Homes Plus

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2025

Homes Plus
Acton Court, Acton Gate, Stafford, ST18 9AP

Registration No. 28312R

A member of The Housing Plus Group

CONTENTS:

BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS, ADVISORS AND BANKERS

Registered Office	Acton Court, Acton Gate, Stafford, ST18 9AP
Homes Plus	Registered Community Benefit Society No: 28312R Registered by the Regulator of Social Housing No: LH4121
External Auditors	**KPMG LLP** Chartered Accountants and Statutory Auditors, One Snowhill, Birmingham, B4 6GH
Legal Advisors	**Devonshires LLP** 30 Finsbury Circus London, EC2M 7DT
Bankers	**Barclays Bank PLC**, One Snowhill, Birmingham, B3 2WN
Funders	**M&G,** Laurence Pountney Hill, London, EC4R 0HH **Aviva Investors,** Structured and Private Debt, St Helen's 1 Undershaft, London, EC3P 3DQ **Shropshire Council,** The Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND

BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS, ADVISORS AND BANKERS (continued)

Board of Management	C Dass – Chair (appointed 6 January 2025) D Griffith – Vice Chair (appointed 6 January 2025) G Betts CBE (appointed 6 January 2025) A Burns (appointed 6 January 2025) L Burns (appointed 6 January 2025) J Burt* A Hawkesworth (appointed 6 January 2025) K Morgan (appointed 6 January 2025, resigned 31 July 2025) S Watson (appointed 6 January 2025) S Whitfield (appointed 6 January 2025) A Yates (appointed 6 January 2025) C Royall (resigned 6 January) J Pert (resigned 6 January) C Purdy OBE (resigned 6 January) ** Resigned from Homes Plus board and reappointed to new HPG Coterminous Board on 06 January 2025)*
Chief Executive	Sarah Boden (resigned 05 January 2025) Wayne Gethings (appointed 06 January 2025)
Executive Directors	
Executive Director of Finance and Transformation	Victoria Whibley (resigned 05 January 2025)
Interim Executive Director of Finance	Paul Holland (resigned 31 October 2024)
Director of Finance	Jonathan Lamb (appointed 06 January 2025, retired 20 June 2025
Chief Finance Officer	Suzanne Forster (appointed 01 May 2025)
Interim Executive Director of Transformation	John Roche (resigned 31 October 2025)
Director of Integration and Change	Jan Lycett (appointed 6 January 2026)
Executive Director of Care and Support	Les Clarke
Executive Director of Property	Andrew Kenny (resigned 11 April 2025)
Director of Customer Experience	David Wells (appointed 6 January 2025)
Director of Investment and Growth	David Hall (appointed 1 May 2025)
Company Secretary	Irene Molyneux (resigned 11 April 2025) Jan Lycett (appointed 12 April 2025)

REPORT OF THE BOARD

The principal activities of the company is the development and management of affordable housing for people in housing need together with appropriate support services in the West Midlands.

Homes Plus is an exempt charity and is also registered with the Regulator of Social Housing (LH4121), and operates four key business streams:

- housing for rent, primarily for customers who are unable to rent or buy at open market rates;
- supported housing for people who need additional housing-related support;
- care housing for older people; and
- low cost home ownership, primarily shared ownership.

Homes Plus is a member of The Housing Plus Group (Housing Plus). Housing Plus, Homes Plus ultimate controlling party, is a non-housing assets holding company which provides the central services for Homes Plus such as finance, human resource advice, information technology, development advice and management, property care services, legal services, health and safety advice and corporate publicity.

Housing Plus has prepared a Group Strategic Report to accompany the consolidated financial statements. Homes Plus has taken the exemption not to provide a full strategic report within its own financial statements in line with the Statement of Recommended Practice for registered social housing providers 2018 update. The Statement of Compliance with regulatory policies is available in the Group Strategic Report.

Merger

On 6 January 2025 Housing Plus Group Limited and The Wrekin Housing Group Limited amalgamated to become Housing Plus Group Limited.

Business & financial review

Homes Plus achieved an operating surplus of £22.3m a decrease of £10.7m compared to 2024/25. The Association achieved an overall surplus on the sale of assets of £4.7m (2024 £4.2m).

Post-merger, the Group engaged independent consultants, Waterstones to undertake a review of its business management systems. At the time of the merger, Homes Plus had been engaged in a long-term project to consolidate its housing management systems into a single platform (1 HMS). After four years this project had not delivered the expected outcomes. Waterstones recommended adoption of the CADRE system – the housing management system of the former Wrekin Housing Group – as a fit for purpose solution for the newly merged organisation.

The Board endorsed this recommendation, and work commenced on the phased migration of Homes Plus systems to CADRE. This programme is ongoing and is expected to conclude by September 2026, at which point data from all three legacy systems will be integrated into CADRE. In line with this strategic shift, the Board resolved to write off the capitalised development costs associated with the discontinued 1HMS project. This decision resulted in a one-off charge of £7M million to operating costs

REPORT OF THE BOARD (continued)

during the year. Homes Plus continues to re-invest its surpluses into new housing stock and ended the year with 19,092 social housing units, a net increase of 84 on the previous year after Right to Buy (RTB) stock losses.

Arrears performance at the end of the year was 1.33% (2024: 1.58%) with average arrears levels of £294 (2024: £394) per case.

Board Members and Executive Officers

Homes Plus is governed by a Board of Management composed of eleven non-executive members. Homes Plus is managed by a senior management team headed by the Chief

Executive and supported by all Executive Directors. The Executive Management Team attends Board meetings.

Each member of the Board, holds one share of £1 in the Association. The Executive Officers of Homes Plus hold no interest in the Association's share capital and, although they do not have legal status of Directors they act as Executive Officers within the authority delegated to them by the Board and are termed Directors. Housing Plus has purchased Directors' and Officers' Liability Insurance for the Board Members, Executive Officers and staff of Housing Plus and Homes Plus. Members of the Board receive remuneration.

The remuneration of the Board, the Chief Executive and the other Executive Officers is determined by the Housing Plus Board. External professional advice is sought as necessary to ensure that regard is taken of remuneration levels in similar companies and the market place.

Governance

Homes Plus complies with the Regulator of Social Housing's Governance and Financial Viability Standard. In October 2019 the Group confirmed its adoption of the National Housing Federation's "Code of governance: Promoting board excellence for housing associations (2015 edition)" as it's approved Code of Governance and confirms that the Group complies fully with the Code in all respects. The Group has since adopted the 2020 edition of the National Housing Federation's Code of Governance.

Going concern

The Board has assessed and approved the Group's 30-year Business Plan and Homes Plus financial forecasts. The business plan has been subject to various stress scenarios, including the severe but plausible downturn scenarios of such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Government's rent settlement agreement, downturn of the UK housing market or other adverse operational issues. Based on our projections, we believe we will meet all covenants and liquidity requirements. Notwithstanding the net current liabilities of £7m the Group and Homes Plus has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for at least 12 months. Homes Plus has access to undrawn facilities of £53.5m.

REPORT OF THE BOARD (continued)

Consequently, the Board is confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Statement of compliance

The Board confirms that the Housing Plus Group Strategic Report has been prepared in accordance with the principles set out in the Statement of Recommended Practice for registered social housing providers 2018 update.

The Board confirms that The Housing Plus Group has complied with all relevant regulatory and legal requirements. The Board confirms this for The Housing Plus Group

and its subsidiaries through appropriate policies and procedures and a strong control framework (described in the Housing Plus Statement of Internal Controls). The Board also reviews the effectiveness of the control framework and the assurance received from it including receiving external reviews from the Internal Auditor.

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

REPORT OF THE BOARD (continued)

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.

Provision of information to auditors

The Board Members who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which Homes Plus' auditors are unaware; the Board Members have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that Homes Plus' auditors are aware of that information.

Independent auditors

A resolution to appoint External Auditors will be proposed at the next Annual General Meeting.

By Order of the Board
3 September 2025

Catherine Dass
Chair

Wayne Gethings
Group Chief Executive

Janet Lycett
Company Secretary

Independent auditor's report to Homes Plus Limited

We have audited the financial statements of Homes Plus 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 Equity 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

Independent auditor's report to Homes Plus Limited (continued)

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 Board, Audit and Risk committee, internal audit and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of Association's Fraud Register.

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 and the risk of bias in accounting estimates such as valuation of pension liabilities. 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, revenue posted to unusual corresponding accounts, borrowings posted to unusual corresponding accounts and journals posted and approved by the same user.

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

Independent auditor's report to Homes Plus Limited (continued)

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 co-operative 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, recognizing the regulated nature of the Company's activities, Employment and social security legislation, including minimum wage and pension auto-enrolment, Compliance with Modern Slavery and Human Trafficking Statement 2018-19, and Self-Assessment Against the NHF Code of Governance, 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.

Independent auditor's report to Homes Plus Limited (continued)

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 Board's Annual Report, 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 5, 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

Independent auditor's report to Homes Plus Limited (continued)

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
for the year ended 31 March 2025

	Note	2025	2024
		£'000	£'000
Turnover	3	121,000	119,280
Cost of sales	3	(3,863)	(10,093)
Operating expenditure	3	(99,853)	(81,033)
Gain on disposal of property, plant and equipment (fixed assets)	4	4,658	4,173
Movement in fair value of investment properties	14	365	595
Gift aid received from subsidiary		5	-
Operating surplus		**22,312**	**32,922**
Interest receivable and similar income	5	1,696	1,554
Interest and financing costs	6	(22,865)	(22,932)
Gift aid received from subsidiary		-	115
Surplus before tax	8	**1,143**	**11,659**
Taxation on surplus	9	(25)	(262)
Surplus for the year		**1,118**	**11,397**
Actuarial gain/ (loss) in respect of pension	24	1,183	(309)
Gain/ (loss) recognised in fair value of hedged financial instruments	7	980	-
Total comprehensive income for the year		**3,281**	**11,088**

All the turnover and surplus disclosed above are derived from continuing activities.

The accompanying notes on pages 15 to 60 form part of these financial statements.

The above surplus is based on historic costs.

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2024

	2025			
	Income and Expenditure Reserve	Restricted Reserve	Cashflow Hedge Reserve	Total Reserves
	£'000	£'000	£'000	£'000
Balance at 1 April	**202,740**	**8,181**	**-**	**210,921**
Capital spend in year	-	(357)	-	(357)
Total surplus from Statement of Comprehensive Income	**570**	**548**	**-**	**1,118**
Actuarial gain on defined benefit pension scheme	1,183	-	-	1,183
Gain recognised in fair value of hedged financial instruments	-	-	980	980
Other comprehensive income for the year	**1,183**	**-**	**980**	**2,163**
Balance at 31 March	**204,493**	**8,372**	**980**	**213,845**

	2024			
	Income and Expenditure Reserve	Restricted Reserve	Cashflow Hedge Reserve	Total Reserves
	£'000	£'000	£'000	£'000
Balance at 1 April	**192,140**	**7,921**	**-**	**200,061**
Capital spend in year	-	(228)	-	(228)
Total surplus from Statement of Comprehensive Income	**10,909**	**488**	**-**	**11,397**
Actuarial loss on defined benefit pension scheme	(309)	-	-	(309)
Gain/ (loss) recognised in fair value of hedged financial instruments	-	-	-	-
Other comprehensive income for the year	**(309)**	**-**	**-**	**(309)**
Balance at 31 March	**202,740**	**8,181**	**-**	**210,921**

The accompanying notes on pages 15 to 60 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Note	2025	2024
		£'000	£'000
Fixed Assets			
Intangible assets	11	-	5,178
Tangible fixed assets			
Housing properties	12	678,741	661,170
Other tangible fixed assets	13	5,521	5,612
Investment properties	14	23,275	22,839
		707,537	694,799
Assets: amounts receivable after more than one year			
Debtors	16	21,794	24,300
Pension asset	23	-	27
		21,794	24,327
Current assets			
Stocks	15	4,181	4,494
Debtors	16	5,392	7,432
Investments		-	7
Cash and cash equivalents		1,836	1,661
Less: Creditors: Amounts falling due within one year	17	(18,809)	(21,032)
Net current (liabilities)/ assets		**(7,400)**	**(7,438)**
Total assets less current liabilities		**721,931**	**711,688**
Creditors: Amounts falling due after more than one year	18	(505,795)	(497,357)
Pension Provision	23	(2,291)	(3,410)
Total net assets		**213,845**	**210,921**
Reserves			
Income and expenditure reserve		204,493	202,740
Restricted reserve		8,372	8,181
Cashflow hedge reserve		980	-
Total reserves		**213,845**	**210,921**

The financial statements were approved by the Board and authorised for issue and are signed on its behalf on 3rd September 2025 by:

C Dass
Chair

Wayne Gethings
Group Chief Executive

J C Lycett
Company Secretary

The accompanying notes on pages 15 to 60 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Homes Plus is an exempt charity, registered as a Co-operative and Community Benefit Society and it is registered also with the Regulator of Social Housing (LH4121), under the Housing and Regeneration Act 2008, as a social landlord. Homes Plus is a public benefit entity as described by FRS102.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (FRS102), and the Statement of Recommended Practice for registered social housing providers 2018 update. The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The financial statements have been prepared under the historic cost convention, except for investment properties, which are stated at their fair value.

As part of their normal annual review and budget approval process, the Board of Management have reviewed the 30 year business plan for Homes Plus, who operate as a funding group with Housing Plus Group Finance Limited and are integral to Housing Plus Group

The Group board reviewed the 30 year financial plans in May 2025, as part of its normal annual review and budget approval process. The Homes Plus financial plans were stress tested and mitigation plans noted. The Group's principal financial risks were also considered at this time. At that time, the Group Board was satisfied that The Housing Plus Group and all of its subsidiaries had sufficient resources, taking account of severe but plausible downsides, such as higher than forecast inflation, higher than forecast Bank of England base rates, changes to the Government's rent settlement agreement, downturn of the UK housing market or other adverse operational issues, to continue operating for the foreseeable future and accounts have been prepared in the reasonable expectation that The Housing Plus Group is a financially viable organisation.

The financial performance of Homes Plus remained strong in 2024/25. Homes Plus ended the year with an arrears figure of 1.33% (2023/24 1.58%) against a corporate target of 3% which is testament to the hard work of staff across the organisation.

In terms of access to future funding, the Group has significant surplus security currently circa £283m of uncharged/unallocated properties (£46m EUV-SH and £237m MV-T) which could be used to secure new funding when required.

As at 31st March 2025 the Association had £1.8m of cash and access to a further £53.5 million of undrawn borrowing facilities within Housing Plus Group Finance Limited. The Board is satisfied that this funding is available as Housing Plus Group

NOTES TO THE FINANCIAL STATEMENTS (continued)

Finance Limited and Homes Plus are integral to the Group as set out in the 30 year business plan.

Given the strength of the Statement of Financial Position and availability and liquidity of undrawn loan facilities the Board believe that while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from signing of the accounts and audit report.

The Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

FRS102 Exemptions

The Association is a wholly owned subsidiary and is exempt from the requirement to prepare consolidated financial statements. In preparing separate financials statements the Association has taken advantage of the disclosure exemption in FRS 102 and has not prepared a cash flow statement.

A summary of the key accounting policies, which have been applied consistently across all entities, is set out below with intercompany transactions and balances being eliminated in full.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year net of any voids in respect of housing and garages, service charges to leaseholders in respect of services provided and communal repairs, and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and income from government grants. Turnover also includes income from the delivery of care services to individuals. Income also includes the proceeds of first tranche sales of shared ownership properties and open market outright sales. Income from services provided to third parties through the trading subsidiary is also recognised as turnover. Revenue for the main income streams is recognised as follows:

- Rental income is recognised from the point properties or garages become available for letting. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been provided.
- Income from leaseholder service charges is recognised from the point the lease is assigned.
- Income from Low Cost Home Ownership sales and sales of properties built for sale (outright sales) is recognised at the point of legal completion of the sale.
- Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Housing property disposals

Gains or losses arising on the disposal of housing properties (including the sale of properties under the Right to Buy and Right to Acquire schemes) are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the operating surplus/deficit for the year. Any capital grant associated with properties sold is to be recycled through the Recycled Capital Grant Fund (RCGF).

Under shared ownership arrangements, the Group sells a long term leasehold interest of Shared Ownership housing units to persons who occupy them at a lease premium equal to between 25% and 100% of open Market Value. The proceeds of first tranches sales are accounted for as turnover in the Statement of Comprehensive Income. The total property cost is apportioned between the shared ownership element and the element remaining in the Group's ownership based on the percentage sold or estimated to be sold. Properties developed for sale that are either unsold or work in progress at the yearend are included in current assets. Any subsequent tranches sold ('Stair-casing') are accounted for as disposals. The remaining unsold element remains on the Statement of Financial Position as a fixed asset and is subject to an annual impairment review.

Under Right to Buy and Right to Acquire arrangements Homes Plus may sell properties to qualifying tenants. For properties previously owned by South Staffordshire Housing Association (due to the nature of the transfer with South Staffordshire Council) it is not possible to separately identify the cost of each property sold. An average cost is eliminated from the property assets following each sale and charged to the Statement of Comprehensive Income.

Value Added Tax (VAT)

The Group's main income stream, being rent, is exempt for value added tax (VAT) purposes. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs (HMRC). The Group and subsidiaries are able to reclaim VAT in line with a Partial Exemption Special Method agreed with HMRC.

VAT reclaimed under the partial exemption method is calculated using a sectorised approach, allowing the different activities of the Group to be assessed separately for recovery based on the VAT treatment of the supply.

The balance of VAT payable to or recoverable at the year-end is included in the financial statements as a current liability or asset.

Interest and financial costs

Interest and finance costs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

• Interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or

• A fair amount of interest on borrowings, as a whole, after deduction of SHG received in advance, to the extent that they can be deemed to be financing the development programme.

Pensions
Homes Plus participates in three defined benefit schemes, the Housing Plus Pension Scheme (HPPS) and the Staffordshire County Council Local Government Pension Scheme (Staffordshire LGPS) and Shropshire County Pension Fund (Shropshire LGPS). The assets of the funds are kept separately from those of the Association being invested in independently managed superannuation funds.

The Association has accounted for all three schemes the HPPS and Staffordshire LGPS and Shropshire LGPS as defined benefit schemes. The net liability (or asset, to the extent it is recoverable) is calculated by estimating the amount of future benefit that employees have earned to date, discounted to present value, and deducting the fair value of the scheme's assets. Changes in this net defined benefit liability arising from employee service, introductions, benefit changes, curtailments and settlements during the period are recognised in operating costs. The net interest expense (or income) on the net liability (or asset) for the period is recognised as other finance cost (or income). Re-measurement of the net liability (or asset) is recognised as actuarial gains/losses in Other Comprehensive Income.

Contributions to defined contribution pension schemes are charged to the Statement of Comprehensive Income in the year in which they become payable.

Holiday pay accrual

A current liability is recognised for any unused holiday pay entitlement which has accrued at the Statement of Financial Position date. This is measured at the undiscounted salary cost of the future holiday entitlement at the Statement of Financial Position date.

Housing properties

Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent. Completed housing properties for lettings are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes costs of acquiring land and buildings, development costs incurred during the development period and other directly attributable costs including capitalised interest.

Housing properties under construction are stated at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Completed housing properties are split between their land and other components. Freehold land is not depreciated. Housing properties are depreciated on a straight-line basis over the useful economic life of the assets. The depreciable amount is arrived at on the basis of original cost.

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

Homes Plus's housing assets are depreciated as follows:

- Depreciation is charged from the date of acquisition or practical completion of works.
- Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.
- Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

Structure	**100**
Roof	**60**
Boiler	**15**
Heating System	**30**
Kitchen	**20**
Bathroom	**30**
Windows	**30**
Doors	**25**
Electrics	**40**
Consumer units	**30**
Solar Panels	**20**
Air Source Heat Pumps	**30**
Communal building	**100**
Vertical lifts	**15**

Capitalisation

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised as improvements.

Major improvements and renovation of housing properties which extend the life of the asset, increase the rent or considerably reduce future routine maintenance are capitalised and depreciated over the useful economic life of the asset.

Staff and other costs that are directly attributable to bringing housing properties to practical completion are capitalised. Development costs not capitalised are shown as other activities in the Statement of Comprehensive Income.

Interest costs relating to new development are capitalised. The interest charged reflects the net interest paid over the period of the development.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Government Grants

Government grants include grants receivable from Homes England and its predecessor bodies, 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.

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

Grants due from the funding bodies or received in advance is included as a current asset or liability.

Grants released on the sale of a property may be repayable but are normally available to be recycled and 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.

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the recognition criteria are satisfied is recognised as a liability

Donations of land or other tangible assets acquired below market value from a government source are treated as a non-monetary grant. The difference between the fair value of the tangible asset donated or acquired and the consideration paid is recognised as a liability in the Statement of Financial Position. Once the terms of the donation have been met it is released as income to the Statement of Comprehensive Income.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. The Group's intangible assets include licences, warranties and software. These are stated at cost less accumulated amortisation and any accumulated impairment losses. The cost includes cost of asset purchase and other directly attributable costs.

Intangible assets are amortised on a straight-line basis over the useful economic life of the assets as follows:

Software warranties & licences	5 years
Business Transformation costs	7 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other tangible fixed assets

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

Office Structure	60 years
Plant, machinery and vehicles	4-5 years
Scheme furniture, fixtures and fittings	5 years
IT Hardware and office equipment	1-5 years

Impairment

The Association carries out an annual impairment review of individual tangible fixed assets and cash generating units. The Association considers cash generating units to be schemes or geographical areas depending on size.

The review takes into account internal and external indicators of impairment; including obsolescence, physical damage, expected cash flows, replacement values market factors and government policy.

Where an indicator of impairment exists, an impairment assessment is performed. The assessment compares the carrying amount to the recoverable amount If the carrying amount of an asset or cash generating unit exceeds the higher of the value in use or fair value less costs to sell then the loss is charged to the Statement of Comprehensive Income as expenditure and as a separate line within operating expenditure where it is considered to be material.

Leased assets

At inception, the Group assesses all agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classed as finance leases. The Group does not have any finance leases in operation. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Payments received when the Group is acting as a lessor (Commercial Offices) are treated as rental revenue in the Statement of Comprehensive Income and the leased asset is a fixed asset in the Statement of Financial Position.

Investment properties

Investment properties consist of market rented residential properties, shops and sub-let offices. Investment properties are measured at cost on initial recognition and

NOTES TO THE FINANCIAL STATEMENTS (continued)

subsequently at fair value as at the year end, with changes in value recognised in the Statement of Comprehensive Income. These properties have been valued by external valuers on the basis of open market value as they are market-rented properties, rather than social housing properties, which could be sold with vacant possession within a short time period. The market value is based upon an analysis of comparable transactions which have taken place in the area, and the valuer's background knowledge of the local market.

Stocks

Stocks are stated at the lower of cost and the estimated sales price less costs to complete and sell.

Debtors

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

Cash and cash equivalents

Cash and cash equivalents in the Group's Statement of Financial Position consist of cash at bank, in hand, deposits and short-term investments which can be accessed instantly.

Creditors

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

Financial instruments

Basic Financial Instruments
Basic financial instruments, which include cash, short-term investments, receivables, payables, and loans with standard terms, are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Non-Basic Financial Instruments (Derivatives)
The Housing Plus Group uses derivative financial instruments to reduce exposure to interest rate movements and does not hold or issue derivative financial instruments for speculative purposes. The association has entered into a variable to fixed rate interest swap to manage its exposure to interest rate cash flow risk on its variable rate debt.
Under Section 12 of FRS 102, derivative contracts (such as interest rate swaps) will not qualify as basic financial instruments and so will be measured at fair value with changes reflected in the surplus for the year. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. This amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future

NOTES TO THE FINANCIAL STATEMENTS (continued)

cash flows affect profit or loss. Any ineffective portions of those movements are recognised in profit or loss for the period. Hedge accounting is discontinued when a floating to fixed interest rate swap expires, is sold, terminated or exercised, or when the conditions for hedge accounting are no longer met or HPG documents its election to discontinue hedge accounting. Any fair value gains or losses accumulated in the cash flow hedge reserve are reclassified to Statement of Comprehensive Income either when the variable interest rate expense is recognised as a surplus or deficit, or immediately on discontinuation of hedge accounting if future variable interest rate cash flows are no longer expected to occur.

Loan Issue Costs
Loan issue costs are amortised over the life of the related loan. Loans are presented in the Statement of Financial Position within creditors falling due after more than one year net of any unamortised loan issue costs.

Amortised loan issue costs are recognised in the Statement of Comprehensive Income in the year, and are included within interest payable and similar charges

Segmental reporting

For the purpose of segmental reporting, the chief operating decision maker (CODM) is the executive management group. In line with the segments reported to the CODM, the presentation of these financial statements and accompanying notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022 and is considered appropriate. Management consider the Regulator's Accounting Direction Note A and B to be the same information for the purposes of IFRS8 segmental reporting, as required by the SORP 3.8.

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates.
The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segment. Segmental information is disclosed in note 3a.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The Association is registered as a charity with HM Revenue & Customers. By virtue of S.478 Corporation Tax Act 2010, the Association is exempt from corporation tax. The Association pays corporation tax at the rate applicable on any surplus it generated from non-charitable activities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Provision for liabilities and charges

The Association only provides for when:

- there is a present legal or constructive obligation, resulting from a past event, at the Statement of Financial Position date;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Association does not recognise a contingent liability but discloses its existence in the financial statements.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds.

Key estimates and judgements

The preparation of the financial statements requires the use of certain accounting estimates and judgements concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i). Impairment

The Group has identified a cash generating unit (CGU) for impairment assessment purposes at a property scheme level.

ii). Defined benefit pension scheme

The Association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, asset valuations and the discount rate on corporate bonds. Management relies on the estimates made by actuaries and the pension fund in these areas.

NOTES TO THE FINANCIAL STATEMENTS (continued)

During the year ended 31 March 2025, the range of assumptions used by the individual schemes of which the Association is a member are shown in Note 23 of the financial statements.

iii) Development expenditure

The Association capitalises development expenditure in respect of new developments of social and affordable housing. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

iv) Categorisation of housing properties

Management have reviewed the intended use of all housing properties. In determining the intended use, management has considered if the asset is held for social benefit or to earn commercial rentals. Management have concluded that market rented properties are investment properties. These properties have been valued by external valuers on the basis of open market value and could be sold with vacant possession within a short time period.

v) Classification of financial instruments as basic or non-basic:

Management have considered the terms of the Group's lending arrangements and concluded that there is a mix of both basic and non-basic financial instruments. Basic financial instruments are held at amortised cost. During the year the Group entered into a loan agreement containing derivative features which is classified as a non-basic financial instrument under FRS102 section 12. The derivative component is separated from the host loan where it is not 'closely related' and is measured at fair value through profit or loss at each reporting date.

Other key sources of estimation uncertainty

i) 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.

ii) Debtors

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

iii) Leases

Whether leases entered into by the Association either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

iv) Impairment of non financial assets.

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. During the year following Wrekin Housing Group (WHG) merging with the Housing Plus Group, the costs of a transformation project within intangible assets were impaired, a decision was taken to move an in house system currently being used by WHG.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Particulars of turnover, cost of sales, operating expenditure and operating surplus

	Note	Year Ended 31 March 2025				Year Ended 31 March 2024			
		Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)	Turnover	Cost of Sales	Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings									
Income and expenditure from social housing lettings	3a	113,139	-	(86,990)	26,149	103,653	-	(66,847)	36,806
Other Social Housing Activities									
First tranche shared ownership sales		4,131	(3,411)	(229)	491	6,773	(4,900)	(223)	1,650
Leaseholders		334		(230)	104	261	-	(245)	16
Tenant garages		150		(2)	148	149	-	(6)	143
Charges for support services				(11,865)	(11,865)	-	-	(13,325)	(13,325)
Office depreciation and impairment				(239)	(239)	-	-	(253)	(253)
Other activities		360			360	335	-	-	335
Gain on disposal of property assets					4,658				4,173
		4,975	(3,411)	(12,565)	(6,343)	7,518	(4,900)	(14,052)	(7,261)
Activities other than social housing activities									
Shops		339			339	295	-	-	295
Private garages		947		(202)	745	873	-	(2)	871
Market Rent and Commercial Rent		1,090		(38)	1,052	1,025	-	(25)	1,000
Properties developed for outright sales		510	(452)	(58)	-	5,916	(5,193)	(107)	616
Movement in fair value of investment properties					365				595
Gift aid received from subsidiary					5				-
		2,886	(452)	(298)	2,506	8,109	(5,193)	(134)	3,377
Total		**121,000**	**(3,863)**	**(99,853)**	**22,312**	**119,280**	**(10,093)**	**(81,033)**	**32,922**

The amount for the Operating Surplus/(Deficit) for the year ended 31/03/2024 shown above has been updated to reflect a revision to the accounting policy for recognising Gift Aid. The figure previously reported as £32,922 now amounts to £33,037, reflecting the inclusion of Gift Aid income of £115K.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a. Income and expenditure from social housing activities

	Year Ended 31 March 2025 General Housing	Supported Housing	Low Cost Home Ownership	Care Housing	Total	Year Ended 31 March 2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover						
Rent receivable net of identifiable service charges	82,010	13,240	3,070	5,095	103,415	95,745
Service charge Income	1,021	3,293	509	1,299	6,122	5,769
Amortised government grants	688	149	72	106	1,015	967
Other revenue grants	2,587	-	-	-	2,587	1,172
Turnover from Social Housing Lettings	**86,306**	**16,682**	**3,651**	**6,500**	**113,139**	**103,653**
Operating Expenditure						
Management	(9,233)	(1,815)	(385)	(692)	(12,125)	(9,782)
Service charge costs	(4,861)	(3,553)	(21)	(2,415)	(10,850)	(9,293)
Routine maintenance	(22,271)	7	-	(6)	(22,270)	(18,443)
Planned maintenance	(14,968)	(11)	-	(2)	(14,981)	(12,628)
Bad debts	(1,991)	(37)	-	(3)	(2,031)	(197)
Depreciation of housing properties	(14,077)	(2,380)	(576)	(702)	(17,735)	(16,504)
Impairment of housing management systems	(5,652)	(1,111)	(235)	-	(6,998)	-
Operating expenditure on social housing lettings	**(73,053)**	**(8,900)**	**(1,217)**	**(3,820)**	**(86,990)**	**(66,847)**
Operating surplus/(deficit) on social housing lettings	**13,253**	**7,782**	**2,434**	**2,680**	**26,149**	**36,806**
Void Losses	(1,356)	(543)	(1)	(75)	(1,975)	(1,724)

Included within Planned maintenance are compliance costs as follows:

Compliance costs	(10,741)	(11)	-	(2)	(10,754)	(9,823)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b. Classes of accommodation in management and development

	Year Ended 31 March 2025	Year Ended 31 March 2024
	Number	Number
General housing		
- Social rent	14,413	14,386
- Affordable rent	1,531	1,496
Supported housing and housing for older people		
- Social rent	1,860	1,896
- Affordable rent	121	121
Low cost home ownership	914	857
Care housing		
- Social rent	203	202
- Affordable rent	50	50
Total social housing units	**19,092**	**19,008**
Market Rent	114	114
Other	2	2
Leasehold	649	647
Leasehold for the elderly	30	30
Total social housing units owned and managed	**19,887**	**19,801**
Accomodation managed on behalf of others	1	1
Total social housing units managed	**19,888**	**19,802**
Non social leasehold	40	40
Total housing managed	**19,928**	**19,842**
Homes under construction at the year end	**181**	**221**

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Sale of properties not developed for outright sale and other fixed assets

	Year ended 31 March 2025			Year ended 31 March 2024
	Right to Buy	Other Disposals	Total	
	£'000	£'000	£'000	£'000
Disposal Proceeds	1,329	4,935	6,264	5,081
Cost of Sales	(248)	(1,239)	(1,487)	(833)
Selling Costs	(15)	(104)	(119)	(75)
Net surplus on disposals	**1,066**	**3,592**	**4,658**	**4,173**

5. Interest receivable and similar income

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Interest received from temporary investments	138	85
Interest received from Intra Group loans:	1,558	1,469
Interest receivable and similar income	**1,696**	**1,554**

6. Interest payable and financing costs

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Interest payable on Intra Group loans	(20,770)	(21,408)
Bank Loans	(2,127)	(2,148)
Renegotiation fees	(863)	(333)
Capitalised interest	1,053	1,104
Net interest expense (pensions)	(158)	(147)
Interest and financing costs	**(22,865)**	**(22,932)**

Interest was capitalised at an average rate of 5.43% (2024: 5.65%)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Movement in fair value of financial instruments

	Year ended 31 March 2025	Year ended 31 March 2024
Included in other comprehensive income	£'000	£'000
Derivatives treated as cash flow hedging instruments - effective	980	-
	980	**-**

See note 18 for an explanation of the Groups hedging activities

8. Surplus on ordinary activities before taxation

This is arrived at after charging:	Note	Year Ended 31 March 2025	Year Ended 31 March 2024
		£'000	£'000
Depreciation:			
Housing assets		17,736	16,504
Other fixed assets		367	397
Impairment:			
Intangible assets		6,998	-
Amortisation:			
Grants		(1,015)	(968)
(Surplus)/Deficit on Disposal of properties	4	(4,658)	(4,173)
Operating lease rentals:	22		
Vehicles		1,564	1,077
Office equipment		3	7
Auditor's Remuneration (incl. expenses, excl. VAT):			
Fees for the audit of the financial statements		121	100
Fees for other services		-	7

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Tax on surplus on ordinary activities

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Surplus/ (deficit) on ordinary activities before tax	**1,142**	**11,659**
Tax on surplus on ordinary activities at standard UK corporation tax rate of 25% (2024: 25%)	286	2,915
Less: tax on surplus attributable to charitable activities	(286)	(2,653)
Other Corporation tax	25	-
Corporation Tax	**25**	**262**

10. Employees

The average number of persons employed during the financial year expressed as full-time equivalents (37 hours) was:

	Year Ended 31 March 2025	Year Ended 31 March 2024
	Number	Number
Administration and Management	168	171
Property Services	30	33
Housing Support and Care	0	4
Total	**198**	**208**

Employee Costs:	Note	Year Ended 31 March 2025	Year Ended 31 March 2024
		£'000	£'000
Wages and salaries		6,867	6,848
Social Security costs		641	635
Other pension costs	23	882	927
Total		**8,390**	**8,410**

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Employees (continued)

Staff who received remuneration (including benefits in kind) in excess of £60k are summarised in the following bands:

	Year Ended 31 March 2025	Year Ended 31 March 2024
	Number	Number
More than £60,000 but not more than £70,000	3	5
More than £70,000 but not more than £80,000	2	-
More than £80,000 but not more than £90,000	1	1
More than £90,000 but not more than £100,000	-	-
More than £100,000 but not more than £110,000	-	1
More than £110,000 but not more than £120,000	2	1

Directors' emoluments

The Directors of the Association are its Board Members. Board Members are not members of any Group pension scheme.

The Executive Directors did not receive any emoluments in respect of their services to the Group (2024/25 £nil; 2023/24 £nil) and none of the Executive Directors were a member of Homes Plus pension schemes. The Executive Directors are all employed and remunerated through the ultimate controlling party, Housing Plus Group Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Intangible assets

	2025 Software	2024 Software
	£'000	£'000
COST		
At 1 April	5,203	3,641
Additions	1,821	1,562
At 31 March	7,024	5,203
Accumlated amortisation		
At 1 April	(25)	(25)
Charge for the year	-	-
Impairment	(6,999)	-
At 31 March	(7,024)	(25)
Net book value		
At 31 March	(0)	5,178
At 1 April	5,178	3,616

Post-merger, the Group engaged independent consultants, Waterstones to undertake a review of its business management systems. At the time of the merger, Homes Plus had been engaged in a long-term project to consolidate its housing management systems into a single platform (1 HMS). After four years this project had not delivered the expected outcomes. Waterstones recommended adoption of the CADRE system – the housing management system of the former Wrekin Housing Group – as a fit for purpose solution for the newly merged organisation.

The Board endorsed this recommendation, and work commenced on the phased migration of Homes Plus systems to CADRE. This programme is ongoing and is expected to conclude by September 2026, at which point data from all three legacy systems will be integrated into CADRE. In line with this strategic shift, the Board resolved to write off the capitalised development costs associated with the discontinued 1HMS project. This decision resulted in a one-off charge of £7M million to operating costs during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Housing properties at cost

	As at 31 March 2025					
	Houses for Letting		Low Cost Home Ownership			
	Complete for Letting	Under Construction	Complete for Letting	Under Construction	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April	757,584	14,715	67,429	5,328	24	845,080
Additions	20,499	9,920	-	10,509	-	40,928
Transfer on completion	17,560	(17,560)	9,394	(9,394)	-	-
Disposals	(5,390)	(274)	(213)	-	-	(5,877)
Transfers to current assets	-	-	(540)	(3,751)	-	(4,291)
At 31 March	**790,253**	**6,801**	**76,070**	**2,692**	**24**	**875,840**
Less accumulated depreciation						
At 1 April	(178,644)	-	(5,248)	-	(18)	(183,910)
Depreciation charge for year	(16,378)	-	(576)	-	-	(16,954)
Eliminated in respect of disposals	3,746	-	19	-	-	3,765
At 31 March	**(191,276)**	**-**	**(5,805)**	**-**	**(18)**	**(197,099)**
Net book value						
At 31 March	598,977	6,801	70,265	2,692	6	678,741
At 1 April	578,940	14,715	62,181	5,328	6	661,170

Note: Included within 'Eliminated in respect of disposals' is accelerated depreciation of £776k (2024: £483k). Of the total additions, £19,033k relate to component replacements (2024: £14,362k) and £1,413k for fire safety works (2024: £1,517k)

NOTES TO THE FINANCIAL STATEMENTS (continued)

12a Housing properties at cost (continued)

Charges against properties

	2025	2024
	£'000	£'000
Number of properties on which there is a fixed charge	15,501	15,473
Number of properties not charged	3,591	3,535
Total number of properties	**19,092**	**19,008**

Housing properties book value, net of depreciation

	2025	2024
	£'000	£'000
Freehold land and buildings	678,285	660,707
Long leasehold land and buildings	456	462
	678,741	**661,170**

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Other tangible fixed assets

	As at 31 March 2025					
	Solar panels	Vehicles	Furniture & Equipment	Computer Equipment & telephones	Land & Buildings	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 April	178	313	6,933	4,240	10,647	22,311
Additions			278		-	278
At 31 March	**178**	**313**	**7,211**	**4,240**	**10,647**	**22,589**
Accumulated depreciation & impairment						
At 1 April	(104)	(312)	(6,425)	(4,240)	(5,618)	(16,699)
Depreciation charge for year	(12)	-	(240)	-	(116)	(367)
At 31 March	**(116)**	**(312)**	**(6,665)**	**(4,240)**	**(5,734)**	**(17,066)**
Net book value						
At 31 March	62	1	545	-	4,913	5,521
At 1 April	74	1	508	-	5,030	5,612

There is no charge on any of these assets. All land held for other property, plant and equipment is owned freehold

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Investment properties

	2025	2024
	£'000	£'000
Balance at 1 April	22,839	22,231
Additions	71	13
Net gain/ (loss) from fair value adjustments	365	595
Balance at 31 March	**23,275**	**22,839**

All investment properties were valued as at 31st March 2025 using the valuation methodology – market value subject to tenancies (MV-STT). The valuations were performed by independent valuers with recognised and relevant qualifications (Jones Lang LaSalle). There are no restrictions on the investment property and there are no contractual obligations to purchase, construct or develop investment property.

15. Stocks

	2025	2024
	£'000	£'000
Properties developed for outright sale		
Completed	-	452
Under construction	2,072	1,937
Total outright sales properties	**2,072**	**2,389**
Shared ownership properties		
Completed	860	80
Under Construction	890	1,767
Total shared ownership properties	**1,750**	**1,847**
Other Stocks - materials	359	258
Total Stocks and materials	**4,181**	**4,494**

Inventories are held at the lower of actual cost and estimated selling price less costs to complete and sell. There have been no impairments in the year (2024: none).

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Trade and other debtors

	2025	2024
Due within one year	**£'000**	**£'000**
Rent receivable	4,190	4,379
Less: Provision for bad and doubtful debts	(2,107)	(539)
	2,083	3,840
Amounts due from group undertakings	14	-
Derivative financial assets (see note 18)	286	-
Other debtors	1,862	2,304
Less: Provision for bad and doubtful debts	(429)	(150)
	1,733	2,154
Other taxation and social security	-	-
Prepayments & accrued Income	1,576	1,438
Total due within one year	**5,392**	**7,432**
Derivative financial assets (see note 18)	694	-
Amounts due from group undertakings	21,100	24,300
Total due after more than one year	**21,794**	**24,300**
Total Debtors	**27,186**	**31,732**

17. Creditors: Amounts falling due within one year

	2025	2024
	£'000	**£'000**
Loans and borrowings	363	353
Loans and borrowings - intragroup	-	3,000
Trade creditors	2,286	2,513
Rents and service charges received in advance	2,796	3,443
Deferred grant income	984	879
Recycled capital grant fund	32	45
Amounts owed to group undertakings:	3,009	4,215
Taxation and social security	145	198
Other creditors	391	177
Accruals and deferred income	8,803	6,209
	18,809	**21,032**

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year

	2025	2024
	£'000	£'000
Loans and borrowings - bank	56,814	57,177
Loans and borrowings - intra group	366,500	358,500
Loan arrangement fees	(1,478)	(1,416)
Deferred captal grant	82,706	80,775
Recycled capital grant and disposal proceeds fund	90	232
Other designated funds	1,163	2,090
	505,795	**497,358**

Repayment of Debt

	2025 Intra Group	Other Loans	Total
	£'000	£'000	£'000
In one year or less, or on demand	-	363	363
In more than one year but not more than two years	-	373	373
In more than two years but not more than five years	97,500	1,182	98,682
In more than five years	269,000	55,259	324,259
	366,500	**57,177**	**423,677**

	2024 Intra Group	Other Loans	Total
	£'000	£'000	£'000
In one year or less, or on demand	3,000	353	3,353
In more than one year but not more than two years	2,000	363	2,363
In more than two years but not more than five years	123,000	1,150	124,150
In more than five years	233,500	55,664	289,164
	361,500	**57,530**	**419,030**

The amounts repayable in relation to the bank loans are inter-company creditors with the amounts owed to fellow subsidiary Housing Plus Group Finance Limited. Housing Plus Group Finance Limited recognises equivalent inter-company debtors within its accounts and the third-party liabilities to repay the loans when they fall due.

Housing Plus Group Finance Limited holds a £366.5m (2024: £361.5m) loan portfolio in relation to Homes Plus. During the 2024/25 financial year, Homes Plus repaid £3m of its

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year (continued)

loans with Housing Plus Group Finance Limited and received no new loans from Housing Plus Group Finance Limited.

The final scheduled inter-company loan repayment is due in September 2048 with £234m of the loan facility repayable after 5 years. As of 31 March 2025, Housing Plus Group Finance Limited held £257.5m of fixed rate loans (including index linked) in relation to Homes Plus with a weighted average rate of 5.67%. Housing Plus Group Finance Limited also held £109m of variable rate loans in relation to Homes Plus with a weighted average rate of 5.74%.

Homes Plus has access to £53.5m of undrawn loan facilities within Housing Plus Group Finance Limited.

The Shropshire Council annuity loans of £5.6m and £1.6m held within Homes Plus are repayable in instalments, with the final scheduled loan payments due in March 2042 and March 2040 respectively.

The Shropshire Council loans are secured against properties that Homes Plus owns. The interest rates are fixed at 4.3% and 2.3%.

Homes Plus holds a £15m Private Placement with M&G and a £35m Private Placement with Aviva Investors. The Private Placements are repayable in annual instalments of £10m between 2047 and 2051.

The M&G Private Placement is secured against properties that Homes Plus owns. The interest rate is fixed at 3.86%.

The Aviva Investors Private Placement is secured against properties that Homes Plus owns. The interest rate is fixed at 3.86%.

On 31 March 2025 Homes Plus had undrawn loan facilities of £53.5m (2024: £28.5m).

Hedge Accounting

Housing Plus Group has entered into a £50m interest rate swap contract to fix the rates of £50m of its variable rate borrowing portfolio until various dates up to 2032. Housing Plus Group designated these derivatives as hedging instruments against the cashflow of the loans.

The fair value of these swap contracts as at 31 March 2025 was £980k (2024: £nil). The fair value was determined by calculating the net present value of the future cashflows of the swaps discounted using an appropriate mid-market swap curve as at 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year (continued)

Hedge Accounting (continued)

	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
	Receivable	Payable	Receivable	Payable
Interest rate swaps				
In one year or less	2,156	(1,867)	2,156	(1,867)
Between one and two years	1,928	(1,851)	1,928	(1,851)
Between two and five years	5,869	(5,570)	5,869	(5,570)
In five years or more	4,646	(4,186)	4,646	(4,186)
Total (nominal)	**14,599**	**(13,474)**	**14,599**	**(13,474)**

Fair value	2025	2024
	£'000	£'000
Total (fair value)	980	-

Social Housing Grant and other grants
The Association has received government grants in order to acquire and develop its housing properties. Grants are amortised through the Statement of Comprehensive Income over the useful economic life of the structure of the property. Any unamortised grant is held as deferred income. A breakdown of this grant is shown below:

Deferred Capital Grant

	2025	2024
	£'000	£'000
Deferred capital grant at 1 April	81,654	79,815
Grants received during the year	2,729	2,539
Grants recycled from/(to) the recycled capital grant fund	166	212
Transfers from reserves	200	56
Released to income during the year	(1,059)	(968)
Deferred capital grant at 31 March	**83,690**	**81,654**
Amounts due within one year	984	879
Amounts due after more than one year	82,706	80,775
	83,690	81,654

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Creditors: Amounts falling due after more than one year (continued)

Recycled Capital Grant Fund

	2025	2024
	£'000	£'000
Balance as at 1 April	277	302
Recycled Grant Input	28	45
Withdrawals	(183)	(70)
Balance as at 31 March	**122**	**277**
Amount due with one year	32	45
Amount due after more than one year	90	232
	122	**277**

19. Financial instruments

	Note	2025	2024
		£'000	£'000
Financial assets that are debt instruments measured at amortised cost			
Rent & service charge receivable	16	2,083	3,841
Amounts owed by group undertakings	16	21,386	24,300
Other debtors	16	3,009	3,591
Investments in short term deposits		-	7
Cash and cash equivalents		1,836	1,661
Total financial assets		**28,314**	**33,400**
Financial liabilities measured at amortised cost			
Loans	17/18	(423,677)	(419,030)
Trade creditors	17	(2,286)	(2,513)
Other creditors	17	(3,187)	(3,620)
Accruals	17	(8,803)	(6,209)
Amounts due to group undertakings	17	(3,009)	(4,215)
		(440,962)	**(435,587)**

The Association's financial instruments are all currently classified as basic and measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Called up non-equity share capital

Each member of the Board of Management holds one non-equity share of £1 each. These shares carry the right to vote at General Meetings on the basis of one share one vote. The shares are not transferable, non-redeemable and carry no right to receive income or capital payments.

	2025	2024
	£	£
Number of Shareholders as at 1 April	5	5
Number of Shareholders as at 31 March	**5**	**5**

21. Capital commitments

	2025	2024
	£'000	£'000
Expenditure contracted but not provided in the financial statements	10,356	25,730
Expenditure authorised by the Board but not contracted	93,643	77,105
Total capital commitments	**103,999**	**102,835**

The following amounts describe the way the Association funds the development:

	2025	2024
	£'000	£'000
Loans and reserves	67,018	66,500
Social Housing Grant	18,994	18,505
Forecast sales	17,987	17,830
Total Gross Expenditure	**103,999**	**102,835**

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Leases

Operating leases

At 31 March 2024 the total of future minimum lease payments under non-cancellable operating leases for each of the following periods was:

	2025	2024
	£'000	**£'000**
Leases for vehicles:		
Not later than one year	1,564	1,077
Later than one year and not later than five years	1,081	1,740
Later than five years	-	-
Leases for equipment:		
Not later than one year	3	7
Later than one year and not later than five years	-	3
	2,648	**2,827**

The expenditure charged in the Statement of Comprehensive Income during the year in relation to minimum lease payments was £1,084k (2023: £812k).

Finance leases

The Association as a lessee does not have any leases that have been classified as finance leases.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension

During the year end 31 March 2025, Homes Plus participated in 4 defined benefit pension schemes (2024: 4).

a) Staffordshire County Council Scheme
The Association participates in the Local Government Pension Scheme (LGPS) which is a multi-employer defined benefit Scheme, is funded and is contracted out of the state scheme.

The Housing Plus Group has 3 schemes with the Staffordshire LGPS of which two related to Homes Plus. The schemes (one in Housing Plus and two in Homes Plus) are currently pooled together but for the purposes of the accounting valuation for the financial statements they have been split out.

The latest triennial valuation for the schemes was carried out as at 31 March 2022. The triennial valuation is based on the pooling of all 3 schemes with the Housing Plus Group. The funding position at 31 March 2022 is a surplus of £21,432k (Assets £90,010k, Liabilities £68,578k, funding level 131%).

The actuary has estimated that the net pension liability under FRS102 as at 31 March 2025 for Homes Plus - SSHA is a liability of £2,087k (2024: £3,185k). For Homes Plus - SARH there is an asset of £21,446k (2024: £16,879k). The extent to which the surplus can be recognised has been determined by assessing the economic value available form the surplus, by deducting the net present value of future service-related contributions from the net present value of future benefits accruing. For 2025 the surplus recognised as an asset in the statement of financial position is £nil (2024: £27k).

Assumptions as at	2025	2024
	%p.a.	%p.a.
Salary increases	3.30%	3.25%
Pension increases	2.80%	2.75%
Discount rate	5.80%	4.90%

The life expectancy is based on the Fund's VitaCurves and based on these assumptions, the average future life expectancies at age 65 are summarised below:

Homes Plus - SSHA	Males	Females
Current Pensioners	20.7 years	23.8 years
Future Pensioners*	22.1 years	25.3 years
Homes Plus (Formerly SARH)	**Males**	**Females**
Current Pensioners	20.9 years	24.0 years
Future Pensioners*	21.6 years	24.9 years

* Figures assume members aged 45 as at the last formal valuation date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
23. Pension (continued)

Categories of plan assets as a % of total plan assets	2025	2024
	%	%
Equities	60	66
Bonds	30	25
Property	8	7
Cash	2	2

Reconcialtion of the effect of the net asset ceiling	2025	2024
	£'000	£'000
Opening asset ceiling	16,852	12,535
Interest on asset ceiling	826	602
Movement in asset ceiling recognised through OCI (as a remeasurement)	3,768	3,742
Asset ceiling	21,446	16,879
Surplus recognised (IAS19)	0	(27)
Closing net asset ceiling	**21,446**	**16,852**

Net pension liability	2025	2024
	£'000	£'000
Fair value of employer assets	57,523	57,577
Present value of funded obligations	(38,117)	(43,883)
Surplus/ (deficit)	19,406	13,694
Effect of asset ceiling*	(21,446)	(16,852)
Present value of unfunded liabilities	(47)	-
Net pension (liability)/ asset	**(2,087)**	**(3,158)**

* We have elected to cap a surplus £21,446k (2024: £16,879k) on the asset celling of one scheme to £nil (2024: £27k).

NOTES TO THE FINANCIAL STATEMENTS (continued)
23. Pension (continued)

The estimate of the liability comprises of approximately £5,920k (2024: £6,980k), £12,575k (2024: £14,392k) and £19,622k (2024: £22,460k) in respect of employee members, deferred pensioners and pensioners respectively as at 31 March 2025. The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employer. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

Amount charged to operating surplus	2025	2024
	£'000	£'000
Current service cost*	(236)	(272)
Past service cost	-	-
Total operating charge	(236)	(272)
Amount charged to financing costs		
Interest income on plan assets	2774	2,483
Interest cost on defined benefit obligation	(2,104)	(2,051)
Interest on the effect of the asset ceiling	(826)	(602
Total net interest	(156)	(170)
Total defined benefit cost recognised in surplus for the year	**(392)**	**(442)**

*The Service Cost figures include an allowance for administration expenses of 0.8%.

Re-measurements recognised in Other Comprehensive Income	2025	2024
	£'000	£'000
Change in financial assumptions	5,525	1,134
Change in demographic assumptions	-	669
Other experience	427	(1,568)
Effect of movement in net asset ceiling	(3,768)	(3,715)
Return on assets (excluding amounts included in net interest)	(959)	4,026
	1,225	**546**

NOTES TO THE FINANCIAL STATEMENTS (continued)
23. Pension (continued)

Reconciliation of defined benefit obligation	2025	2024
	£'000	£'000
Opening defined benefit obligation	**43,883**	**43,357**
Current service cost	236	272
Past service cost	-	-
Interest cost	2,104	2,051
Contributions from members	80	86
Actuarial losses/ (gains)	(5,952)	(235)
Estimated unfunded benefits paid	(4)	(3)
Estimated benefits paid	(2,183)	(1,645)
Closing defined benefit obligation	**38,164**	**43,883**

Reconciliation of fair value of employer assets	2025	2024
	£'000	£'000
Opening fair value of employer assets	**57,577**	**52,373**
Expected return on assets	(959)	4,026
Interest income on plan assets	2,774	2,483
Contributions from members	80	86
Contributions from employer	234	254
Contributions in respect of unfunded benefits	4	3
Unfunded benefits paid	(4)	(3)
Benefits paid	(2,183)	(1,645)
Closing fair value of employer assets	**57,523**	**57,577**

Net Deficit broken down as follows	2025	2024
	£'000	£'000
Homes Plus - SSHA	(2,087)	(3,185)
Homes Plus (Formerly SARH)	0	27
Deficit	**(2,087)**	**(3,158)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

b) Shropshire County Council Scheme

The association participates in the Local Government Pension Scheme (LGPS), which is a multi-employer defined benefit Scheme, is funded and is contracted out of the state scheme.

The latest triennial valuation of the scheme was carried out as at 31 March 2022. The funding position at 31 March 2022 is a surplus of £4,006k (Assets £45,279k, Liabilities £41,273k, funding level 110%).

The disclosures necessary in respect of FRS102 are shown in various tables below. The actuary has estimated that the net pension asset/liability as at 31 March 2025 is an asset of £10,283k (2024: £5,318k). The extent to which the surplus can be recognised has been determined by assessing the economic value available form the surplus, by deducting the net present value of future service-related contributions from the net present value of future benefits accruing. For 2025, the net balance sheet position recognised is a liability in the statement of financial position of £204k (2024: £225).

Assumptions	2025	2024
	%p.a.	%p.a.
Salary increases	3.30%	3.25%
Pension increases	2.80%	2.75%
Discount rate	5.80%	4.90%

The life expectancy is based on the Fund's VitaCurves and based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.0 years	24.3 years
Future Pensioners*	23.0 years	25.7 years

* Figures assume members aged 45 as at the last formal valuation date.

Categories of plan assets as a % of total plan assets	2025	2024
	%	%
Equities	59	57
Bonds	13	15
Property	4	3
Alternatives	23	24
Cash	1	1

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

Reconcialtion of the effect of the net asset ceiling	**2025**	**2024**
	£'000	**£'000**
Opening asset ceiling	5,318	749
Interest on asset ceiling	261	36
Movement in asset ceiling recognised through OCI (as a remeasurement)	4,908	4,533
Asset ceiling	10,487	5,318
Surplus / (deficit) recognised (IAS19)	-	-
Closing net asset ceiling	**10,487**	**5,318**

Net pension liability	**2025**	**2024**
	£'000	**£'000**
Fair value of employer assets	47,358	46,443
Present value of funded obligations	(36,871)	(41,125)
Surplus/ (deficit)	10,487	5,318
Effect of asset ceiling	(10,487)	(5,318)
Present value of unfunded liabilities	(204)	(225)
Net pension (liability)	**(204)**	**(225)**

Amount charged to operating surplus	**2025**	**2024**
	£'000	**£'000**
Current service cost	(284)	(341)
Past service cost	-	-
Administration expense	(12)	(14)
Effects of curtailments	-	-
Total operating charge	(296)	(355)
Amount charged to financing costs		
Interest income on plan assets	2,240	2015
Interest cost on defined benefit obligation	(1,981)	(1,968)
Interest on asset ceiling	(261)	(36)
Total net interest	(2)	11
Total defined benefit cost recognised in surplus for the year	**(298)**	**(344)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

Re-measurements recognised in Other Comprehensive Income	**2025**	**2024**
	£'000	£'000
Change in financial assumptions	4,694	916
Change in demographic assumptions	(46)	613
Other experience	37	(304)
Effect of movement in net asset ceiling	(4,908)	(4,533)
Return on assets (excluding amounts included in net interest)	157	2,990
Total re-measurements recognised in Other Comprehensive Income	**(66)**	**(318)**

Reconciliation of defined benefit obligation	**2025**	**2024**
	£'000	**£'000**
Opening defined benefit obligation	**41,350**	**41,747**
Current service cost	284	341
Past service cost	-	-
Interest cost	1,981	1,968
Contributions from members	103	117
Actuarial losses/ (gains)	(4,685)	(1,225)
Result on curtailments	-	-
Estimated benefits paid	(1,958)	(1,598)
Closing defined benefit obligation	**37,075**	**41,350**

Reconciliation of fair value of employer assets	**2025**	**2024**
	£'000	**£'000**
Opening fair value of employer assets	**46,443**	**42,496**
Expected return on assets	157	2,990
Interest income on plan assets	2,240	2,015
Contributions from members	103	117
Contributions from employer	385	437
Administration expenses	(12)	(14)
Unfunded benefits paid	-	-
Benefits paid	(1,958)	(1,598)
Closing fair value of employer assets	**47,358**	**46,443**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

c) Housing Plus Pension Scheme

The Association participates in the Housing Plus Pension Scheme which is a defined benefit Scheme in the UK. This is a separate trustee administered fund set up on 31 October 2018 following the transfer of obligations from the Social Housing Pension Scheme (SHPS). The Scheme holds the pension scheme assets to meet long term pension liabilities. The major assumptions used by the actuary are shown below.

The latest triennial valuation of the scheme was carried out in September 2022. The results showed a deficit of £849,155. An agreement was put into place to clear the deficit by 31st March 2025.

The actuary has estimated that the net pension asset/ liability as at 31 March 2025 is an asset of £32k (2024: asset £203k). The extent to which the surplus can be recognised has been determined by assessing the economic value available form the surplus, by deducting the net present value of future service-related contributions from the net present value of future benefits accruing. For 2025, the surplus recognised in the statement of financial position is £nil (2024: £nil).

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2025. It is recognised that this could potentially impact the value of Scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

Financial assumptions	2025	2024
	%p.a.	%p.a.
Discount rate	5.80%	4.90%
Inflation (RPI)	3.10%	3.05%
Inflation (CPI)	2.80%	2.75%
Deferred revaluation	3.10%	3.05%
Pension increases		
- CPI max 5% p.a.	2.74%	2.70%
- CPI max 3% p.a.	2.22%	2.20%

Demographic assumptions as at	2025	2024
Mortality		
Base Tables	Pre retirement: nil Post retirement: 109% of S3PXA	Pre retirement: nil Post retirement: 109% of S3PXA
Improvement allowance	CMI_2023 (1.25%) for males CMI_2023 (1.25%) for females	CMI_2023 (1.25%) for males CMI_2023 (1.25%) for females
Smoothing parameter	7.0	7.0
Life expectancy from age 65		
Pensioners (currently aged 65)	Male: 21.1 Female: 23.6	Male: 21.0 Female: 23.5
Non-pensioners (currently aged 65)	Male: 22.3 Female: 25.0	Male: 22.3 Female: 24.9
Commutation	90% of maximum allowance	90% of maximum allowance
Other demographic assumptions	As per most recent Technical Provisions assumptions	As per most recent Technical Provisions assumptions

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

Reconcialtion of the effect of the net asset ceiling	2025	2024
	£'000	£'000
Opening asset ceiling	203	-
Interest on the effect of the asset ceiling	10	-
Movement in asset ceiling	(180)	203
Asset ceiling	32	203
Surplus / (deficit) recognised (IAS19)	-	-
Closing net asset ceiling	**32**	**203**

Net pension liability	2025	2024
	£'000	£'000
Fair value of employer assets	5,159	5,937
Present value of scheme liabilities	(5,127)	(5,734)
Surplus/ (deficits)	32	203
Effect of asset celling	(32)	(203)
Net pension (liability)/ asset	**-**	**-**

Amount charged to operating surplus	2025	2024
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Administration expense	77	(71)
Settlement losses/ (gains)	-	-
Total operating charge	77	(71)
Amount charged to financing costs		
Interest income on plan assets	(287)	284
Interest cost on defined benefit obligation	277	(272)
Interest on effect of asset ceiling	10	-
Total net interest	-	12
Total defined benefit cost recognised in income statement for the year	**77**	**(59)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continue

Re-measurements recognised in Other Comprehensive Income	2025	2024
	£'000	£'000
Change in financial assumptions	912	199
Change in demographic assumptions	(79)	44
Other experience	(91)	(66)
Return on assets (excluding amounts included in net interest)	(898)	(511)
Effect of movement in net asset ceiling	180	(203)
Total re-measurements recognised in Other Comprehensive Income	**24**	**(537)**

Changes in assets/ (liabilities) during the year	2025	2024
	£'000	£'000
Opening Surplus/ (deficit) at the start of the period	**-**	**(7)**
Current service cost	-	-
Past service cost	-	-
Net interest cost	-	12
Expenses	(77)	(71)
Re-measurements included in other comprehensive income	24	(537)
Employer contribution	53	603
Estimated benefits paid	-	-
Surplus/ (deficit) at the end of the period	**(0)**	**-**

Change in liabilities during the year	2025	2024
	£'000	£'000
Opening liabilities	**5734**	**5704**
Interest cost on defined benefit obligations	277	272
Benefits paid	(143)	(65)
Actuarial (gain)/ loss on changes in assumptions	(832)	(243)
Experience (gain)/ loss on liabilities	91	66
Closing Liabilities	**5,127**	**5,734**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Pension (continued)

Reconciliation of fair value of employer assets	2025	2024
	£'000	£'000
Opening fair value of employer assets	**5,937**	**5,697**
Expected return on assets	(898)	(511)
Interest income on plan assets	287	284
Contributions from members	-	-
Contributions from employer	53	603
Administration expenses	(77)	(71)
Unfunded benefits paid	-	-
Benefits paid	(143)	(65)
Closing fair value of employer assets	**5,159**	**5,937**

24. Pension liability

The Association had the following assets/ (liabilities) during the year:

	Staffordshire LGPS	Shropshire LGPS	HPPS	Total
	£'000	£'000	£'000	£'000
At 1 April 2024	(3,158)	(225)	-	(3,383)
Additions/(reductions) dealt within surplus/deficit	2	89	(24)	67
Additions/(reductions) dealt within other comprehensive income	1,225	(66)	24	1,183
Interest costs	(156)	(2)	-	(158)
At 31 March 2025	**(2,087)**	**(204)**	**(0)**	**(2,291)**
Pension Asset	-	-	-	-
Pension Liability	(2,087)	(204)	(0)	(2,291)
Net Pension liability	**(2,087)**	**(204)**	**(0)**	**(2,291)**

Pension liability – LGPS

The LGPS pension scheme is a multi-employer defined benefit scheme. Each year the actuary values the assets and liabilities of the scheme using a set of assumptions. Changes in assumptions and performance of the assets/liabilities in the year means that the present value of the defined benefit obligation is subject to uncertainty.

Virgin Media Ltd vs NTL Trustees On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Pension liability (continued)

to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this would apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.

Pension liability – HPPS

The HPPS pension scheme is a defined benefit Scheme in the UK. This is a separate trustee administered fund set up on 31 October 2018 following the transfer of obligations from the Social Housing Pension Scheme (SHPS). An independent actuary values the assets and liabilities of the scheme using a set of assumptions. Changes in assumptions and performance of the assets/liabilities in the year means that the present value of the defined benefit obligation is subject to uncertainty.

The Association is aware of the June 2023 High Court judgement in the case of Virgin Media vs NTL Pension Trustees II Limited, and that in July 2024 the Court of Appeal dismissed the appeal brought by Virgin Media against aspects of the High Court's decision. This judgement may have significant implications for defined benefit schemes that were "contracted out" between April 1997 and April 2016. The Association understands that this will be affected by questions which, in February and March 2025, were put to the High Court in the case of Verity Trustees Limited v Wood and others, with the outcome expected later in 2025. At this point in time it is unclear whether there could be an impact for the Association's schemes and therefore a sufficiently reliable estimate of any effect on the obligation cannot be made. Thus, the defined benefit obligation for the scheme has been calculated on the basis of the pension benefits currently being administered.

25. Restricted reserves

Restricted reserves constitute surpluses accruing from sales of LSVT units under the Right to Buy. The receipts are to be used solely for the provision of new housing or disabled facility grants, subject to approval by the relevant local authority.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Related party transactions

Transactions with non-regulated members of the Group:

	2025			
	Care Plus	Severn Homes Ltd	Housing Plus Finance Ltd	Development Worx
	£'000	£'000	£'000	£'000
Inflow				
Services provided	131	-	-	-
Interest receivable	86	1,472	-	-
Loan finance	500	2,700	5,000	-
Gift Aid	-	-	-	5
Total	**717**	**4,172**	**5,000**	**5**
Outflow				
Services received	3,157	3,589	-	368
Interest payable	-	-	20,770	-
Total	**3,157**	**3,589**	**20,770**	**368**

	2024			
	Care Plus	Severn Homes Ltd	Housing Plus Finance Ltd	Development Worx
	£'000	£'000	£'000	£'000
Inflow				
Services provided	446	-	-	-
Interest receivable	132	1,337	-	-
Loan finance	-	-	2,000	-
Gift Aid	-	-	-	115
Total	**578**	**1,337**	**2,000**	**115**
Outflow				
Services received	2,980	4,040	-	368
Interest payable	-	-	21,408	-
Loan finance	-	3,500		-
Total	**2,980**	**7,540**	**21,408**	**368**

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Related party transactions (continued)

At the year end the following net trading and loan balances were due from/ (to) non-regulated entities:

	2025	2024
	£'000	£'000
Care Plus	1,238	1,723
Servern Homes	19,597	22,302
Housing Plus Group Finance	(367,823)	(363,272)
Development Worx	14	30
Total	**(346,974)**	**(339,217)**

27. Group companies

The ultimate parent undertaking and controlling party is the Housing Plus Group Limited, a registered provider (Registered Community Benefit Society No. 30224R). The consolidated financial statements of The Housing Plus Group Limited are available from the Company Secretary, Housing Plus Group Limited, Acton Court, Acton Gate, Stafford, ST18 9AP.