)**
Movements in fair value of cash flow hedged financial instruments	23	345	(23)
Actuarial gain in respect of pension schemes	26	55	1,462
Total comprehensive deficit for the year		**(568)**	**(21,082)**

The consolidated results relate wholly to continuing operations. The accompanying notes on pages 51 to 93 form part of these financial statements.

The Financial statements were authorised and approved by the Board on 4 August 2026.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated Statement of Financial Position
at 31 March 2026

	Note	2026 £'000	2025 restated £'000
Fixed Assets			
Intangible fixed assets	13	3	8
Tangible fixed assets - housing properties	14	2,067,661	2,051,127
Fixed asset investments	17	48	100
Investment in joint ventures	15	1,500	1,500
Tangible fixed assets - other	16	22,280	22,077
		2,091,492	**2,074,812**
Current Assets			
Stock and properties held for sale	18	3,920	4,150
Trade and other debtors	19	21,586	24,420
Investments	20	-	516
Cash at bank and in hand		122,823	90,604
		148,329	**119,690**
Creditors: amounts falling due within one year	21	(165,502)	(118,036)
Net current (liabilities)/assets		(17,173)	1,654
Total assets less current liabilities		**2,074,319**	**2,076,466**
Creditors: amounts falling due after more than one year	21	(1,518,685)	(1,518,472)
Net pension liability	26	(6,363)	(8,976)
Provisions for liabilities	27	(4,437)	(3,839)
Total Net Assets		**544,834**	**545,179**
Capital and reserves			
Non-equity share capital	28	-	-
Cash flow hedge reserve	23	336	(23)
Restricted reserve		468	396
Revaluation reserve		147,964	150,549
Revenue reserves		396,066	394,257
Total Reserves		**544,834**	**545,179**

The consolidated results relate wholly to continuing operations. The accompanying notes on pages 51 to 93 form part of these financial statements.

The Financial statements were authorised and approved by the Board on 4 August 2026.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Association Statement of Financial Position
at 31 March 2026

	Note	2026 £'000	2025 restated £'000
Fixed Assets			
Intangible fixed assets	13	3	8
Tangible fixed assets - housing properties	14	2,068,925	2,052,256
Fixed asset investments	17	-	-
Tangible fixed assets - other	16	22,280	22,077
		2,091,208	**2,074,341**
Current Assets			
Stock and properties held for sale	18	3,329	2,052
Trade and other debtors	19	20,906	25,046
Investments	20	-	516
Cash at bank and in hand		121,008	86,423
		145,243	**114,037**
Creditors: amounts falling due within one year	21	(165,061)	(114,518)
Net current liabilities		(19,818)	(481)
Total assets less current liabilities		**2,071,390**	**2,073,860**
Creditors: amounts falling due after more than one year	22	(1,517,833)	(1,517,797)
Net pension liability	26	(6,363)	(8,976)
Provisions for liabilities	27	(2,373)	(1,698)
Total Net Assets		**544,821**	**545,389**
Capital and reserves			
Non-equity share capital	28	-	-
Cash flow hedge reserve	23	336	(23)
Restricted reserve		249	219
Revaluation reserve		147,964	150,549
Revenue reserves		396,272	394,644
Total Reserves		**544,821**	**545,389**

The consolidated results relate wholly to continuing operations. The accompanying notes on pages 51 to 93 form part of these financial statements.

The Financial statements were authorised and approved by the Board on 4 August 2026.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated Statement of Changes in Reserves
for the year ended 31 March 2026

	Cash Flow Hedge Reserve £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
Balance as at 1 April 2024	**-**	**152,132**	**258**	**408,929**	**561,319**
Deficit for the year (restated)	-	-	-	(17,579)	(17,579)
Actuarial gain on pension schemes in year	-	-	-	1,462	1,462
Movement in cash flow hedge	(23)	-	-	-	(23)
Total comprehensive income for the year	(23)	-	-	1,462	1,439
Reserve transfers:					
Restricted reserve	-	-	138	(138)	-
Revaluation reserve	-	(1,583)	-	1,583	-
As at 31 March 2025 (restated)	**(23)**	**150,549**	**396**	**394,257**	**545,179**
Deficit for the year	-	-	-	(745)	(745)
Actuarial gain on pension schemes in year	-	-	-	55	55
Movement in cash flow hedge	359	-	-	(14)	345
Total comprehensive income for the year	359	-	-	41	400
Reserve transfers:					
Restricted reserve	-	-	72	(72)	-
Revaluation reserve	-	(2,585)	-	2,585	-
Balance as at 31 March 2026	**336**	**147,964**	**468**	**396,066**	**544,834**

Association Statement of Changes in Reserves
for the year ended 31 March 2026

	Cash Flow Hedge Reserve £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
As at 1 April 2024	**-**	**152,132**	**136**	**414,203**	**566,471**
Deficit for the year (restated)	-	-	-	(22,521)	(22,521)
Actuarial gain on pension schemes in year	-	-	-	1,462	1,462
Movement in cash flow hedge	(23)	-	-	-	(23)
Total comprehensive income for the year	(23)	-	-	1,462	1,439
Reserve transfers:					
Restrictive reserve	-	-	83	(83)	-
Revaluation reserve	-	(1,583)	-	1,583	-
As at 31 March 2025 (restated)	**(23)**	**150,549**	**219**	**394,644**	**545,389**
Deficit for the year	-	-	-	(968)	(968)
Actuarial gain on pension schemes in year	-	-	-	55	55
Movement in cash flow hedge	359	-	-	(14)	345
Total comprehensive income for the year	359	-	-	41	400
Reserve transfers:					
Restrictive reserve	-	-	30	(30)	-
Revaluation reserve	-	(2,585)	-	2,585	-
As at 31 March 2026	**336**	**147,964**	**249**	**396,272**	**544,821**

During the year, the group identified an error in the prior year financial statements relating to deficiencies in the calculation methodology used to estimate recoverable service charge deficits. As a result, prior year comparatives have been restated. The adjustment has resulted in a decrease of £3,976k in retained earnings at 1 April 2025, and a corresponding increase in operating costs (see Note 33).

The accompanying notes on pages 51 to 93 form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	**30**	**136,531**	**168,375**
Cash flow from investing activities			
Interest received and similar income		3,577	2,285
Purchase and refurbishment of housing properties		(58,601)	(79,380)
Payments to acquire other tangible fixed assets		(4,383)	(8,336)
Payments to acquire investments		-	(1,583)
Receipts from Investments		516	-
Receipt of government grants		3,515	2,811
Receipt of other grant		-	5,853
		(55,376)	**(78,350)**
Cash flow from financing activities			
Interest and refinance charges paid		(55,256)	(57,658)
Issue costs on new long-term loans		(457)	(658)
New long-term loans		63,000	207,000
Repayment of long-term loans		(56,223)	(196,606)
		(48,936)	**(47,922)**
Net change in cash and cash equivalents	**31**	**32,219**	**42,103**
Cash and cash equivalents at beginning of the year		90,604	48,501
Cash and cash equivalents at end of the year		**122,823**	**90,604**

The accompanying notes on pages 51 to 93 form part of these financial statements.

Notes to the Financial Statements

1. Legal status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered housing provider in England. The Association is a public benefit entity.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Association have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Board is satisfied that the current accounting policies are the most appropriate for the Group and Association. The financial statements are presented in Sterling (£'000).

The Group and Association has taken advantage of transitional relief set out in FRS102 to carry fixed assets at for deemed cost and treated all grant on transition under the performance model with subsequent grants under the accrual model.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Disclosure exemptions In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement or net debt reconciliation has been presented for the Association;
- Disclosures in respect of the parent Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Association as their remuneration is included in the totals for the group as a whole. The following principal accounting policies have been applied.

Basis of consolidation

The Association is required by statute to prepare Group accounts. The consolidated financial statements incorporate the financial statements of all members of the Group as at 31 March 2026.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group balances and transactions, including unrealised profits, have been eliminated on consolidation.

Jointly controlled entities

The Group participates in a joint venture that involves the establishment of a partnership. As such, this jointly controlled entity is accounted for using the equity method of accounting under which the equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the Groups share of the profit or loss.

Business combinations

Acquisitions (of subsidiary companies) are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the Statement of Comprehensive Income in the periods in which the non-monetary assets are recovered.

Going concern

The accounts have been prepared on a going concern basis.

The Board have reviewed cash flow forecasts for GSA, prepared on the Group for at least 12 months from the date of approval of these financial statements (the going concern period).

The board has considered the impact on each business activity as part of their assessment and are confident that services are well managed and continue to make positive contributions to the organisation. We have robust cash flow management processes in place, have a Board approved combined financial plan and updated our Treasury Management policy including financial golden rules which ensure that we maintain sufficient liquidity levels and headroom against funder covenants at all times. The financial plan has been subject to a number of severe multi-variant stress scenarios surrounding the economic, operational and housing market impacts and the mitigating actions that could be taken to ensure the Group remains within existing cash facilities and covenants, if required.

We have a portfolio of housing assets which provide a secure income stream and long-term debt facilities in place to fund our committed reinvestment and development programme. Our care activities are diversified and built on strong, well established relationships with local Authorities.

GSA has liquid cash of £122.8m at the year end, plus additional liquidity from secured borrowing facilities and overdraft. As at 31 March 2026 the Group had total facilities of £1,347m (2025: £1,365m) of which £1,162m were drawn. The £25m reduction in available facilities reflects the drawdown of a term loan used to repay higher margin debt, improving interest efficiency. The total available facilities not drawn more than offset the net current liability shown in the current year.

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programme, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

In making their assessment, the Board has undertaken a detailed review of the future plans of GSA, liquidity levels, the financial plan outputs, stress testing and risk mitigations. The organisation has adequate cash to more than meet its obligations, remain compliant with funders covenants at all times and manage its financial and operational risk for the foreseeable future, which is at least 12 months from the signing of the financial statements. It has therefore concluded that the organisation is a going concern and have prepared these financial statements on that basis.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Investments

The Group has reviewed the value of our investment in a joint venture for open market sale, reflecting ongoing uncertainty around the timelines and route to completion for the scheme. In addition, the Association recognised further impairments reflecting the costs associated with the Group's strategic decision to reduce and/or exit from commercial activity in subsidiaries. These impairments represent the write off and provision for intercompany loan balances, to the extent that these cannot be repaid.

Financial Instruments

The Group has reviewed its loan agreements and classified all loans as 'Basic' financial instruments. We consider any fixed rate debt with two-way early redemption indemnity clauses to be held for the long term as per treasury strategy and be non-speculative. In addition, the commercial substance of the transaction is neutral to the lender such that should a prepayment event occur the full principal and interest will be due and no economic benefit will accrue to the Association. This satisfies the 'Basic' requirements as set out in Paragraph 11.9 of FRS102.

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation, management monitors the asset and considers whether changes indicate that impairment is required.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different. The following are estimates made in applying the accounting policies of the Group that have the most effect on the financial statements:

Recoverable amounts of rental and other trade receivables and current assets

The recoverable amounts of rental and other trade receivables and current assets are reviewed regularly by management and appropriate provisions calculated for potential non recovery. The provision for rental debtors is based on the level of arrears owing by former tenants, other trade debtors is based on management's view of the recoverability of the debt outstanding.

Obligations under defined benefit pension schemes (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as appropriate rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 26). The gross liability at 31 March 2026 was Group and Association: £64.9m (2025: £64.5m). The net liability at 31 March 2026 was Group and Association: £6.4m (2025: £9.0m).

Allocation of costs for mixed tenure developments and shared ownership sales

Costs relating to mixed tenure developments and shared ownership sales are apportioned on a basis that management deems to be appropriate and can be calculated on unit basis or floor area basis.

Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Group Accumulated depreciation at 31 March 2026 was £275.9m including other fixed assets.

Property developed for sale

The value of work in progress is reviewed against its net realisable value, based on 3rd party valuations of the expected proceeds for all schemes with homes for sale at the balance sheet date. Any further costs to complete are reviewed in line with detailed budgets and forecasts.

Property impairment

As part of the Group's continuous review of the performance of their assets, management identify any homes, or schemes, that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors, along with a range of other events, are considered to be an indication of impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.

For general needs housing, value in use is determined using an Existing Use Value – Social Housing (EUV-SH) basis. This reflects the present value of future cash flows expected from the properties, including rental income and associated costs, discounted at a rate reflecting the risks specific to the sector. For shared ownership schemes, impairment assessments reflect:

- The unsold equity retained by the Group
- Expected future rental income on unsold shares
- Anticipated staircasing receipts, including assumptions regarding the timing and proportion of equity sales

Value in use calculations incorporate:

- Market sales values for staircased shares
- Discount rates reflecting development and sales risk
- Assumptions regarding customer demand and sales absorption rates

Where properties are classified as current assets, they are measured at the lower of cost and net realisable value.

Impairments have been recognised on a number of general needs schemes as well as two shared ownership schemes.

Costs incurred in respect of potential developments are capitalised only where the recognition criteria of FRS 102 are met and future economic benefits are probable. Where projects do not proceed or are abandoned, any costs previously capitalised are written off to profit or loss. Costs incurred on abortive activities that do not meet capitalisation criteria are expensed as incurred.

GSA completed its annual impairment review on housing property fixed assets where the above triggers were identified on certain properties.

Closure of subsidiary and associated costs

The Group assesses decisions to close or wind down subsidiaries in accordance with FRS 102. FRS 102 does not require separate presentation of discontinued operations, as such all group entities are included within continuing operations.

Where the Group commits to a formal plan to close a subsidiary and has created a valid expectation among affected parties, a provision is recognised for the unavoidable costs of closure in accordance with FRS 102 Section 21.

Closure provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. This requires significant judgement, particularly in estimating:

- Redundancy costs and timing of payments
- Lease exit costs and property-related obligations
- Final settlement of contractual obligations

Actual costs may differ from estimates due to changes in timing, negotiations, and market conditions.

Turnover and revenue recognition

Turnover comprises rental and service charge income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting after deducting voids. The Group adopts both the fixed and variable method for calculating and charging service charges to its tenants and leaseholders' dependant on the lease agreement in place. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a leaseholder sinking fund. Income is recorded based on the estimated amounts chargeable.

Income from first tranche sales and sales of properties built for sale is recognised at the point of practical completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for care and support services recognised as they fall due under the contractual arrangements with administering authorities. Within other income, timber frame income in LoCaL Homes is recognised on the delivery of goods, income from GS Estates is recognised when services are supplied and income from floating support and managed agents is recognised as they fall due under the contractual arrangements.

Long term contracts

The Group adopts the percentage completion method of accounting for long term construction contracts. Revenues and profits are recognised over the life of the contract based on the degree of completion of the construction project. Where a contract is anticipated to make a loss over the life of the contract, the full loss is recognised immediately.

Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and is not recoverable from HM Customs and Excise. The balance of VAT payable or recoverable at the year-end is included as a current liability or current asset.

Taxation

The Association is accepted as a charity by HM Revenue and Customs (HMRC). Income and capital gains of the Association are generally exempt from tax if applied for charitable purposes.

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- The group is able to control the reversal of the timing difference; and
- It is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The Group primarily operates a defined contribution pension scheme, the costs of which are written off to the Income and Expenditure account in the period in which they are incurred.

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The Group participates in a SHPS defined benefit scheme. The difference between the fair value of the assets held and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Further details are provided in note 26.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as current asset and related sales proceeds included in turnover and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Stock acquired from other Housing Providers is recognised at cost at the point of acquisition and any related grant transfers to the Group.

Impairment

Annually housing properties are assessed for impairment indicators. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.

Depreciation of social housing properties

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

Management reviews its estimates of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standards which may require more frequent replacement of key components.

The Group depreciates the major components of its housing properties at the following annual rates:

Building structure	125 years
Roofs	60 years
Bathrooms	30 years
Kitchens	20 years
Heating	15 years
Lifts	30 years
Windows	30 years
Doors	30 years
Fascias and guttering	30 years
Solar panels	25 years

Freehold land is not depreciated.

Costs associated with fire compartmentation and fire stopping works are treated as an enhancement to either building structure or roofs depending on the work done.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Properties for sale

Expenditure on shared ownership properties is split proportionately between current and fixed assets based on the element relating to first tranche sales. The first tranche is classed as current asset and related sales proceeds are included in turnover, and the remaining element is classed as a fixed asset and is included in housing properties at cost, less any provision of depreciation or impairment. Further details are set out in note 14.

Completed properties for first tranche shared ownership and outright sale are valued at the at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises materials, direct labour and direct development overheads.

Capitalisation of interest costs

Interest on borrowings is charged to housing properties under construction up to the date of completion of each scheme. The interest charged is either on borrowing specifically for a scheme or net borrowings, to the extent that they are deemed to be financing a scheme based on the weighted average cost of capital. This treatment applies irrespective of the original purpose for which the loan was raised. Further details are set out in note 9.

Other interest payable is charged to income and expenditure in the year.

Intangible fixed assets and goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the excess of the fair value of the consideration over the fair value of the assets, liabilities and contingent liabilities acquired on acquisition of subsidiaries. Identifiable intangibles are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The estimated useful life of goodwill is 10 years.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the consolidated statements of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets. Other tangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Customer contracts	10 years
Computer software	4 years

The Group reviews its intangible fixed assets and goodwill for indicators of impairment on an annual basis. Where such indicators are identified the resulting impairment is recognised as operating expenditure.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold offices	50-75 years
Furniture, fixtures and fittings	5-10 years
Computers and office equipment	3-6 years
Leasehold improvements	In accordance with lease term
External visitor pods	10 years
Motor vehicles	5 years
Service charge equipment	5-30 years

Gains and losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Debtors

Short term debtors are measured at the transaction price, less any impairment. Where deferral of payment terms has been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

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

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Investments

Investments in subsidiary undertakings and joint ventures are held at cost, less provision for impairment where necessary. Cost is purchase price, including expenses.

Qualifying charitable donations

The parent entity only recognises qualifying charitable donation income within income when a donation is paid.

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model.

Government grants released on the sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Other grants

Grants relating to revenue are recognised in income and expenditure using the performance method, over the same period as the expenditure to which they relate once reasonable assurance has been gained that the Association will comply with the conditions and that the funds will be received. Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable.

A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Supported housing managed by agencies

Social housing capital grants are claimed by the Group as developer and owner of the property and included in the balance sheet of the Group. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Group and its managing agents and on whether the Group carries the financial risk.

Where the Group holds the support contract with the Supporting People Administering Authority and carries the financial risk, all the project's income and expenditure is included in the Group's income and expenditure account.

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Group.

Other long term creditors

Other long-term creditors include the costs of arranging long term funding. These amounts are amortised over the period of the underlying financial instrument. Loan termination costs are charged to the statement of comprehensive income in the year in which they are incurred.

Provisions for liabilities

Provisions are recognised when:

a) there is a present obligation (legal or constructive) as a result of a past event;
b) it is probable the Group will be required to settle the obligation; and
c) a reliable estimate of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income as it arises.

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured as the salary cost payable for the period of absence.

Leased assets

Where the Group enters into a lease or leaseback which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a loan liability. The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Basic financial instruments are recognised at amortised historical cost.

Non-basic financial instruments are initially recognised at transaction price, then subsequently at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure (unless hedge accounting is applied). The Group and Association have not adopted hedge accounting for the financial instruments. Direct costs incurred in connection with the issue of a basic financial instrument are deducted from the proceeds for the issues and amortised over the life of the instrument.

Hedging

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable transaction, which could affect income or expenditure. They are measured at fair value at each reporting date. Gains and losses on cash flow hedges which are highly effective are recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve. Any ineffective portion of a gain or loss on cash flow hedges is recognised in the Statement of Comprehensive Income.

In order to apply hedge accounting, an economic relationship must exist between the hedged item and the hedging instrument. The Group must formally designate and document the hedging relationship at inception so that the risk being hedged, the hedged item and the hedging instrument are clearly identified, and the risk management objective and for undertaking the hedge.

It is also required to determine and document the causes of hedge ineffectiveness. In a cash flow hedge, if the hedged future cash flows are no longer expected to occur, the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to the Statement of Comprehensive Income immediately.

The groups stand-alone swaps satisfy the above criteria, and the group has chosen to test the effectiveness of its hedges annually.

Current asset investments

Investments are stated at market value. Any revaluation of investments is reflected in the Changes in Reserves. Diminutions beyond the level of the revaluation reserve for investments are charged to the Statement of Comprehensive Income.

Liquid resources

Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours, that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits, as well as short-term investments with an original maturity of three months or shorter. It also includes those overdrafts which are repayable on demand and form an integral part of the Group's cash management strategy. Restricted cash of £6,956k (2025: £6,378k) is held in relation to sinking funds held for long term maintenance needs at leasehold schemes.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions and designated reserves where their reserves are earmarked for a particular purpose.

Hunts Close Reserve

Following the transfer of the assets and liabilities from Oxfordshire Charitable Housing Trust, the Group set up a restricted reserve to fund extra repairs, improvements and an element of service charges in relation to properties at Hunts Close. The balance as at 31 March 2026 was £237k (2025: £207k).

Clackersbrook Reserve

One of the Group's subsidiaries undertakes the management of public open spaces. The company has set up a designated reserve to set aside adequate resources per the management agreement in relation to any residual surplus on the properties managed at Clackersbrook. The balance as at 31 March 2026 was £219k (2025: £177k).

Revaluation Reserve

The revaluation reserve arose on transition to FRS102 for Westlea Housing when properties went to deemed cost. When the properties are sold, the related valuation increases, and then released from the revaluation reserve to the I&E reserve.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3. Turnover, Cost Of Sales, Operating Costs and Operating Surplus: Group

	Turnover	Cost of Sales	Operating Costs	Non-recurring operating costs	Surplus on disposals	2026 Operating surplus/ (deficit)	2025 restated Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 4)	185,318	-	(153,668)	(1,341)	-	30,309	35,291
Other social housing activities:							
Supporting people contract income	3,425	-	(3,363)	-	-	62	256
Development costs not capitalised	-	-	(9)	-	-	(9)	(217)
Management administration	193	-	(21)	-	-	172	355
Development scheme rectification costs	-	-	-	(1,093)	-	(1,093)	-
First tranche shared ownership sales	3,157	(2,643)	-	-	-	514	1,170
Dementia schemes loss on sale	-	-	-	-	-	-	(2,470)
Other	1,613	-	(1,521)	-	-	92	104
	8,388	(2,643)	(4,914)	(1,093)	-	(262)	(802)
Activities other than Social Housing:							
Market rent lettings and other commercial initiatives	6	-	(9)	-	-	(3)	10
Registered nursing homes	143	-	(566)	-	-	(423)	(389)
Student accommodation lettings	-	-	-	-	-	-	(119)
Development for sale	900	(1,766)	(520)	-	-	(1,386)	(1,923)
Domiciliary care & floating support services	2,780	-	(3,046)	-	-	(266)	(284)
Office strategy costs	-	-	-	(603)	-	(603)	-
Joint venture impairment	-	-	-	-	-	-	(3,662)
Construction services	3,241	-	(4,323)	-	-	(1,082)	(3,291)
Other subsidiary activities *	8,156	-	(9,520)	(509)		(1,873)	(4,059)
Projects & other costs	-	-	(1,277)	(351)	-	(1,628)	(4,312)
	15,226	(1,766)	(19,261)	(1,463)	-	(7,264)	(18,029)
Gains on disposal of housing properties (note 7)	-	-	-	-	24,859	24,859	17,535
	208,932	**(4,409)**	**(177,843)**	**(3,897)**	**24,859**	**47,642**	**33,995**

*Other subsidiary activities include LoCaL Homes timber framed unit sales and estate management income from GreenSquare Estates.

3. Turnover, Cost Of Sales, Operating Costs and Operating Surplus: Association

	Turnover	Cost of Sales	Operating Costs	Non-recurring operating costs	Surplus on disposals	2026 Operating surplus/ (deficit)	2025 restated Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 4)	185,318	-	(153,668)	(1,341)	-	30,309	35,291
Other social housing activities:							
Supporting people contract income	3,425	-	(3,363)	-	-	62	256
Development costs not capitalised	-	-	(9)	-	-	(9)	(217)
Management administration	193	-	(21)	-	-	172	355
Development scheme rectification costs	-	-	-	(1,093)	-	(1,093)	-
First tranche shared ownership sales	3,157	(2,643)	-	-	-	514	1,170
Dementia scheme loss on sale	-	-	-	-	-	-	(2,470)
Other	1,613	-	(1,521)	-	-	92	104
	8,388	(2,643)	(4,914)	(1,093)	-	(262)	(802)
Activities other than Social Housing:							
Market rent lettings and other commercial initiatives	6	-	(9)	-	-	(3)	10
Registered nursing homes	143	-	(566)	-	-	(423)	(389)
Student accommodation lettings	-	-	-	-	-	-	(119)
Domiciliary care & floating support services	2,780	-	(3,046)	-	-	(266)	(284)
Investment impairment	-	-	-	-	-	-	(9,061)
Office strategy costs	-	-	-	(603)	-	(603)	-
Intercompany loan write off*	-	-	-	(3,391)	-	(3,391)	(6,511)
Construction services	3,241	-	(4,323)	-	-	(1,082)	(3,291)
Projects & other costs	-	-	(1,735)	(351)	-	(2,086)	(4,312)
	6,170	-	(9,679)	(4,345)	-	(7,854)	(23,957)
Gains on disposal of housing properties (note 7)	-	-	-	-	24,859	24,859	17,535
	199,876	**(2,643)**	**(168,261)**	**(6,779)**	**24,859**	**47,052**	**28,067**

*Intercompany loan write-offs of £3,391k have been made reflecting the costs associated with the Group's strategic decision to reduce and/or exit from commercial activity in subsidiaries. These impairments represent a write off against the intercompany loan balances, to the extent that these cannot be repaid.

4. Particulars of Income and Expenditure from Social Housing Lettings: Group and Association

	General needs housing £'000	Supported housing and for older people £'000	Low cost home ownership £'000	Care and Support Services £'000	2026 Total £'000	2025 restated Total £'000
Rent receivable net of identifiable service charges	129,608	14,388	7,805	156	151,957	148,275
Service charges receivable	8,824	9,904	2,229	88	21,045	18,641
Charges for support services	-	1,885	-	4,552	6,437	11,152
Other Income	236	2,212	20	168	2,636	2,507
Net rental income	**138,668**	**28,389**	**10,054**	**4,964**	**182,075**	**180,575**
Amortisation of grant	2,493	568	117	25	3,203	3,210
Other revenue grants	40	-	-	-	40	23
Turnover from social housing lettings	**141,201**	**28,957**	**10,171**	**4,989**	**185,318**	**183,808**
Service charge costs	11,720	11,804	1,815	508	25,847	25,995
Management	17,402	4,214	2,195	619	24,430	24,349
Care & support	-	4,694	-	3,395	8,089	12,277
Routine maintenance	42,922	3,653	301	187	47,063	36,633
Planned and major repairs expenditure	19,588	2,767	355	140	22,850	18,200
Impairment	361	-	980	-	1,341	5,384
Rent losses from bad debts	550	277	33	359	1,219	1,479
Depreciation of housing properties	19,809	2,587	834	100	23,330	22,378
Lease costs	720	-	-	120	840	1,822
Operating costs on social housing lettings	**113,072**	**29,996**	**6,513**	**5,428**	**155,009**	**148,517**
Operating surplus/(deficit) on social housing lettings	**28,129**	**(1,039)**	**3,658**	**(439)**	**30,309**	**35,291**
Void losses	**2,387**	**1,483**	**25**	**268**	**4,163**	**5,962**

5. Accommodation In Management And Development

The number of units of accommodation in management at the end of the year for each class of accommodation is as follows:

	2025	2025 restated*	Dev'd in year	Managed additions	Transferred (to)/from other reg. providers	Sold	Other move-ments^	2026
Social Housing:								
General needs - social	15,429	15,172	35	-	(34)	(194)	48	15,027
- affordable	4,568	4,568	39	-	-	(19)	(57)	4,531
Social rent supp. housing and housing for older people	2,112	2,406	-	-	-	(26)	1	2,381
Affordable rent supp. housing and housing for older people	27	27	-	-	-	(1)	(6)	20
Low cost home ownership	2,374	1,844	37	-	-	(39)	(12)	1,830
Residential care homes	76	76	-	-	-	-	-	76
Intermediate rent/Rent to Home buy/Rentplus	336	336	-	-	-	-	(13)	323
Mortgage rescue	77	77	-	-	-	(3)	-	74
Other	37	-	-	-	-	-	-	-
Total social housing units	**25,036**	**24,506**	**111**	**-**	(34)	**(282)**	**(39)**	**24,262**
Non-social housing:								
Student accommodation	34	34	-	-	-	-	-	34
Total non-social housing	**34**	**34**	**-**	**-**	-	**-**	**-**	**34**
Leasehold properties	781	1,311	-	-	-	-	39	1,350
Total owned	**25,851**	**25,851**	**111**	**-**	(34)	**(282)**	**-**	**25,646**
Accommodation managed for others	181	181	10	18	-	-	-	209
Total managed accommodation	**26,032**	**26,032**	**121**	**18**	**(34)**	**(282)**	**-**	**25,855**
Accommodation managed by others	458	458	-	-	-	-	-	458
Total owned & managed accommodation	**26,490**	**26,490**	**121**	**18**	**(34)**	**(282)**	**-**	**26,313**
Accommodation in development – Group & Association	613	-	-	-	-	-	-	492

*The prior year opening balances have been restated to align with the statistical data return submitted to the regulator in 24/25.

^Other movements are properties that have either been sold in year (now leaseholder units) or have changed tenure.

6. Operating Surplus

This is arrived at after charging/(crediting):		Group		Association	
	Note	**2026 £'000**	**2025 £'000**	**2026 £'000**	**2025 £'000**
Depreciation - housing properties	14	22,349	22,527	22,349	22,527
Depreciation - other tangible assets	16	2,704	2,703	2,704	2,569
Amortisation	13	5	56	5	56
Surplus on disposal of fixed assets	7	(24,859)	(17,535)	(24,859)	(17,535)
Auditor's remuneration (excluding VAT)					
- for audit services		204	195	181	173
- for non-audit services		21	20	21	20
Non-recurring operating costs					
Investment impairment	17	-	-	-	9,061
Intercompany loan provision	19	-	-	3,391	6,511
Joint venture impairment	15	-	3,662	-	-
Care & Support impairments	14	-	2,216	-	2,216
Dementia schemes loss on sale	7	-	2,470	-	2,470
Methuen Park impairment		-	1,873	-	1,873
General Needs scheme impairments	14,16	361	1,295	361	1,295
Share Ownership scheme impairments	14,18	980	-	980	-
Workspace exit costs	27	603	-	603	-
Development scheme rectification costs	14	1,093	-	1,093	-
Project costs written off	16	351	-	351	-
Subsidiary exit costs	27	509	1,801	-	-
Tangible asset write off	16	-	731	-	-

Non-audit services in the year relate to service charge reviews of £21k (2025: £20k). The non-recurring operating costs have arisen from events taken to simplify and strengthen the business in line with our corporate strategy. Specifically, these are:

- Impairment at an Association level of £3,391k was made reflecting the costs associated with the Group's strategic decision to reduce and/or exit from commercial activity in subsidiaries. These impairments represent a write off against the intercompany loan balances, to the extent that these cannot be repaid.
- Impairments on several properties within the Group's housing and shared ownership portfolio were identified where those properties are intended for disposal, no longer fitting with the Group's strategic direction or are not now economically viable to retain. These impairments were £361k and £980k. In addition, rectification costs on a development scheme have been identified totalling £1,093k.
- The Group has reviewed its workspaces offer and with move to a new head office location has sought to divest of locations which do not fit with the future strategy The former GreenSquare Group head office in Chippenham is currently on the market for sale, as a consequence staff entered into consultancy process and provision has been made for redundancy costs of £603k.
- A project to implement a new P2P system has been reviewed in year and is not now considered feasible to complete, subsequently costs to date of £351k have been written off.
- A review of commercial activities has resulted in a decision to close the LoCaL Homes factory, consequently provision has been made for redundancy costs of £324k and an onerous equipment lease of £185k.

7. Gain On Disposal Of Fixed Assets

			2026			2025
Group and Association	**Proceeds £'000**	**Cost of sale £'000**	**Surplus £'000**	**Proceeds £'000**	**Cost of sale £'000**	**Surplus £'000**
Staircasing on LCHO	6,762	3,655	3,107	4,620	2,364	2,256
Other property sales	37,927	16,175	21,752	29,585	14,306	15,279
	44,689	**19,830**	**24,859**	**34,205**	**16,670**	**17,535**

8. Interest Receivable And Other Income

		Group		Association
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Interest from listed investments	3	16	3	16
Interest from other investments	3,574	2,269	3,581	2,969
	3,577	**2,285**	**3,584**	**2,985**

9. Interest Payable And Similar Charges

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Loans and bank overdrafts	49,279	50,768	49,279	50,768
Finance leases	3,820	3,643	3,820	3,643
Amortised loan fees	1,163	3,669	1,163	3,669
Notional Interest on RCGF	599	418	599	418
Unwinding of discount on Social Housing Pension Scheme liability	439	564	439	564
Other charges	66	47	64	71
	55,366	**59,109**	**55,364**	**59,133**
Interest payable capitalised on housing properties under construction and developed for sale	(3,480)	(5,324)	(3,480)	(5,310)
	51,886	**53,785**	**51,884**	**53,823**
Average capitalisation rate used to determine the amount of finance costs capitalised during the year	4.50%	4.68%	4.50%	4.68%

10. Employees

Average monthly number of employees (37/35 hours full time equivalent)	Group 2026 No.	Group 2025 No.	Association 2026 No.	Association 2025 No.
Administration	188	192	186	190
Development	76	75	47	42
Housing, support and care	1,222	1,322	1,222	1,322
	1,486	**1,589**	**1,455**	**1,554**

	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Staff costs:				
Wages and salaries	55,934	56,011	54,532	54,635
Social security costs	6,812	5,299	6,677	5,158
Other pension costs	2,496	2,698	2,449	2,627
	65,242	**64,008**	**63,658**	**62,420**

The Group's employees are members of Social Housing Pension Scheme (SHPS), AEGON or the NEST defined contribution schemes. The assets of these schemes are held separately from those of the Association in independently administered funds.

The SHPS final salary and Career Average Related Earnings (CARE) schemes and AEGON defined contribution schemes are closed to all members. Membership and auto enrolment for all employees is now only available in the SHPS defined contribution scheme or the NEST scheme.

The Group and Association have made contributions to SHPS under the terms of a recovery agreement for past service deficit valuation shortfalls. Further information on the scheme is given in note 26.

11. Board Members and Executive Directors

The Chairman of the Board received remuneration of £26,000 (2025: £26,419) during the year. R Cooke is an Executive Director as well as a Board Member. Their remuneration is disclosed in the Executive Director table below.

	2026 £'000	2025 £'000
C Dennis (Chair)	26	26
P Andres (to 25 March 2026)	14	14
J Cresswell	16	16
S Goldsmith (to 27 April 2026)	14	14
D Greenhalgh (to 29 January 2025)	-	12
C Hampson	14	14
P Lyons	14	14
G Durden	11	11
C Jones	11	11
E Lewis (from 25 March 2025)	11	-
M Tiplady (from 25 March 2025)	11	-
A Fox (from 1 March 2026)	1	-
G Teasdale (from 25 March 2026)	-	-
	143	**132**

Expenses paid during the year to board members amounted to £4,423 (2025: £3,110). During the financial year the following independent Committee members received remuneration for overseeing various portfolios.

	2026 £'000	2025 £'000
L Caulfield	-	5
E Taig	4	1
S Mason	6	6
M Garrett	2	5
M Hale	5	5

None of the Board members are current members of the Social Housing Pension Scheme.

11. Board Members and Executive Directors *continued*

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £336,785 (2025: £312,256). Total aggregate remuneration paid to the Executive Directors was:

	2026 £'000	2025 £'000
Emoluments (including benefits in kind and payments in lieu of notice)	1,258	1,057
Pension contributions	60	53
	1,318	**1,110**

The pension contributions for the Chief Executive were paid as a supplement to their salary. The emoluments of the Executive Directors were:

	Salary £'000	Other benefits £'000	Pension £'000	2026 Total £'000	2025 Total £'000
Chief Executive R Cooke	303	17	17	337	312
Chief Finance & Investment Officer M Shah (from 17 June 2025)	148	6	11	165	-
Chief Finance Officer J Makinson (to 27 December 2024)	-	-	-	-	160
Interim Chief Finance Officer K Youngman (from 27 December 2024 to 24 June 2025)	46	2	-	48	60
Executive Director of People H Pennack (to 30 June 2026)	174	11	9	194	185
Executive Director of Governance S Atkinson	148	7	10	165	161
Chief Operating Officer M Espley (to 31 March 2025)	-	-	-	-	232
Interim Chief Property Officer J Holder (from 1 April 2025 to 28 October 2025)	152	6	5	163	-
Interim Chief Property Officer P Evans (from 25 November 2025 to 20 April 2026)	82	-	-	82	-
Chief Customer Officer G Hardy (from 1 April 2025)	150	6	8	164	-
	1,203	**55**	**60**	**1,318**	**1,110**

Following the year end, B Sutch was appointed Chief Property Officer on 20 April 2026, H Pennack resigned as Executive Director of People on 30 April 2026 and P Evans resigned as Interim Chief Property Officer on 20 April 2026.

11. Board Members and Executive Directors *continued*

The Chief Executive was not a member of the pension scheme and no enhanced or special terms applied. The Association did not make any further contribution to an individual pension arrangement for the Chief Executive.

The Chief Finance & Investments Officer, Executive Director of People, Executive Director of Governance, Interim Chief Property Office and Chief Customer Officer were members of the Social Housing Defined Contribution Pension Scheme. The Group operates an approved salary sacrifice scheme for all employee pension contributions and the table above includes these deductions.

The salary banding for all employees earning over £60,000 (including salaries, performance related pay, benefits in kind, compensation for loss of office, and pension contributions):

	2026	**2025**
	No.	**No.**
£60,001 to £70,000	36	39
£70,001 to £80,000	16	19
£80,001 to £90,000	23	18
£90,001 to £100,000	5	4
£100,001 to £110,000	4	3
£110,001 to £120,000	3	6
£120,001 to £130,000	4	3
£130,001 to £140,000	3	2
£140,001 to £150,000	-	1
£150,001 to £160,000	-	1
£160,001 to £170,000	4	1
£180,001 to £190,000	-	1
£190,001 to £200,000	1	-
£230,001 to £240,000	-	1
£310,001 to £320,000	-	1
£330,001 to £340,000	1	-

12. Tax On (Deficit)/Surplus On Ordinary Activities For The Year

(a) Analysis of tax charge in year

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Current tax				
UK corporation tax on (deficit)/surplus for the year	-	-	-	-
	-	**-**	**-**	**-**
Deferred Tax				
Charge for the year	-	-	-	-
Tax charge on (deficit)/surplus on ordinary activities	-	-	-	-

(b) Factors affecting the tax charge for the year

The tax assessed for the period differs to the standard rate of corporation tax in the UK, as explained below:

	Group		Association	
	2026 £'000	2025 restated £'000	2026 £'000	2025 restated £'000
(Deficit)/Surplus for the year before tax	(745)	(17,579)	(968)	(22,521)
Theoretical tax of 25% (2025: 25%)	(186)	(4,395)	(242)	(5,630)
Effects of:				
Deficit not liable to tax	186	4,395	242	5,630
Current tax charge for the year	-	-	-	-

13. Intangible Fixed Assets

Group and Association	Computer software £'000	Total £'000
Cost		
At 1 April 2025	2,480	2,480
Additions	-	-
Disposals	-	-
At 31 March 2025	**2,480**	**2,480**
Depreciation and impairment		
At 1 April 2025	2,472	2,472
Amortised in year	5	5
Disposals	-	-
At 31 March 2025	**2,477**	**2,477**
Net book value		
At 31 March 2026	**3**	**3**
At 31 March 2025	**8**	**8**

14. Housing Properties

Group	Social housing properties held for letting £'000	Lettings leasehold £'000	Social housing properties under construction £'000	Shared ownership properties held for letting £'000	Shared ownership properties under construction £'000	Total £'000
Cost						
At 1 April 2025	1,986,312	49,014	83,542	142,496	21,372	2,282,736
Additions*	-	-	23,532	-	3,743	27,275
Works to existing properties	29,898	642	-	786	-	31,326
Write off dev. costs for rectification	-	-	(1,093)	-	-	(1,093)
Interest capitalised	-	-	2,931	-	549	3,480
Schemes completed	47,013	-	(47,013)	14,189	(14,189)	-
Disposals	(20,484)	(476)	-	(3,558)	-	(24,518)
Transfer to stock	-	-	-	(2,659)	(244)	(2,903)
At 31 March 2026	**2,042,739**	**49,180**	**61,899**	**151,254**	**11,231**	**2,316,303**
Depreciation and impairment						
At 1 April 2025	214,192	11,699	-	5,718	-	231,609
Charge in year	20,404	1,128	-	817	-	22,349
Impairment	359	-	-	708	-	1,067
Transfers	-	-	-	-	-	-
Disposals	(6,083)	(89)	-	(211)	-	(6,383)
At 31 March 2026	**228,872**	**12,738**	**-**	**7,032**	**-**	**248,642**
Net book value						
At 31 March 2026	**1,813,867**	**36,442**	**61,899**	**144,222**	**11,231**	**2,067,661**
At 31 March 2025	**1,772,120**	**37,315**	**83,542**	**136,778**	**21,372**	**2,051,127**

*Group excludes additions of £1,264k for inter-company transactions.

14. Housing Properties *continued*

Association	Social housing properties held for letting £'000	Lettings leasehold £'000	Social housing properties under construction £'000	Shared ownership properties held for letting £'000	Shared ownership properties under construction £'000	Total £'000
Cost						
At 1 April 2025	1,986,312	49,014	84,671	142,496	21,372	2,283,865
Additions	-	-	23,667	-	3,743	27,410
Works to existing properties	29,898	642	-	786	-	31,326
Write off dev. costs for rectification	-	-	(1,093)	-	-	(1,093)
Interest capitalised	-	-	2,931	-	549	3,480
Schemes completed	47,013	-	(47,013)	14,189	(14,189)	-
Disposals	(20,484)	(476)	-	(3,558)	-	(24,518)
Transfer to stock	-	-	-	(2,659)	(244)	(2,903)
At 31 March 2026	**2,042,739**	**49,180**	**63,163**	**151,254**	**11,231**	**2,317,567**
Depreciation and impairment						
At 1 April 2025	214,192	11,699	-	5,718	-	231,609
Charge in year	20,404	1,128	-	817	-	22,349
Impairment	359	-	-	708	-	1,067
Transfers	-	-	-	-	-	-
Disposals	(6,083)	(89)	-	(211)	-	(6,383)
At 31 March 2026	**228,872**	**12,738**	**-**	**7,032**	**-**	**248,642**
Net book value						
At 31 March 2026	**1,813,867**	**36,442**	**63,163**	**144,222**	**11,231**	**2,068,925**
At 31 March 2025	**1,772,120**	**37,315**	**84,671**	**136,778**	**21,372**	**2,052,256**

14. Housing Properties *continued*

	Group and Association	
	2026	**2025**
	£'000	**£'000**
Expenditure on works to existing properties:		
Components capitalised	31,326	22,632
Amounts charged to income and expenditure account	22,850	18,200
	54,176	**40,832**
Housing properties book value, net of depreciation comprises:		
Freehold land and buildings	2,031,219	2,013,812
Long leasehold land and buildings	36,000	36,887
Short leasehold land and buildings	442	428
	2,067,661	**2,051,127**

Included in the Group housing properties are assets held under finance leases with a net book value of £48.1m (2025 restated: £49.0m).

Impairment

The Group considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of FRS102 and SORP 2018. Consequently, impairments totalling £1,341k have been recognised in the year, being £361k for void General Needs schemes that are to be sold and £980k impairment of two LCHO schemes.

Abortive costs

Some of the works of a General Needs scheme currently in development have been identified as being deficient and corrective action is required to the build programme. Subsequently, rectification costs of £1,093k have been recognised.

15. Investment in Joint Ventures

	Group only	
	2026	**2025**
	£'000	**£'000**
At 1 April	1,500	3,679
Investment in year	-	1,041
Impairment	-	(3,662)
Share of operating loss	-	-
Transfer of operating losses to accruals and deferred income	-	442
At 31 March	**1,500**	**1,500**

The above investment represents the amounts funded by the company into a joint venture company Sharpness Development LLP which was incorporated on 7 September 2018. The investment in the joint venture was impaired last year based on a valuation received that takes into account the current position on the land consent position on the development sites and reflecting ongoing uncertainty around the timelines and route to completion for the scheme. The company owns 50% of the joint venture which has been set up to promote land options for development and subsequent disposal.

16. Tangible Fixed Assets

Group and Association	Freehold offices £'000	Leasehold offices £'000	Office equipment and computers £'000	Vehicles £'000	Total £'000
Cost					
At 1 April 2025	9,987	2,741	33,374	1,836	47,938
Additions	-	-	4,249	134	4,383
Disposals	(2,531)	-	(474)	-	(3,005)
Transfers	-	-	-	-	-
At 31 March 2026	**7,456**	**2,741**	**37,149**	**1,970**	**49,316**
Depreciation and impairment					
At 1 April 2025	5,927	265	18,499	1,170	25,861
Charged in year	181	275	1,990	258	2,704
Impairment	-	-	163	-	163
Disposals	(1,494)	-	(198)	-	(1,692)
Transfers	-	-	-	-	-
At 31 March 2026	**4,614**	**540**	**20,454**	**1,428**	**27,036**
Net book value					
At 31 March 2026	**2,842**	**2,201**	**16,695**	**542**	**22,280**
At 31 March 2025	4,060	2,476	14,875	666	22,077

Impairment

In line with the impairment made on housing properties, an impairment has been made for communal assets held on a general needs property which is currently void and to be disposed. Consequently, an impairment of £2k has been recognised.

In addition, a review of progress on a project to implement a new system has been undertaken and is not now considered feasible to complete, subsequently costs to date of £351k have been written off.

17. Fixed Asset Investments

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Shares in Group undertakings at 1 April	100	41	-	9,102
Additions	-	100	-	-
Impairment in year	(52)	-	-	(9,061)
Disposals	-	-	-	-
Transferred to other debtors	-	(41)	-	(41)
At 31 March	**48**	**100**	**-**	**-**

During the year the Group has impaired the value of its investment held in the joint venture, Homes for the West Midlands LLP which is in line with the losses made by the LLP to date. The impairment is in line with the profits arising from the partnership being uncertain and in line with the group's strategy to review its development pipeline which decreases our requirement moving forward.

As at 31 March 2026, the Association owned issued share capital of the following companies incorporated and registered in England:

Company	Type of Share	% Held	Principal Activity
GreenSquare Homes Limited	Ordinary £1	100%	Commercial letting
GreenSquare Construction Limited	Ordinary £1	100%	Dormant Company
GreenSquare Estates Limited	Ordinary £1	100%	Grounds maintenance
LowCarbonLiving Homes Limited	Ordinary £1	100%	Housing construction
GreenSquareAccord Investments Limited	Ordinary £1	100%	Dormant Company
GreenSquareAccord 1 Limited	Ordinary £1	100%	Partnership investment
GreenSquareAccord 2 Limited	Ordinary £1	100%	Dormant Company
Joint ventures			
Sharpness Development LLP	Member share	50%	Land options for development
Homes for the West Midlands LLP *	Member share	20%	Generation of affordable homes

All of the above companies are registered in England and Wales. Where appropriate shareholdings are reflective of any permitted voting rights. GreenSquareAccord Limited is the ultimate parent undertaking. For all Group undertakings, the registered office was 2nd Floor, 10 Brindley Place, Birmingham B1 2JB.

* The registered office of Homes for the West Midlands LLP is 5th Floor, 49 King Street, Manchester M2 7AY.

During the year, the Association made the following recharges and allocations with GreenSquare Estates Ltd which is a non regulated entity:

	2026 £'000	2025 £'000	Allocation basis
GreenSquare Estates Ltd Management Services	34	32	Fixed
LowCarbonLiving Homes Ltd Management Services	-	53	Fixed

18. Stock And Property Held For Sale

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Raw materials and consumables	1,167	1,262	698	731
Properties developed for sale	-	960	-	-
Shared ownership properties:				
Properties under construction	244	406	244	406
Completed properties	2,509	1,522	2,387	915
	3,920	**4,150**	**3,329**	**2,052**

An impairment of £272k has been recognised on completed properties held for sale on a Shared Ownership scheme.

19. Trade And Other Debtors

	Group		Association	
	2026	**2025 restated**	**2026**	**2025 restated**
	£'000	**£'000**	**£'000**	**£'000**
Due within one year				
Rent and service charges receivable	14,479	14,843	14,479	14,843
Less: provision for bad and doubtful debts	(6,921)	(6,202)	(6,921)	(6,202)
	7,558	**8,641**	**7,558**	**8,641**
Due from subsidiary undertakings	-	-	121	186
Other debtors	11,087	13,538	8,367	10,705
Prepayments and accrued income	2,605	2,129	2,605	2,033
Derivative financial instruments: assets	93	112	93	112
	21,343	**24,420**	**18,744**	**21,677**
Due after more than one year				
Due from subsidiary undertakings	-	-	1,919	3,369
Derivative financial instruments: assets	243	-	243	-
	21,586	24,420	20,906	25,046

Amounts due from subsidiary undertakings after more than one year relate to inter-company loans. The recoverability of the Associations intercompany loans with its commercial subsidiary, GreenSquare Homes has been assessed, and a provision has been made against the recoverability of the loan balance of £1,291k.

20. Current Asset Investments

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Investments listed on a recognised stock exchange	-	516	-	516
	-	**516**	**-**	**516**

The listed investments held were closed on 27 October 2025 and funds were transferred to the group's main bank account.

21. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Debt (note 23)	2,307	223	2,307	223
Trade creditors	9,934	6,077	9,628	5,527
Amount due to Group undertakings	-	-	579	-
Rent and service charges received in advance	7,767	7,174	7,767	7,174
Recycled capital grant fund (note 24)	12,864	2,420	12,864	2,420
Deferred capital grant (note 25)	3,245	3,253	3,245	3,253
Other grant	3,534	3,581	3,534	3,581
Corporation tax	-	-	-	-
Other taxation and social security	1,437	1,247	1,397	1,205
Other creditors	102,498	64,762	103,513	64,209
Accruals and deferred income	21,916	29,299	20,227	26,926
	165,502	**118,036**	**165,061**	**114,518**

22. Creditors: Amounts Falling Due After More Than One Year

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Debt (note 23)	1,084,704	1,079,472	1,084,704	1,079,472
Finance leases	65,147	64,188	65,147	64,188
Premium on bond issues	864	922	864	922
Discount on bond issue	(4,245)	(4,433)	(4,245)	(4,433)
Amounts due to group undertakings	-	-	-	113
Recycled capital grant fund (note 24)	4,480	11,743	4,480	11,743
Deferred capital grant (note 25)	360,779	360,067	360,779	360,067
Sinking funds for leasehold schemes	6,956	6,378	6,104	5,590
Derivative financial instruments: liabilities	-	135	-	135
	1,518,685	**1,518,472**	**1,517,833**	**1,517,797**

Loans are stated after the deduction of £10.5m (2025: £11.1m) of issue costs which are amortised over the expected life of the loan. Major repairs sinking funds are maintained for several leasehold estates to provide for repairs of a long term nature. Customers contribute through the service charge.

23. Debt Analysis

	Group and Association	
	2026	**2025**
	£'000	**£'000**
Due within one year		
Bank loans	2,307	223
	2,307	**223**
Due after more than one year		
Bank loans	1,095,225	1,090,532
Less: issue costs	(10,521)	(11,060)
	1,084,704	**1,079,472**
Total debt	**1,087,011**	**1,079,695**

23. Debt Analysis *continued*

Security

Housing loans from capital markets, banks and building societies are secured by fixed charges on individual properties and are repayable in instalments as detailed below. The Group had total charged security with a gross security value of £2,315m (2025: £2,185m) and an asset lending value of £1,527m (2025: £1,507m) after applying lender security cover requirements.

Terms of repayment and interest rates

The loans are repayable by instalments, with the final instalments for the Group due to be paid in the period to 2061. At the year end, the Association had approximately 83% (2025: 84%) of its debt fixed. The weighted average cost of capital was 4.49% (2025: 4.65%).

At 31 March 2026, the Group had undrawn loan facilities of £178.0m (2025: £210.0m) and retained bonds of £100.0m (2025: £100.0m).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	Group and Association	
	2026	**2025**
	£'000	**£'000**
Within one year	2,307	223
Between one and two years	2,702	2,307
Between two and five years	264,383	220,691
After five years	817,619	856,474
	1,087,011	**1,079,695**

Hedge accounting

The group has entered into a cash flow hedge to minimise interest rate risk arising from uncertain future interest rates on its floating rate loans. Interest rate swaps (the hedged instruments) are used to swap a proportion of the groups floating rate interest cash flows (the hedged items) for fixed rate cash flows, thereby reducing the cash flows and income statement uncertainty.

The group recognises interest rate exposure as a key risk to be managed as an integral part of its strategy for managing its overall business risks and costs.

Change in fair value:

	Group and Association	
	2026	**2025**
	£'000	**£'000**
Recognised through other comprehensive income	(345)	23
Recognised through the income statement	(14)	-
	(359)	**23**

24. Recycled Capital Grant Fund

	Group and Association	
	2026	**2025**
	£'000	**£'000**
At 1 April	14,163	7,564
Grants recycled	3,881	8,181
Withdrawals	(1,300)	(2,000)
Interest accrued	599	418
Balance at 31 March	**17,343**	**14,163**

Withdrawals from the Recycled Capital Grant Fund are used for the purchase and development of new housing schemes for letting.

25. Deferred Capital Grant

	Group and Association	
	2026	**2025**
	£'000	**£'000**
At 1 April	363,320	360,581
Grants received in the year	6,252	15,460
Repaid/abated on disposals	(2,302)	(9,468)
Released to income in year	(3,245)	(3,253)
Balance at 31 March	**364,025**	**363,320**

26. Pensions

The Group and Association operates a Social Housing Pension Scheme (SHPS) defined contribution pension scheme in respect of auto-enrolment. The assets of the scheme are held separately from those of the Group and Association. The contributions of the Group and Association varied between 3% and 55% and employees varied between 4% and 15% of pensionable earnings. The total employer cost of pension contributions for the year was £4,138,346 (2025: £3,845,619). The number of Group employees in the SHPS defined contribution pension scheme at the year-end was 1,365, (2025: 1,243).

The defined contribution pension scheme with AEGON was closed to new entrants during the last financial year. The contributions of the Association varied between 7% and 13% and employee contributions varied between 4% and 14% of pensionable earnings. The total employer cost of pension contributions for the year was £137,639 (2025: £162,629). Contributions payable are charged to management expenses as they fall due. The number of employees in the pension scheme at the year-end was 38 (2025: 42).

The Association also participates in the SHPS defined benefit scheme but this is closed to active members.

Social Housing Pension Scheme (SHPS)

The Group and Association participate in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme was closed to membership on 31st May 2020 and all members transferred to the SHPS defined contribution scheme.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Financial Assumptions

The major assumptions used by the actuary in assessing the scheme liabilities on a FRS 102 basis were:

	31 March 2026 % Per Annum	31 March 2025 % Per Annum
Inflation (CPI)	3.0	2.8
Salary increases	4.0	3.8
Pension increases	4.0	3.8
Discount rate	6.1	5.9
RPI Increases	3.3	3.1

26. Pensions *continued*

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2021 model, an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.25% p.a. for women and men. Based on these assumptions, the average future life expectancies from age 65 are summarised below:

	Males	Females
Current pensioners	20.9 years	23.2 years
Future pensioners	22.2 years	24.6 years

Contributions

The contributions to SHPS for the year ended 31 March 2026 are shown below.

	2026 £'000	2025 £'000
Employer contributions	3,085	3,182

At 31 March 2026, no current employees are active members of the scheme (2025: nil). The employer's contribution for 2025/26 was £3,085,000. The past deficit annual monetary amount is expected to be £3,752,000 for 2026/27. The member's contribution rate was nil.

Amounts recognised in surplus or deficit

	2026 £'000	2025 £'000
Current service costs	-	-
Amounts charged to operating costs	-	-

	2026 £'000	2025 £'000
Interest income on plan assets	3,246	2,798
Interest cost on defined benefit obligation	(3,685)	(3,362)
Amounts charged to other finance costs	(439)	(564)

26. Pensions *continued*

Re-measurements recognised in other comprehensive income

	2026 £'000	2025 £'000
Actuarial and experience gains on assets	(318)	(4,780)
Actuarial and experience gains/(losses) on liabilities	467	(2,259)
Changes in financial assumptions	(94)	8,501
Changes in demographic assumptions	-	-
	55	**1,462**

Fair value of employer assets

	2026 £'000	2025 £'000
Equities	6,484	6,215
Liquid Alternatives	10,419	10,287
Property	2,856	2,804
Cash	11	753
Other	38,744	35,418
Total	**58,514**	**55,477**

Net pension liability

	2026 £'000	2025 £'000
Fair value of employer assets	58,514	55,477
Present value of the defined benefit obligation	(64,877)	(64,453)
Net liability	**(6,363)**	**(8,976)**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2026 £'000	2025 £'000
Opening scheme liabilities as at 1 April	(64,453)	(69,663)
Liabilities acquired in a business combination	-	-
Current service cost	(88)	(70)
Interest cost	(3,685)	(3,362)
Participants contributions	-	-
Estimated benefits paid	2,976	2,400
Actuarial re-measurements	373	6,242
Closing scheme liabilities as at 31 March	**(64,877)**	**(64,453)**

26. Pensions *continued*

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

	2026 £'000	2025 £'000
Opening fair value of scheme assets as at 1 April	55,477	56,608
Interest income on plan assets	3,246	2,798
Contributions by employers	3,085	3,251
Participants contributions	-	-
Benefits paid	(2,976)	(2,400)
Return on assets less interest	(318)	(4,780)
Closing fair value of scheme assets as at 31 March	**58,514**	**55,477**

Deficit contributions schedule

The following schedule details the past deficit contributions agreed between the Group and the scheme at each year end period:

Group and Association Year ending	2026 £'000	2025 £'000	2024 £'000
Year 1	3,752	3,557	3,371
Year 2	-	3,752	3,557
Year 3	-	-	3,752

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 the Court's determination still to be made. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. 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.

27. Provisions for Liabilities

Group	Restructure £'000	Leave Pay £'000	Timber frame defects £'000	Onerous contract £'000	Onerous lease £'000	Total £'000
At 1 April 2025	-	645	1,291	242	1,661	3,839
Additions	926	91	75	-	185	1,277
Released in the year	-	(11)	-	-	-	(11)
Utilised in the year	-	-	-	(68)	(600)	(668)
At 31 March 2026	**926**	**725**	**1,366**	**174**	**1,246**	**4,437**

Association	Restructure £'000	Leave Pay £'000	Timber frame defects £'000	Onerous contract £'000	Onerous lease £'000	Total £'000
At 1 April 2025	-	625	831	242	-	1,698
Additions	603	91	49	-	-	743
Released in the year	-	-	-	-	-	-
Utilised in the year	-	-	-	(68)	-	(68)
At 31 March 2026	**603**	**716**	**880**	**174**	**-**	**2,373**

The Group has reviewed its workspaces offer and with move to a new head office location has sought to divest of locations which do not fit with the future strategy. The former GreenSquare Group head office in Chippenham is currently on the market for sale, as a consequence staff entered into consultancy process and a restructure provision has been made for redundancy costs in the Association. The Group has also conducted a review of commercial activities which has resulted in a decision to close the LoCaL Homes factory, consequently provision has been made for redundancy costs. The provision is expected to be utilised within 12 months.

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence. The balance is expected to be utilised within 12 months.

An issue has been identified around the adequacy of fire safety barriers in timber framed properties constructed by GS Homes and other developers for the Group. The provision is based on a sample investigation which indicates 248 such properties where remedial work is probable. The timing of the outflow is uncertain due to warranty claim patterns.

The Group has entered into a long-term construction contract at Northicote. It is a fixed price contract expecting to realise a value of £26.4m for construction of homes for WV Living. An assessment has been made of the revenue and costs of the project under the percentage completion method. The project is due to complete in the early part of the 26/27 financial year. As at 31 March 2026 this review resulted in an onerous loss of £174k being identified. The provision is expected to be utilised on completion of the project within 12 months.

A review of commercial activities has resulted in an onerous lease being identified on a property and equipment lease of a subsidiary company. The provision is expected to be utilised within 12 months when exit from the contracts is complete.

28. Non-Equity Share Capital

	Group and Association	
	2026	**2025**
	£	**£**
Shares of £1 each issued and fully paid		
At 1 April	36	41
Shares issued during the year	2	3
Shares redeemed during the year	(7)	(8)
At 31 March	**31**	**36**

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

29. Financial Commitments

Group

Capital expenditure commitments are as follows:

	2026	**2025**
	£'000	**£'000**
Expenditure contracted for but not provided in the accounts	35,377	48,600
Expenditure authorised by the Board, but not contracted	13,414	29,971
	48,791	**78,571**

The above commitments will be financed primarily through borrowings and new funding arrangements, social housing grant, property sales and internal cash balances.

Operating leases

The annual payments which the Group is committed to making in the next year under operating leases are as follows:

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Temporary housing and office equipment leases expiring:				
Due within one year	1,131	1,558	681	1,222
One to five years	2,929	3,737	2,366	2,391
Due after five years	2,006	2,243	2,006	2,243
	6,066	**7,538**	**5,053**	**5,856**

29. Financial Commitments *continued*

Obligations under finance leases

Some housing assets are held under finance lease arrangements. As of 31 March 2026, the net carrying amount of the facility is £65.1m (2025: £64.2m) and this is disclosed within note 22. Leases are stated net of issue costs which are amortised on a straight-line basis over the term of the agreement. Finance lease liabilities are secured by the related assets held under basic financial instruments. Future minimum lease financing payments at the end of each reporting period under review were as follows:

	2026 £'000	**2025 £'000**
Due within one year	3,785	3,742
Between one and five years	15,591	15,440
Due after five years	99,804	99,006
	119,180	**118,188**

30. Cash Flow From Operating Activities

Group	**2026 £'000**	**2025 £'000**
Deficit for the year	**(745)**	**(17,579)**
Adjustments for non-cash items:		
Depreciation and impairment of tangible fixed assets	26,283	30,614
Amortisation of government grants	(3,245)	(3,253)
Amortisation of intangible assets	5	56
Decrease in stock	1,566	16,988
Decrease in debtors	3,024	6,989
Increase in creditors	45,193	55,303
Increase in provisions	598	1,779
Share of operating loss in joint venture	78	74
Pensions costs less contributions payable	(3,052)	(3,182)
Surplus on disposal of properties	(24,859)	(15,065)
Receipts from sales of housing properties	44,689	45,184
Disposal of other fixed assets	(1,313)	(469)
	88,222	**117,439**
Adjustments for investing or financing activities		
Interest payable	51,886	53,221
Interest received	(3,577)	(2,285)
Net cash inflow from operating activities	**136,531**	**168,375**

31. Analysis of Net Debt

	Group				Association			
	1 April 2025 £'000	**Cash flow £'000**	**Non-cash changes £'000**	**31 March 2026 £'000**	**1 April 2025 £'000**	**Cash flow £'000**	**Non-cash changes £'000**	**31 March 2026 £'000**
Cash and cash equivalents								
Cash at bank and in hand	90,604	32,219	-	122,823	86,423	34,585	-	121,008
	90,604	**32,219**	**-**	**122,823**	**86,423**	**34,585**	**-**	**121,008**
Borrowings								
Debt due within one year	(223)	223	(2,307)	(2,307)	(223)	223	(2,307)	(2,307)
Debt due after one year	(1,079,472)	(6,618)	1,386	(1,084,704)	(1,079,472)	(6,618)	1,386	(1,084,704)
	(1,079,695)	**(6,395)**	**(921)**	**(1,087,011)**	**(1,079,695)**	**(6,395)**	**(921)**	**(1,087,011)**
Obligations under finance leases	(64,188)	3,355	(4,314)	(65,147)	(64,188)	3,355	(4,314)	(65,147)
Total	**(1,053,279)**	**29,179**	**(5,235)**	**(1,029,335)**	**(1,057,460)**	**31,545**	**(5,235)**	**(1,031,150)**

32. Related Parties

There were no tenant members of the Board during the year. Disclosures in relation to key management personnel are included in note 11.

Transactions/balances with GS Homes Limited

GreenSquareAccord Limited owns 100% of the ordinary share capital of GreenSquare Homes Limited (GS Homes).

During the year GreenSquareAccord Limited purchased goods and services from GS Homes with a value of £892 (2025: £1,024) and sold goods and services to GS Homes with a value of £433,686 (2025: £1,098,746). At 31 March 2026 there were sums owed to GS Homes of £297,988 (2025: £1,024 outstanding), and sums outstanding from GS Homes of £nil (2025: £119,324), and these amounts are disclosed in notes 19 and 21 as appropriate.

In addition, there is a £6,000,000 inter group loan facility agreement in place. At year end £1,919,077 is owed by GS Homes as at 31 March 2026 (2025: £5,885,077). The Association has made provision for non-recovery of this loan of £1,290,813 (see note 19).

Transactions/balances with LowCarbonLiving Homes Limited

GreenSquareAccord Limited owns 100% of the ordinary share capital of LowCarbonLiving Homes Limited.

During the year GreenSquareAccord Limited purchased goods and services from LowCarbonLiving Homes Limited with a value of £891,424 (2025: £2,654,418) and sold goods and services to LowCarbonLiving Homes Limited with a value of £255,352 (2025: £761,704).

At 31 March 2026 there were sums outstanding to LowCarbonLiving Homes Limited of £nil (2025: £nil), and sums outstanding from LowCarbonLiving Homes Limited of £54,293 (2025: £59,900), and these amounts are disclosed in notes 19 and 21 as appropriate.

In addition, there was a £2,000,000 inter group loan facility agreement in place. At year end £nil is owed by LowCarbonLiving Homes Limited as at 31 March 2026 (2025: £1,782,265) following a write off in the year (note 19).

32. Related Parties *continued*

Transactions/balances with Sharpness Development LLP

GreenSquareAccord Limited, through its subsidiary, GreenSquare Homes Limited owns 50% of the ordinary share capital of Sharpness Development LLP.

During the year GreenSquareAccord Limited purchased goods and services from Sharpness Development LLP with a value of £nil (2025: £nil) and sold goods and services to Sharpness Development LLP with a value of £75,000 (2025: £45,000). At 31 March 2026 there were sums outstanding to Sharpness Development LLP of £nil (2025: £nil), and sums outstanding from Sharpness Development LLP of £15,000 (2025: £nil), and these amounts are disclosed in notes 19 and 21 as appropriate.

In addition, there was a £4,800,000 loan facility agreement in place with £4,379,231 drawn down. Loan interest is accrued and added to the loan. The balance owed by Sharpness Development LLP as at 31 March 2026 is £5,643,007 (2025: £5,161,832).

33. Prior Period Error

During the year, the Group identified an error in the prior year financial statements relating to the methodology used to estimate recoverable service charge deficits.

The error arose because certain service charge costs were incorrectly classified as variable and therefore recoverable from customers, when in fact they were fixed costs and not recoverable. As a result, profit for the year ended 31 March 2025 and retained earnings were overstated by £3,976k.

In accordance with FRS 102 Section 10 Accounting Policies, Estimates and Errors, the error has been corrected retrospectively through the restatement of the comparative information. The impact of the correction is set out below.

Impact of prior period error on the Statement of Comprehensive Income

			Group			Association
	As previously reported £000	Prior period adjustment £000	Restated £000	As previously reported £000	Prior period adjustment £000	Restated £000
Year ended 31 March 2025						
Deficit for the financial year	(13,603)	(3,976)	(17,579)	(18,545)	(3,976)	(22,521)

Impact of prior period error on the Consolidated Statement of Financial Position

			Group			Association
	As previously reported £000	Prior period adjustment £000	Restated £000	As previously reported £000	Prior period adjustment £000	Restated £000
As at 31 March 2025						
Trade and other debtors	28,396	(3,976)	24,420	29,022	(3,976)	25,046
Net assets	549,155	(3,976)	545,179	549,365	(3,976)	545,389
Retained earnings	398,233	(3,976)	394,257	398,620	(3,976)	394,644

33. Prior Period Error *continued*

Reconciliation of retained earnings

	Group	Association
	1 April 2025	**1 April 2025**
Retained earnings as previously reported	398,233	398,620
Prior period adjustment relating to recoverable service charge deficits	(3,976)	(3,976)
Restated retained earnings	394,257	394,644

There is no impact to the Consolidated Statement of Cash Flows.

34. Contingent Liabilities

The Group receives grants from Homes England, which are used to fund the acquisition and development of housing properties and their components.

Grants received in relation to assets that are presented at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by SORP 2018. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

The grant which has been written off to reserves represents contingent liability to the Group of £161,442k (2025 restated: £162,481k).

On the event of the housing properties being disposed, the Group is responsible for the repayment or recycling of the grant.

In addition, the Group receives financial assistance from Homes England which is accounted for as deferred income in the Statement of Financial Position and are amortised annually to the Statement of Comprehensive Income, based on the life of the build structure which is 125 years. The amount amortised represents a contingent liability to the entity and will be recognised as a liability when the associated properties funded by the relevant government grant are either disposed of or cease to be used for social housing purposes.

Analysis of the assistance from government sources in the form of government grants is shown in note 21 and 22.

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