ELDONIAN COMMUNITY BASED HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2026

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Financial Statements
For the year ended 31 March 2026

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Officers and Professional Advisors
For the year ended 31 March 2026

Board

L Gwynn	Chair
V Johnson	Vice Chair
M Dragonette	Resident Board Member
J Harkin	Resident Board Member
J Whittaker	Resident Board Member
B Long	Board Member - Resigned 25 September 2025
M Jones	Co-optee
C Harris	Co-optee - Resigned 31 March 2026
S Grant	Co-optee
H Samuel	Co-optee

Leadership Team

S Davies	Chief Executive Officer (CEO)
G Davies	Chief Financial Officer & Company Secretary (CFO)
M Wood	Chief Operating Officer (COO)
P Latham	Business Improvement Manager & Deputy Company Secretary (BIM)

Registered Office

The Tony McGann Centre
Eldonian Village
Burington Street
Liverpool
L3 6LG

Auditors

Mitchell Charlesworth (Audit) Limited
Suites C, D, E & F
14th Floor, The Plaza
Old Hall Street
Liverpool
L3 9QJ

Principal Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

Principal Bankers

The Co-operative Bank
1-3 Parker Street
Liverpool
L3 9QL

Introduction, Background & Context

Introduction

The Board presents its annual report and audited financial statements for Eldonian Community Based Housing Association (ECBHA).

Registrations

Registered Society with the Financial Conduct Authority (FCA) Mutuals Register - 24822R.

Registered Provider (RP) of social housing with the Regulator of Social Housing (RSH) - C3609.

Principal Activity

As outlined the governing Rules document, the Association is formed for the benefit of the community. Developing and providing housing, housing management and assistance to people:

- at risk of or in poverty;
- who are elderly, have disabilities or who are chronically sick.

ECBHA may also undertake additional charitable objectives connected with or incidental to the provision of housing.

Background

ECBHA was born out of a community's unwavering determination to stay united. In the late 1970s and early 1980s, plans to redevelop the Vauxhall area threatened to scatter residents across Merseyside. Refusing to accept this, the community took a bold stand, proposing their own vision for the future. Driven by resilience and led by lifelong resident Tony McGann, their efforts culminated in the creation of what is now known as Eldonian Village. The first of 382 high-quality homes - designed to accommodate a diverse range of households - was completed and occupied in the late 1980s, marking a powerful victory for community-led regeneration.

Board of Managements Report

Message From the Chair

Last year ECBHA marked its 40th year since its formal incorporation. This prompted us to look back at the monumental efforts of residents to establish the organisation and the journey of providing homes over four decades.

December 2025 also brought us another milestone, with the Regulator of Social Housing (RSH) withdrawing the Regulatory Notice, affirming its confidence ECBHA complies with all the Regulatory Standards. This represents the culmination of another journey, a journey of review and change significantly updating ECBHA's governance and practices.

These two journeys now form a firm foundation for the organisation's next journey. Moving from looking inwards to build a strong and resilient organisation, to looking outwards and building a vision of ECBHA for the future.

In April 2026, the Board approved a new Corporate Plan, with updated mission, values and objectives. More details are provided in this annual report and there are two key elements we would like to highlight.

Firstly, ECBHA has made a commitment to the development of new homes. Feedback from residents has highlighted the types of homes we offer need to evolve to meet the changing profile of the community. We have already established a working group to put in place a long-term Development Strategy, with residents' feedback at its heart.

Secondly, our new Corporate Plan recognises community needs and aspirations go far beyond housing. While housing remains our core specialism, in the future we want to enable wider opportunities and services, often through joint working with other organisations operating locally.

We firmly believe ECBHA is now entering a new phase. An exciting phase giving us new ways we can support and enable individuals and the community. We urge residents to take the opportunity to be a part of this next phase.

Better Together was a key objective in the early days of ECBHA, and as we enter this new phase, we have re-adopted this as the title leading our new Corporate Plan.

Thank you for your continued support.

Lee Gwynn - Chair, ECBHA

Our Corporate Plan

Corporate Plan 2026-2027 *Better Together*

In April 2026, the Eldonian Community Based Housing Association Board approved a new **Corporate Plan for 2026-2032**, providing the strategic framework for the Association over the next six years. The previous Corporate Plan had been developed during a period of regulatory engagement and was necessarily focused on strengthening governance, regulatory compliance and organisational resilience. With those key objectives achieved, the new Corporate Plan provides an opportunity to look forward and set out Eldonians' longer-term ambitions for its homes, residents and community.
Developed following consultation with **Board members, residents, staff and key stakeholders**, the Corporate Plan is centred around the mission:

"Better Together - Delivering a range of quality homes and services that continue to serve our changing community."

This mission is supported by four organisational values, each underpinned by clear objectives and outcomes:

- **Residents at the Heart** - We value and respect our residents, seeking to collaborate and empower to make a difference together.
- **Doing the Right Thing** - We act with honesty and integrity, taking responsibility for our actions and delivering our promises with transparency and accountability.
- **Here for the Future** - We will make diligent decisions, balancing initiative with remaining resilient for the long term.
- **One Team** - Working together, we aim high and work with passion to deliver for our community.

These themes provide the **golden thread** running through the Corporate Plan, connecting Eldonians' mission and values with its strategic objectives, operational priorities and service delivery.

Delivery of the Corporate Plan will be supported and monitored through the Association's established corporate strategies and associated action plans. During **2026/27**, this framework will be strengthened through the introduction of an additional **Development Strategy**, setting out how Eldonians will assess and prepare for the potential delivery of new affordable homes in a measured, sustainable and financially responsible way.

The Corporate Plan has been developed with a six-year horizon to 2032. Progress against its objectives will be reviewed annually, with a more comprehensive review of the Plan and its continuing relevance within the wider operating environment undertaken at the midpoint of the six-year period, or earlier should significant risks, regulatory changes or other exceptional circumstances arise.

Looking ahead, Eldonians is keen to explore opportunities for the **development of new affordable homes**. Subject to appropriate governance, financial capacity, viability and risk assessment, future development has the potential to make an important contribution to the delivery of the Corporate Plan and to Eldonians' longstanding commitment to providing quality homes and supporting the changing needs of the community it serves.

Corporate Governance

The Board comprised of ten individuals, made up of 60% female and 40% male. The Board comprises resident members, independent members and co-optees, drawn from a wide range of backgrounds bringing together commercial, professional and local skills, experience and knowledge. The Board comprises:

L Gwynn	Chair
V Johnson	Vice Chair
M Dragonette	Resident Board Member
J Harkin	Resident Board Member
J Whittaker	Resident Board Member
B Long	Independent Board Member - Resigned 24 September 2025
S Grant	Co-optee
C Harris	Co-optee - resigned 31 March 2026
M Jones	Co-optee
H Samuel	Co-optee

The Board has overall responsibility for the administration of sound corporate governance and recognises the importance of maintaining a strong reputation for ECBHA and the sector. To support this a range of internal self-assessments and external assurance reviews have been undertaken including:

- April 2025 - RSH Economic Standards Self-Assessment
- April 2025 - Housing Ombudsman Service Complaint Handling Code 2024 Self-Assessment
- April 2025 - Terms of Reference for the Board Annual Review
- April 2025 - Delegated Duties Schedule - CEO, CFO and COO
- April 2025 - Board Meeting Register of Attendance and Terms of Office.
- June 2025 - Annual Allocations Review 2024-2025
- June 2025 - RSH Statistical Data Return (SDR)
- July 2025 - Board Declarations of Interests
- July 2025 - Annual Review of Repairs and Maintenance 2024-2025
- July 2025 - Internal Audit TIAA Assurance Review: Rent and Service Charge setting
- July 2025 - Board Meeting Register of Attendance Update
- July 2025 - Annual Complaints Review
- August 2025 - NHF Code of Governance 2020 Self-Assessment
- August 2025 - NHF Code of Conduct Review and Self-Assessment
- September 2025 - RSH Regulatory standards Compliance- 24/25 Confirmation of Completion of validation recommendations and 25/26 Self-assessment and external validation plan
- September 2025 - Customer Promise/Service Standards Self-Assessment
- September 2025 - Assets & Liabilities Register Review & Update
- October 2025 - Tenant Satisfaction Measures (TSM) Outcomes
- October 2025 - Scheme of Financial Delegations Review
- November 2025 - TIAA Internal Audit - Repairs and Maintenance
- November 2025 Governance structure review
- November 2025 - Updated RSH Regulatory Standards Self-assessments
- January 2026 - TIAA Assurance Review - RSH Regulatory Standards Self-assessment
- January 2026 - TIAA Internal Audit Report - Risk Management
- January 2026 - Value for Money Return on Assets
- January 2026 - Long Term Financial Business Plan Assumptions
- February 2026 - Croner Annual Health & Safety Assurance Review
- March 2026 - RSH Rent standard Self-Assessment
- March 2026 - Procurement & Contractor Review
- March 2026 - Organisational Regulations & Standing Orders Review and Update
- March 2026 - ECBHA Rules Self-Assessment
- March 2026- Annual Communications Plan Review
- March 2026 - Assets & Liabilities Register Update

The Board has worked tirelessly and with commitment to embed our responses to the governance and economic standard non-compliance matters that led to the regulatory notice in July 2021. Progress with all actions arising from the self-assessments is regularly reported to and monitored by the Board. ECBHA is pleased to confirm that it has concluded its Governance Action Plan (GAP).

The ECBHA Board met twelve times during 2025-26. It does not currently have any delegated committees; although this will be reviewed to reflect changing business needs.

Board attendance by its members during 2025-26 is summarised in the table below:

All Board Members 25/26 Meeting Attendance													
		Chair & Vice		**Board Members**				**Co-optees**				**Meeting Attendees**	
Meeting No	**Meeting Date**	**LG**	**VJ**	**MD**	**JW**	**JH**	**BL**	**SG**	**CH**	**MJ**	**HS**		
1	**29/04/2025**	x	Apol	x	x	x	Abs	x	x	x	x	8/10	80%
2	**13/05/2025**	x	Apol	x	x	x	Abs	Apol	Apol	x	Apol	5/10	50%
3	**03/06/2025**	x	x	x	x	Apol	Abs	Apol	x	Apol	x	6/10	60%
4	**01/07/2025**	x	x	x	x	x	Abs	x	x	x	x	9/10	90%
5	**29/07/2025**	x	x	x	x	x	Abs	Apol	x	x	x	8/10	80%
6	**26/08/2025**	x	x	x	x	x	Abs	x	Apol	x	x	8/10	80%
7	**24/09/2025**	x	Apol	x	x	Apol	Abs	x	x	x	x	7/10	70%
8	**28/10/2025**	x	x	x	Apol	x	N/A	x	Apol	Apol	x	6/9	67%
9	**25/11/2025**	x	x	x	x	x	N/A	x	x	x	x	9/9	100%
10	**27/01/2026**	x	x	x	x	x	N/A	Apol	Apol	x	x	7/9	78%
11	**24/02/2026**	x	x	x	x	x	N/A	x	Apol	x	Apol	7/9	78%
12	**31/03/2026**	x	x	x	x	x	N/A	x	x	x	x	9/9	100%
Annual Average Attendees													**78%**
Individual Annual Attendance		12/12	9/12	12/12	11/12	10/12	0/7	8/12	7/12	10/12	10/12		
		100%	75%	100%	92%	83%	0%	67%	58%	83%	83%		
Average Individual Attendance												**74%**	

Annually the Board has provided declarations of interest, a summary of which is available upon request.

Internal Controls

The process for identifying, evaluating and managing significant risks faced by ECBHA has been in place throughout the year ending 31 March 2026. Further updates and revisions to the approach have been undertaken since with the most recent review being approved by Board in February 2026

The Board has received a range of internal and external assessments and reviews regarding internal controls which combine to evidence the ongoing adequacy in managing the significant risks faced by ECBHA.

Key elements of internal control include:

- Board approved terms of reference for the Board and regular, at least annual, assessment of compliance.
- Strategic risk register and Assurance matrix regularly reviewed by the Leadership Team and Board.
- Continual development of the organisations suite of strategies, policies and procedures.
- Corporate and financial business plans, the latter with stress testing, mitigations and golden rules reviewed and reported to Board on an agreed basis, both of which influence budget planning and financial management.
- Project management of commitments and actions within agreed structure with regular reporting to and scrutiny by Board. Previously, the completed GAP driving matters directly linked to the RSH regulatory notice and, subsequently, the Consolidated Action Plan (CAP) driving activities emerging from strategies, self-assessments, audits and reviews.
- Business assurance and internal audit functions (provided by TIAA) tasked with maintaining and testing the internal control environment.
- Reporting to the Board a range of agreed key strategic and operational performance indicators with appropriate target setting and contextual benchmarking.

The Board recognises no system of internal control can provide absolute assurance or eliminate all risks. The system of internal control is designed to manage and mitigate residual risk and to provide reasonable, though not absolute, assurance within the agreed and defined risk appetite.

Viability Assessment

On, at least an annual basis, ECBHA prepares and reviews a 30-year business plan in conjunction with independent advice and support, incorporating the budget, treasury, asset plans and financial assumptions over the short to medium term. This plan seeks to demonstrate ECBHA can effectively manage its resources and ensure long-term financial stability is maintained and social housing assets are safeguarded.

Annually, ECBHA approves a series of golden rules based on initial stress testing of the business plan, with revised golden rules being agreed in July 2025 for the 25-26 reporting year.

Externally facilitated stress testing utilised multi-variant scenario analysis to test against potential economic and business risks. Performance against golden rules is regularly reported to the Board at least quarterly alongside the management accounts.

The Board has continued to review and refine the business plan, stress testing and definition of potential mitigations to ensure it remains satisfied appropriate mitigations are in place which, if required implementation, protect the social housing assets and support compliance with regulatory standard requirements.

Our Housing Stock

All ECBHA's homes are concentrated within a small geographical area on the northern edge of Liverpool city centre, predominantly on a single site within the Vauxhall area. All homes are considered modern, having been built from the late 1980'onwards in a low density manner and built to a high standard using traditional techniques and materials.

Breakdown of housing stock (excluding properties managed for others and shared accommodation):

	Family Housing	Housing For Older People	Shared Ownership	Total
Houses	220	4	0	224
Bungalows	83	7	0	90
Flats	0	68	12	**80**
Total	303	79	12	**394**

Customer Experience and Outcomes

ECBHA is committed to continue developing its offer to customers and continually improve customer satisfaction. During 2025-26 the Board approved revised customer standards and related performance measures.

During 2025-26 ECBHA received the results of the Second full round of Tenant Satisfaction Measures in accordance with the RSH prescribed methodology. This year's TSM showed further improvement on 10 of the 12 measures demonstrating ECBHA continual improvements and tenant satisfaction. This was conducted independently by TLF Research between March and May 2025. The full methodology and results are available on the ECBHA website and summary headline results, sent to every household, include:

	25/26		24/25	
	ECBHA	Average of Benchmark Group	ECBHA	Average of Benchmark Group
TP01: Overall satisfaction	83.9%	71.4%	79.7%	69.0%
TP02: Satisfaction with repairs	95.2%	73.3%	86.6%	71.0%
TP03: Satisfaction with time taken to complete most recent repair	93.3%	69.4%	82.5%	66.6%
TP04: Satisfaction that home is well maintained	88.0%	71.9%	87.1%	69.9%
TP05: Satisfaction that the home is safe	93.2%	78.0%	94.4%	76.5%
TP06: Satisfaction that the landlord listens to tenants' views and acts on them	77.4%	62.5%	79.5%	59.2%
TP07: Satisfaction that landlord keeps tenants informed about things that matter to them	86.8%	71.7%	82.4%	68.4%
TP08: Agreement that landlord treats tenants fairly with respect	83.9%	77.6%	83.3%	75.4%
TP09: Satisfaction with landlords' approach to handling complaints	70.0%	36.9%	45.2%	34.6%
TP10: Satisfaction that landlord keeps communal areas clean and well maintained	82.2%	65.6%	69.2%	62.3%
TP11: Satisfaction that the landlord makes a positive contribution to the neighbourhood.	82.5%	63.7%	74.4%	59.6%
TP12: Satisfaction with the landlord's approach to handling anti-social behaviour	84.2%	60.4%	80.6%	56.9%

The benchmark is based upon 81 Registered providers who submitted details to TLF by 17 July 2025 .

The results are encouraging, placing ECBHA above average for all measures and in the upper quartile performance for many. The Leadership Team and Board recognise there is continued scope for further analysis and improvement, and a further survey is being conducted during 2026-27 which will be analysed and published to all residents.

Environmental & Health and Safety

The Association is committed to, and has a proven track record in, complying with all relevant health and safety legislation. The Association is compliant with all health and safety matters in relation to fire, gas, electric, lifts and water/legionella. An annual external review and reporting of health and safety compliance provides additional scrutiny and assurance.

The Board receives quarterly reports relating to Health & Safety. Landlord health and safety compliance data also forms part of the association's performance indicators reported to Board. In addition, although not mandatory. The Board has agreed Environmental & Social Governance (ESG) measures for 25-26 to widen the environmental performance reporting.

Awaab's Law came into force in October 2025, introducing new statutory requirements and timescales for social landlords in relation to the investigation and remediation of damp, mould and other housing hazards.

In advance of the legislation taking effect, ECBHA had been proactively reviewing its arrangements to ensure readiness and compliance. This included strengthening the monitoring, recording and reporting of damp and mould cases and ensuring appropriate response timescales were embedded within operational procedures. Progress and assurance against the Phase 1 requirements have been reported to the Board on several occasions.

ECBHA is now preparing for the next phase of Awaab's Law requirements, which are due to take effect during 2026. This work will ensure that the Association's policies, procedures, systems and operational arrangements continue to reflect the evolving statutory requirements and provide appropriate assurance to the Board.

Value for Money (VFM)

The key strategic objectives of the Association are to provide good quality accommodation and to keep rent levels low and affordable for its residents. The Association agreed the following strategic objectives in :

- To deliver efficient and effective services which meet the needs of residents;
- To comply with the Regulator's Value for Money Standard; and
- To embed Value for Money in ECBHA.

ECBHA has sought to deliver these objectives by putting in place a VfM Strategy, approved by Board in . It has also undertaken self-assessments against the RSH VfM Standard and progressed identified actions as required. The organisation consciously looks to deliver VfM and take a planned approach to the delivery of efficiencies and financial capacity gains based upon expenditure analysis and targeting larger areas of spend.

A key part of the strategy has been the development of a robust and consistent Procurement Policy, approved by Board in , providing a range of structure market testing approaches.

Value for Money (VFM) Metrics

ECBHA has included seven regulatory VfM metrics from the RSH Technical Note guidance September 2020 sector scorecard. We benchmark our VfM indicators where appropriate against a group of comparable smaller housing providers through Acuity. This helps understand our performance and inform improvement plans and targets.

Performance is also measured against the context of the RSH 2024/25 Global Accounts benchmarking information. VFM forms part of our ongoing performance management reported to Board and the VFM strategy is made publicly available on the ECBHA website.

Metric	25/26	24/25	23/24	Acuity Small Providers Benchmark 2025 Median (24/25 Data)	RSH Global Accounts Benchmark 2025 Median (24/25 Data)
1. Reinvestment (%)	2.4%	3.4%	3.5%	3.4%	7.5%
2. New supply delivered	0%	0%	0%	n/a%	1.3%
3. Gearing %	(0.04)%	0.28%	(0.74)%	13.8%	46%
4. Earnings before interest, tax, depreciation, amortization and major repairs/interest payable (EBITDA)	169%	(4)%	(164)%	192%	113%
5. Cost per unit	£4,272	£5,505	£5,634	£6,524	£5,690
6a. Operating margin - social housing	15.8%	13.6%	5.2%	17.3%	20%
6b. Operating margin - overall	17.2%	14.9%	6.7%	15.4%	17.4%
7. Return on Capital Employed (ROCE)	2.2%	1.9%	0.8%	3.1%	3.0%

Definitions

1. **Reinvestment %** - The investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

2. **New supply** - The new supply metric sets out the number of new social housing and non-social housing units that have been acquired in the year as a proportion of total social housing units and non-social housing units owned at period end.

3. **Gearing %** - Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. Often a key indicator of growth appetite, Registered providers can be restricted by lenders' covenants and therefore may not have the ability to increase the loan portfolio despite showing a relatively average gearing result.

4. **EBITDA - MRI** - Earnings before interest, tax, depreciation, amortisation, and major repairs included interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

5. **Headline social housing cost per unit** - Assesses the total housing cost per unit as defined by the RSH. The cost measures set out in the metric are unchanged from the metric in the RSH's VfM technical note 2018. The metric includes lease costs.

6. **Operating margin** - Demonstrates the profitability of operating assets before exceptional expenses are deducted. Increasing margins are one way to demonstrate the improving financial efficiency of a business. In assessing this ratio, consideration is given to registered providers' purpose and objectives (including social objectives). As a registered provider we report on social housing lettings only as this represents almost all of ECBHA operations.

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

Key Performance Indicators (KPI's)

ECBHA report to Board an agreed suite of KPI monthly measures on a quarterly basis. The summary dashboard of key measures for the 2025-26 is outlined below:

Measure	Target	To end of Q1	To end of Q2	To end of Q3	To end of Q4
Repairs completed within target timescale (Emergency)	**97%**	100%	100%	100%	100%
Repairs completed within target timescale (Other)	**90%**	89%	85%	89%	93%
Gas safety checks	**100%**	100%	100%	100%	100%
Fire safety checks	**100%**	100%	100%	100%	100%
Asbestos safety checks	**100%**	100%	100%	100%	100%
Water safety checks	**100%**	100%	100%	100%	100%
Lift safety checks	**100%**	100%	100%	100%	100%
% void rent loss (general needs)	**0.78%**	0.46%	0.2%	0.18%	0.33%
% void rent loss (older peoples)	**0.50%**	1.28%	0.79%	0.95%	1.05%
Average relet time - days (general needs)	**40 days**	88 days	37 days	0 days	56 days
Average rent time - days (older peoples)	**40 days**	44 days	28 days	0 days	35 days
% rent owed collected	**95.5%**	98.62%	97.00%	106.67%	98.15%
Current tenants arrears as % of rent debit	**3%**	7%	7%	6%	7%
Former tenants arrears as % of rent debit	**0.50%**	0.38%	0.41%	0.29%	0.29%
% Repairs fixed at first visit	**91%**	96%	86%	88%	94%
Average end to end time for repairs	**5 days**	3 days	5 days	4 days	5 days
Average No of Repairs Per Property	**4.5**	0.84	0.81	0.97	1.01

The dashboard forms a regular agenda item at Board meetings which enables the Board to monitor and challenge KPI performance and discuss arising actions when necessary.

A revised suite of Key Performance Indicators (KPIs), aligned to both the Strategic and Operational Risk Registers, was approved by the Board in March 2026 for implementation from the 2026/27 financial year.

The revised KPI framework provides strengthened oversight of organisational performance and supports the delivery of ECBHA's strategic objectives, with a particular focus on **regulatory compliance, value for money and customer satisfaction**. The alignment of KPIs with identified strategic and operational risks will also provide the Board and Senior Management Team with enhanced early-warning indicators, enabling emerging performance issues and risks to be identified, assessed and mitigated at an early stage.

A revised suite of KPI's was approved by Board in March 2026 for implementation in 2026-27 to further support and drive compliance, value for money and customer satisfaction with increased emphasis on alignment with recognised ongoing benchmarking definitions to increase the opportunity to compare performance directly with the sector.

Financial Review 2025/26

The Association uses conventional forms of working capital to finance its day-to-day activities and as such the figures appearing in the financial statements reflect the absolute value of amounts recoverable and payable.

The Board approves a budget for the Association annually and is provided with quarterly management accounts to monitor financial performance against the approved budget.

The financial results, show a turnover of £2,443,323 and a surplus before tax of £310,241. The operating surplus before tax has been impacted by:

- Actuarial gain of £6,000
- Loss on disposal of fixed assets of £11,540
- Consultancy costs in excess of budget while working towards regulatory compliance

Income & Expenditure			
	2026 £	2025 £	2024 £
Turnover	2,443,323	2,397,726	2,161,914
Operating surplus	419,570	356,112	145,691
Surplus before tax	310,241	237,442	13,550
Balance Sheet			
Value of freehold housing property assets (net of depreciation)	16,010,616	16,020,852	15,835,408
Cash	1,405,284	1,397,239	1,652,272
Loans	1,398,191	1,441,917	1,536,529
Reserves	7,507,091	7,190,850	6,952,408
Total capital and revenue expenditure on repairs maintenance and improvements	745,079	891,469	920,141
Information and Statistics			
Number of social housing units (excluding SO)	382	382	382
Operating surplus per social housing unit	1,098	932	381
Average loan per social housing unit	3,660	3,774	4,022
Reported reserves per social housing unit	19,652	18,824	18,200
Operating surplus as a % of turnover	17.17%	14.8%	6.7%
Surplus before tax as a % of turnover	12.70%	9.9%	0.6%
Interest cover (operating surplus/ interest payable on loans)	329%	281%	96%

Almost all ECBHA turnover relates to social housing activities. For the year to 31 March 2026, turnover increased by £45,597 compared to that of the prior year at £235,812. During the year our social rents increased by the consumer price index (CPI) +1% in line with the Government's rent policy.

Operating costs decreased by £17,861 because of increased spend on social housing operating expenditure due to costs involved with regulatory compliance recovery and lower maintenance expenditure.

In 2025-26, operating surplus increased to £419,570 from the £356,112 achieved in 2024-25.

Our net surplus for the year 2025-26 was £310,241 compared with £237,442 in the previous year.

There has been no increase from 2025 to 2026 in the fixed assets housing property values upon revaluation in June 2026.

Cash held on 31 March 2026 totalled £1,405,284 compared with £1,397,239 on the 31 March 2025.

31 March 2026 Pension provision liabilities totalled £149,334 compared with £206,000 for the previous year.

No new loan drawdowns were required during the 2025-26 year, and no existing borrowing was refinanced. We met all lender covenants during the year. The current borrowing portfolio is summarised below:

Lender	Outstanding Loan £
Co-operative Bank Plc	£595,017
Orchardbrook Limited	£68,079
Orchardbrook Limited	£770,052

ECBHA currently has sufficient liquidity for its proposed investment programme over the next 30 years. The association will consider potential refinancing of loans where more advantageous interest rates and terms are available.

Risk & Risk Assurance Framework

Managing risk is the responsibility of the Board and is fundamental to the management of corporate challenges. ECBHA has put in place a risk management framework, with support from external specialist organisations, that identifies and plans to mitigate potential risks while exploring future opportunities. The Leadership Team and Board undertake detailed reviews of risks that might affect the viability or reputation of the organisation. We can confirm that the process for identifying, evaluating and managing significant risks faced by the Association have been in place throughout the year-end 31 March 2026.

A summary of key risks and mitigations, most recently updated February 2026 is outlined in the table below:

Identified Risks Summary	**Summary of Identified Controls, Actions & Mitigations**
Failure to meet the RSH Regulatory Standards in relation to Governance and Financial Viability and remain under supervision. Ineffective governance / failure to comply with laws and regulations.	• Board skills matrix and Board training plan • NHF Code of Governance 2020 adopted • NHF Code of Conduct 2022 adopted • Regular self-assessments against adopted codes, organisational Rules & RSH Regulatory Standards with independent third-party validation • Conflicts of Interest, Grievance and Dispute Resolution, Anti-Fraud, Bribery and Corruption, Board Member Expenses, Receipt of Gifts, Board Remuneration and Whistleblowing published policy positions. • Independent governance compliance assurance report • Shareholder Register compliance review • Structured reporting of progress with agreed actions

Identified Risks Summary	Summary of Identified Controls, Actions & Mitigations
Data security breach. ICT systems are insufficient for business needs. Poor data quality.	• Executive champion for Data Protection / ICO compliance • Staff training sessions and personal development • Data Protection Policy and procedures • Up to date Anti-Virus / Malware Protection • External ICT support • Residents Privacy Statement • Understand ICT and data position • Consider future business needs through annual review of ICT systems • Ongoing investment in systems • Independent/specialist provision of data e.g. stock condition • Programme to verify resident contact details • Data quality analysis, reporting and cleansing • ICT & Data Strategy in place with action plan • Transfer from physical servers to cloud based data storage • Cyber security internal audit & completed actions • New secure & flexible IT hardware.
Inability to attract, develop and retain skilled people	• Corporate training plan • Individual staff training plans (technical and personal development) • Regular 121s and appraisal system using agreed templates • Address any employee relations issues • Regular review of staffing needs / structure • Staff survey & regular team meetings • Management reports on staff turnover, satisfaction and wellbeing indicators
Loss of stakeholder/ community confidence Service quality fails to meet customers' expectations We do not deliver on social returns from our investments	• Conflict of Interest Policy and Whistleblowing Policy • Board Code of Conduct and Staff Code of Conduct • Regular meetings with the Regulator • Regular newsletter for residents / suggestion box / improved ECBHA website • Communications strategy and plan with community events • Resident engagement strategy and plan • Pro-actively respond to press coverage • Deliver Governance Action Plan • Management reports on stakeholder feedback • Customer surveys and Tenant Satisfaction Measurement (TSM) • Complaints policy and process & Ombudsman code self-assessment • Monthly monitoring of relevant KPIs • Staff training and personal development • Review respective responsibilities of ECBHA and residents • Estate walkabouts / welfare checks • EDI policy, analysis and action plan • Nominations agreement with Liverpool City Council • Self assessments and Internal audits of service delivery

Identified Risks Summary	Summary of Identified Controls, Actions & Mitigations
Company is not financially sustainable Value for money is not achieved	• Weekly review of arrears • Provision of welfare benefits advice • Monthly bank/loan/control account reconciliations • Budget based on reasonable assumptions • Quarterly management accounts including 12-month cash flow forecast • Refresh financial regulations • Board approval of scheme of financial delegations • Financial golden rules / VFM Metrics and benchmarking • Annual self-assessment of compliance with RSH Economic Standards • Internal audit (Year 1) Core Financial Systems and Controls • External audit of financial statements • Board approved VFM Strategy and action plan • Procurement Policy
Failure to comply with our Health and Safety obligations Failure to provide Decent Home Standard (DHS) properties	• Evidence based reporting • Ongoing staff training and personal development • Accurate/complete data in systems • Health and safety policy and landlord compliance related policies • Monthly monitoring of expiring certificates • Legal process to gain access where required • Further training e.g. Health and Safety Policy • Regular Health and Safety Legislation updates • Management reports on compliance with assets and H&S obligations • Internal audit (Year 1) Landlord Health and Safety • External review of Health and Safety compliance • Independent stock condition surveys • Financial plan reflects required spend from stock condition survey • Regular self-assessment of compliance with RSH Consumer Standards

In addition, during 2025-26, ECBHA leadership team and Board has undertaken stress testing exercises, in conjunction with independent consultants to understand the impact of a range of scenarios on the organisation's financial business plan, identifying weaknesses and defining potential mitigations. This testing influences our wider strategies and decision making so the organisation's viability and homes are not placed at undue risk.

Risk is captured on a specific register and is regularly reviewed and updated by the Leadership Team and presented to Board for review and approval.

Key risks such as health and safety, financial stability and data security take a high priority. Significant emerging risks are also monitored (rising interest rates, rent caps and inflation). Risks are analysed according to their impact and likelihood. ECBHA continues to engage specialist professionals to provide its Board with assurance that its approach to risk remains appropriate and robust.

The Association insures against risk in relation to the Association and against public, directors' and officers' liability.

Statement of the Board's Responsibilities for the Report and Financial Statements

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

Co-operative and Community Benefit Society law and social housing legislation requires board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing these financial statements, the board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK accounting standards and current Statement of Recommended Practice (SORP) for Registered Housing Providers have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show, and explain the association's transactions and disclose, with reasonable accuracy, at any time the financial position of the Association and 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.

The Board members are 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. The Association has not identified any incidents of fraud during the year and remains focused on preventing and detecting fraud through effective financial controls.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the association's website is the responsibility of the Board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of Compliance

The Board has sought assurance of the associations' compliance with all regulatory requirements. A key element of the RSH, Governance and Financial Viability Standard is the requirement to comply with all relevant laws. The board has taken reasonable steps to seek necessary assurance. On this basis, the board confirms that the association continues to work towards achieving full compliance with the requirements of the RSH's Governance and Financial Viability Standard.

Auditor

A resolution to appoint Mitchell Charlesworth (Audit) Limited, as Auditor for 2025/26, was put to the AGM members on 24 September 2025 and approved by Members.

Going Concern

When preparing its financial results, the Board considers whether the Association is a going concern. ECBHA has put together a budget for 2026-27 and a long-term financial plan together with the associated cash flow reporting and a treasury management policy to maintain sufficient liquidity.

The Association has in place financial resources to run the organisation's day-to-day operations and manage known risks, despite any current uncertainties in the social housing sector. It has in place debt facilities that provide adequate resources to finance committed investment.

The Association has a long-term business plan, which shows it is able to service these debt facilities whilst continuing to comply with current lenders' covenants. Stress testing on its business plan has taken place and there are defined mitigations in place to support viability in challenging scenarios.

In December 2025 the Regulator of Social Housing (RSH) withdrew the Regulatory Notice, affirming its confidence ECBHA complies with all the Regulatory Standards.

Disclosure of Information to the Auditor

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware.

Each of the Board members has confirmed they have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Strategic Report

The board submits its report and financial statements of Eldonian Community Based Housing Association ('the association') for the year-end 31 March 2026.

BY ORDER OF THE BOARD OF MANAGEMENT

G Davies

.... **25 August 2026**

COMPANY SECRETARY **DATE**

Independent Auditors' Report to the Members of

ELDONIAN COMMUNITY BASED HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Eldonian Community Based Housing Association Limited for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2026 and of the association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 15, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the association's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the association's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the association's Statement of Financial Activities, (ii) the association's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year (v) the impact and actions taken in response to the governance failings. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the association operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice for registered social housing providers issued by the joint SORP making body .

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the association's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Understanding the financial and non-financial impact of the ongoing regulatory issues, as referred to in the board report, and enhancing our risk assessment to address these risks. Our testing did not give rise to any identification of material errors as a result of this enhanced testing and our audit report is not modified in respect of the governance issues the association is addressing.

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.

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

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

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

Mitchell Charlesworth (Audit) Limited
Statutory Auditors
4 September 2026

Statement of Comprehensive Income
For the year ended 31 March 2026

	Notes	2026 £	2025 £
Turnover	2	2,443,323	2,397,726
Operating expenditure	2	(2,023,753)	(2,041,614)
Operating surplus		419,570	356,112
Interest receivable	5	18,233	20,343
Interest and financing costs	6	(127,562)	(139,013)
Surplus before tax	7	310,241	237,442
Taxation	8		-
Surplus for the year		310,241	237,442
Actuarial gain/(loss) in respect of pension scheme	14	6,000	1,000
Total comprehensive income for the year		316,241	238,442

The financial statements on pages 23 to 41 were approved and authorised for issue by the Board of Management on 25 August 2026 and were signed on its behalf by:

G Davies

.... **COMPANY SECRETARY**

.... **BOARD MEMBER**

.... **BOARD MEMBER**

The results relate to continuing activities

The notes on pages 27 to 41 form part of these financial statements

Statement of Changes in Reserves
For the year ended 31 March 2026

	Income & Expenditure Reserve £	Total £
Balance at 1 April 2024	6,952,280	6,952,280
Surplus from statement of comprehensive income	238,442	238,442
Balance at 31 March 2025	7,190,722	7,190,722
Surplus from statement of comprehensive income	316,241	316,241
Balance at 31 March 2026	7,506,963	7,506,963

The notes on pages 27 to 41 form part of these financial statements

Statement of Financial Position
For the year ended 31 March 2026

	Notes	2026		2025	
Fixed assets		£	£	£	£
Tangible fixed assets	9		17,174,071		17,180,458
Current assets					
Trade and other debtors	11	96,853		122,119	
Investments	10	1,089,475		1,072,955	
Cash and cash equivalents		1,405,284		1,397,239	
		2,591,612		2,592,313	
Less: Creditors: amounts falling due within one year	12	(518,958)		(552,520)	
Net current assets			2,071,654		2,276,461
Total assets less current liabilities			19,246,725		19,220,251
Creditors: amounts falling due after more than one year	13		(11,590,300)		(11,823,401)
Provision for liabilities					
Pension provision	14		(149,334)		(206,000)
Total net assets			7,507,091		7,190,850
Reserves					
Share capital	16		128		128
Income and expenditure reserve			7,506,963		7,190,722
Total reserves			7,507,091		7,190,850

The financial statements on pages 23 to 41 were approved and authorised for issue by the Board of Management on 25 August 2026 and were signed on its behalf by:

G Davies
.... **COMPANY SECRETARY**

.... **BOARD MEMBER**

.... **BOARD MEMBER**

The notes on pages 27 to 41 form part of these financial statements

ELDONIAN COMMUNITY BASED HOUSING ASSOCIATION LIMITED

Statement of Cash Flows
For the year ended 31 March 2026

	2026		2025	
	£	£	£	£
Net cash generated from operating activities (see Note 1)		565,605		530,029
Cash flow from investing activities				
Purchase of tangible fixed assets	(387,985)		(547,718)	
Shares issued	-		-	
Interest received	18,233		20,343	
		(369,752)		(527,375)
Cash flow from financing activities				
Interest paid	(127,562)		(139,013)	
Repayments of borrowings	(43,726)		(93,732)	
Increase/(decrease) in deposits	(16,520)		(25,242)	
		(187,808)		(257,987)
Net change in cash and cash equivalents		8,045		(255,333)
Cash and cash equivalents at beginning of year		1,397,239		1,652,572
Cash and cash equivalents at end of the year		1,405,284		1,397,239

Note 1

	2026 £	2025 £
Surplus for the year	316,241	238,442
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	382,832	367,504
Loss on disposal of tangible fixed assets	11,540	11,379
(Decrease)/increase in trade and other debtors	25,266	(40,944)
Increase/(decrease) in trade and other creditors	{21,161)	95,971
Pension provision	(56,666)	(59,000)
Shares cancelled	-	-
Adjustments for investing or financing activities:		
Government grants utilised in the year	(201,776)	(201,993)
Interest payable	127,562	139,013
Interest received	(18,233)	(20,343)
	565,605	530,029

Note 2

Analysis of changes in net debt:	At 01/04/2025 £	Cash Flows £	Other Non Cash Changes £	At 31/03/2026 £
Cash and cash equivalents				
Cash	1,397,239	8,045	-	1,405,284
Current asset investments	1,072,955	16,520	-	1,089,475
Borrowings				
Due within 1 year	(43,592)		(6,026)	(49,618)
Due after 1 year	(1,398,325)	(43,726)	6,026	(1,348,573)
	1,028,277	68,291	-	1,096,568

Legal status

The Association is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Provider of Social Housing.

The registered office is The Tony McGann Centre, Burlington Street, Eldonian Village, Liverpool, Merseyside, L3 6LG. The Association's principal activity is to provide social housing.

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UKGAAP) and the Statement of Recommended Practice for registered social housing providers: Housing SORP 2018 Update.

The financial statements comply with the Co-operative and Communities Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared in compliance with Financial Reporting Standard 102, on the historical cost basis of accounting and are presented in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis, which assumes an ability to continue operating for the foreseeable future. The Association undertakes an annual review of its financial position and its ability to meet its financial obligations. At the time of approving the financial statements the Board of Management have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Board of Management continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents rental income receivable and grants from local authorities and Homes England, together with any shared ownership disposal proceeds.

Fixed assets and depreciation

Tangible fixed assets, are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets at the following annual rate:

Office properties	-	5%	Motor vehicles	-	25%
Equipment and fixtures	-	10% - 33 1/3%	Storage facilities	-	Over 80 years
Investment properties	-	Nil			

No depreciation is charged in the year of purchase, but a full year's depreciation is charged in the year of disposal.

Housing properties

Housing properties are stated at cost less depreciation. Land is not depreciated. Major components are treated as separate assets and depreciated over their expected useful economic lives. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Land	-	Nil	Structure	-	80 years
Roofs	-	70 years	Windows/external doors	-	30 years
Boilers/heating	-	15 years	Bathrooms	-	30 years
Kitchen	-	20 years	Lifts	-	20 years

1. Principal accounting policies **[Continued]**

Impairment

The Association carries out an assessment at each reporting date as to whether there are any indications of impairment to its housing properties.

Shared Ownership and Shared Equity Properties

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset.

Social Housing Grant (S.H.G.)

Social Housing Grant (SHG) and similar capital grants are amortised over the life of the structure. Provision is made in the balance sheet for recycling of Social Housing Grant where it is likely that properties will be sold in the foreseeable future under Right to Buy regulations.

Pension costs

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services. Any difference between the charge to the income and expenditure account and the contributions paid to the scheme is included in creditors in the balance sheet.

Financial instruments

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2a. Turnover, cost of sales, operating costs & operating surplus

	2026		
	Turnover	**Operating costs**	**Operating Surplus/(loss)**
	£	**£**	**£**
Income			
Income & expenditure from social housing lettings	2,403,095	2,023,753	379,342
Other income & expenditure from non social housing			
Management services - Kingsway Court	8,000	-	8,000
Other - Eldonian House Lease income	32,228	-	32,228
	2,443,323	2,023,753	419,570

	2025		
	Turnover	**Operating costs**	**Operating surplus**
	£	**£**	**£**
Income			
Income & expenditure from social housing lettings	2,350,043	2,030,578	319,465
Other income & expenditure from non social housing			
Management services - Kingsway Court	18,000	11,036	6,964
Other - Eldonian House Lease income	29,683	-	29,683
	2,397,726	2,041,614	356,112

2b. Particulars of income & expenditure from social housing lettings

	General needs accommodation	
	2026	**2025**
	£	**£**
Income		
Rents receivable	1,974,306	1,949,727
Service charges receivable	238,384	216,186
Gross rents receivable	2,212,690	2,165,913
Less: Rent losses from voids	(11,371)	(17,863)
	2,201,319	2,148,050
Amortised Government Grants	201,776	201,993
Turnover from social housing lettings	2,403,095	2,350,043
Expenditure		
Services	251,974	237,878
Management	1,032,039	1,039,518
Routine maintenance	308,212	276,819
Planned maintenance	48,882	67,124
Rent losses from bad debts	2,973	47,158
Depreciation - housing land and building	368,133	350,702
Loss on disposal of fixed assets	11,540	11,379
Operating expenditure on social housing lettings	2,023,753	2,030,578
Operating surplus on social housing lettings	379,342	319,465
Voids	(11,371)	(17,863)

		2026	2025
3.	**Directors' emoluments**	**£**	**£**
	The aggregate emoluments paid to the executive directors and senior executives of the Association was:		
	Emoluments (including pension contributions and benefits in kind)	325,033	226,031
	Emoluments paid to highest paid senior executives excluding pension contributions:		
	Chief Executive	102,062	89,649
	The number of staff earning between:		
	£60k-£70k	-	2
	£70k-£80k	3	-
	£80-£90k	-	1
	£100-£110	1	-

Members of the Board received remuneration amounting to £18,500 (2025: £19,500), for their services.

		2026	2025
4.	**Employee information**	**No**	**No**
	The average weekly number of equivalent full-time persons employed during the year was:		
	Office staff	7	7
	Wardens, caretakers, cleaners and security	1	2
		8	9

	2026	2025
	£	**£**
Staff costs (for the above persons):		
Wages and salaries	496,441	442,812
Social security costs	64,217	46,370
Pension costs (see note 14)	64,397	76,316
	625,055	565,498

5. Interest receivable

	2026 £	2025 £
Bank interest receivable	18,233	20,343

6. Interest and financing costs

	2026 £	2025 £
On bank loans, overdrafts and other loans:		
Repayable wholly or partly in more than 5 years	117,562	126,533
SHPS - interest expense	10,000	12,000
RCGF interest	-	480
	127,562	139,013

7. Surplus on ordinary activities before taxation

	2026 £	2025 £
Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Hire costs:		
Equipment	5,530	4,972
Depreciation:		
Tangible owned fixed assets	382,832	367,504
Loss on disposal of components	11,540	11,379
Amortisation of Government grants	(201,776)	(201,993)
Auditors remuneration:		
As auditors (excluding VAT)	8,275	7,865
Accounts preparation	1,700	1,600
Payroll services	2,528	2,358
Other	357	300

8. Taxation

The Association was granted charitable status with effect from 21 October 2021 and is exempt from corporation tax.

9. Tangible fixed assets

	Freehold Housing Properties £	Shared Ownership £	Investment Properties £	Long Leasehold Office £	Storage Facilities £	Equipment Fixtures & Vehicle £	Total £
Cost							
At 1 April 2025	23,253,488	684,005	302,753	256,614	127,349	43,880	24,668,089
Additions	387,985	-	-	-	-	-	387,985
Disposal	(97,154)	-	-	-	-	-	(97,154)
At 31 March 2026	23,544,319	684,005	302,753	256,614	127,349	43,880	24,958,920
Depreciation							
At 1 April 2025	7,232,636	-	-	196,824	29,886	28,285	7,487,631
Charge for the year	368,132	-	-	-	-	14,700	382,832
Disposal	(85,614)	-	-	-	-	--	(85,614)
At 31 March 2026	7,515,154	-	-	196,824	29,886	42,985	7,784,849
Net book value							
At 31 March 2026	16,029,165	684,005	302,753	59,790	97,463	895	17,174,071
At 31 March 2025	16,020,852	684,005	302,753	59,790	97,463	15,595	17,180,458

Additions to housing properties during the course of the year included capitalised interest and administrative costs of £Nil (2025: £Nil).

All properties are freehold. Housing properties are reviewed for impairment annually. The value of land included in Housing Properties not depreciated amounts to £2,991,023 (2025: £2,991,023).

Investment properties

The Association acquired the freehold of The Eldonian Village Hall in the year ended 31 March 2019 at a cost of £302,753.

10. Investments

These represent amounts held in deposit accounts which are not readily available within 3 months

11. Debtors

	2026 £	2025 £
Amounts falling due within one year:		
Gross rent arrears	162,393	161,137
Provision for bad debts	(108,147)	(108,147)
Rental debtors	54,246	52,990
Prepayments and accrued income	42,607	69,129
	96,853	122,119

No disclosure has been made of the net present value of rent arrears subject to repayment plans as the amount is considered to be insignificant.

All amounts due fall within 1 year.

12. Creditors: amounts falling due within one year

	2026 £	2025 £
Prepayment of rent	90,388	81,949
Housing loans	49,618	43,592
Trade Creditors	34,713	117,776
Accruals and deferred income	123,466	80,750
Other taxes and social security	18,997	8,250
Unamortised Government grants	201,776	201,993
RCGF	-	18,210
	518,958	552,520

13. Creditors: amounts falling due after more than one year

	2026 £	2025 £
Housing loans	1,348,573	1,398,325
Unamortised Government grants	10,241,727	10,425,076
Total	11,590,300	11,823,401

Housing loans from Orchardbrook Limited and The Co-operative Bank Plc. are secured by specific charges on certain of the Association's housing properties and are repayable at varying rates of interest between 2.5% and 9.875% in instalments due as follows:

	2026 £	2025 £
In one year or less	49,618	43,592
Between one and two years	50,578	42,549
Between two and five years	134,108	118,314
In five years or more	1,163,887	1,237,462
	1,398,191	1,441,917

13. Creditors: amounts falling due after more than one year [Continued]

	2026	2025
	£	£
Unamortised Government Grant		
At start of year	10,627,069	10,829,063
Released to income in the year	(201,776)	(201,993)
Transfer to RCGF	18,210	-
At end of year	10,443,413	10,627,069
Amounts due to be released < 1 year	201,776	201,993
Amounts due to be released > 1 year	10,241,637	10,425,076
	10,443,413	10,627,069

14. Pension obligations - SHPS Scheme

The company participates 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 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 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 30 September 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 followed 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 financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the Scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

14. Pension obligations - SHPS Scheme [Continued]

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)	**31 March 2026 (£'000s)**	**31 March 2025 (£'000s)**
Fair value of plan assets	1,161	1,107
Present value of defined benefit obligation	1,310	1,313
Surplus/(deficit) in plan	(149)	(206)
Unrecognised surplus	-	-
Defined benefit asset/(liability) to be recognised	(149)	(206)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING	**Period ended 31 March 2026 (£'000s)**
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses/(gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	**Period ended 31 March 2026 (£'000s)**
Defined benefit obligation at start of period	1,313
Current service cost	-
Expenses	3
Interest expense	73
Member contributions	-
Actuarial losses/(gains) due to Scheme experience	(3)
Actuarial losses/(gains) due to changes in demographic assumptions	14
Actuarial losses/(gains) due to changes in financial assumptions	(8)
Benefits paid and expenses	(82)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses/(gains) on curtailments	-
Losses/(gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	1,310

14. Pension obligations - SHPS Scheme [Continued]

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS	**Period ended 31 March 2026 (£'000s)**
Fair value of plan assets at start of period	1,107
Interest income	63
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	9
Contributions by the employer	64
Member contributions	-
Benefits paid and expenses	(82)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,161

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 to 31 March 2026 was £72,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)	**Period ended 31 March 2026 (£'000s)**
Current service cost	-
Expenses	3
Net interest expense	10
Losses/(gains) on business combinations	-
Losses/(gains) on settlement	-
Losses/(gains) on curtailments	-
Losses/(gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SOCI)	13

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	**Period ended 31 March 2026 (£'000s)**
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	9
Experience gains and losses arising on the plan liabilities - gain/(loss)	3
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(14)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	8
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	6
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	-
Total amount recognised in other comprehensive income - gain/(loss)	6

14. Pension obligations - SHPS Scheme [Continued]

ASSETS	31 March 2026 (£'000s)	31 March 2025 (£'000s)
Absolute Return	-	-
Alternative Risk Premia	-	-
Cash	-	15
Corporate Bond Fund	-	-
Credit	46	42
Credit Relative Value	-	-
Currency Hedging	-	2
Distressed Opportunities	-	-
Emerging Markets Debt	-	-
Global Equity	129	124
High yield	-	-
Infrastructure	-	-
Insurance-Linked Securities	2	3
Investment Grade Credit	68	34
Liability Driven Investment	354	336
Liquid Alternatives	207	205
Long Lease Property	-	-
Net current assets	11	2
Opportunistic Illiquid Credit	-	-
Private credit	140	136
Private debt	-	-
Private equity	3	1
Property	57	56
Real Assets	109	133
Risk sharing	-	-
Secured income	35	18
Total assets	1,161	1,107

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS	31 March 2026 % per annum	31 March 2025 % per annum
Discount rate	5.95%	5.73%
Inflation (RPI)	3.34%	3.13%
Inflation (CPI)	3.02%	2.76%
Salary growth	4.02%	3.76%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:	31 March 2026 Life expectancy at age 65 (years)	31 March 2025 Life expectancy at age 65 (years)
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

14. Pension obligations - SHPS Scheme [Continued]

MEMBER DATA SUMMARY

ACTIVE MEMBERS	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	-	-	-
Females	-	-	-
Total	-	-	-

DEFERRED MEMBERS	Number	Deferred pensions (£'000s p.a.)	Average age (Unweighted)
Males	3	8	46
Females	-	-	-
Total	3	8	46

PENSIONERS	Number	Pensions (£'000s p.a.)	Average age (Unweighted)
Males	2	45	73
Females	4	35	67
Total	6	80	69

The above data is effective from 30 September 2025.

15. Pension debt

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme, based on the financial position of the Scheme at 30 September 2025. At this date the estimated employer debt for the Association was £330,813 (2025: £475,045).

16. Called up share capital

Each member of the Association holds one share of £1 in the Association.

	2026 £	2025 £
Allotted, issued and fully paid:		
At 1 April 2025	128	128
Issued during year	-	-
Cancelled in year	-	-
At 31 March 2026	128	128

The shares do not have rights to any dividends, nor to a distribution in a winding-up, and they are not redeemable. Each share carries one vote in a general meeting of the Association.

17. Capital commitments

There were contractual capital commitments outstanding at the year end of £315,000 (2025: £Nil).

18. Contingent liabilities

There are no known contingent liabilities arising from contractual disputes (2025: £Nil).

There is a contingent liability of £330,813 (2025: £475,045) in respect of the employer debt on the Social Housing Pension Scheme. This is the amount that would have been payable if the Association had withdrawn from the Social Housing Pension Scheme as at 30 September 2025. Further details are included at Note 15

19. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as set out below. The leases relate to telephone and photocopying equipment:

	2026	2025
	£	£
Payments due:		
- within 1 year	4,198	5,238
- between 1 and 5 years	1,218	17,402
	5,416	22,640

20. Legislative provisions

The Association is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing.

21. Units in management

	Units in management		Units in development	
	2026	2025	2026	2025
	No	No	No	No
Social Housing accommodation:				
General needs	346	346		-
Sheltered accommodation	36	36		-
Shared ownership	12	12		-
Total social housing units	394	394		-
Non Social Housing accommodation:				
Managed for others	51	51		-
Shared accommodation - Bed spaces	30	30		-
Total Housing units	475	475		-

From 1 April 2008 the management and risk relating to Eldonian House was transferred to agents with the Association retaining the property and receiving a rental income from it.

22. Recycled Capital Grant Fund

	2026	2025
	£	£
Opening balance	18,210	17,730
Utilised	(18,210)	-
Interest accrued		480
Closing balance	-	18,210

23. Related party transactions

The Board members who are tenants of the Association have their tenancy agreements set under normal commercial terms. The aggregate rent and service charge receivable in the year was £16,785 (2025: £16,665). At the year end aggregate arrears were £572 (2025: £1,885). A provision for bad debts of £429 (2025: £1,027) has been made against these balances. Aggregate rents in advance were £18 (2025: £Nil).

24. Grants and financial assistance

	2026 £	2025 £
The total accumulated Government Grant received at 31 March 2026	16,159,321	16,159,321
Held as unamortised capital grant	10,443,413	10,627,070
Recognised as income in Statement of Comprehensive Income	5,715,908	5,514,904
RCGF	-	17,347
	16,159,321	16,159,321

25. Financial instruments

The Association has the following financial instruments:

	2026 £	2025 £
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and in hand	1,405,284	1,397,239
Money Market Investments	1,089,475	1,072,955
Rental debtors (Note 11)	54,246	52,990
Trade debtors and accrued income (Note 11)	42,607	69,129
	2,591,612	2,592,313
Financial liabilities measured at amortised cost:		
Loans	1,398,191	1,441,917
Rents paid in advance (Note 12)	90,388	81,949
Trade creditors and accruals. (Note 12)	177,176	206,776
Unamortised Government Grants (Note 13)	10,443,413	10,627,069
	12,109,168	12,357,711