

Annual Report and Financial Statements

Choices Housing Association Limited

For the year ended 31 March 2025

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Board members, executive officers and advisors

Board Members

Following the merger of the parent company The Wrekin Housing Group Limited with The Housing Plus Group Limited on 6th January 2025, all of the board members detailed below resigned on 5th January 2025

Desmond Hudson - Chair	Iain Littlejohn
Louise Burns	Kevin Morgan
Shaun Davies	Simon Whitfield
Wayne Gethings	Esther Wright
Deborah Griffiths	Alan Yates
Alan Hawkesworth	
Ravinder Kaur	

A new Board was appointed on 6th January 2025

Graeme Betts-Chair	Paul Riley
Helen Hackney	Rosalind Preen

Company Secretary:

Janet Lycett	(resigned 05 January 2025, reappointed 12 April 2025)
Irene Molyneux	(appointed 06 January 2025, retired 11 April 2025)

Registered Office:

Northfield Centre
Magnolia Avenue
Cooperative Street
Stafford
ST16 3DU

Auditors:

KPMG LLP
Chartered Accountants and Statutory Auditors
One Snowhill
Birmingham
B4 6GH

Principal Solicitors:

Devonshires LLP
30 Finsbury Circus,
London,
EC2M 7DT

Bankers:

Lloyds TSB Bank plc
Fountain Square
Hanley
Stoke-on-Trent
ST1 1LE

Registration No:	L4178
Community Benefit Society Registration No.	26995R

Report of the Board

Introduction

The board presents its report and the audited financial statements of Choices Housing Association Limited (the Association) for the year ended 31 March 2025. On 6 January 2025 the parent company, The Wrekin Housing Group Limited merged with Housing Plus Group Limited. The association remains a direct subsidiary of The Wrekin Housing Group Limited, with the ultimate parent being The Housing Plus Group Limited.

The Association is a wholly owned subsidiary of the Wrekin Housing Group Limited, a Co-operative and Community Benefit Society (registration number: 8067).

Strategic Plan 2020-2025

Pre-merger, the parent company, The Wrekin Housing Group launched its Strategic Plan for the period from 2020 to 2025 in 2019/20. Following the merger a new Care and Support strategy is being defined. As part of the development of the strategy the behaviours of The Housing Plus Group will be embedded into all services provided by the Association. These behaviours are Own it, Improve it, Live it and will be a fundamental base on which the new Care and Support Strategy is built.

The legacy detailed strategic plan 2020-2025 set out seven main objectives that indicated the focus of the Group's activities over the five-year period. Each pillar is underpinned by a number of deliverables that will need to be completed if the Group is to achieve those objectives. The objective that is most relevant to Choices is detailed below:

Objective 1 of the plan is Care and Support as detailed below:

Objective 1 – Care and Support

We will develop business models of care and support to create a bold and innovative service provision

- Only provide care services where we can ensure best quality and meet existing service user needs
- Ensure a stable future for our learning disability care homes by exploring supported housing for people with learning disabilities, consolidating our portfolio
- Develop a road map to 2025 on our role in care, with a strategic review to inform the Board on future care risks and opportunities.

Principal Activity and Business Review

The principal activity of Choices is the provision of registered care and supported housing for adults with a learning disability. In addition, Choices operates a domiciliary care service which delivers care to tenants of the Group's 'ShireLiving' Extra Care schemes and to other tenants who live in both Choices and Wrekin Housing Group properties.

All services are delivered in the Staffordshire and Shropshire areas. At the end of the financial year the Association operated:

- 12 learning disability registered care homes (67 beds)
- 11 learning disability supported housing schemes (77 beds/apartments)
- A domiciliary care service to 248 customers (2,114 hours per week)

Choices is committed to providing quality services in all its care and support activities which are regulated by the Care Quality Commission. During 2020/21 the Board reviewed its business wide approach to Care and Support and approved a new cohesive strategy which created an ambition to merge the range of different Care and Support services, and the teams employed to support them, into a single Care and Support portfolio.

Of the 12 schemes managed by Choices Housing Association, 11 hold the CQC rating of Good (service is performing well and meeting expectations) and one holds the CQC rating of Outstanding (service is performing exceptionally well).

In terms of other safeguarding issues, although there were a number of reportable incidents in 2024/25, none resulted in prosecutions, improvement notices, or wider-ranging safeguarding investigations and there were no Duty of Candour breaches during the year.

Following the review of the delivery of learning disability registered care within Choices Housing Association the legacy Board agreed to further review during 2024/25. The financial and operational risks associated with this area of work are closely monitored to ensure effective management of the service delivery.

As the review of the provision of learning disability registered care continues, until its completion the parent company, Wrekin Housing Group Limited, will provide ongoing support as necessary. During 2023/24 the parent company advanced a loan in the sum of £1.6m to Choices Housing Association at a zero rate of interest, repayable over a three year period. The ongoing review of Learning and Disability care is expected to deliver future efficiencies. Initially Choices was expected to return to a break-even position within the next three-year period, however performance during 2024/25 has meant that the Association returned a surplus in year one of that plan. The plan agreed by the legacy Board was for Choices to achieve the following returns:

Financial year	2024/25	2025/26	2026/24
Approved deficit budget	(£681,240)	(£340,000)	£0

The overall result for the period to 31st March 2025 is a surplus position of £271k (2024: deficit £1.934m). Of this £230k is a gain in relation to the sale of Choices former head office building. Excluding the sale of the head office building Choices has outperformed its expected deficit by some £722k. Each of the business streams made a positive contribution to this position.

As part of a major service review of the delivery of domiciliary care, Choices implemented a staffing restructure with effect from 01 July 2024. This was to recruit new managers to effectively deliver the service reducing the reliance on expensive agency staff. The domiciliary care business stream produced a surplus before overheads of £309k (2024: £27k deficit) against an anticipated surplus of £284k.

The learning disability care home business stream generated a surplus of £671k and the 11 learning disability supported housing schemes generated a surplus of £248k.

Choices will continue to drive efficiency through effective service delivery, however the Governments changes to employers National Insurance contributions and the reductions in the thresholds at which those contributions become payable has had a significant impact on projected financial performance going forward. Management will continue to implement efficient systems and processes to compensate for the impact of these unavoidable changes.

Quality and Performance

As at 31 March 2025, all 12 registered care locations had achieved an overall 'good' rating from the care regulator, The Care Quality Commission (CQC), with one care home achieving overall 'outstanding'. This meant that 11 of the 12 (91.7%) were rated as good and 1 outstanding (8.3%). These ratings were unchanged from the position at 31 March 2024. The CQC national average rating as published on their website for October 2024 is 83% rated as good or outstanding therefore Choices is currently above the national average. The individual ratings for each care home, together with the full CQC reports, can be accessed via the CQC website.

Our own internal quality and performance processes remain robust in ensuring high levels of compliance against the regulations and maintaining high levels of quality. Our Regional Managers (RMs) work closely with the On site management teams to ensure people's needs are being met and this is further strengthened by the use of specialist external third-party auditors.

RMs report directly to the Head of Care Operations and oversee the delivery of care across our domiciliary registration and our care home services and work with managers to ensure each service has an annual improvement plan in place formulated on the basis of recommendations arising from both internal and external inspections.

Regular performance and compliance updates are given to the board in order to provide assurance, in addition a regular report is presented to the Audit and Risk Committee on a quarterly basis. The measures used within these reports are to a large extent framed around CQC Key Lines of Enquiry measures.

Board Members

All board appointments are made based on the succession plan and a skills audit of board members in order to strengthen the range of skills and experience of the board. All board members are appraised by the chair on an annual basis.

The board members who served during the year and to the present date are set out on page 1.

Board Membership Indemnity

The Association has insurance policies in place which indemnify its board members and executive directors against liability when acting for the organisation.

Health and Safety

The organisation's health and safety performance and processes remain robust and continue to benefit from the close working relationships with the health and safety consultancy at Wrekin Housing Group.

There have been no prosecutions or notices served by the HSE or local authorities.

Finance

The Association's financial performance in 2024/25 has resulted in a surplus of £271k (2023/24: deficit £1.934m).

Choices' financial circumstances remain unusual within the sector in that it has no borrowing other than the intra group loan. This means that it does not have to meet financial loan covenants or manage the risk of revisions to terms and conditions. Income derived from investments remains comparatively low, but cash deposits are prudently invested in accordance with a robust treasury management policy, supported by independent treasury advisors.

Value for Money

Choices is not required to publish its own regulatory value for money metrics as its data is included in the metrics published in the consolidated accounts of the ultimate parent company, The Housing Plus Group Limited. Choices remains part of that group for narrative reporting purposes.

Tangible Assets

Details of changes in fixed assets are given in notes 10, 11, and 12 of the financial statements.

NHF Code of Governance

The board confirms that, having adopted the NHF Code of Governance (2020) in April 2021, the Association complies with the requirements of that code.

The board recognises its responsibilities for ensuring that arrangements are made for keeping proper books of account with respect to the company's transactions and its assets and liabilities and for maintaining a satisfactory system of internal controls over the company's books of account and transactions and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is satisfied that there are appropriate arrangements in place with respect to its transactions, assets and liabilities and that there is a satisfactory system of internal control in place to prevent and detect fraud and other irregularities.

The parent company, The Housing Plus Group Limited, remains compliant with the Regulator of Social Housing's Governance and Financial Viability Standard and other regulatory requirements as established by the Regulator of Social Housing, including compliance with all aspects of law. The board further confirms that the Group has complied with the requirements of the Social Housing Regulator Governance and Financial Viability Standard, currently holds a G1/V2 rating and has the required register of assets and liabilities in place.

Going Concern

Following appropriate enquiries and cashflow projections, the Board has a reasonable expectation that the Association has sufficient resources to continue operating for the foreseeable future with the ongoing support of the parent company, Wrekin Housing Group Limited. This assessment covers a period of at least twelve months from the date of approval of these financial statements. In practice, the Board's assessment has extended to the period ending 30 September 2026.

A review of the Association's learning disability registered care services remains ongoing. Until this review is concluded, the parent company, Wrekin Housing Group Limited, has committed to providing ongoing financial support as required. This support commenced during the 2023/24 financial year and has included both management of operational cash flows and the provision of an intercompany loan. The loan of £1.6 million was advanced in July 2023, with a three-year term and a bullet repayment due at the end of the term. To further assist the Association, the loan has been made available on an interest-free basis. It is expected that Choices will have insufficient cash to cover the loan repayment at July 2026, however, the Parent company has made a Letter of Support available to the auditors to demonstrate on-going financial support to Choices and an option to extend the loan beyond the agreed repayment date.

The financial outturn for 2024/25 reflects a return to a surplus position, and the continued review of learning disability services is expected to result in further operational efficiencies. While the impact of government-mandated increases to employer National Insurance contributions may result in a deficit for 2025/26, the Association is expected to return to a break-even position within the three-year forecast period.

The Parent company, The Wrekin Housing Group, has indicated its intention to continue to make available such funds as are needed by the Company, including not seeking repayment of amounts owed. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

In light of these considerations, the Board continues to adopt the going concern basis in preparing the financial statements.

Financial Instruments

The Association does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading or investment activities.

Charitable Donations

During the year the Association made no charitable donations.

Information for Auditors

We the members of the Board who held office at the date of approval of these Financial Statements as set out above confirm, so far as we are aware, that there is no relevant audit information of which the Association's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Annual General Meeting

The annual general meeting will be held on 24 September 2025 at The Wrekin Housing Group, Colliers Way, Old Park, Telford, TF3 4AW.

The report of the board was approved by the board on 03 September 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Jan Lycett', written in a cursive style.

Jan Lycett
Company Secretary

Statement of responsibilities of the Board

Statement of Board's responsibilities in respect of the Board's report and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards[, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

In preparing the Association financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its 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 responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

Independent auditor's report to the members of Choices Housing Association Limited

Opinion

We have audited the financial statements of Choices Housing Association Limited ("the Association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Association as at 31 March 2025 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, directors and internal audit as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit and risk committee and treasury committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the limited opportunity for management to manipulate routine revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals relating to cash posted to unusual corresponding accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Association's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Association is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related cooperative and community benefit societies legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation, Fraud, Corruption and Bribery and Money Laundering, recognising the nature of the Association's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Association's Board is responsible for the other information, which comprises the Chair's Report, Report of the Chief Executive, Strategic Report, the Chief Finance Officers' Report, the Corporate Governance Statement, and the Internal Control Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- the Association has not kept proper books of account; or
- the Association has not maintained a satisfactory system of control over its transactions; or
- 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.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 6 the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.



Sarah Brown for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

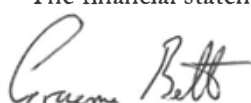
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

16 September 2025

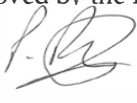
Statement of comprehensive income

		2025	2024
	Note	£'000	£'000
Turnover	3	12,611	12,575
Operating costs	3	(12,471)	(14,419)
Gain/(loss) on disposal of fixed assets	3	224	-
Operating surplus	3,4	364	(1,844)
Interest receivable and similar income	5	1	1
Interest payable and similar charges	6	(94)	(91)
Surplus before and after tax and total comprehensive income for the year- continuing operations	3	271	(1,111)
Deficit before and after tax and total comprehensive income for the year- discontinued operations	3, 25	-	(823)
Surplus before and after tax and total comprehensive income for the year		271	(1,934)


The financial statements were approved by the Board on 03 September 2025 and were signed on its behalf by:



Board Member
Graeme Betts



Board Member
Paul Riley



Company Secretary
Jan Lycett

Statement of changes in reserves

	Share Capital	Income and expenditure reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2023	-	39	39
Total comprehensive income for the year	-	(1,934)	(1,934)
Balance at 31 March 2024	-	(1,895)	(1,895)
Total comprehensive income for the year	-	271	271
Other comprehensive income	-	2,575	2,575
Balance at 31 March 2025	-	951	951

The accompanying notes on pages 13 to 26 form part of these financial statements.

Statement of financial position as at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Housing properties	10	1,998	2,088
Other fixed assets	12	<u>12</u>	<u>211</u>
Total fixed assets		<u>2,010</u>	<u>2,299</u>
Current assets			
Stock		-	8
Properties held for sale	13	44	-
Debtors	14	788	353
Cash at bank and short term deposits	15	<u>1,965</u>	<u>1,642</u>
		2,797	2,003
Creditors: amounts falling due within one year	16	<u>(976)</u>	<u>(3,382)</u>
Net current assets		<u>1,821</u>	<u>(1,379)</u>
Total assets less current liabilities		<u>3,831</u>	<u>920</u>
Creditors: amounts falling due after more than one year	17	<u>(2,643)</u>	<u>(2,578)</u>
Net assets		<u>1,188</u>	<u>(1,658)</u>
Capital and reserves			
Called up share capital	19	-	-
Capital Contribution	19	237	237
Revenue reserves	20	<u>951</u>	<u>(1,895)</u>
Association's funds		<u>1,188</u>	<u>(1,658)</u>

The financial statements were approved by the Board on 03 September 2025 and were signed on its behalf by:



Board Member
Graeme Betts



Board Member
Paul Riley



Secretary
Jan Lycett

The accompanying notes on pages 13 to 26 form part of these financial statements.

Notes to the financial statements

1. Legal status

The Association is registered under the Cooperative and Community benefits Society Act 2014 and is a registered housing association. The registered address of the Association is Northfield Centre, Magnolia Avenue, Cooperative Street, Staffordshire, ST16 3DU.

2. Accounting policies

Basis of accounting

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Housing SORP2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Association is a public benefit entity in accordance with FRS102.

The financial statements are presented in sterling (£)

Disclosure exemptions

The accounts of Choices have adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks

These disclosures are included in the accounts of the parent company, The Housing Plus Group Limited.

Going concern

Following appropriate enquiries and cashflow projections, the Board has a reasonable expectation that the Association has sufficient resources to continue operating for the foreseeable future with the ongoing support of the parent company, Wrekin Housing Group Limited. This assessment covers a period of at least twelve months from the date of approval of these financial statements. In practice, the Board's assessment has extended to the period ending 30 September 2026.

A review of the Association's learning disability registered care services remains ongoing. Until this review is concluded, the parent company, Wrekin Housing Group Limited, has committed to providing ongoing financial support as required. This support commenced during the 2023/24 financial year and has included both management of operational cash flows and the provision of an intercompany loan. The loan of £1.6 million was advanced in July 2023, with a three-year term and a bullet repayment due at the end of the term. To further assist the Association, the loan has been made available on an interest-free basis. It is expected that Choices will have insufficient cash to cover the loan repayment at July 2026, however, the Parent company has made a Letter of Support available to the auditors to demonstrate ongoing financial support to Choices and an option to extend the loan beyond the agreed repayment date.

The financial outturn for 2024/25 reflects a return to a surplus position, and the continued review of learning disability services is expected to result in further operational efficiencies. While the impact of government-mandated increases to employer National Insurance contributions may result in a deficit for 2025/26, the Association is expected to return to a break-even position within the three-year forecast period.

Notes to the financial statements (continued)

In light of these considerations, the Board continues to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

Significant management judgements

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

Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the statement of comprehensive income.

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.

Useful lives of depreciable assets

Management reviews its estimate 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.

Turnover

Turnover represents rents and revenue grants receivable and amounts invoiced in respect of the provision of services and other income.

Rental income is recognised from the point when the properties under development reach practical completion or otherwise become available for letting. Income from care activities in units owned and managed for others is recognised when the activities in question have been delivered under the contractual arrangements with commissioning authorities, where service users are funded by such bodies, or individuals, where they pay for their own care. Revenue grants are receivable when the conditions for the receipt of agreed grant funding have been met. Charges for support services are recognised as they fall due under the contractual arrangements with administering authorities.

Housing properties

Housing properties are principally properties for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. 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.

Depreciation of housing properties

The Association 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.

The structural components of the Association's housing properties are depreciated over 100 years. Freehold land is not depreciated.

Notes to the financial statements (continued)

The Association depreciates the other major components of its housing properties using the following depreciable lives:

Roof	70 years
Boiler	15 years
Mechanical systems	30 years
Kitchens	20 years
Bathrooms	30 years
Windows	30 years
Doors	25 years
Electrics	40 years

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. Grant is allocated to the land and structure components of the associated asset in proportion to their cost. Grant due from Homes England or received in advance is included as a current asset or liability.

Grant released on the sale of a property may be repayable but is normally available to be recycled and is 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 the statement of comprehensive income.

Other grants

Grants in respect of revenue expenditure 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 funds will be received.

Pension costs

The Association operates a defined contribution pension scheme. Contributions payable to the Association's pension scheme are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Value added tax

The Association's main income streams are exempt for VAT purposes. The majority of expenditure is subject to VAT, which the Association is unable to reclaim. This expenditure is therefore shown inclusive of VAT. VAT can be reclaimed under the partial exemption method for certain activities, and this is credited to the income and expenditure account.

Notes to the financial statements (continued)

Other tangible fixed assets

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

Freehold property	2%
Leasehold property	10%
Office Fixtures and fittings	10-25%
Scheme fixtures	33%

Corporation tax

The Association has been granted charitable status by HMRC and as such is not liable for corporation tax on its charitable activities.

Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Financial Instruments

All financial instruments have been classified as basic financial instruments. Basic financial instruments are recognised at amortised historical cost.

Debtors

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

Creditors

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

Notes to the financial statements (continued)

3. Turnover, operating costs and operating surplus / (deficit)

	2025 Turnover continuing operations £'000	2025 Operating costs continuing operations £'000	2025 Operating surplus /(deficit) continuing operations £'000	2025 Turnover discontinued operations £'000	2025 Operating costs discontinued operations £'000	2025 Operating surplus / (deficit) discontinued operations £'000
Income and expenditure from social housing lettings						
Supported Housing	1,501	(748)	753	-	-	-
Other Income and Expenditure						
Care activities	11,105	(11,723)	(618)	-	-	-
Other business activities	5	-	5	-	-	-
Gain / (Loss) on disposal of other fixed assets	-	224	224	-	-	-
	<u>12,611</u>	<u>(12,247)</u>	<u>364</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2024 Turnover continuing operations as restated £'000	2024 Operating costs continuing operations as restated £'000	2024 Operating surplus / (deficit) continuing operations as restated £'000	2024 Turnover discontinued operations as restated £'000	2024 Operating costs discontinued operations as restated £'000	2024 Operating surplus / (deficit) discontinued operations as restated £'000
Income and expenditure from social housing lettings						
Supported Housing	1,383	(843)	540	2,415	(525)	1,890
Other Income and Expenditure						
Care activities	8,673	(10,245)	(1,572)	89	(2,806)	(2,717)
Other business activities	11	-	11	4	-	4
	<u>10,067</u>	<u>(11,088)</u>	<u>(1,021)</u>	<u>2,508</u>	<u>(3,331)</u>	<u>(823)</u>

Notes to the financial statements (continued)

3. Turnover, operating costs and operating surplus (continued)

	2025 Continuing operations £'000	2024 Continuing operations £'000	2024 Discontinued operations £'000
Income from lettings			
Supporting people	47	51	-
Rents receivable	1,138	1,013	2,415
Service charges	314	317	-
Amortised government grants	2	2	-
Total income from lettings	1,501	1,383	2,415
Expenditure			
Supporting people	117	155	1
Service charge costs	229	255	120
Management	178	203	291
Routine maintenance	224	230	104
Loss on disposal of other fixed assets	-	-	9
Total expenditure on lettings	748	843	525
Operating surplus from lettings	753	540	1,890
Rent losses from voids	69	150	245

4. Operating surplus

The operating surplus is arrived after charging:

	2025 £'000	2024 £'000
Gain on disposal of other fixed asset	(224)	-
Depreciation of housing properties	59	31
Depreciation of other tangible owned fixed assets	15	29
Auditors' remuneration (excluding VAT):		
In their capacity as auditors	31	23
Operating lease charges		
Land & buildings	-	286
Equipment	-	29

Notes to the financial statements (continued)

5. Interest receivable and similar income

	2025 £'000	2024 £'000
Interest received from temporary investments with banks and building societies	<u>1</u>	<u>1</u>

6. Interest payable and similar charges

	2025 £'000	2024 £'000
Bank charges	15	16
Intra Group Loan charges	<u>79</u>	<u>75</u>
	<u>94</u>	<u>91</u>

7. Taxation

No taxation charge arises on charitable activities (2024: £nil) as the Association has been granted charitable status by HMRC.

8. Staff costs

	2025 £'000	2024 £'000
Staff costs including directors:		
Wages and salaries	9,502	9,247
Social security costs	743	650
Other pension costs	<u>231</u>	<u>215</u>
	<u>10,476</u>	<u>10,112</u>

	2025 No.	2024 No.
Average number of full-time equivalent persons employed during the year:		
Management	1	2
Administration	4	6
Care	<u>305</u>	<u>313</u>
Total employees	<u>310</u>	<u>321</u>

Notes to the financial statements (continued)

8. Staff costs (continued)

The following full-time equivalent numbers of staff, including executive directors, received emoluments, including compensation for loss of office, of:

	2025	2024
	No.	No.
£70,001-£80,000	-	1
£80,001-£90,000	1	1
	<hr/>	<hr/>
Total employees	1	2
	<hr/>	<hr/>

9. Key management personnel, board members and executive directors

Expenses paid during the period to Board Members amounted to £nil (2024: £nil).

The total cost of key management personnel to the business (including benefits in kind and pension contributions) paid to or receivable by the board members and executive officers of Choices during the year was £Nil (2024: £nil). The executive directors are those of the parent company. All costs associated with those executive directors are borne by the parent company. The costs associated with the coterminous board are also met by the parent company.

The emoluments of the executive directors are disclosed in the financial statements of the parent company, The Wrekin Housing Group Limited.

Notes to the financial statements (continued)

10. Tangible fixed assets - freehold housing properties

	Social Housing properties held for letting £'000	Total Housing Properties £'000
Cost		
At 1 April 2024	2,559	2,559
Additions – Component replacement	13	13
Transfer to assets held for sale	(58)	(58)
Disposals	(11)	(11)
	<hr/>	<hr/>
At 31 March 2025	2,503	2,503
Depreciation		
At 1 April 2024	471	471
Charged in the year	59	54
Transfer to assets held for sale	(14)	(14)
Disposals	(11)	(6)
	<hr/>	<hr/>
At 31 March 2025	505	505
Net book value		
At 31 March 2024	<hr/> 2,088	<hr/> 2,088
At 31 March 2025	<hr/> 1,998	<hr/> 1,998

Included in depreciation charge for the year is £5k of accelerated depreciation on components disposed before the end of their useful economic lives (2024: £0)

Expenditure on works to existing properties

	2025 £,000	2024 £,000
Amounts capitalised – component replacement	13	50
	<hr/>	<hr/>
Total	13	50
	<hr/>	<hr/>
	2025 £'000	2025 £'000
Total accumulated SHG receivable at 31 March:		
Recognised in the statement of comprehensive income	892	878
Held as deferred grant income (note 17)	1,140	1,154
	<hr/>	<hr/>
	2,032	2,032
	<hr/>	<hr/>

Notes to the financial statements (continued)

11. Housing stock

		Number of units in management	
		2025	2024
Social Housing			
Housing for letting	Care homes	37	37
	Supported housing	19	19
 Managed for other organisations			
	Care homes	30	29
	Supported housing	58	58
		<u>144</u>	<u>143</u>

12. Tangible fixed assets - other

	Office premises & other buildings £'000	Office fixtures & fittings £'000	Scheme fixtures £'000	Total £'000
Cost				
At 1 April 2024	329	46	349	724
Additions	-	-	13	13
Disposals	(329)	(46)	-	(375)
	<u>-</u>	<u>-</u>	<u>362</u>	<u>362</u>
At 31 March 2025	-	-	362	362
Depreciation				
At 1 April 2024	133	45	335	513
Charge for year	-	-	15	15
Written out on disposals	(133)	(45)	-	(178)
	<u>-</u>	<u>-</u>	<u>350</u>	<u>350</u>
At 31 March 2025	-	-	350	350
Net book value				
At 31 March 2024	<u>196</u>	<u>1</u>	<u>14</u>	<u>211</u>
At 31 March 2025	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>

Notes to the financial statements (continued)

13. Properties held for sale

	2025 £'000	2024 £'000
Properties held for sale	44	-
	<u>44</u>	<u>-</u>

14. Debtors

	2025 £'000	2024 £'000
Amounts falling due in less than one year		
Rental debtors	175	231
Less: Provision for doubtful debts	(138)	(141)
Net rental debtors	37	90
Other debtors	349	252
Amounts owed by group undertakings	379	3
Prepayments and accrued income	23	8
	<u>788</u>	<u>353</u>

There are no special payment terms, interest or security arrangements in place with regard to amounts owed by other group undertakings.

15. Cash at bank and in hand

	2025 £'000	2024 £'000
Bank accounts	1,952	1,629
Petty cash	13	13
	<u>1,965</u>	<u>1,642</u>

16. Creditors amounts falling due within one year

	2025 £'000	2024 £'000
Other taxation and social security payable	153	114
Pension	36	26
Trade creditors	219	394
Deferred grant income (note 17)	14	14

Notes to the financial statements (continued)

Amounts owed to group undertakings	391	2,633
Other creditors	1	1
Accruals and deferred income	162	200
	<u>976</u>	<u>3,382</u>

There are no special payments terms, interest or security arrangements with regard to amounts owed to other group undertakings.

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

	2025 £'000	2024 £'000
Deferred grant income (note 17)	1,126	1,140
Intra Group Loan-parent company	1,517	1,438
	<u>2,643</u>	<u>2,578</u>

In 2023/2024 the parent company made an advance in the form of an intra group loan to the association in the sum of £1.6m. The loan is repayable over three years and is at a zero rate of interest.

18. Deferred grant income

	2025 £'000	2024 £'000
At 1 April	1,154	1,168
Released to income in the year	(14)	(14)
	<u>1,140</u>	<u>1,154</u>
Amounts to be released in one year	14	14
Amounts to be released in more than one year	1,126	1,140
	<u>1,140</u>	<u>1,154</u>

19. Called up share capital

When the Association registered as a Co-operative and Community Benefit Society its rules were drafted such that there is a single class of shareholder. Each share has the nominal value of £1 and carries no right to any interest, dividend or bonus. The independent shareholders are the board members. There are 4 shares in issue following the merger and restructure of the Board (2024: 7).

20. Revenue reserves

Revenue reserves include all retained surpluses and deficits in relation to current and prior periods.

Notes to the financial statements (continued)

21. Pension obligations

The Association operates a defined contribution scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents contributions payable by the Association to the fund and amounted to £231k (2024: £215k).

22. Capital commitments

There were no capital commitments at 31 March 2025 or 31 March 2024.

23. Other financial commitments

The future minimum operating lease payments which the organisation is committed to make are as follows:

	2025 Land & Buildings £'000	2025 Other £'000	2024 Land & Buildings £'000	2024 Other £'000
Within one year	-	-	-	-

24. Ultimate parent undertaking

The Association's ultimate parent company is The Wrekin Housing Group Limited, which is a community benefit society registered with the Financial Conduct Authority in England and heads the largest and smallest group of undertakings for which financial statements have been prepared. A copy of the group accounts is available from Colliers Way, Old Park, Telford, Shropshire TF3 4AW.

25. Related party disclosures

As a wholly owned subsidiary of The Wrekin Housing Group Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other wholly owned members of the group headed by The Wrekin Housing Group Limited on the grounds that the consolidated accounts are publicly available.

26. Discontinued Operations

On 3 November 2023 the group disposed of Limewood Dementia Care Unit. The asset was owned by the parent company Wrekin Housing Group Limited and leased to Choices. The unit continued to operate fully through to the date of completion. On completion of the sale the lease was terminated with the parent charging a pro-rata payment reflecting the period 1 April 2023 to 3 November 2023.

Notes to the financial statements (continued)

The financial statements have been prepared on a basis which reflects the financial effects of Limewood as a discontinued operation during 2023/24. All activities in 2024/25 are considered as continuing operations.

Notes to the financial statements (continued)

25. Discontinued Operations (continued)

Statement of Comprehensive Income-Discontinued Operation- for the period 1 April 2023 to 3 November 2023.

	2025 Supported Housing £'000	2025 Care £'000	2025 Other £'000	2025 Total £'000	2024 Supported Housing £'000	2024 Care £'000	2024 Other £'000	2024 £'000
Turnover					2,415	89	4	2,508
Operating Costs					(525)	(2,806)	-	(3,331)
Operating Surplus / (deficit)					1,890	(2,717)	4	(823)