Financial Statements

YEAR ENDING 31 MARCH 2025

Green Square Accord

Contents

Board Members, Executive Directors and Advisors

Board

Chair
C Dennis

Other Members
- P Andres
- S Goldsmith
- D Greenhalgh (resigned 29 January 2025)
- C Hampson
- P Lyons
- R Cooke (Chief Executive)
- J Makinson (resigned 27 December 2024)
- J Creswell
- G Durden
- C Jones
- E Lewis (appointed 25 March 2025)
- M Tiplady (appointed 25 March 2025)

Executive Directors

Chief Executive
R Cooke

Executive Director of Governance and Company Secretary
S Atkinson

Chief Operating Officer
M Espley (resigned 31 March 2025)

Chief Finance Officer
J Makinson (resigned 27 December 2024)

Interim Chief Finance Officer
K Youngman (appointed 27 December 2024 and resigned 24 June 2025)

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

Executive Director of Corporate Services
H Pennack

Interim Chief Customer Officer
G Hardy (appointed 1 April 2025)

Interim Chief Property Officer
J Holder (appointed 1 April 2025)

Registered Office
10 Brindleyplace,
Birmingham B1 2JB

Chair's Statement

Overview

The sector continues to be subject to intense scrutiny, with rightly increasing demands for higher service standards, both in quality of services to customers as well as the condition and safety of our homes. We have the new regulatory standard for Consumers bringing a clear focus, as well as the Housing Ombudsman Service challenging service standards in particular. This is alongside higher building safety and performance standards. Sector financials are stretched, and levels of customer satisfaction have been declining. We must all respond to this.

In this respect I am pleased to report continued progress against our Simpler Stronger Better strategy, delivering corporate projects to improve customer service and efficiency.

As part of how we work, the "GSA Way" culture is being promoted so that the high standards expected are embedded at all levels of the organization. We want all customers to experience excellent service and support.

Our Customer Panel is supporting us in understanding customer concerns and demands. They manage our Community Investment Fund, which is making a difference in local communities, and have reviewed and impacted customer-facing policies for us. Recently a new Infographic has been introduced so customers know how we have been progressing. Our Tenancy Sustainment Fund continues to support our most vulnerable customers to better accommodate their housing costs. We still, however, have work to do to get the basics right consistently and to ensure that our homes and services meet the needs of our customers.

We measure transactional satisfaction across repairs, complaints and satisfaction with your home. Most customers are very happy with repairs although our rating was static compared to last year at 88%. Dissatisfaction comes from poor work, multiple visits, and communication gaps. These lessons are being actioned by our teams. We have improved complaints handling so satisfaction on this has gone up gratifyingly, also reflected in recent Housing Ombudsman interactions. 90% of our customers are happy with their home when they move in (88% last year).

We have high levels of Landlord Health and Safety compliance, including Fire Risk Assessments, but still have a high level of outstanding fire actions to complete. These are being managed to a plan and good progress was made in the year, with an acceleration of works completed and a very high proportion of remaining works now under contract. We expect to complete all the works by 31 March 2026.

Corporate projects to improve customer experience include a recently completed project to move to a single housing management system.

This will be followed in 2025/26 by system workflow improvements, Customer Relationship management tools and much more efficient use of data across systems. Service Charge improvements have already been made, which will be supported by new software being introduced in the coming year. A locality-based service approach is to be rolled out alongside some apps to enable us to have greater awareness of the condition of our homes and the welfare of our tenants, as well as enabling customers to easily let us know about estate service and community issues.

We are continuing to invest in properties. Our long-term financial plan rebalances our resources towards existing homes, with significantly increased planned expenditure on fire, energy efficiency, cyclical works and component upgrades. This year we invested £77m in existing stock while also delivering 333 new properties.

This investment is supported by a significant strategic initiative, concluded in the year, which has restructured our funding arrangements. We have a new and more consistent set of loan covenants, and our overall cost of funds has been reduced.

We continue to move away from areas of the business that do not align with our core purpose of being a great social landlord. This year we disposed of two Dementia Care homes. The sale generated a cash receipt and also removed a loss-making activity.

The Group is reporting a loss of £14m for the year, while remaining compliant with all its financial loan covenants. Results have included a number of non-cash write downs, impairments and losses as we make provisions and plan for exits and other changes to the business. The underlying social housing activities remain robust, with margins at 24%. Performance is monitored and challenged against budgets and KPIs through the Board and its Committees.

Board and colleagues

We have welcomed two new Board members this year. Manny Lewis joins us as a very experienced leader in change management, organisational development and urban development, having held senior leadership roles in public sector and local government. Martin Tiplady OBE is a Chartered Companion of the CIPD and comes to us with experience in the Metropolitan Police, The Housing Corporation and private enterprise. David Greenhalgh resigned during the year and I would like to place on record our appreciation of his support during his time with us.

Jo Makinson left us as Chief Financial Officer during the year to pursue her career. We thank Jo for her many contributions in her time with us, and welcome Mona Shah as replacement CFIO. In addition, Maxine Espley, our Chief Operating Officer, left to become a CEO elsewhere and we wish her the very best in her new post. The Chief Operating Officer role will be replaced by a Chief Customer Officer and a Chief Property Officer, and the permanent recruitment into these roles will take place in 2025/26.

Our colleagues have been working very hard to manage and absorb the many initiatives and changes going on in the business. I would like to express the Board's gratitude for their efforts and continued optimism as we make changes, improve systems and simplify processes across the organisation.

Looking ahead

The work done in delivering the first stages of our strategic plan means we now have the funding structures and financial plans in place to significantly invest in our homes. In the next five years we plan to have all fire remedial works completed and all of our homes will have achieved a minimum of EPC C. Investments in roofs, windows, doors, kitchens and bathrooms has been the subject of rigorous planning and are fully provided for in the 2025/26 financial plan.

We look forward to delivering new systems and process solutions in the coming year particularly through five software led initiatives but also through further workspace plans, which will improve services for our customers and make us more efficient.

We have a disposals programme which will remove stock at the end of its useful life from our portfolio of properties, saving costs on future maintenance, while generating cash receipts for productive investment elsewhere. The overall effect will be to reduce the average age of stock and improve overall quality. Of course, in our plans we will seek to minimise any customer disruption, and where unavoidable, providing improved accommodation.

We look forward to the future with confidence.

Colin Dennis
Chair

22 July 2025

Strategic Report

Introduction

The Board presents its report together with the audited financial statements for the period ended 31 March 2025. 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 'GSA' or 'the Group') comprises GreenSquareAccord Limited ('The Association') and a number of subsidiaries, including GreenSquare Homes Limited, GreenSquare Construction Limited, GreenSquare Estates Limited, LowCarbonLiving Homes Limited, GreenSquareAccord 1 Limited and joint venture Sharpness Development LLP.

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 in this financial year, the second 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

Expectations of better service levels, requirements for building safety and energy efficiency , and more investment needed in homes, have raised cost and capital requirements across the sector. Inflation in wages and services has impacted the cost base, seemingly permanently. For the first time the sector has experienced debt service costs above net earnings.

The annual rent increase of 7.7% effective 1 April 2024 narrowed the gap between income and cost, as effective inflation was experienced at higher levels than the rent determination. For 2025/26 the rent settlement has been based on a historic low inflation rate due purely to timing of the base measure, and thus income rises have generally been below financial plan expectations. Also, for 2025/26, National Insurance increases have been introduced. Cost efficiency is thus a continuing theme.

Funding markets remain open for the sector, and debt capacity is there in terms of Gearing, but pressure in Registered Providers is mostly being felt in terms of Interest Cover, a key loan covenant measure. That is now becoming a more restrictive aspect and is the main cause of development programmes being reduced across the sector.

Growing expectations of our stakeholders, from customers, policy makers and regulators continue to manifest and drive change in the sector. A Consumer "C" grading, introduced by the Regulator for Social Housing has been effective since April 2024, alongside the now recognised "G" and "V" ratings. The roll out of "C" assessments across the sector continues, with GSA having a planned inspection in July 2025 when we will receive the consumer grading for the first time. This will replace our Regulatory Notice, which has been in place since 2021.

The new Complaint Handling Code issued by the Housing Ombudsman Service has been effective in raising standards of complaint handling as well as understanding of customer service level requirements.

We expect clarity on a new "Decent Homes" standard this year, which may impact future costs.

Recognising the many demands and uncertainties on the business, our focus has been on the delivery of the corporate strategy in response, and in particular retaining a focus on improving services to customers, investing in our homes and making sure that the scope and balance of risk in the Group's activities remains appropriate to our core purpose – to become a great social landlord.

Purpose, Mission and Core business

GSA is a registered society and exempt charity administered by a Board of Management and is a leading provider of housing and related services within the West Midlands, Oxfordshire, Gloucestershire and Wiltshire.

The financial year to 31 March 2025 was the second year under the Group's revised corporate strategy (Simpler Stronger Better). As a charitable housing and care provider, our focus is always on those least able to meet their needs in the open market. We believe that if we provide truly affordable homes then people will be able to achieve their full potential without having to worry about the quality, affordability and safety of their housing. Our care and support services aim to support people in their homes, recognising their vulnerabilities but championing their strengths and ultimately helping them to remain independent.

Our charitable activities are supported by more commercial ventures where appropriate, although this a diminishing aspect as we have reduced our open market development for sale programme to virtually zero and are looking to exit other ventures as we focus on existing homes.

Any surpluses we make are retained within the Group for re-investment in social housing activities.

The Group delivered activity in the following key business streams during the financial year:

- Housing for rent, primarily by families who are unable to rent or buy at open market rates;
- Supported housing and housing for people who need additional housing-related support or care and support services;
- Residential and specialist care services, offering dedicated facilities for older people;
- Low-cost home ownership whereby residents purchase a share in the equity of their homes and pay rent to the Group on the remainder;
- Construction and delivery of low-carbon, timber-framed housing units undertaken by commercial subsidiary LowCarbonLiving Homes Limited (LoCaL)
- Property development and construction undertaken by our commercial subsidiary GreenSquare Homes Limited, and
- Maintenance of public open spaces undertaken by our commercial subsidiary GreenSquare Estates Limited.

As well as owning and managing over 26,000 properties, GSA is a developer of new affordable housing and is a Strategic Partner under the Homes England National Affordable Housing Programme (NAHP).

We manage the Matrix partnership in the West Midlands as part of this, with partners, Black Country Housing Group, Citizen Housing Group, Pioneer Housing and Community Group, Rooftop Housing Association, Watmos and Trident Housing Association.

We are also part of Homes for the South West, a group of chief executives from some of the largest housing associations in South West England working together to identify and tackle the barriers to new housing in the region.

The Group employs c1,600 employees on a full-time equivalent basis.

Strategy and achievements

During the year the Group continued work on the its Simpler Stronger Better Strategy, under which its activities are split into four strategic objectives. Progress and future plans for each are shown below:

1. We will simplify and strengthen our business

Key achievements

- We implemented changes to our funding structure with improved and more consistent financial covenants, new margin terms and also reduced excess capacity. This has improved financial headroom and enables important investments to continue to be made in existing homes and services.
- We increased fixed rate lending to c85% with the issue of £80m ISDA's which are a stand-alone agreement to manage hedging arrangements in a cost-effective way. This reduces the risk of volatility from market movements.
- We disposed of two large Dementia Care homes which were losing money. This improves our financial performance and reduces risk in services better managed by others.
- We are alert to cyber risks and data security, and have strengthened the IT infrastructure, as well as significantly increasing colleague awareness of cyber security through mandatory training and phishing tools.

Key plans for the financial year ending 31 March 2026

- The Budget for 2025/26 has been set to provide tools for our teams to deliver the levels of service we expect, while meeting all loan covenant requirements.
- Major corporate projects will be completed in the year – customer relationship management, process and work flow; procurement (Source to pay); asset management software; and service charge process and systems. These will improve future business efficiency and services to customer. (The 2025 Financial Plan forecasts a minimum of £1m a year in benefits from 2026/27).
- Increased levels of asset disposals are planned, to support investment funding, while reducing cost in use of older homes.
- We will continue to review the performance of our care & support services to ensure the balance of risk and returns is appropriate for us.

2. We will improve our customer offer

Key achievements

- We moved to a single housing software platform to improve efficiency and consistency in our services.
- CSAT scores show improvements across the board.
- Transactional satisfaction with repairs remains below our 95% target at 88% (unchanged from 2024), with repair completion times reduced to 15 days from 20.
- Call Centre response times remain longer than target. Satisfaction with our call Centre is 82% (80% last year) against a target of 85%.
- The Customer Panel has continued to support us in understanding what is important to customers. Key concerns identified are the ability of the Call Centre to help at first point of contact and tenants wanting more communication with Housing Officers. The Panel reviewed and improved our service charge letters before they went out to tenants, to improve clarity and comprehension and also supported us with Grounds maintenance specifications.
- We have developed a Customer Performance Infographic to report on matters of key interest to customers. This is made available on our website monthly.
- Our Community Impact Fund made grants of £20,543 across 21 projects.
- The Tenancy Sustainment Fund provided £199k to support customers in the greatest need, helping to sustain their tenancies.
- In setting the Budget for 2025/26 we have provided a fund of £200k for estate improvements so Locality Boards can make small but important decisions on very localised initiatives.
- We have strengthened the Customer Care team to handle complaints better including through early resolution.

Key plans for the financial year ending 31 March 2026

- The Leadership Development Programme and our first GSA Leaders Conference will be the focus for the coming year, seeking to embed and develop the theme of brilliant leadership as a real catalyst for progress at GSA.
- We will deliver corporate projects, with enhancements to our single housing management platform through process, work flow and smart use of data integration. This will help to improve case management through communications across departments, reduce errors, and address root causes of repeat contacts.
- Implement a new quality framework to achieve shorter and more effective call handling.
- The Locality Model will be developed and how it can best ensure that services respond to local issues with more visibility of front line teams in communities.

3. We will improve the quality of new and existing homes

Key achievements

- Our Financial Plan has been developed further. This now includes a 30 year investment plan for our existing homes, supported with data assured by Savills, totalling £51k per property for component upgrades.
- Over the next 5 years the Financial Plan also now targets £51m to make all our properties at least EPC C compliant by 2030, as well as £87m set aside to complete all fire remedial works.
- In the current year we spent £77.4m on existing homes.
- We handed over 333 new homes in the year.
- We disposed of 140 older housing properties. The sales reduce future unviable expenditure commitment on those properties, and the valuable cash receipts support wider investment plans.

Key plans for the financial year ending 31 March 2026

- Deliver significant investment in existing homes with budgets increased to £93m in 2026, including Fire remedials and EPC programmes.
- Hand over 309 new homes.
- Embed changes to how we monitor and manage damp and mould cases, responding to Awaab's law and the new Decent Homes Standard.

4. We will create a culture that empowers our people

Key achievements

- 129 people attended our Leadership Development Programme during the year. We are equipping our leaders with the skills and confidence to continue improving our performance through their teams.
- One of our initiatives is to allow senior colleagues to gain governance experience by joining our Executive sub-committees as Co-optees.
- We continued embedding the GSA Way, encouraging cross-team collaboration at all levels.
- We moved into a new single head office location in central Birmingham, to enhance the employee experience; improve recruitment potential and provide an environment conducive to collaborative and flexible working.

Key plans for the financial year ending 31 March 2026

- The Workspace project will rationalise and improve office provision for all colleagues following the success of the Brindley Place Head Office move.
- Embed the GSA Way by ensuring culture and attitudes are demonstrated through all levels of the organisation.


Enjoy LIFE...
EAT,

Tenant Satisfaction Measures (TSMs)

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.

Based on the 2024/25 TSM results customer satisfaction has improved to 58.2% for LCRA (+13.8%) and 41.8% for LCHO (+16.8%), reflecting gains across all 12 satisfaction measures. These increases are likely due to service improvements starting to positively impact customer experience.

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

TP08 - Agreement that the landlord treats tenants fairly and with respect- for LCRA, this has increased 14.5% to 64.3%; for LCHO, this has increased 23.8% to 53.8%.

TP10 - Satisfaction that the landlord keeps communal areas clean and well maintained- for LCRA, this has increased 12% to 56.1%; for LCHO, this has increased 35.3% to 52.4%.

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

An action plan has been developed to address areas where customers indicate lower levels of satisfaction (complaint handling and ASB management, for example).

Financial Review

Overview

The Group achieved a net deficit for the year of £13.6m (2024: £3.9m surplus), with turnover of £222m (2024: £230m) and an operating margin of 15.5% (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 £14.0m driven by the Group's strategic objectives. 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 care and support 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 £3.5m.
- The Group has also reviewed its workspaces offer and with the in-year move to a new head office location will seek to divest of locations which do not fit with the future strategy. Impairment of £1.9m has therefore been recognised based on expected realisable values.
- An impairment of £3.7m of 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, and plans to exit from the joint venture.
- The disposal in year of two dementia care homes to a specialist provider, further reducing the amount of registered care activity in the Group and removing an area of loss making activity but at a loss of £2.5m on sale.
- A review of commercial activities resulting in decision to pursue an exit at a cost of £2.5m.

After these adjustments, the Group generated an operating surplus for the year of £38.0m (2024: £51.7m). 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 2025/26 and beyond.

In addition to the items noted above at Group level, in the Association there were further impairments of £15.6m reflecting the costs associated with the Group's strategic decision to reduce and/or exit from commercial activity in subsidiaries in line with our strategy to simplify the Group and to reduce risk. These impairments represent the write off of the fixed asset investment in the Association and a provision for recovery of inter-company loan balances, to the extent that these cannot be repaid.

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 2025.

Statement Of Comprehensive Income

	2025 £000	2024 £000
Turnover	221,900	230,471
Operating costs	(187,416)	(183,917)
Operating surplus before non-recurring and disposals	**34,484**	**46,554**
Non recurrent costs	(14,048)	0
Disposal of properties	17,535	5,146
Operating surplus	**37,971**	**51,700**
Net interest and taxation	(51,574)	(50,225)
Fair value on business acquisition	0	2,388
Net (deficit)/surplus before refinancing cost	**(13,603)**	**3,863**
Refinancing cost	0	0
Net (deficit)/surplus	**(13,603)**	**3,863**
Key Financial Metrics		
Operating margin (excluding property sales)	9.2%	20.2%
Operating margin (excluding non recurrent costs and property sales)	15.5%	20.2%
EBITDA MRI	46%	83%
EBITDA MRI (excluding non recurrent costs)	70%	83%

Operating surplus before disposals reduced to £34.5m (prior year £46.5m), with the key movements being:

- Reduction in turnover of £8.6m (4%), predominantly due to a reduced level of sales activity, with first tranche and open market sales turnover reducing by £11.8m. We reported a 5% increase in turnover for social housing activity.
- Operating costs have increased £3.5m (2%) reflecting pay awards to colleague, and cost increases in several operational areas, most significantly routine and planned maintenance costs, which have increased 12% year on year. Social housing operating margin has reduced to 21% (2024: 27%) with £5.4m of the non-recurring costs being included here; restating for these, underlying margin is 24%.
- We continued to increase investment in improving the quality of our existing homes, with capitalised expenditure of £22.6m (2024: £22.1m) and a further £54.8m in revenue (2023: £49.1m) for other repairs and refurbishment activities.
- Shared ownership sales income for the year was £6m (2024: £9.9m). We sold 54 shared ownership homes, with an average first tranche share of 35% (2024: 96 sales, average share 36%). Outright sales income reduced to £12.5m (2024: £20.3m) with the completion of final schemes, however cost pressures and overruns on these schemes generated a loss in year of £1.9m. This however concludes the remaining outright sale activity, removing future downside risk.
- Management costs increased £4.1m year on year, with a significant level of project costs as part of the disposal and divestment work associated with strategic changes, which totalled £3.9m in year. 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	
	2025 £000	**2024 £000**	**2025 £000**	**2024 £000**	**2025 £000**	**2024 £000**
Operating summary by activity						
General needs	136,449	126,899	42,441	43,811	31%	35%
Supported and housing for older people	28,329	27,995	368	161	1%	1%
Shared Ownership	9,453	8,607	3,683	3,795	39%	44%
Residential Care Homes & Garages	9,577	11,050	(1,841)	(1,985)	(19%)	(18%)
Total social housing lettings	**183,808**	**174,551**	**44,651**	**45,782**	**24%**	**26%**
First tranche shared ownership sales	5,974	9,914	1,170	2,719	20%	27%
Other social housing activities	5,247	4,971	498	634	9%	13%
Total social housing activities	**195,029**	**189,436**	**46,319**	**49,135**	**24%**	**26%**
Non-social housing activities	14,404	20,752	(9,912)	(2,756)	(69%)	(13%)
Development for sale	12,467	20,283	(1,923)	(1,566)	(15%)	(8%)
Disposal of properties	-	-	17,535	5,146	-	-
One-off non-recurring costs	-	-	(14,048)	1,741	-	-
Total	**221,900**	**230,471**	**37,971**	**51,700**	**17%**	**22%**

The Group's strategy continues to be the simplification of activity with an evident increased focus on social housing activity which now accounts for 83% of turnover at £183.8m (2024: 76%.) The underlying social housing business has shown resilience, although impacted by cost pressures. Turnover increased by 5% year on year, principally due to inflationary rental increases at 7.7%., while surplus reduced year on year to £44.7m (2024: £45.7m), because of ongoing cost pressures and increased repairs activity, particularly fire remedial 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. These 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. The most significant area impacting performance in this area was construction services which saw a challenging year with a high level of cost-overrun on one contract being delivered for a third party; this resulted in additional costs of £3.5m compared to budget, with the contract due to complete early in 2025/26. The Group has no other such contracts in place. LoCaL made a loss of £1.3m, impacted by delays on schemes and a bad debt write off. The Group Board is reviewing its position on LoCaL Homes.

Development for sale

This activity is open market sales undertaken by the Group's commercial subsidiary, GreenSquare Homes. An overall loss of £1.9m in year reflects the conclusion of the remaining three market sale sites, with cost pressures realised in completing those schemes. There are two completed units to be sold in 2025/26, beyond which the Group has no open market sale exposure.

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 £17.5m (2024: £5.1m)

Statement Of Financial Position

	2025 £000	2024 £000
Fixed assets	2,074,812	2,051,409
Net current assets/(liabilities)	5,630	(56,921)
Long-term liabilities and provisions	(1,531,287)	(1,433,169)
Net assets	**549,155**	**561,319**
Reserves	**549,155**	**561,319**
Key financial metrics		
Units owned/managed	26,490	26,654
Gearing (net debt)	51%	53%
Average cost of finance	4.5%	4.7%

Fixed assets have increased in year by £23m, with investment in new homes totalling £52.2m, and capital expenditure on existing homes £22.6m, offset by disposals, depreciation and other items of £51.8m. 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 overleaf. Net assets have decreased marginally by £12.2m in the year, with an increase in long-term liabilities of £100m largely due to refinancing activity in the year extending maturity dates on loan facilities and the debt moving from current to long term, offset by an increased level of cash held.

Treasury and Funding

Overview of treasury management function

The Group adopts a conservative approach to treasury management recognising it as a crucial tool in the delivery of its purpose, but not as an end in itself. During the financial year, the Board and Treasury Committee sought independent advice from external consultants as well as receiving quarterly reports from officers. Treasury activities are controlled by the Chief Finance and Investment Officer and managed in line with the Board-approved Treasury Management Policy and Financial Golden Rules which are reviewed and updated at least annually. The purpose of the treasury management function is to ensure that the Group has enough liquidity to fund its operations, sufficient funding to deliver its Corporate Plan, to ensure that exposures to financial risk are minimised and that loan covenants are met. Treasury management activity is subject to regular review by internal auditors and treasury specialists.

Covenants and reporting during the year

Compliance with covenants is closely and regularly monitored as part of the Group's routine treasury management activity. The Group's principal loan covenants are interest cover, gearing and asset cover. In the financial year, the remaining EBITDA MRI interest cover covenants were all replaced with EBITDA-only interest cover covenants, providing capacity to fund the Group's planned investments in existing homes. The Group met all its financial covenants for the financial year and forecasts continued compliance for the duration of its 30-year financial plan.

Quarterly monitoring information and management accounts are submitted to stakeholders in accordance with funder and regulatory requirements. Short, medium and longer-term liquidity requirements are monitored through ongoing forecasting and the financial planning process. It is the Group's policy to balance the cash held by repaying debt as far as possible, whilst ensuring sufficient access to funding facilities to cover investment and business development plans.

Key Metrics

	At 31st March 2025	**At 31st March 2024**
Drawn facilities	£1,155m	£1,143m
Undrawn facilities*	£310m	£480m
Cash and cash equivalents**	£91m	£49m
Fixed rate borrowing***	84%	78%

**Includes £100m retained bonds*
***Excludes restricted cash*
****Excludes inflation linked borrowing costs*

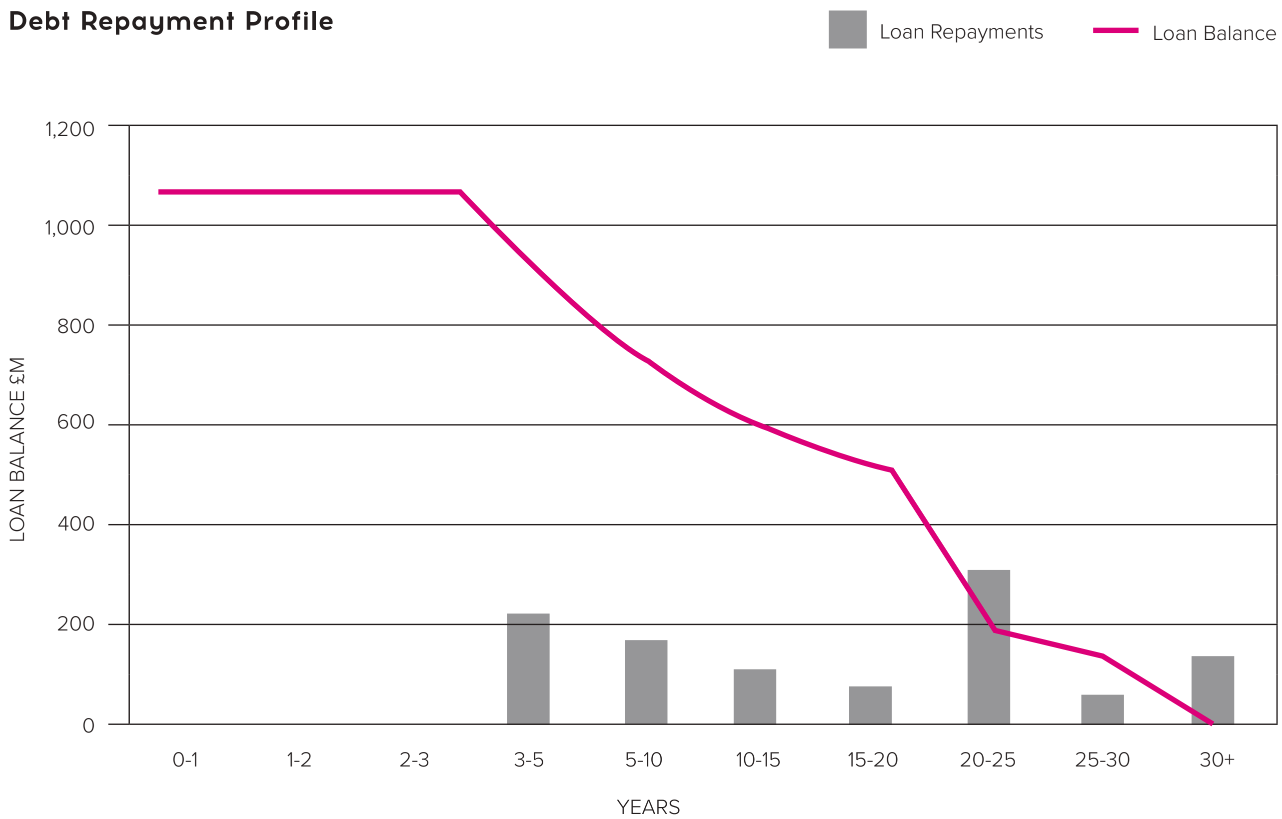
Capital Structure

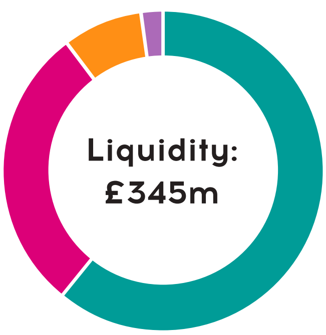
The Group is financed by a combination of retained earnings, bank debt, capital market debt and social housing grant.

Borrowings

As at 31 March 2025 the Group had total facilities of £1,401m (2024: £1,629m) of which £1,155m were drawn, a net decrease of £228m on the previous year following a refinancing exercise.

Debt Repayment Profile





£210m Bank facilities

£100m Retained bonds

£28m Available cash at bank

£7m Overdraft facility

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.

Available liquidity totalled £345m on 31 March 2025, comprising of £28m available cash £310m undrawn facilities (including a £100m retained bond), and a £7m overdraft. This is equivalent to 46 months liquidity for the Group. This provides certainty of funding to deliver the corporate plan whilst also protecting the Group from economic uncertainty.

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, 85% (2024: 78%) of borrowings were at fixed rates. The fixed debt is from capital market transactions, vanilla embedded fixes and an £80m stand-alone swap entered into during the year. We also have inflation based loans of £64m 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 2025 8,629 units were uncharged at a value of around £775m, providing security for additional funding facilities.

Environmental, Sustainability and Governance (ESG) Reporting

The Group issued its annual ESG report in March 2025. The report sets out the Group's ongoing ESG credentials and included an update on allocations under its sustainable bond issuance, with 87% of funds now allocated to affordable housing and energy efficiency projects.

Development

Performance and Delivery

The Group invested £52.2m (2024: £54.5m) in the development of new homes during the year. 333 completed affordable units were added into management comprised of 296 General needs and 37 Low Cost Home Ownership (LCHO) shared ownership units.

During the year the Group generated sales receipts of £6.0m (2024: £9.9m) from the sale of 54 LCHO shared ownership homes plus a further £12.5m (2024: £20.3m) from 23 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

143 strategic housing disposals, seven right to buy/acquire sales, 38 LCHO shared ownership staircasing sales and two dementia scheme sales.

Our active development programme as at 31 March 2025 sees 795 units under development. The development programme focusses on the delivery of properties for social and affordable rent for which there is a high demand across our geographical area of operation. These will be complemented by a proportion of properties for shared ownership.

Environment and Sustainability Commitments

The Group is committed to development of high-quality sustainable homes which are cost-effective for customers and positive for the environment. We deliver sustainability in development in the following ways:

- Under our grant funded programmes, we are committed to maximizing our strategy that provides higher insulation standards than Building Regulations requires, to reduce the cost of heating to customers.
- Environmental factors relating to all key project investment decisions are considered by the Group's Investment Committee;
- We delivered high quality, low-carbon homes through our timber frame factory, LoCaL with 139 plots on our own schemes and 236 delivered to external customers.
- We support the Government's target to have net zero emissions by 2050. Our ten year financial plan includes an allowance of £67 million to improve the energy efficiency of our homes.

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 310 new homes under the Affordable Homes Programme 2021-2026 funding.
- Completed 1,629 homes with a further 489 in development under the Homes England Strategic Partnership 1 funding programme.
- Secured Strategic Partnership 2 funding from Homes England totalling £187m to fund 2,208 property 'start on sites' between 2022 and 2026. The bid places greater focus on social rent tenures and also includes Supported Housing, Rent to Buy, Affordable Rent and Shared Ownership. GSA will deliver 697 of these homes up to 2028.

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, following a write down during the year.

GSA future focus

The Group continues to rebalance its 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.

The Group's financial plan reflects a significant investment over time in both lifting properties up to EPC C and in line with current national targets.

During the year we have continued to invest the £5m previously awarded under the Social Housing Decarbonisation Fund Wave 2 which has helped us to transform the energy performance of some of our most challenged properties.

Value For Money

Strategic Approach and achievements

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

- 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.
- Making our organisation stronger will increase our resilience.
- 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 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.

This Strategy informed our activities during 2024/25 which has led to a number of actions taken to de-risk the business in a number of areas, resulting in a £14.0m 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 overleaf.

Doing things right: Key achievements

Achievements	VfM benefits
Refinancing our loan book We undertook a refinancing exercise to deliver improved and more consistent financial covenants, new margin terms and also reduced excess capacity. This has improved financial headroom and enables important investments to continue to be made in existing homes and services.	◆ Unutilised facilities reduced by £147m which delivers reductions in commitment fees of c£1m annually. Revised margins reduce borrowing costs by £1.4m annually ◆ The new covenants have freed up capacity for investment
Efficiency programme The embedding and delivery of the procurement forward plan and improved procurement compliance has helped the Group achieve savings in year and for the future across a range of areas. These include cleaning and a number of development supply and fit contracts such as carpentry, windows and doors.	◆ Cashable savings of £5.1m delivered over contract life, £1.5m in 24/25 (Capital £1.3m, revenue £0.2m)
Workspaces The opening of our new corporate headquarters in Birmingham during the year has been a highlight of a broader project to rationalize and update our office portfolio.	◆ Reduction in office portfolio which is better populated with increased staff collaboration ◆ More efficient ways of working for colleagues
Digital Systems We have integrated our housing management systems, improving efficiency by aligning processes and ways of working onto a single system.	◆ Reduced ICT costs ◆ Lower transaction costs ◆ More efficient ways of working for colleagues
Fleet – fuel costs We have changed our processes to enable fleet users to buy fuel from a wider range of petrol stations. This has enabled wider choice and convenience for drivers and cost savings through cheaper fuel.	◆ Improved colleague satisfaction ◆ Cost savings
Estates – service charges We have undergone a review of our service charges, to ensure greater clarity, visibility and capture of costs being recharged to tenants. From this work, we expect to be cost neutral by the end of the year. We aligned charge rates to rebalance cost differentials between areas, which has also meant cost saving for some tenants and fairer charging arrangements for others.	◆ Customer service ◆ Improved cost recovery
DLO cost reviews We invested in our people, providing training to allow the DLO to deliver more work internally (such as Tetra ladders and working at height training, to reduce scaffolding costs). The team have also improved cost control, identifying and implementing cost reductions.	◆ Improved budget management ◆ Reduced costs ◆ Investing in our people

Achievements	VfM benefits
Fire safety We invested £7.3m in our existing homes during the year across fire doors, alarms and enhancements to emergency lighting to ensure we keep our customers safe.	◆ Improved service and customer experience
Supporting our customers We continued our Tenant Sustainment Fund to support customers affected by cost of living challenges, helping them sustain their tenancies, including where they were in arrears. Our Customer Impact Fund, offering grants up to £1,000 is aimed at supporting the work of tenant and resident groups, local charities, voluntary and community groups, and organisations who operate in our areas to develop projects that deliver outcomes that benefit our customers and the communities we work in.	◆ Reduced evictions ◆ Management of arrears position ◆ Improved focus on customers and communities.
Strategic Disposal Programme The Group has utilised stock data to inform the development of an enhanced strategic disposal programme, targeting properties where it is not viable for us to invest and retain. This allows us to focus productive investment in existing homes and improve the overall quality of accommodation across our estate.	◆ Delivery of disposal targets reduces future unproductive investment commitment ◆ EPC ratings in customers homes is improved through funded investment programmes
People Development Following the successful delivery of our Leadership Development Programme to all leaders in GSA this has now been rolled out to all managers. The training is designed to build capability and ensure consistent delivery of the GSA Way.	◆ Reduced colleague turnover ◆ Improved employee engagement
Strategic Divestment programme The Group has continued with the program to review services which are no longer viable to deliver and/or do not fit with our core purpose. This resulted in exits from a number of services in year, to maximise value for the Group and improve our financial position.	◆ Improved financial capacity

Doing the right things: Key achievements

Achievements	VfM benefits
Commercial 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. All outright sale properties delivered by GS Homes are largely sold with only two unsold properties remaining, and an in-house construction project is due to complete in summer 2025.	◆ Reduced reliance commercial income ◆ Lower risk profile of core v non-core activity
Sustainability improvements We have developed a property investment programme to ensure that all our homes reach a minimum of EPC C by 2030. We have accessed different funding sources to support this work, including the Social Housing Decarbonisation Fund.	◆ £14m grant funding secured ◆ Reduced energy costs for customers

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 2024 Global Accounts VfM Metrics.

The following table outlines GSA's performance against the published 2024 Median and Quartile VfM regulatory standard metrics and against the group target for the year.

	2025 outturn Actuals	2025 target (GSA VfM Strategy 2024/25)	Variance to strategy target	2024 outturn Actuals	2024 Global Accounts weighted average	2023 Global Accounts weighted average
Reinvestment %	3.9%	4.4%	-0.5%	4.0%	7.7%	6.9%
New Supply Delivered %	1.3%	1.5%	-0.2%	1.8%	1.7%	1.7%
Gearing %	51.4%	54.2%	-2.8%	53.2%	48.1%	47.4%
EBITDA MRI interest cover	42%	85%	-43%	83%	89%	104%
Social housing cost per unit	£5,555	£5,025	-£530	£5,082	£5,759	£5,251
Operating margin SHL	21.4%	27.2%	-5.8%	27.2%	21.6%	21.3%
Operating margin Overall	10.3%	22.8%	-12.5%	20.2%	16.9%	16.6%
ROCE %	1.8%	3.2%	-1.4%	2.6%	2.5%	2.6%

- **Reinvestment and new supply delivered:** During the year contractor delays impacting the start on site target dates of some schemes affected the Groups delivery of new homes. In addition, 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 2025 is higher than peers at 51.4% v 48.1%. It remains stable from previous years and is manageable under our financial plan, which shows full covenant compliance.
- **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 66%.
- **Social housing cost per unit:** Cost per unit increased year on year and ended 10% above target, this was driven by higher than planned routine repairs due to works to 600 properties where insulation was below decent homes standard. GSA closed 2025 with almost perfect compliance with Decent Homes. We completed more jobs so had a material decrease in repairs WIP; and time to complete repairs reduced to 15 days compared to 20 days in March 2024. The proportion of properties passing Decent Homes Standard increased by 2.53% to 99.99% over the year.
- **Operating margin:** Margin outturn was lower than the yearly target resulting from the impact of overspend on a third-party commercial construction project, plus an impairment provision on care and support facilities moving from historic cost to market value. Further impacts included increased disrepair compensation costs.
- **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 sets out the following targets for key VfM metrics over the next 5 years. These are continually reviewed through the year.

	Benchmark*	2025	2026	2027	2028	2029	2030
Reinvestment %	7.7%	3.9%	4.6%	3.9%	4.0%	3.9%	4.3%
New Supply Delivered %	1.7%	1.3%	1.2%	1.1%	0.1%	0.0%	0.0%
Gearing %	48.1%	51.4%	53%	53%	52%	51%	50%
EBITDA MRI interest cover	89%	42%	41%	50%	48%	52%	44%
Social housing cost per unit	£5,759	£5,555	£6,514	£5,875	£6,184	£6,340	£6,734
Operating margin SHL	21.6%	21.4%	21.5%	22.8%	22.4%	22.0%	20.7%
Operating margin Overall	16.9%	10.3%	20.0%	22.4%	22.1%	21.8%	20.7%
ROCE %	2.5%	1.8%	3.2%	3.9%	3.9%	3.7%	3.3%

2024 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 remains steady through 2025-2027 with circa 900 new properties delivered over these periods. No new uncommitted development is included in the Financial Plan beyond 2028.
- **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.
- **Social housing cost per unit** increases 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.
- **SHL and Overall margin** remains steady through the plan, declining slightly in later years with the increase in EPC C spend. Significant reduction in the Group's commercial activities sees the SHL and Overall margin begin to converge from 2026 onward.
- **ROCE** was depressed in 2025 due to losses related to disposal of non-core businesses and operational losses in development of properties for 3rd parties. From 2026 onwards underlying improving profitability sees healthy ROCE consistently above 3.5%.

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 Group Board is accountable for effective risk management, agreeing the Principal Risks facing our business and ensuring these are managed effectively. The Group Board also has responsibility for defining 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 risks within everything we do. We ensure that risk management is considered at all levels, through implementation of our business plan, projects and operationally. The more risk-aware we are, the more effective we can be at mitigating significant risks before they crystallise.

Our Risk Management Framework

The Group Board reviews and approves a comprehensive Risk Management Framework on at least an annual basis, most recently in March 2025. 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 have been reviewed and updated where appropriate across 2024/25 through regular engagement with the Group 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 Group Board reviews the current assessment of our Principal Risks and the 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 receive 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 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 of each of our Principal Risks.

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 2025 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: *Weak data integrity or data governance undermining the accuracy, consistency, and reliability of data in key areas of organisational performance or regulatory expectations*

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 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
- ✓ Implementation of a single housing management system

Across 2024/25 we have improved confidence in the quality of our data through strengthening our data maturity, making improvements to asset and compliance data sets, enhancing our data governance framework and promoting good practice on data protection across our teams

Health and Safety/Safeguarding

Risk: *Injury or loss of life occurs, and GSA is unable to demonstrate adherence to Health and Safety legislation or safeguarding requirements for that event*

How we manage the risk

- ✓ Health and Safety 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 were able to reduce our assessment of risk in this area in 2024/25 through improvements to our overall health and safety management arrangements including strengthening our fire safety expertise and establishing a robust role-specific training framework.

Lending Agreements and Covenants

Risk: *Action leading to a breach of a lending agreement or covenant, causing a default resulting in significant financial exposure or regulatory action.*

How we manage the risk

- ✓ Restructuring of loan portfolio to streamline loan covenants and reduce funding costs
- ✓ Interest rate risk monitored and reduced with high levels of fixed debt maintained...
- ✓ Financial Golden Rules and long-term Financial Plan in place and regularly reviewed and updated
- ✓ Group Board oversight of covenant compliance
- ✓ Treasury Committee established and maintains oversight on treasury strategy and policy

We have been able to improve our resilience in this area and reduced our residual risk score early in 2024/25 as a consequence of securing increased financial headroom through more advantageous covenants.

Service Delivery – Care & Support

Risk: *Care and Support does not deliver acceptable levels of quality, leading to a decline in customer satisfaction, adverse CQC ratings and compliance, an increase in safeguarding incidents or the termination of Care or Support contracts*

How we manage the risk

- ✓ Quality review programme covering all Care and Support customers
- ✓ Robust Safeguarding framework
- ✓ CQC framework readiness reviews undertaken
- ✓ 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
- ✓ Ongoing monitoring of Value for Money and efficiency targets

Our level of assessed risk in our care and support service delivery has remained low across 2024/25. We concluded our service transition activities and demonstrated strong levels of customer satisfaction in our remaining services.

Service Delivery – Housing

Risk: *Housing service quality fails to meet our residents' needs or stated service standards leading to a decrease in customer satisfaction and/or an increase in complaints*

How we manage the risk

- ✓ Customer Panel delivering scrutiny and feedback on behalf of residents to our Board and committees
- ✓ Improved complaints management and compliance with Housing Ombudsman Complaints Handling Code
- ✓ Locality boards focusing on performance and residents' needs
- ✓ Tenancy Sustainment Team in place to support vulnerable residents
- ✓ TSM action plan and continuing improvements in repairs performance
- ✓ Skilled and trained colleagues in place in integrated Contact Centre

This risk remains within appetite, and we have continued to drive improvements in core housing service delivery, including repairs performance, our customer satisfaction metrics and improvements in complaints handling.

Regulation

Risk: *Regulatory intervention or legal action or loss in trust from stakeholders or reputational harm due to weak governance or a failure to understand, or respond to, changes in regulation or legislation*

How we manage the risk

- ✓ Regular assessment of compliance with all regulatory standards
- ✓ Designated Quality and Compliance teams with regulatory knowledge and oversight in specialist care and support service areas
- ✓ Consumer standards working group and action plans
- ✓ Comprehensive suite of policies on a scheduled review cycle
- ✓ Annual compliance check against Housing Ombudsman Complaints Handling Code and satisfactory completion of para 49 investigation
- ✓ Governance Framework in place and regularly reviewed and updated

We maintain a positive relationship with the RSH and HOS. We have strengthened our second line Quality and Compliance assurance function which monitors and reports on our compliance with new Consumer Standards.

Investment in Homes

Risk: *Deterioration in stock condition and a failure to meet current and forthcoming building standards and requirements (including Decent Homes, fire safety and decarbonisation)*

How we manage the risk

- ✓ Significantly enhanced asset investment capital programme
- ✓ 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 compliance
- ✓ Active damp and mould and disrepair case management and reporting

We continue to improve our stock condition data which supports targeted stock investment. We have a clear focus on enhancing the quality of our stock and directing capital receipts from disposals into our major investment programmes. We have also invested to deliver improved disrepair case management.

People

Risk: *Insufficient organisational resilience, capacity and capability to support the delivery of our corporate priorities*

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

We have improved our resilience on our major People risks through our comprehensive leadership development programme, recruitment of new Board members and our wellbeing initiatives.

Reputation

Risk: *Reputational damage, organisational instability or loss in commercial value*

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 positive dialogue with the RSH and HOS

We continue to assess our reputational risk as low on the basis of our positive stakeholder relationships and our active engagement on strategy implementation.

Cyber security

Risk: *Inability to prevent, detect or respond to a significant cyber security threat or other IT incident resulting in prolonged disruption to key services or reputational damage*

How we manage the risk

- ✓ Programme of vulnerability and penetration testing
- ✓ Monthly assurance reports on our cyber protection status
- ✓ Regular 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 targeted phishing exercises

Our Board maintains a close focus on improving our cyber resilience in the face of threats in the external environment. We have established clear KPIs which will inform continued risk reduction, which embrace improvements in our technical infrastructure but also colleague awareness and threat identification.

Funding Strategic Priorities

Risk: *Inability to fund strategic priorities or deliver financial targets owing to reduction in income, increase in costs or failure to deliver efficiency targets*

How we manage the risk

- ✓ Long-term Financial Plan regularly reviewed, and Group Board approved
- ✓ Detailed Procurement Strategy
- ✓ Commencement of comprehensive Source to Pay project
- ✓ Approved Annual Budget and monitoring of financial performance at Group 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 done with detailed mitigations and responses
- ✓ Ongoing projects to improve business efficiency with minimum targets committed in the financial plan

Our level of assessed risk was reduced across the year through robust long-term financial planning coupled with debt restructuring and exits from loss-making activities.

Governance and Internal Control

Compliance with laws, regulations and standards

Code of Governance and Statement of Compliance

GSA has adopted the National Housing Federation Code of Governance 2020 (the Code) and is compliant with all of the key provisions of the Code.

Governance and Regulatory Environment

We have carried out an annual review of compliance against the standards set by the Regulator of Social Housing We remain partially compliant with the Governance and Financial Viability Standard which requires us to be compliant with all relevant legislation. We have identified areas of non-compliance with the Safety and Quality Standard. These relate to historic issues identified post-merger.

In November 2023, the Regulator of Social Housing published its regulatory upgrade of GSA from G2 to G1, acknowledging a strengthened governance and compliance framework and acceleration in programmes relating to building safety. Our Regulatory Notice remains in place but is due to be reviewed as part of a planned inspection taking place in July 2025. During 2024/25 strong progress has been made in reducing the number of backlog fire safety work actions, with the work expected to conclude by the end of March 2026.

The Regulator's assessment of GSA's compliance with the viability elements of the Governance and Financial Viability standard remains unchanged at V2.

In September 2023, the Housing Ombudsman announced its intention to conduct an investigation, following 6 findings of severe maladministration in 3 different cases. We worked closely with the Ombudsman to implement the actions arising from this investigation which subsequently concluded satisfactorily in February 2025.

Board and Committee structure

Those Board members who served during the period to 31 March 2025 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 is a member of the Board.

Our Board members are drawn from a wide background bringing together professional, commercial and local experience, aligned with our strategic objectives This year we have carried out additional recruitment to increase the diversity of our Board with two new Board members joining us in March 2025.

Committee Structure

GSA Board is supported by several boards and Committees, providing detailed scrutiny on its behalf. Our committee structure was streamlined during the year, combining Homes and Customer Experience Committee and Care and Support Committee to form a single Operations Committee.

Audit and Risk Committee

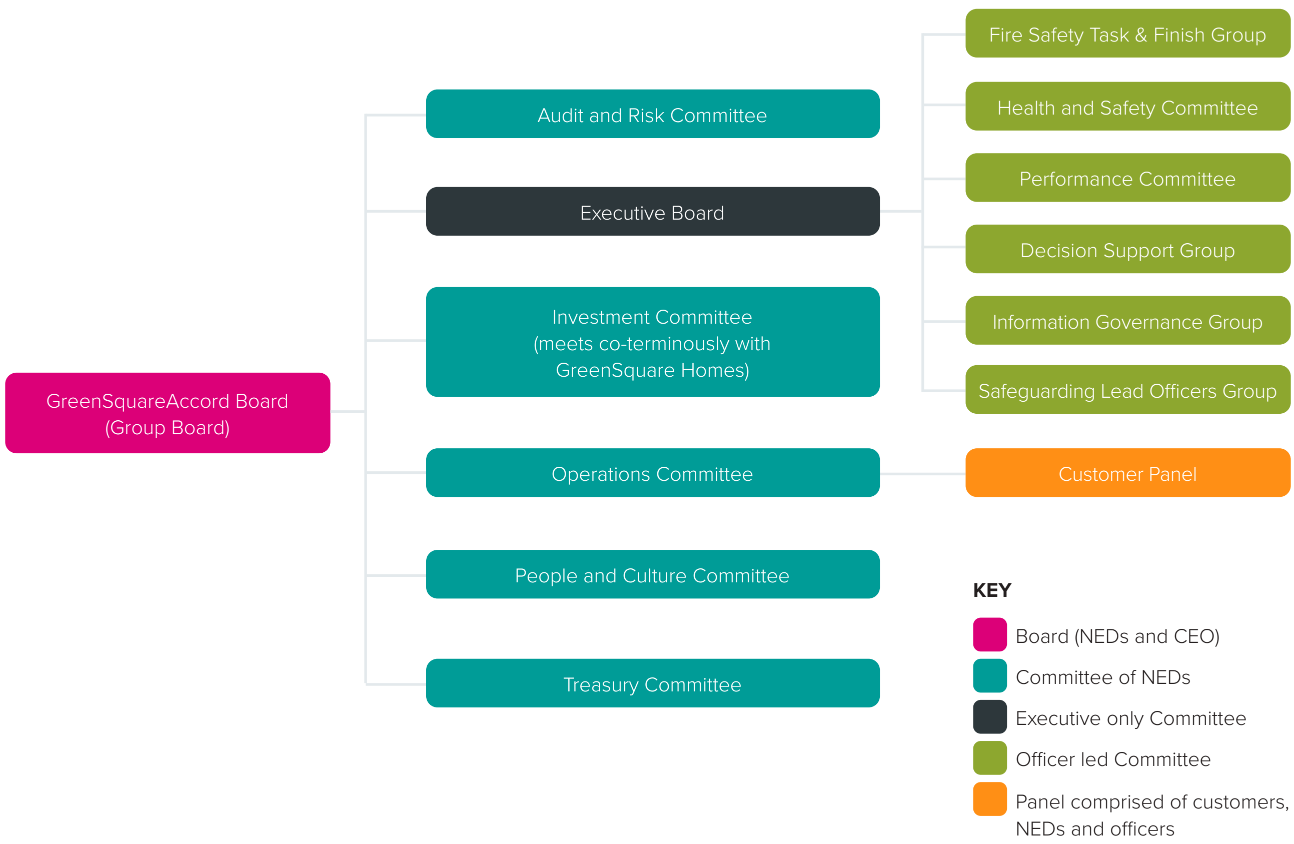
The Committee's primary role is to provide assurance to the Group Board on the systems of internal control, internal and external audit and risk management functions to ensure that they are effective and well-maintained. It is also responsible for maintaining an appropriate relationship with the Group's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

- Pablo Andres (Chair)
- Melvyn Garrett
- Susan Goldsmith
- Craig Jones
- Eleanor Taig

Care and Support Committee (until 1st January 2025)

The purpose of the Committee is to provide oversight and scrutiny of the Group's care and support services and accommodation. The Committee's remit extends to domiciliary care, registered care homes, supported housing and specialist care and support services. During the year, the Committee had the following membership:

- Christopher Hampson (Chair)
- Laura Caulfield
- Ruth Cooke
- Maxine Espley
- Selina Wall (to 31 December 2024)



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 has a number of sub-committees including: Delivery Committee, Health and Safety Committee, Performance Committee, Information Governance Group and the Safeguarding Lead Officers Group.

- Ruth Cooke (Chair)
- Sophie Atkinson
- Maxine Espley (to March 2025)
- Jo Makinson (to December 2024)
- Helen Pennack
- Ken Youngman (Interim, from December 2024 to June 2025)
- Mona Shah (from June 2025)

Homes & Customer Experience Committee (until 1st January 2025)

This Committee provides assurance to the Group Board on the performance, quality and value for money of services provided to housing customers living in homes of all tenures. The Committee has a key responsibility in overseeing the Group's compliance with its landlord responsibilities, including the quality and safety of the Group's homes. During the year, the Committee had the following membership:

- David Greenhalgh (Chair)
- John Creswell
- Gillian Durden
- Martyn Hale
- Sarah Mason (as Chair of the Customer Panel)

Investment Committee

The Investment Committee's primary role is to provide assurance to the Group Board on the Group's investment in existing properties, and the development of new homes. This includes the development of affordable housing, homes for market sale and rent, regeneration, asset management and disposals.

During the 2024-25 financial year, Investment Committee met co-terminously with the subsidiary boards of GreenSquare Homes Ltd.

- Philip Lyons (Chair)
- Gillian Durden
- Peter Forsyth (to 30 July 2024)
- David Greenhalgh (to 29 January 2025)
- Craig Jones
- Manny Lewis (from 25 March 2025)
- Colin Dennis

People and Culture Committee

The Committee oversees the remuneration of colleagues, the Chief Executive, Executive Directors and Board and Committee members. It also oversees Board and Committee 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
- Gillian Durden (to 25 March 2025)
- Susan Goldsmith (Chair)
- Phillip Lyons (to 25 March 2025)
- Manny Lewis (from 25 March 2025)
- Martin Tiplady (from 25 March 2025)

Operations Committee (from 1st January 2025)

The Committee provides assurance to the Group 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, customer service, customer service, customer engagement and feedback, repairs and maintenance, asset management, estates 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 learning from complaints is acted upon appropriately. It also has responsibility for overseeing the Group's compliance with its landlord responsibilities, including the quality and safety of the homes and services we provide. Since its inception, the Committee had the following membership:

- Chris Hampson (Chair)
- Laura Caulfield (to 30 April 2025)
- John Creswell
- Gillian Durden
- Martyn Hale
- Sarah Mason (as Chair of the Customer Panel)
- Martin Tiplady (from 25 March 2025)

Treasury Committee

The Treasury Committee provides scrutiny and assurance to the Group 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
- Jo Makinson (to December 2024)

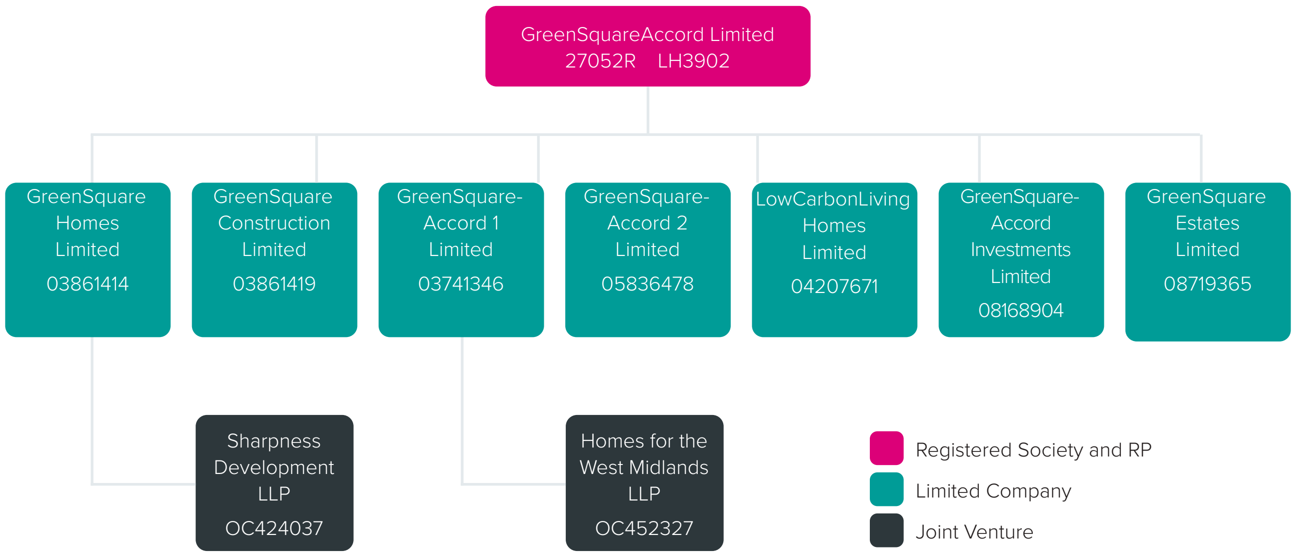
Customer Panel

The Customer Panel works in partnership with GSA to ensure resident-led scrutiny where the customer voice is heard and used to influence and drive performance and service improvements and provides assurance that GSA is conducting itself in an open, transparent, and accountable way. The Customer Panel offers feedback on behalf of the wider customer base on key areas of service delivery and customer concerns to the GSA Board and its committees to inform future strategic decision making.

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 Group 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 Group Board. This ensures that activities carried out in the subsidiaries are overseen and managed by GSA for the purposes of reducing risk.



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 & 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

All Executive Directors are employed on three month notice periods.

Some Executive Directors were 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 people. 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 colleague 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 2024 where our participation rate was 65.4% and our overall engagement recorded 77.5%. To ensure that we remain focused on listening to our colleagues we have agreed a regular business action plan to address the feedback received by colleagues which is reviewed every quarter 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 want to be 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 March 2022 the Board approved the Group's EDI Foundation Strategy Commitments, which set out a roadmap of activity over the coming five years.

We continue to work on developing this strategy and have since developed an EDI action plan spanning the remaining two years of our roadmap.

We continue to see improvements in our gender pay gap results with a further 4.18% decrease from 2023 to 9.69% in 2024, indicating a significant improvement on previous years. The mean pay gap has reduced by 14.5% since 2021. We have also introduced an internal ethnicity pay gap measurement to help us increase the parameters that we review pay fairness from.

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 key performance indicators (KPIs) are in place and reported to the Board at each meeting. 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.

This year we have completed a review of our risk assessments and brought these together on a single digital platform. We have also completed the integration of our accident and incident reporting system (EcoOnline). In addition, we have reviewed role-specific health and safety training, with programmes of training being rolled out across the Group.

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 2025. We have re-based our data this year and used an external party which has led to the reduction from the prior year.

Total Annual CO2 Emissions (tonnes)	**2024/25**	**2023/24**
Total emission from properties in management	42,503	54,160
Average emissions per property	1.82	2.52

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

	2024/25	**2023/24**
Property average kWh/m2/year	135	220
Total KWHM2 used by properties in management in year	3,151,048	4,725,159

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.

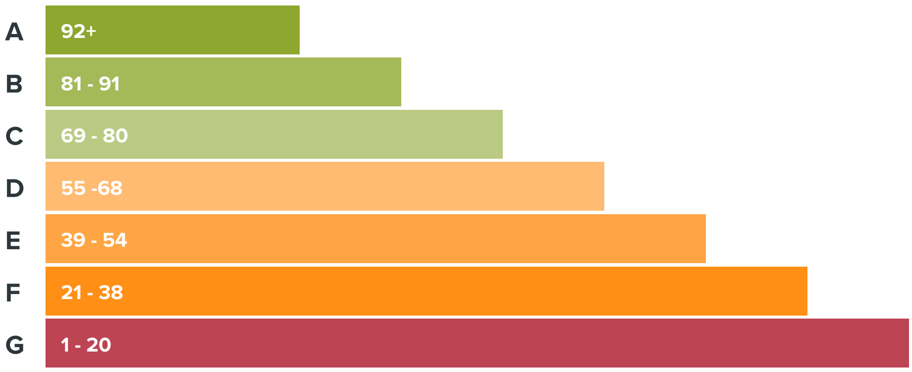
We produced additional carbon from our offices and from mileage as per the table below:

Total Annual CO2 Emissions (tonnes)	**2024/25**	**2023/24**
Properties in management	42,503	54,160
Fuel/mileage	2,813	1,475
Offices	253	198
Total emissions per property	**45,569**	**55,833**

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 year 5 in a NatWest Energy KPI programme. 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 to date.

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			

This year we completed a further tranche of Retrofit projects, and those properties which were reassessed in the same financial year are included in the figures above. We have met our cumulative target for the full six years.

The Group (in its capacity as lead bidder for the Matrix housing partnership) is also the lead partner for funding from Wave 2.1 of the Social Housing Decarbonisation Fund. This has provided £4m of grant funding to add to a contribution from GSA of £5.6m, these funds are being used to provide significant energy efficiency improvements to 273 of our homes up to September 2025. This will significantly reduce energy costs for these tenants as well as bringing these properties up to a rating of EPC C – helping to meet our obligation as a social landlord to bring all properties to this level or above by 2030.

Control Environment and Internal Controls

Introduction

The Board has overall responsibility for the system of internal control 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 31 March 2025 and up to the date of approval of the Financial Statements. The effectiveness of this process has been reviewed regularly by the Audit and Risk Committee which met five times in 2024/25.

Under GSA's 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 2024/25, through identified overspend on a key construction contract, we recognised control weaknesses in relation to the monitoring and reporting of costs related to directly managed construction activities. We commissioned an independent review of how our finance and development teams monitor and report upon costs at such schemes and we have taken a number of actions to strengthen the control environment in this area. This does not affect our usual development activities, where risk and controls are managed differently, in conjunction with a lead development partner.

**In 2021, the Regulator for Social Housing issued a governance downgrade and Regulatory Notice in relation to building safety issues, affecting legacy parts of the business. Although we were upgraded to a governance rating of G1 in Autumn 2023, the Notice remains in place due to the number of outstanding fire safety works which need to be completed. During this year we have made strong progress in completing these and will eliminate the backlog during FY2025/26. The Regulator of Social Housing is currently carrying out an inspection of GSA under the new regulatory framework which will see the Regulatory Notice replaced by a consumer grading. This is due to be confirmed around the time that these accounts are published.

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.

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 to 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 2024/25 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 and include: 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 goodwill 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, 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 and 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.

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 organisation 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, liquidity levels, the financial plan outputs, stress testing and risk mitigations. The organisation has adequate cash to more than meet its obligations, always remain compliant with funders covenants, 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.

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 auditors 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 auditors will be proposed at the forthcoming Annual General Meeting.

The report of the Board was approved on 22 July 2025 and signed on its behalf by:

C Dennis
Board Member

R Cooke
Chief Executive

Independent Auditor's 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's and of the Association's affairs as at 31 March 2025 and of the Group's and the Association's deficit for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of GreenSquareAccord Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated statement of cash flows and notes 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 Parent 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 Parent 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 2027 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 Parent Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

		2025	2024
Key audit matters	Impairment of social housing rental property assets	✗	✓
	Management override of controls	✓	✗
	The risk of material misstatement associated with the impairment of social housing rental property assets has reduced from significant to moderate which resulted in the matter no longer regarded as key audit matter.		
Materiality	**Group financial statements as a whole** £35.2m (2024: £32.5m) based on 1.6% of total assets (2024: 1.5% 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. On the basis of this, 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	LowCarbonLiving Homes Limited	Procedures on one or more classes of transactions, account balances.
3	GS Homes	GreenSquare Homes Limited	Procedures on one or more classes of transactions, account balances.
4	GS Estates	GreenSquare Estates Limited	Group risk assessment procedures.
5	Sharpness	Sharpness Development LLP	Group risk assessment procedures.

In the current year, all entities within the Group were audited by the Group auditor.

Changes from the prior year

GreenSquareAccord 1 Limited was formed in the current year. There were no additional significant changes in Group audit scope from the prior year.

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.

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 recoverable amount of property developed for sale, impairment of housing properties, rent arrears provision, and defined benefit pension scheme assumptions.

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		Parent Association financial statements	
	2025 £m	**2024 £m**	**2025 £m**	**2024 £m**
Financial statement materiality				
Materiality	£35.2m	£32.5m	£34.8m	£30.8m
Basis for determining materiality	1.6% of total assets	1.5% of total assets	1.6% of total assets	1.5% of total assets
Performance materiality	£24.6m	£22.7m	£24.5m	£21.6m
Basis for determining specific performance materiality	70% of materiality			
Specific materiality				
Specific Materiality	£4.4m	£4.4m	£4.1m	£3.6m
Basis for determining specific materiality	2% of revenue	1.75% of revenue	2% of revenue	1.75% of revenue
Specific performance materiality	£3.1m	£2.8m	£2.8m	£2.5m
Basis for determining specific performance 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 are 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 70% 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 Parent Association whose materiality and performance materiality are set out above, based on a percentage of between 80% and 95% (2024: 70%) 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 £19.5m to £23.2m (2024: £0.5m to £30.8m).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £1.0m (2024: £0.65m) in relation to financial statement materiality and £0.15m in relation to specific materiality (2024: £0.8m). 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 Consolidated 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 Board members responsibilities statement, 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.

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:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

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 a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including the recoverable amount of property developed for sale, impairment of housing properties, rent arrears provision, and defined benefit pension scheme assumptions.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members 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

This 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: 4/9/25

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 2025

	Note	2025 £000	2024 £000
Turnover	3	221, 900	230,471
Operating costs	3	(187,416)	(183,917)
Non-recurring operating costs	3,6	(14,048)	-
Total operating expenses		(201,464)	(183,917)
Gain on disposal of properties	3,7	17,535	5,146
Operating surplus	**3,6**	**37,971**	**51,700**
Interest receivable and other income	8	2,285	1,717
Interest and financing costs	9	(53,221)	(51,302)
Refinancing charges	9	-	-
Gain on business combination		-	2,388
Share of operating deficit in Joint Venture		(74)	(95)
Other finance charges	26	(564)	(545)
(Deficit)/Surplus before tax		**(13,603)**	**3,863**
Taxation	12	-	-
(Deficit)/Surplus for the year		**(13,603)**	**3,863**
Movements in fair value of cash flow hedged financial instrument	23	(23)	-
Actuarial gain/(loss) in respect of pension schemes	26	1,462	(2,840)
Total comprehensive (deficit)/income for the year		**(12,164)**	**1,023**

The Consolidated results relate wholly to continuing activities. The accompanying notes on pages 55 to 94 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 22 July 2025.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Association Statement of Comprehensive Income
for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Turnover	3	204,846	205,684
Operating costs	3,6	(166,912)	(157,123)
Non-recurring operating costs		(23,426)	-
Total operating costs		(190,338)	(157,123)
Gain on disposal of properties	3,7	17,535	5,146
Operating surplus	**3,6**	**32,043**	**53,707**
Interest receivable and other income	8	2,985	3,528
Interest and financing costs	9	(53,259)	(52,395)
Refinancing charges	9	-	-
Gain on business combination		-	2,388
Other finance charges	26	(564)	(545)
Qualifying charitable donations		250	1,056
(Deficit)/Surplus before tax		**(18,545)**	**7,739**
Taxation	12	-	-
(Deficit)/Surplus for the year		**(18,545)**	**7,739**
Movements in fair value of cash flow hedged financial instruments	23	(23)	-
Actuarial gain/(loss) in respect of pension schemes	26	1,462	(2,840)
Total comprehensive (deficit)/income for the year		**(17,106)**	**4,899**

The Consolidated results relate wholly to continuing activities. The accompanying notes on pages 55 to 94 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 22 July 2025.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated Statement of Changes in Reserves
for the year ended 31 March 2025

	Cash Flow Hedge Reserve £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
Balance as at 1 April 2023	**-**	**152,443**	**165**	**407,688**	**560,296**
Surplus for the year	-	-	-	3,863	3,863
Actuarial loss for the year	-	-	-	(2,840)	(2,840)
Transfer of restricted expenditure from revenue reserve	-	-	93	(93)	-
Transfer from revaluation to revenue reserve	-	(311)	-	311	-
Balance as at 31 March 2024	**-**	**152,132**	**258**	**408,929**	**561,319**
Deficit for the year	-	-	-	(13,603)	(13,603)
Actuarial gain for the year	-	-	-	1,462	1,462
Movement in cash flow hedge	(23)	-	-	-	(23)
Transfer of restricted expenditure from revenue reserve	-	-	138	(138)	-
Transfer from revaluation to revenue reserve	-	(1,583)	-	1,583	-
Balance as at 31 March 2025	**(23)**	**150,549**	**396**	**398,233**	**549,155**

Association Statement of Changes in Reserves
for the year ended 31 March 2025

	Cash Flow Hedge Reserve £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
As at 1 April 2023	**-**	**152,443**	**84**	**409,045**	**561,572**
Surplus for the year	-	-	-	7,739	7,739
Actuarial loss for the year	-	-	-	(2,840)	(2,840)
Transfer of restricted expenditure from revenue reserve	-	-	52	(52)	-
Transfer from revaluation to revenue reserve	-	(311)	-	311	-
Balance as at 31 March 2024	**-**	**152,132**	**136**	**414,203**	**566,471**
Deficit for the year	-	-	-	(18,545)	(18,545)
Actuarial gain for the year	-	-	-	1,462	1,462
Movement in cash flow hedge	(23)	-	-	-	(23)
Transfer of restricted expenditure from revenue reserve	-	-	83	(83)	-
Transfer from revaluation to revenue reserve	-	(1,583)	-	1,583	-
Balance as at 31 March 2025	**(23)**	**150,549**	**219**	**398,620**	**549,365**

The accompanying notes on pages 55 to 94 form part of these financial statements.

Consolidated Statement of Financial Position
at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed Assets			
Intangible fixed assets	13	8	65
Housing properties	14	2,051,127	2,028,107
Fixed asset investments	17	100	41
Investment in joint ventures	15	1,500	3,679
Other tangible fixed assets	16	22,077	19,517
		2,074,812	**2,051,409**
Current Assets			
Stock and properties held for sale	18	4,150	21,292
Trade and other debtors	19	28,396	31,368
Investments	20	516	507
Cash at bank and in hand		90,604	48,501
		123,666	**101,668**
Creditors: amounts falling due within one year	21	(118,036)	(158,589)
Net current assets/(liabilities)		5,630	(56,921)
Total assets less current liabilities		**2,080,442**	**1,994,488**
Creditors: amounts falling due after more than one year	22	(1,518,472)	(1,418,054)
Net pension liability	26	(8,976)	(13,055)
Provisions for liabilities	27	(3,839)	(2,060)
Total Net Assets		**549,155**	**561,319**
Capital and reserves			
Non-equity share capital	28	-	-
Cash flow hedge reserve	23	(23)	-
Restricted reserve		396	258
Revaluation reserve		150,549	152,132
Revenue reserves		398,233	408,929
Total Reserves		**549,155**	**561,319**

The Consolidated results relate wholly to continuing activities. The accompanying notes on pages 55 to 94 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 22 July 2025.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Association Statement of Financial Position
at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed Assets			
Intangible fixed assets	13	8	65
Housing properties	14	2,052,256	2,028,704
Fixed asset investments	17	-	9,102
Other tangible fixed assets	16	22,077	18,652
		2,074,341	**2,056,523**
Current Assets			
Stock and properties held for sale	18	2,052	3,663
Trade and other debtors	19	29,022	44,143
Investments	20	516	507
Cash at bank and in hand		86,423	44,384
		118,013	**92,697**
Creditors: amounts falling due within one year	21	(114,518)	(150,765)
Net current assets/(liabilities)		3,495	(58,068)
Total assets less current liabilities		**2,077,836**	**1,998,455**
Creditors: amounts falling due after more than one year	22	(1,517,797)	(1,417,348)
Net pension liability	26	(8,976)	(13,055)
Provisions for liabilities	27	(1,698)	(1,581)
Total Net Assets		**549,365**	**566,471**
Capital and reserves			
Non-equity share capital	28	-	-
Cash flow hedge reserve	23	(23)	-
Restricted reserve		219	136
Revaluation reserve		150,549	152,132
Revenue reserves		398,620	414,203
Total Reserves		**549,365**	**566,471**

The Consolidated results relate wholly to continuing activities. The accompanying notes on pages 55 to 94 form part of these financial statements.

The Financial statements were approved and authorised for issue by the Board on 22 July 2025.

C Dennis
Chair

R Cooke
Board Member

S Atkinson
Company Secretary

Consolidated Statement of Cash Flows
for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash generated from operating activities	**30**	**168,375**	**102,005**
Cash flow from investing activities			
Interest received and similar income		2,285	1,717
Purchase and refurbishment of housing properties		(79,380)	(76,338)
Payments to acquire other tangible fixed assets		(8,336)	(5,398)
Purchase of intangible fixed assets		-	-
Payments to acquire investments		(1,583)	(524)
Receipts from Investments		-	-
Receipt of government grants		2,811	10,938
Receipt of other grant		5,853	3,588
Corporation tax paid		-	-
		(78,350)	**(66,017)**
Cash flow from financing activities			
Interest and refinance charges paid		(57,658)	(56,414)
Issue costs on new long term loans		(658)	-
New long-term loans		207,000	47,000
Repayment of long-term loans		(196,606)	(71,145)
		(47,922)	**(80,559)**
Net change in cash and cash equivalents	**31**	**42,103**	**(44,571)**
Cash and cash equivalents at beginning of the year		48,501	93,072
Cash and cash equivalents at end of the year		**90,604**	**48,501**

The accompanying notes on pages 55 to 94 form part of these financial statements.


GSA LEADERS

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 2025.

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 Group's 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 GreenSquareAccord, 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.

GreenSquareAccord has liquid cash of £90.6m at the year end, plus additional liquidity from secured borrowing facilities and overdraft. As at 31 March 2025 the Group had total facilities of £1,401m (2024: £1,629m) of which £1,155m were drawn, a net decrease of £228m on the previous year following a refinancing exercise. 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 GreenSquareAccord, 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 of the fixed asset investment in the Association and provision for inter-company 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 2025 was Group and Association: £64.5m (2024: £69.7m). The net liability at 31 March 2025 was Group and Association: £9.0m (2024: £13.1m).

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 2025 was £258.4m 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 it's 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 (CGU's). 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.

GreenSquareAccord completed its annual impairment review on housing property fixed assets where the above triggers were identified on certain properties. Impairments have been recognised on one general needs scheme as well as a number of learning difficulties and mental health schemes.

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.

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.

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. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

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	15-20 years
Lifts	25-30 years
Windows and doors	25-35 years
Fascias and guttering	30 years
Warden call system (inc. fire)	20 years
Solar panels	25 years

Freehold land is not depreciated.

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.

Donated land

Land donated by local authorities and others is added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and cost is recognised on the statement of financial position and added to other grants. Where the donation is from a non-public source or the conditions have been met, the value of the donation is included as income.

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
Plant and machinery	7-15 years
PODS	10 years
Motor vehicles	5-7 years
Service charge equipment	5-25 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.

Stock and work in progress

Stock and work in progress is measured at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Short term debtors are measured at the transaction price, less any impairment.

Where deferral of payment terms have 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 £6,378k (2024: £5,873k) 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 2025 was £207k (2024: £122k).

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 2025 was £177k (2024: £122k).

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.

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

	Turnover	Cost of Sales	Operating Costs	Non-recurring operating costs	Surplus on disposals	2025 Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	183,808	-	(139,157)	(5,384)	-	39,267	47,523
Other social housing activities:							
Supporting people contract income	3,399	-	(3,143)	-	-	256	259
Development costs not capitalised	-	-	(217)	-	-	(217)	(171)
Management administration	383	-	(28)	-	-	355	250
First tranche shared ownership sales	5,974	(4,804)	-	-	-	1,170	2,719
Dementia schemes loss on sale	-	-	-	(2,470)	-	(2,470)	-
Other	1,465	-	(1,361)	-	-	104	296
	11,221	(4,804)	(4,749)	(2,470)	-	(802)	3,353
Activities other than Social Housing:							
Market rent lettings and other commercial initiatives	7	-	3	-	-	10	(6)
Registered nursing homes	152	-	(541)	-	-	(389)	(604)
Student accommodation lettings	-	-	(119)	-	-	(119)	(90)
Development for sale	12,467	(14,292)	(98)	-	-	(1,923)	(1,566)
Domiciliary care services	1,579	-	(1,825)	-	-	(246)	(58)
Joint venture impairment	-	-	-	(3,662)	-	(3,662)	-
Other	12,666	-	(21,834)	(2,532)	-	(11,700)	(1,998)
	26,871	(14,292)	(24,414)	(6,194)	-	(18,029)	(4,322)
Gains on disposal of housing properties (note 7)	-	-	-	-	17,535	17,535	5,146
	221,900	**(19,096)**	**(168,320)**	**(14,048)**	**17,535**	**37,971**	**51,700**

Other non-social includes the activities of subsidiary companies, LowCarbonLiving Homes (turnover: £3,266k, deficit: £4,414k) and GS Estates (turnover: £1,321k, surplus: £355k), as well as construction services (turnover: £6,442k, deficit: £3,291k), floating support (turnover: £495k, deficit: £38k), managed agent activity (turnover: £1,142k, surplus: £168k) and projects and other costs of £3,898k and £582k respectively.

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

	Turnover	Cost of Sales	Operating Costs	Non-recurring operating costs	Surplus on disposals	2025 Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	183,808	-	(139,157)	(5,384)	-	39,267	47,523
Other social housing activities:							
Supporting people contract income	3,399	-	(3,143)	-	-	256	259
Development costs not capitalised	-	-	(217)	-	-	(217)	(171)
Management administration	383	-	(28)	-	-	355	250
First tranche shared ownership sales	5,974	(4,804)	-	-	-	1,170	2,719
Dementia scheme loss on sale	-	-	-	(2,470)	-	(2,470)	-
Other	1,465	-	(1,361)	-	-	104	296
	11,221	(4,804)	(4,749)	(2,470)	-	(802)	3,353
Activities other than Social Housing:							
Market rent lettings and other commercial initiatives	7	-	3	-	-	10	(6)
Registered nursing homes	152	-	(541)	-	-	(389)	(604)
Student accommodation lettings	-	-	(119)	-	-	(119)	(90)
Domiciliary care services	1,579	-	(1,825)	-	-	(246)	(58)
Investment impairment	-	-	-	(9,061)	-	(9,061)	-
Inter-company loan provision	-	-	-	(6,511)	-	(6,511)	
Other	8,079	-	(15,720)	-	-	(7,641)	(1,557)
	9,817	-	(18,202)	(15,572)	-	(23,957)	(2,315)
Gains on disposal of housing properties (note 7)	-	-	-	-	17,535	17,535	5,146
	204,846	**(4,804)**	**(162,108)**	**(23,426)**	**17,535**	**32,043**	**53,707**

Other non-social includes construction services (turnover: £6,442k, deficit: £3,291k), floating support (turnover: £495k, deficit: £38k), managed agent activity (turnover: £1,142k, surplus: £168k) and projects and other costs of £3,898k and £582k respectively.

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

	General needs housing	Supported housing and for older people	Low cost home ownership	Other social housing	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	126,811	13,814	7,497	153	148,275	138,397
Service charges receivable	6,923	9,774	1,848	96	18,641	19,652
Charges for support services	-	1,910	-	9,242	11,152	11,266
Other Income	250	2,245	3	9	2,507	2,041
Net rental income	**133,984**	**27,743**	**9,348**	**9,500**	**180,575**	**171,356**
Amortisation of grant	2,442	586	105	77	3,210	3,179
Other revenue grants	23	-	-	-	23	16
Turnover from social housing lettings	**136,449**	**28,329**	**9,453**	**9,577**	**183,808**	**174,551**
Services	7,230	11,463	1,878	1,448	22,019	22,060
Management	17,655	3,845	1,866	983	24,349	20,204
Care & support	-	4,711	-	7,566	12,277	14,053
Routine maintenance	32,655	3,297	499	182	36,633	34,640
Planned and major repairs expenditure	15,332	1,792	718	358	18,200	14,466
Impairment	3,168	-	-	2,216	5,384	(1,741)
Rent losses from bad debts	1,242	225	14	(2)	1,479	1,389
Depreciation of housing properties	18,422	2,628	795	533	22,378	21,075
Lease costs	1,472	-	-	350	1,822	882
Operating costs on social housing lettings	**97,176**	**27,961**	**5,770**	**13,634**	**144,541**	**127,028**
Operating surplus on social housing lettings	**39,273**	**368**	**3,683**	**(4,057)**	**39,267**	**47,523**
Void losses	**1,192**	**2,464**	**13**	**2,293**	**5,962**	**6,036**

5. Accommodation In Management And Development

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

	2024	Handed over	Other new	Sold	Other movements	2025
Social Housing:						
General needs - social	15,457	15	-	(173)	182	15,481
- affordable	4,364	281	-	(13)	(63)	4,569
Social rent supported housing and housing for older people	2,639	-	3	(79)	(33)	2,530
Affordable rent supported housing and housing for older people	17	-	-	-	10	27
Low cost home ownership	2,374	37	-	(28)	(9)	2,374
Residential care homes	283	-	-	(185)	-	98
Intermediate rent/Rent to Home buy/Rentplus	493	-	-	(1)	(10)	482
Mortgage rescue	79	-	-	(2)	-	77
Other	125	-	-	-	(88)	37
Total social housing units owned and/or managed	**25,831**	**333**	**3**	**(481)**	**(11)**	**25,675**
Non-social housing:						
Registered nursing homes	-	-	-	-	-	-
Student accommodation	34	-	-	-	-	34
Total non-social housing	**34**	**-**	**-**	**-**	**-**	**34**
Leasehold properties	789	-	2	(21)	11	781
Total units owned and managed	**26,654**	**333**	**5**	**(502)**	**-**	**26,490**
Accommodation in development - Group	664					613
Accommodation in development - Association	643					613

Other movements include properties that have changed tenure or have been handed back.

6. Operating Surplus

This is arrived at after charging/(crediting):	Note	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Depreciation of housing properties	14	22,527	21,215	22,527	21,215
Depreciation of other tangible assets	16	2,703	2,460	2,569	2,325
Amortisation	13	56	145	56	145
Surplus on disposal of fixed assets	7	(17,535)	(5,146)	(17,535)	(5,146)
Auditor's remuneration (excluding VAT)					
- for audit services		195	206	173	182
- for non-audit services		20	15	20	15
Non-recurring operating costs					
Investment impairment	17	-	-	9,061	-
Inter-company loan provision	19	-	-	6,511	-
Joint venture investment impairment	15	3,662	-	-	-
Care & Support scheme impairments	14	2,216	-	2,216	-
Subsidiary exit costs		1,801	-	-	-
Dementia schemes loss on sale	7	2,470	-	2,470	-
General Needs scheme impairment	14	1,295	-	1,295	-
Tangible asset write-off	16	731	-	-	-
Tangible asset impairments	16	1,873	-	1,873	-
		14,048	**-**	**23,426**	**-**

Non-audit services in the year relate to service charge reviews of £20k (2024: £15k).

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 £15,272k 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 the write off of the fixed asset investment in the Association and a provision against the inter-company loan balances, to the extent that these cannot be repaid.
- An impairment of £3,662k of 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 and plans to exit from the joint venture.
- Impairments on several properties within the Group's housing and care and support 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 £2,216k and £1,295k.
- A review of commercial activities resulting in decision to pursue an exit at a cost of £1,801k and a write-down of tangible fixed assets of £731k.
- The disposal in year of two dementia care homes to a specialist provider, further reducing the amount of registered care activity in the Group and removing an area of loss making activity but at a loss of £2,470k on sale.
- The Group has also reviewed its workspaces offer and with the in-year move to a new head office location will seek to divest of locations which do not fit with the future strategy. Impairment of £1,873k has therefore been recognised based on expected realisable values.

7. Gain On Disposal Of Fixed Assets

			2025			2024
Group and Association	**Proceeds £'000**	**Cost of sale £'000**	**Surplus £'000**	**Proceeds £'000**	**Cost of sale £'000**	**Surplus £'000**
Staircasing on LCHO	4,620	2,364	2,256	2,584	1,507	1,077
Other property sales	29,585	14,306	15,279	10,356	6,287	4,069
	34,205	**16,670**	**17,535**	**12,940**	**7,794**	**5,146**

In addition, a loss of £2,470k was realised in the year on the sale of dementia care homes and is shown as a non-recurring cost (note 6).

8. Interest Receivable And Other Income

		Group		Association
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Interest from listed investments	16	16	16	16
Interest from other investments	2,269	1,701	2,969	3,512
	2,285	**1,717**	**2,985**	**3,528**

9. Interest Payable And Similar Charges

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Loans and bank overdrafts	50,768	49,623	50,768	49,623
Finance leases	3,643	3,660	3,643	3,660
Amortised loan fees	3,669	3,620	3,669	3,620
Other charges	465	395	489	395
	58,545	**57,298**	**58,569**	**57,298**
Interest payable capitalised on housing properties under construction and developed for sale	(5,324)	(5,996)	(5,310)	(4,903)
	53,221	**51,302**	**53,259**	**52,395**
Average capitalisation rate used to determine the amount of finance costs capitalised during the period	4.68%	4.65%	4.68%	4.65%

10. Employees

	Group		Association	
Average monthly number of employees (37/35 hours full time equivalent)	**2025 No.**	**2024 No.**	**2025 No.**	**2024 No.**
Administration	192	208	190	203
Development	75	72	42	39
Housing, support and care	1,322	1,410	1,322	1,410
	1,589	**1,690**	**1,554**	**1,652**

	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Staff costs:				
Wages and salaries	56,011	54,916	54,635	53,063
Social security costs	5,299	4,907	5,158	4,714
Other pension costs	2,698	2,429	2,627	2,342
	64,008	**62,252**	**62,420**	**60,119**

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 £26,419 (2024: £24,500) 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.

	2025 £'000	2024 £'000
C Dennis (Chair from 26 March 2024)	26	-
R Bailey (Chair to 26 March 2024)	-	24
P Andres	14	14
M Clarke (to 27 July 2023)	-	5
J Cresswell	16	14
S Goldsmith	14	13
D Greenhalgh (to 29 January 2025)	12	14
C Hampson	14	13
P Lyons	14	14
S Reehana (to 4 September 2023)	-	5
S Thompson (to 20 October 2023)	-	5
G Durden (from 11 October 2023	11	5
C Jones (from 11 October 2023)	11	5
E Lewis (from 25 March 2025)	-	-
M Tiplady (from 25 March 2025)	-	-
	132	**131**

Expenses paid during the year to board members amounted to £3,110 (2024: £1,346). During the financial year the following independent Committee members received remuneration for overseeing various portfolios.

	2025 £'000	2024 £'000
L Caulfield, Care & Support	5	4
R Shah, Homes & Communities, Investment (to 14 September 2023)	-	2
S Rahaim, Care & Support, Homes & Communities (to 30 June 2023)	-	1
H Selway, Homes & Communities (to 30 November 2023)	-	3
E Taig, Audit Risk & Finance	1	3
S Wall, Care & Support (to 1 December 2024)	4	4
P Forsyth, Investment (to 30 July 2024)	2	4
G Berring, Audit Risk & Finance, Investment (to 4 September 2023)	-	2
S Mason, Homes, Customer Experience	6	5
M Garrett, (from 11 October 2023)	5	2
M Hale, (from 20 February 2024)	5	1

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 £312,256 (2024: £298,278). Total aggregate remuneration paid to the Executive Directors was:

	2025 £'000	2024 £'000
Emoluments (including benefits in kind and payments in lieu of notice)	1,057	1,003
Pension contributions	53	54
	1,110	**1,057**

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	2025 Total £'000	2024 Total £'000
Chief Executive R Cooke	278	18	16	312	298
Chief Finance Officer J Makinson (to 27 December 2024)	145	7	8	160	206
Interim Chief Finance Officer K Youngman (from 27 December 2024)	58	2	-	60	-
Executive Director of Corporate Resources H Pennack	165	11	9	185	179
Executive Director of Governance S Atkinson	142	10	9	161	155
Chief Operating Officer M Espley (to 31 March 2025)	213	8	11	232	219
	1,001	**56**	**53**	**1,110**	**1,057**

Following the year end, G Hardy was appointed Interim Chief Customer Officer and J Holder was appointed Interim Chief Property Officer on 1 April 2025. In addition, M Shah was appointed Chief Finance & Investment Officer on 17 June 2025.

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 Officer, Chief Operating Officer, Executive Director of Development, Executive Director of Assets, Executive Director of Operations, Executive Director of People and Executive Director of Governance 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):

	2025	2024
	No.	**No.**
£60,001 to £70,000	39	31
£70,001 to £80,000	19	20
£80,001 to £90,000	18	12
£90,001 to £100,000	4	7
£100,001 to £110,000	3	5
£110,001 to £120,000	6	4
£120,001 to £130,000	3	1
£130,001 to £140,000	2	1
£140,001 to £150,000	1	2
£150,001 to £160,000	1	1
£160,001 to £170,000	1	-
£170,001 to £180,000	-	1
£180,001 to £190,000	1	-
£190,001 to £200,000	-	1
£200,001 to £210,000	-	1
£210,001 to £220,000	-	1
£220,001 to £230,000	-	-
£230,001 to £240,000	1	-
£240,001 to £270,000	-	-
£280,000 to £290,000	-	1
£290,001 to £310,000	-	-
£310,001 to £320,000	1	-

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

(a) Analysis of tax charge in period

	Group		Association	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Current tax				
UK corporation tax on (deficit)/surplus for the period	-	-	-	-
	-	**-**	**-**	**-**
Deferred Tax				
Charge for the year	-	-	-	-
Tax charge on (deficit)/surplus on ordinary activities	-	-	-	-

(b) Factors affecting the tax charge for the period

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

	Group		Association	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
(Deficit)/surplus for the year before tax	(13,603)	3,863	(18,545)	7,739
Theoretical tax of 25% (2024: 25%)	(3,401)	966	(4,636)	1,935
Effects of:				
Surplus/(deficit) not liable to tax	3,401	(966)	4,636	(1,935)
Current tax charge for the period	-	-	-	-

13. Intangible Fixed Assets

Group and Association	Computer software £'000	Total £'000
Cost		
At 1 April 2024	2,498	2,498
Additions	-	-
Disposals	(18)	(18)
At 31 March 2025	**2,480**	**2,480**
Depreciation and impairment		
At 1 April 2024	2,433	2,433
Amortised in year	56	56
Disposals	(17)	(17)
At 31 March 2025	**2,472**	**2,472**
Net book value		
At 31 March 2025	**8**	**8**
At 31 March 2024	**65**	**65**

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 2024	1,959,899	51,603	80,306	136,692	19,528	2,248,028
Additions*	-	-	42,485	-	9,742	52,227
Works to existing properties	21,805	458	-	369	-	22,632
Transfers	-	-	-	-	-	-
Interest capitalised	-	-	4,499	-	811	5,310
Schemes completed	43,748	-	(43,748)	7,513	(7,513)	-
Disposals	(39,140)	(3,047)	-	(2,107)	-	(44,294)
Transfers to stock	-	-	-	29	(1,196)	(1,167)
At 31 March 2025	**1,986,312**	**49,014**	**83,542**	**142,496**	**21,372**	**2,282,736**
Depreciation and impairment						
At 1 April 2024	203,598	11,250	-	5,073	-	219,921
Charge in year	20,489	1,262	-	776	-	22,527
Impairment	3,511	-	-	-	-	3,511
Transfers	-	-	-	-	-	-
Disposals	(13,406)	(813)	-	(131)	-	(14,350)
At 31 March 2025	**214,192**	**11,699**	**-**	**5,718**	**-**	**231,609**
Net book value						
At 31 March 2025	**1,772,120**	**37,315**	**83,542**	**136,778**	**21,372**	**2,051,127**
At 31 March 2024	**1,756,301**	**40,353**	**80,306**	**131,619**	**19,528**	**2,028,107**

*Group excludes additions of £1,129k 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 2024	1,959,899	51,603	80,903	136,692	19,528	2,248,625
Additions*	-	-	43,017	-	9,742	52,759
Works to existing properties	21,805	458	-	369	-	22,632
Transfers	-	-	-	-	-	-
Interest capitalised	-	-	4,499	-	811	5,310
Schemes completed	43,748	-	(43,748)	7,513	(7,513)	-
Disposals	(39,140)	(3,047)	-	(2,107)	-	(44,294)
Transfers to stock	-	-	-	29	(1,196)	(1,167)
At 31 March 2025	**1,986,312**	**49,014**	**84,671**	**142,496**	**21,372**	**2,283,865**
Depreciation and impairment						
At 1 April 2024	203,598	11,250	-	5,073	-	219,921
Charge in year	20,489	1,262	-	776	-	22,527
Impairment	3,511	-	-	-	-	3,511
Transfers	-	-	-	-	-	-
Disposals	(13,406)	(813)	-	(131)	-	(14,350)
At 31 March 2025	**214,192**	**11,699**	**-**	**5,718**	**-**	**231,609**
Net book value						
At 31 March 2025	**1,772,120**	**37,315**	**84,671**	**136,778**	**21,372**	**2,052,256**
At 31 March 2024	**1,756,301**	**40,353**	**80,903**	**131,619**	**19,528**	**2,028,704**

14. Housing Properties *continued*

	Group and Association	
	2025	**2024**
	£'000	**£'000**
Expenditure on works to existing properties:		
Components capitalised	22,632	22,141
Amounts charged to income and expenditure account	18,200	14,466
	40,832	**36,607**
Housing properties book value, net of depreciation comprises:		
Freehold land and buildings	2,013,812	1,988,351
Long leasehold land and buildings	36,887	39,919
Short leasehold land and buildings	428	434
	2,051,127	**2,028,704**

Included in the Group housing properties are assets held under finance leases with a net book value of £48.0m (2024: £49.5m).

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 £3,511k have been recognised in the year, being £1,295k for a void General Needs scheme that is to be sold and £2,216k impairment of a number of Care & Support schemes which are to be exited.

15. Investment in Joint Ventures

	Group only	
	2025 £'000	2024 £'000
At 1 April	3,679	3,155
Investment in year	1,041	619
Impairment	(3,662)	-
Share of operating loss	-	(95)
Transfer of operating losses to accruals and deferred income	442	-
At 31 March	**1,500**	**3,679**

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 group has made the decision to impair its investment in the joint venture 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	Freehold offices £'000	Leasehold offices £'000	Plant and machinery £'000	Office equipment and computers £'000	Vehicles £'000	Total £'000
Cost						
At 1 April 2024	10,063	1,384	654	29,606	1,476	43,183
Additions	-	2,741	-	5,090	505	8,336
Write-offs	-	(1,384)	(654)	395	-	(1,643)
Disposals	(78)	-	-	(1,715)	(145)	(1,938)
Transfers	2	-	-	(2)	-	-
At 31 March 2025	**9,987**	**2,741**	**-**	**33,374**	**1,836**	**47,938**
Depreciation and impairment						
At 1 April 2024	3,863	622	295	17,808	1,078	23,666
Charged in year	218	332	58	1,880	215	2,703
Impairment	1,873	-	-	-	-	1,873
Write-offs	-	(689)	(353)	130	-	(912)
Disposals	(28)	-	-	(1,318)	(123)	(1,469)
Transfers	1	-	-	(1)	-	-
At 31 March 2025	**5,927**	**265**	**-**	**18,499**	**1,170**	**25,861**
Net book value						
At 31 March 2025	**4,060**	**2,476**	**-**	**14,875**	**666**	**22,077**
At 31 March 2024	6,200	762	359	11,798	398	19,517

16. Tangible Fixed Assets *continued*

Association	Freehold offices £'000	Leasehold offices £'000	Plant and machinery £'000	Office equipment and computers £'000	Vehicles £'000	Total £'000
Cost						
At 1 April 2024	10,063	-	-	30,001	1,476	41,540
Additions	-	2,741	-	5,090	505	8,336
Disposals	(78)	-	-	(1,715)	(145)	(1,938)
Transfers	2	-	-	(2)	-	-
At 31 March 2025	**9,987**	**2,741**	**-**	**33,374**	**1,836**	**47,938**
Depreciation and impairment						
At 1 April 2024	3,863	-	-	17,947	1,078	22,888
Charged in year	218	265	-	1,871	215	2,569
Impairment	1,873	-	-	-	-	1,873
Disposals	(28)	-	-	(1,318)	(123)	(1,469)
Transfers	1	-	-	(1)	-	-
At 31 March 2025	**5,927**	**265**	**-**	**18,499**	**1,170**	**25,861**
Net book value						
At 31 March 2025	**4,060**	**2,476**	**-**	**14,875**	**666**	**22,077**
At 31 March 2024	6,200	-	-	12,054	398	18,652

Impairment

During the year the Group continued its work to modernise and right-size its premises portfolio. Brindleyplace will be the new corporate centre for GSA, and consequently the legacy GreenSquare headquarters at Methuen Park will not be required long term. A decision has been made to dispose of the office and valuations have been obtained which demonstrate a significantly lower realisable value compared to the book value. Consequently, an impairment of £1,873k has been recognised in the Association. In addition, a review of commercial activities has resulted in a write-off of a subsidiary company asset, with a net book value of £731k.

17. Fixed Asset Investments

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Shares in Group undertakings at 1 April	41	46	9,102	9,107
Additions	100	-	-	-
Impairment in the year	-	-	(9,061)	-
Disposals	-	(5)	-	(5)
Transferred to other debtors	(41)	-	(41)	-
At 31 March	**100**	**41**	**-**	**9,102**

During the year the group has impaired the value of its investments in is commercial subsidiaries, GreenSquare Homes and LowCarbonLiving Homes. The long terms value of these investments are not now expected to be realised. With the winding down of the development programme and reduction of market sale activities it is now considered that GreenSquare Homes is no longer able to have an ongoing value and as such the value has been impaired to nil. For LowCarbonLiving Homes, the agreed direction is now to exit from the business / activity and it is no longer considered appropriate to retain this investment.

As at 31 March 2025, 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%	Housing construction
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

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.

During the year, the Association made the following recharges and allocations with GreenSquare Homes Ltd, GreenSquare Estates Ltd and LowCarbonLiving Homes Ltd non regulated entities:

	2025 £'000	2024 £'000	Allocation basis
GreenSquare Homes Ltd Management Services	-	260	Fixed
GreenSquare Estates Ltd Management Services	32	30	Fixed
LowCarbonLiving Homes Ltd Management Services	53	60	Fixed

18. Stock And Property Held For Sale

	Group		Association	
	2025 **£'000**	**2024** **£'000**	**2025** **£'000**	**2024** **£'000**
Raw materials and consumables	1,262	1,187	731	789
Properties developed for sale	960	16,667	-	-
Shared ownership properties:				
Properties under construction	406	2,706	406	2,706
Completed properties	1,522	732	915	168
	4,150	**21,292**	**2,052**	**3,663**

19. Trade And Other Debtors

	Group		Association	
	2025 **£'000**	**2024** **£'000**	**2025** **£'000**	**2024** **£'000**
Due within one year				
Rent and service charges receivable	14,133	13,379	14,133	13,379
Less: provision for bad and doubtful debts	(6,202)	(5,254)	(6,202)	(5,254)
	7,931	**8,125**	**7,931**	**8,125**
Due from subsidiary undertakings	-	-	186	2,283
Other debtors	18,224	21,399	15,391	18,580
Prepayments and accrued income	2,129	1,844	2,033	1,738
Derivative financial instruments: assets	112	-	112	-
	28,396	**31,368**	**25,653**	**30,726**
Due after more than one year				
Due from subsidiary undertakings	-	-	3,369	13,417
	28,396	31,368	29,022	44,143

Amounts due from subsidiary undertakings after more than one year relates to inter-company loans. The recoverability of the Association's inter-company loans with its commercial subsidiaries, GreenSquare Homes and LowCarbonLiving Homes have been assessed and a provision has been made against the recoverability of the loan balances of £6,511k.

20. Current Asset Investments

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Investments listed on a recognised stock exchange	516	507	516	507
	516	**507**	**516**	**507**

The listed investments are held at market value. The market value of these investments at 31 March 2025 for Group and Association was £516,019 (2024: £506,755).

21. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debt (note 23)	223	77,317	223	77,317
Trade creditors	6,077	6,423	5,527	5,506
Amount due to Group undertakings	-	-	-	-
Rent and service charges received in advance	7,174	5,882	7,174	5,882
Recycled capital grant fund (note 24)	2,420	3,179	2,420	3,179
Deferred capital grant (note 25)	3,253	3,221	3,253	3,221
Other grant	3,581	1,712	3,581	1,712
Corporation tax	-	-	-	-
Other taxation and social security	1,247	1,197	1,205	1,167
Other creditors	64,762	31,198	64,209	30,380
Accruals and deferred income	29,299	28,460	26,926	22,401
	118,036	**158,589**	**114,518**	**150,765**

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

	Group		Association	
	2025	**2024**	**2025**	**2024**
	£'000	**£'000**	**£'000**	**£'000**
Debt (note 23)	1,079,472	990,808	1,079,472	990,808
Finance leases	64,188	63,262	64,188	63,262
Premium on bond issues	922	980	922	980
Discount on bond issue	(4,433)	(4,621)	(4,433)	(4,621)
Amounts due to group undertakings	-	-	113	-
Recycled capital grant fund (note 24)	11,743	4,385	11,743	4,385
Deferred capital grant (note 25)	360,067	357,360	360,067	357,360
Sinking funds for leasehold schemes	6,378	5,873	5,590	5,167
Loan stock	-	7	-	7
Derivative financial instruments: liabilities	135	-	135	-
	1,518,472	**1,418,054**	**1,517,797**	**1,417,348**

Loans are stated after the deduction of £11.1m (2024: £12.2m) 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	
	2025	**2024**
	£'000	**£'000**
Due within one year		
Bank loans	223	77,317
	223	**77,317**
Due after more than one year		
Bank loans	1,090,532	1,003,044
Less: issue costs	(11,060)	(12,236)
	1,079,472	**990,808**
Total debt	**1,079,695**	**1,068,125**

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 value of assets secured is £2,185m

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 84% of its debt fixed. The weighted average cost of capital was 4.49% (2024: 4.65%).

At 31 March 2025, the Group had undrawn loan facilities of £210.0m (2024: £340.9m), and retained bonds of £100.0m (2024: £100.0m).

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

	Group and Association	
	2025 **£'000**	**2024** **£'000**
Within one year	223	77,317
Between one and two years	2,307	33,052
Between two and five years	220,691	61,734
After five years	856,474	896,022
	1,079,695	**1,068,125**

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	
	2025 **£'000**	**2024** **£'000**
Recognised through other comprehensive income	23	-
Recognised through the income statement	-	-
	23	**-**

24. Recycled Capital Grant Fund

	Group and Association	
	2025	**2024**
	£'000	**£'000**
At 1 April	7,564	5,255
Grants recycled	8,181	2,814
Withdrawals	(2,000)	(843)
Interest accrued	418	338
Balance at 31 March	**14,163**	**7,564**

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	
	2025	**2024**
	£'000	**£'000**
At 1 April	360,581	354,126
Grants received in the year	15,460	11,781
Repaid/abated on disposals	(9,468)	(2,105)
Released to income in year	(3,253)	(3,221)
Balance at 31 March	**363,320**	**360,581**

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 £3,845,619 (2024: £3,503,220). The number of Group employees in the SHPS defined contribution pension scheme at the year-end was 1,243, (2024: 1,608).

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 £162,629 (2024: £179,569). Contributions payable are charged to management expenses as they fall due. The number of employees in the pension scheme at the year-end was 42 (2024: 49).

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 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 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 2025 % Per Annum	31 March 2024 % Per Annum
Inflation (CPI)	2.8	2.8
Salary increases	3.8	3.8
Pension increases	3.8	3.8
Discount rate	5.9	4.9
RPI Increases	3.1	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	20.5 years	23.0 years
Future pensioners	21.7 years	24.5 years

Contributions

The contributions to SHPS for the year ended 31 March 2025 are shown below.

	2025 £'000	2024 £'000
Employer contributions	3,182	3,083

At 31 March 2025, no current employees are active members of the scheme (2024: nil). The employers contribution rate for 2024/25 was £3,182,000. The past deficit annual monetary amount is expected to be £3,557,000 for 2025/26. The member's contribution rate was nil.

Amounts recognised in surplus or deficit

	2025 £'000	2024 £'000
Current service costs	-	-
Amounts charged to operating costs	-	-

	2025 £'000	2024 £'000
Interest income on plan assets	2,798	2,797
Interest cost on defined benefit obligation	(3,362)	(3,342)
Amounts charged to other finance costs	(564)	(545)

26. Pensions *continued*

Re-measurements recognised in other comprehensive income

	2025 £'000	2024 £'000
Actuarial and experience gains on assets	(4,780)	(4,235)
Actuarial and experience gains on liabilities	(2,259)	103
Changes in financial assumptions	8,501	532
Changes in demographic assumptions	-	760
	1,462	**(2,840)**

Fair value of employer assets

	2025 £'000	2024 £'000
Equities	6,215	5,641
Liquid Alternatives	10,287	-
Property	2,804	8,357
Cash	753	1,117
Other	35,418	41,493
Total	**55,477**	**56,608**

Net pension liability

	2025 £'000	2024 £'000
Fair value of employer assets	55,477	56,608
Present value of the defined benefit obligation	(64,453)	(69,663)
Net liability	**(8,976)**	**(13,055)**

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

	2025 £'000	2024 £'000
Opening scheme liabilities as at 1 April	(69,663)	(69,505)
Liabilities acquired in a business combination	-	-
Current service cost	(70)	-
Interest cost	(3,362)	(3,342)
Participants contributions	-	-
Estimated benefits paid	2,400	1,789
Actuarial re-measurements	6,242	1,395
Closing scheme liabilities as at 31 March	**(64,453)**	**(69,663)**

26. Pensions *continued*

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

	2025 £'000	2024 £'000
Opening fair value of scheme assets as at 1 April	56,608	56,820
Interest income on plan assets	2,798	2,797
Contributions by employers	3,251	3,083
Participants contributions	-	-
Benefits paid	(2,400)	(1,857)
Return on assets less interest	(4,780)	(4,235)
Closing fair value of scheme assets as at 31 March	**55,477**	**56,608**

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	**2025 £'000**	**2024 £'000**	**2023 £'000**
Year 1	3,557	3,371	3,195
Year 2	3,752	3,557	3,371
Year 3	-	3,752	3,557
Year 4	-	-	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 expected no earlier than Summer 2025. 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	Leave Pay	Timber frame defects	Onerous contract	Onerous lease	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	701	1,359	-	-	2,060
Additions	6	135	242	1,661	2,044
Released in the year	(62)	-	-	-	(62)
Utilised in the year	-	(203)	-	-	(203)
At 31 March 2025	**645**	**1,291**	**242**	**1,661**	**3,839**

Association	Leave Pay	Timber frame defects	Onerous contract	Onerous lease	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	682	899	-	-	1,581
Additions	-	135	242	-	377
Released in the year	(57)	-	-	-	(57)
Utilised in the year	-	(203)	-	-	(203)
At 31 March 2025	**625**	**831**	**242**	**-**	**1,698**

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.

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 Group has entered into a long term construction contract at Northicote. It is a fixed price contract expecting to realise a value of £26.2m 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 July 2025. As at 31 March 2025 this review resulted in an onerous loss of £242k being identified.

A review of commercial activities has resulted in an onerous lease being identified on a property lease of a subsidiary company.

28. Non-Equity Share Capital

	Group and Association	
	2025	2024
	£	£
Shares of £1 each issued and fully paid		
At 1 April	41	76
Shares redeemed during the year	(5)	(35)
At 31 March	**36**	**41**

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:

	2025	2024
	£'000	£'000
Expenditure contracted for but not provided in the accounts	48,600	89,124
Expenditure authorised by the Board, but not contracted	29,971	25,859
	78,571	**114,983**

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 make in the next year under operating leases are as follows:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Temporary housing and office equipment leases expiring:				
Due within one year	1,558	539	1,222	539
One to five years	3,737	1,581	2,391	1,581
Due after five years	2,243	1,346	2,243	1,346
	7,538	**3,466**	**5,856**	**3,466**

29. Financial Commitments *continued*

Obligations under Finance Leases

Some housing assets are held under finance lease arrangements. As of 31 March 2025, the net carrying amount of the facility is £63.3m (2024: £63.3m) 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:

	2025 £'000	**2024 £'000**
Due within one year	3,742	3,703
Between one and five years	15,440	11,504
Due after five years	99,006	114,312
	118,188	**129,519**

30. Cash Flow From Operating Activities

Group	**2025 £'000**	**2024 £'000**
(Deficit)/surplus for the year	**(13,603)**	**3,863**
Adjustments for non-cash items:		
Depreciation and impairment of tangible fixed assets	30,614	21,934
Amortisation of government grants	(3,253)	(3,179)
Amortisation of intangible assets	56	145
Decrease in stock	16,988	9,178
Decrease/(increase) in debtors	3,013	(3,038)
Increase in creditors	55,303	19,083
Increase in provisions	1,779	117
Share of operating loss in joint venture	74	95
Pensions costs less contributions payable	(3,182)	(3,015)
Surplus on disposal of properties	(15,065)	(5,146)
Receipts from sales of housing properties	45,184	12,940
Disposal of other fixed assets	(469)	(557)
	117,439	**52,420**
Adjustments for investing or financing activities		
Refinancing charges	-	-
Interest payable	53,221	51,302
Interest received	(2,285)	(1,717)
Net cash inflow from operating activities	**168,375**	**102,005**

31. Analysis of Net Debt

	Group				Association			
	1 April 2024 £'000	**Cash flow £'000**	**Non-cash changes £'000**	**31 March 2025 £'000**	**1 April 2024 £'000**	**Cash flow £'000**	**Non-cash changes £'000**	**31 March 2025 £'000**
Cash and cash equivalents								
Cash at bank and in hand	48,501	42,103	-	90,604	44,384	42,039	-	86,423
	48,501	**42,103**	**-**	**90,604**	**44,384**	**42,039**	**-**	**86,423**
Borrowings								
Debt due within one year	(77,317)	56,390	20,704	(223)	(77,317)	56,390	20,704	(223)
Debt due after one year	(990,808)	(76,803)	(11,861)	(1,079,472)	(990,808)	(76,803)	(11,861)	(1,079,472)
	(1,068,125)	**(20,413)**	**8,843**	**(1,079,695)**	**(1,068,125)**	**(20,413)**	**8,843**	**(1,079,695)**
Obligations under finance leases	(63,262)	1,808	(3,218)	(64,672)	(63,262)	1,808	(3,218)	(64,672)
Total	**(1,082,886)**	**23,498**	**5,625**	**(1,053,763)**	**(1,087,003)**	**23,434**	**5,625**	**(1,057,944)**

32. Related Parties

There were no tenant members of the Group Board during the year.

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 £1,024 (2024: £1,334,132) and sold goods and services to GS Homes with a value of £1,098,746 (2024: £1,612,007). At 31 March 2025 there were sums outstanding to GS Homes of £1,024 (2024: £nil), and sums outstanding from GS Homes of £119,324 (2024: £1,075), and these amounts are disclosed in notes 19 and 21 as appropriate.

In addition, there is a £26,000,000 inter group loan facility agreement in place. At year end £5,885,077 is owed by GS Homes as at 31 March 2025 (2024: £11,435,077) (see note 19). The Association has made a provision for non-recovery of this loan of £2,516,000 (see note 19) and also fully impaired its fixed asset investment in GS Homes Limited of £7,525,000 (see note 17).

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 £2,654,418 (2024: £4,278,528) and sold goods and services to LowCarbonLiving Homes Limited with a value of £761,704 (2024: £331,267). At 31 March 2025 there were sums outstanding to LowCarbonLiving Homes Limited of £nil (2024: £449,111), and sums outstanding from LowCarbonLiving Homes Limited of £59,900 (2024: £193,987), and these amounts are disclosed in notes 19 and 21 as appropriate.

In addition, there was a £2,982,265 inter group loan facility agreement in place with £1,982,265 drawn down. At year end £1,782,265 is owed by LowCarbonLiving Homes Limited as at 31 March 2025 (2024: £1,982,265) (see note 19). The Association has made provision for non-recovery of this loan of £1,782,265 (see note 19) and also fully impaired its fixed asset investment in LowCarbonLiving Homes Limited of £1,536,318 (see note 17).

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 (2024: £nil) and sold goods and services to Sharpness Development LLP with a value of £45,000 (2024: £60,000). At 31 March 2025 there were sums outstanding to Sharpness Development LLP of £nil (2024: £nil), and sums outstanding from Sharpness Development LLP of £nil (2024: £30,000), 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 £4,237,500 drawn down. Loan interest is accrued and added to the loan. The balance owed by Sharpness Development LLP as at 31 March 2025 is £5,161,832 (2024: £3,721,159). During the year, GreenSquare Homes has impaired the value of this loan by £3,661,832 to £1,500,000 in line with future intentions and its valuation (see note 15).

Disclosures in relation to key management personnel are included in note 11.

33. 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 £159,713k (2024: £160,365k).

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.

34. Post balance sheet event

Following it's review of commercial activities, the Group explored exit options for one of it's subsidiaries, LowCarbonLiving Homes Limited. In July 2025, the Board agreed to formally approve the closure of this company.

Green Square Accord

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