

Annual Report and Financial Statements The Wrekin Housing Group Limited

For the year ended 31 March 2025

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Board Members, Executive Officers, Auditors and Advisors

Board Members	
Catherine Dass (Chair)	Deborah Griffiths (Senior Independent Officer and Vice Chair)
Graeme Betts	Andrew Burns
Alan Hawkesworth	Alan Yates
Kevin Morgan (resigned 31 July 2025)	Louise Burns
Simon Whitfield	Jason Burt
Sarah Watson	Wayne Gethings
Independent Members	
Paul Riley	Dinesh Murugesh-Warren
Rosalind Preen	Helen Hackney
Geraldine Emson (appointed 1 st July 2025)	Adrian Wood (appointed 1 st July 2025)

The majority of Board members detailed above were appointed on 6th January 2025 following the merger of The Wrekin Housing Group Limited and The Housing Plus Group Limited on that date to form a co-terminous Board. The Board members detailed below represented the legacy Wrekin Housing Group Limited Board and all resigned on 5th January 2025.

Board Members	
Desmond Hudson (Chair)	Deborah Griffiths (Senior Independent Officer and Deputy Chair)
Alan Hawkesworth	Alan Yates
Kevin Morgan	Louise Burns
Simon Whitfield	Ravinder Kaur
Iain Littlejohn	Wayne Gethings

Executive Directors	
Wayne Gethings	Group Chief Executive
Jonathan Lamb	Executive Director of Finance (retired 20 June 2025)
Suzanne Forster	Chief Financial Officer (appointed 01 May 2025)
David Wells	Executive Director of Customer Experience
Janet Lycett	Executive Director of Integration and Change
David Hall	Executive Director of Investment and Growth (appointed 01 May 2025)
Les Clarke	Executive Director of Care

Board Members, Executive Officers, Auditors and Advisors

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

Registered Office	Colliers Way, Old Park, Telford. TF3 4AW
The Wrekin Housing Group Limited	Co-operative and Community Benefit Society (registration number 8067) Regulator of Social Housing (registration number LH4220)
Bankers	Barclays PLC Corporate Banking, One Snowhill, Birmingham B4 6GN
External Auditors	KPMG LLP Chartered Accountants and Statutory Auditors One Snowhill, Birmingham B4 6GH
Principal Solicitors	Devonshires LLP 30 Finsbury Circus, London EC2M 7DT
Treasury Advisors	Savills (UK) Ltd 55 Colmore Row, Birmingham B3 2AA
Property Valuers	Savills (UK) Ltd 55 Colmore Row, Birmingham B3 2AA
Tax Advisors	Grant Thornton UK LLP 4 Hardman Square, Spinningfields, Manchester M3 3EB

Report of the Board

Registration

Wrekin Housing Group Limited is incorporated as a Co-operative and Community Benefit Society under the Co-operative and Community Benefit Society Act 2014 (registration number 8067) and is registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008 (registration number LH4220). The organisation's registered office is at Colliers Way, Old Park, Telford, Shropshire, TF3 4AW.

Principal activity

The Association's principal activities remain the development and management of social housing.

Business review

On 6 January 2025, the Association's ultimate parent undertaking (The Wrekin Housing Group Limited) merged with The Housing Plus Group Limited. The transaction occurred during the year and has been accounted for using merger accounting compliant with FRS102 Section 19.

Details of the Association's performance for the year are set out in the Strategic Report that follows this report of the board.

Group structure and active companies at 31 March 2025

Wrekin Housing Group Limited became part of a newly formed group during the year ended 31 March 2025 following a merger with Housing Plus Group Limited, which is now the ultimate parent undertaking and controlling entity.

Housing Plus Group Limited is incorporated in the United Kingdom and prepares consolidated financial statements under UK GAAP and FRS 102. As such, Wrekin Housing Group Limited is an intermediate parent undertaking within the group.

Although Wrekin Housing Group Limited has subsidiary undertakings, these financial statements present the financial performance and position of the company as a single entity and do not include consolidated financial statements. This is in accordance with the exemption permitted under Section 400 of the Companies Act 2006, on the basis that consolidated financial statements are prepared by the ultimate parent undertaking, Housing Plus Group Limited, which include the results of Wrekin Housing Group Limited and its subsidiaries.

Copies of the consolidated financial statements of Housing Plus Group Limited are available from its registered office at Acton Court, Acton gate, Stafford. ST18 9AP. or from www.housingplusgroup.co.uk/about-us/publications

Regulatory Judgements

The ultimate parent, Housing Plus Group Limited continues to hold a G1/V2 grading with the Regulator of Social Housing. Whilst the V2 grading indicates that the Group is still compliant with the Regulatory Viability Standard, it remains an aspiration for it to regain the V1 rating by continuing its prudent approach to financial planning and the effective deployment of mitigating actions to rebuild capacity in its business plan.

NHF Code of Governance

The ultimate parent undertaking, Housing Plus Group Limited and its subsidiaries comply with the 2020 NHF Code of Governance and continually review ongoing compliance with this Code as well as the Regulatory standards, procedures and guidance.

Insurance of directors and officers

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

Report of the Board

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance of compliance with all relevant legislation and against material misstatement or loss.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the report and financial statements. The risk assessments are updated quarterly and are reported to the Board.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

Identification and evaluation of key risks

The Board has established a risk management strategy, setting out its attitude to risk in the achievement of its objectives, which underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks.

Control environment and internal controls

The processes to identify and manage the key risks to which the Company is exposed are an integral part of the internal control environment. These processes, which are reviewed annually and revised where necessary, include strategic planning, succession planning and recruitment of executive directors and senior staff, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection and environmental performance.

Financial and operational performance reporting

An important control in relation to the Company's management of risk is the reporting and monitoring of financial and operational performance. Examples of this include:

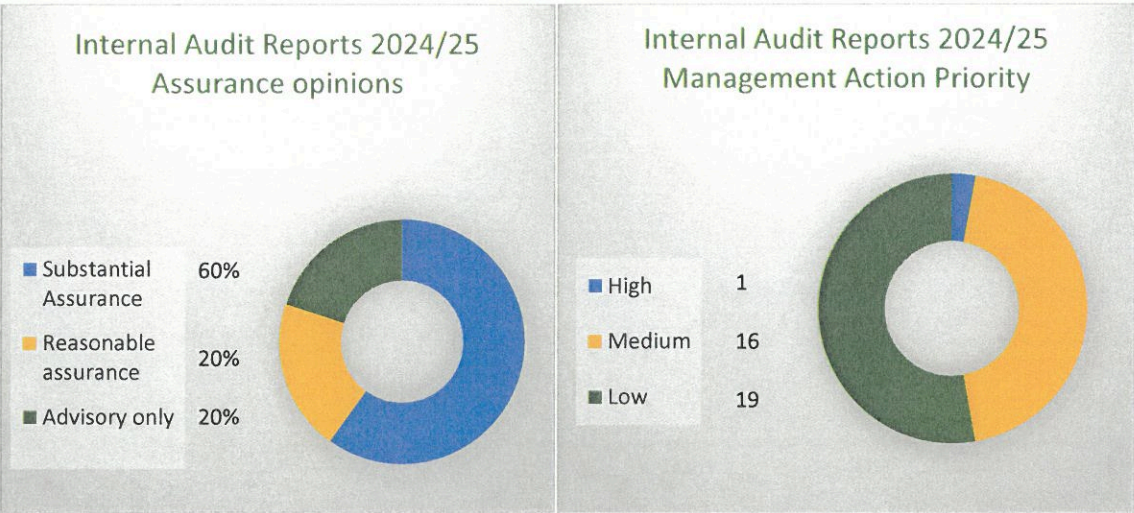
- Reporting of operational performance against a range of key performance indicators throughout the year. The indicators cover housing management, care services, repairs and maintenance, health and safety and customer satisfaction.
- Preparation of strategic plans, underpinned by detailed budgets for the year ahead and forecasts for subsequent years, all of which are reviewed and approved by the Board.
- Sensitivity analysis of key risks and uncertainties included in the financial forecasts and stress testing of complex, multivariate scenarios.
- Monthly budget reviews with budget holders and detailed monthly reporting of expected outturns to ensure that agreed levels of surplus are achieved
- Reporting of treasury management activity and loan covenant compliance to ensure that the Company complies not only with its formal covenants, but also with its own internally approved golden rules (set at a more challenging level than the formal covenants)
- Setting, and regular review, of Company policies in compliance with legislation and regulatory requirements and in line with best practice in the sector
- Development of business continuity plans for all service areas and reporting of the outcomes of regular testing of those plans
- Scanning of the housing sector and reporting the impact of issues on the Company.

Report of the Board

Internal controls assurance (continued)

Internal Audit

The Company's internal audit function is delivered by RSM, a third-party provider, who are responsible for delivering the annual internal audit plan as approved by the Group's Audit and Risk Committee. As a result of the specific internal audit work completed in year, the internal auditors concluded that there was an adequate and effective system of internal control in place during 2024/25. The reviews carried out by internal audit provide independent assurance to the Board via the Audit and Risk Committee. There is a rigorous procedure in place to ensure that recommendations arising from internal audit reviews are carefully considered and implemented or, occasionally, varied with the agreement of the Audit and Assurance Committee.



Anti-fraud and corruption

The Group is committed to ensuring that all its officers, staff and contractors act at all times with honesty and integrity and adequately safeguard the assets for which the organisation is responsible. Fraud awareness training which commenced in 2022/23, continues to be rolled out to all employees. The Group maintains a fraud register, which is reviewed by the Audit and Risk Committee at each meeting. Incidents of fraud are discussed at committee meetings, together with details of action taken and consequent improvements in controls.

During the year, the organisation identified one minor incidence of fraud amounting to a loss of £500 relating to theft and re-sale of van stock materials. As a result one employee tendered their resignation and a second was dismissed following an investigation.

The Group takes all instances of alleged fraud very seriously and makes use of its own internal disciplinary procedures or involves the police as appropriate. Material cases of fraud to the Group's funds are reported to the Regulator of Social Housing.

Disclosure of information to auditors

So far as each of the directors of the organisation is aware, at the time this report is approved:

- There is no relevant audit information of which the organisation's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Auditors

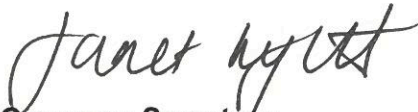
During the year, following the merger KPMG were appointed as External Auditors. A resolution to re-appoint KPMG LLP as external auditors will be proposed at the annual general meeting.

Report of the Board

Annual general meeting

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

The report of the Board was approved by the Board on 3 September 2025 and signed on its behalf by:

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

Company Secretary
Janet Lycett

Strategic Report

Business overview

During the year, the Association's parent undertaking merged with The Housing Plus Group Limited, resulting in a new group structure from 6 January 2025. This Strategic Report outlines the performance and position of the Association within that evolving group context.

The Wrekin Housing Group Limited provides affordable housing for those in housing need across Telford and Wrekin, Shropshire and Staffordshire.

The Wrekin Housing Group has three wholly owned subsidiaries; Old Park Services Limited, a commercial trading entity providing housing and property related services to other social landlords, together with the operation of retail outlets for reused and recycled household goods; Strata Housing Services Limited, with its principal activity being the provision of development services to the parent company, and Choices Housing Association Limited with principal activities being the provision of registered care and supported housing for adults with a learning disability and the delivery of domiciliary care services to tenants within the Group's 'Shire Living' Extra Care schemes.

The results of the subsidiaries are included within the ultimate parent consolidated accounts and not included in these financial statements.

Vision and Values

Following the merger on 6th January 2025, Housing Plus Group Limited has clearly defined its 'Why' as being 'We create places people are proud to call home'. As a subsidiary of Housing Plus Group Limited, Wrekin Housing Group Limited adopts this same 'Why'.

Since the completion of the merger, workshops have taken place across the Group to develop the behaviors that reflect the ethos of the organisation. Through engaging employees to be part of the development of the new organisation the behaviours have evolved as those that each employee can identify with.



Strategic Report

Vision and Values (continued)

Each of our behaviours drives the way we work across the Group always with the customer at the heart of all that we do.

OWN IT

Make it happen

- We take responsibility, and get it done
- We solve problems, not pass them on



IMPROVE IT

Move things forward

- We find ways to make things better
- We learn and adapt



LIVE IT

Show understanding and compassion

- We build strong relationships based on honesty and trust
- We listen and support



We believe that instilling these behaviours in all employees of Housing Plus Group Limited will create better services for our customers.

Value for money

At Wrekin we consider value for money to be the foundation of all services we provide for our customers. The drive for efficiency across the Group ensures we have a sound financial base to sustain quality of our services at minimum cost. The Regulator of Social Housing published its 'Value for money metrics and reporting 2023' report which highlights the importance of social housing providers delivering value for money, by demonstrating the best use of their resources to achieve their objectives. This underpins the provision of good quality homes and services as well as delivery of new homes.

Value for money report

Set out below is our value for money report for 2024/25 which also forms our annual self-assessment.

It shows our performance against both the Regulator's and our own Value for Money Metrics.

The performance against our own value for money metrics is that against our internally set targets for the current and prior year. The target set for 2025/26 is that for the entity but is subject to revision as part of the value for money assessment that will be in respect of the new Housing Plus Group following the merger.

Strategic Report

Development-Delivery of new homes

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
338 homes	316 homes	338 homes	346 homes	538 homes

The development strategy that preceded the merger beginning in 2020 runs through to March 2026 and is on target to deliver the 2,316 homes as planned.

Development - Total income from property disposals

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
£8.8m	£14.3m	£11.6m	£13.4m	£11.6

Income from property disposals includes income from asset renewal sales, together with sales under the Right to Buy and Right to Acquire legislation. In 2023/24 and 2024/25 numbers of sales have been lower than expected, however sales values have been significantly higher than target.

Asset Management - Rent loss from voids

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
1.18%	0.84%	1.12%	0.68%	1.0%

2024/25 saw the impact of the Positive Change review undertaken (keys in to keys out) with average relet times reducing back to pre-pandemic levels which had a positive impact on financial void loss

Asset Management - Average relet times

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
17 days	22.2 days	17 days	22 days	22 days

The Association did not achieve the 24/25 target but stabilised around the 22 days and Wrekin recorded the lowest void rent loss in terms of monetary value for many years. There were differences in performance between general needs, which was better than target, and some of our Retirement living schemes which remain a focus moving forward. We have made some changes to process over the year and as such the time taken is now more about the product type, age and desirability than process. We also do not dispose of assets in Retirement Living meaning we are carrying out more works at them which adds to the time taken.

Asset Management - Gas servicing

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
100%	100%	100%	100%	100%

The Group maintained its excellent level of compliance performance again in 2024/25, with 100% of properties having a valid gas certificate. Our full range of compliance performance metrics are shown on page 14.

Strategic Report

Customers - Rent collection

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
100%	99.7%	100%	101%	100%

The Association performed above target despite some challenging economic conditions to deliver a really strong return on rent collection. A proportion of our customers continue to migrate to Universal Credit with just under half of our tenant base now on this benefit. Our financial support services are designed to assist them in this process and to assist our customers to manage the delays in UC payments being received. We believe our approaches to employment, welfare benefit advice, debt and energy advice are key factors in our high collection rates.

Customers - Arrears levels

2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (See note above)
0.50%	0.55%	0.5%	0.61%	1.0%

Wrekin achieved 0.61%, a rise of 0.06% which in the current climate is extremely good performance when compared to the sector average. Wrekin continued to deliver effective and supportive approaches to customers in arrears and our eviction rate at 15 (less than 0.15% of all tenancies) demonstrates that this is the absolute last resort. The target for 2025/26 allows for the continued migration of our customers to Universal Credit; however, Wrekin will continue to support those customers requiring additional help through early intervention, personalised repayment plans, and close partnership working with external agencies. Our focus remains on prevention and sustainment, ensuring customers can maintain their tenancies while managing financial pressures.

Customers - Repairs completed same day

33,461 responsive repairs including gas related repairs were completed during 2024/25 (2023/24: 31,192 repairs)

81.4% of repairs were completed on the same day they were reported (2023/24: 78%).

During 2024/25, we continued to review our repairs service delivery model to ensure it is still fit for purpose given the lifestyle changes and working patterns of many of our customers.

Customer involvement

2023/24 saw the first publication of the Regulators Tenant Satisfaction Measures. In 2024/25, the Customer Committee has played a key role in overseeing compliance with consumer standards, including reviewing self-assessments about services, tenant satisfaction measure performance, complaints performance and customer feedback; all driving improvement to services and assurance of our ongoing compliance.

Wrekin's performance against the new satisfaction measures for 2024/25 is as follows:

- Overall satisfaction with services – **89%**
- Satisfaction with repairs – **90%**
- Satisfaction with time taken to complete most recent repair – **90%**
- Satisfaction that the home is well-maintained – **90%**
- Satisfaction that the home is safe – **90%**
- Satisfaction that the landlord listens to tenant views and acts upon them – **77%**
- Satisfaction that the landlord keeps tenants informed about things that matter to them – **83%**
- Agreement that the landlord treats tenants fairly and with respect – **88%**
- Satisfaction with the landlord's approach to handling complaints – **52%**
- Satisfaction that the landlord keeps communal areas clean and well-maintained – **75%**
- Satisfaction that the landlord makes a positive contribution to neighbourhoods – **75%**
- Satisfaction with the landlord's approach to handling anti-social behaviour – **70%**

Strategic Report

Performance against the RSH VfM metrics

Pre-merger performance against the Regulator of Social Housing's Value for Money metrics was reported at a consolidated group level with The Wrekin Housing Group being the ultimate parent at that time. Post-merger, performance against these metrics from a wider group perspective will be reported within the financial statements of the ultimate parent company The Housing Plus Group Limited.

Detailed below is the performance against those metrics for the Wrekin Housing Group Limited on an entity only basis for the years 2023/24, 2024/25 and projected for 2025/26.

Reinvestment

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
7.7%	7.5%	8.2%	7.2%	6.8%	5.4%

2024/25 was a year of strong capital investment in Wrekin's portfolio. £66m was invested in new homes, and £10m in maintaining and improving our existing homes. This level of investment was above the sector average for 2023/24. Future projections suggest a decline in the amounts being invested in the future, but this is due to a development programme that finishes in 2026 and its replacement is yet to be determined in the Plan, so it is likely that the future investment level will increase.

New Supply (social housing)

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
1.4%	2.4%	3.1%	2.6%	4.1%	2.2%

Wrekin built 346 new homes in 2024/25 and plans to deliver 562 in 2025/26 as the 2020-26 development programme completes. Following a merger with Housing Plus Group, the aim is that the new Group will be delivering 1,000 new homes a year by 2030.

New Supply (non-social housing)

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
0.3%	0.0%	0.0%	0.0%	0.0%	0.0%

Wrekin has not delivered any non-social new homes over the last five financial years, and has no plans to do so in the forthcoming development strategy.

Gearing

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
46%	65%	67%	63%	67%	67%

Wrekin's history as an LSVT has meant that the company's gearing ratio has always been higher than the sector average, but it has remained relatively stable as the business has continued to invest in its existing and new assets.

Strategic Report

EBITDA MRI (interest cover)

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
122%	143%	137%	153%	116%	124%

The business continues to outperform the sector average on the interest cover test even in the face of inflated costs and high interest rates. This is largely due to the relatively low level of investment required to ensure our stock meets decent homes standards, and minimal spend required to ensure we meet our commitment to fire safety standards, especially for a business with minimal blocks over 18 stories tall. However, continued high costs of borrowing and other financial pressures, mean that the future projections are closer to the 2024 sector average.

Headline Social Housing Cost per Unit

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
£5,136	£4,562	£4,983	£4,903	£5,390	£5,348

Wrekin's operational spend has continued to rise as inflation, particularly in terms of energy and salary costs, has taken effect. However, Wrekin has performed well when compared with the sector average, and is confident that future levels will continue to fall at or below the sector average.

Operating Margin Social Housing

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
20.4%	23.6%	19.5%	24.3%	17.1%	19.8%

Wrekin maintained operating margins for social housing lettings at 24%, above the sector median. However, continued increases in the cost base, particularly from the National Insurance and other staff cost rises, are expected to impact future ratios.

Operating Margin Overall

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
18.5%	14.9%	17.1%	19.0%	15.1%	18.6%

High interest costs were balanced with sales income from asset sales to maintain an operating margin above the sector median in 2024.

Return on Capital Employed

Global Accounts 2023/24 Sector Weighted Average	WHG 2023/24 Actual	WHG 2024/25 Budget	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2026/27 Business Plan
2.8%	4.0%	3.3%	4.4%	2.7%	3.3%

Investment in the company's assets (new and existing homes) continued in 2024/25, and with better-than-expected operating surpluses reducing the drawn debt balance from expectations, this meant that ROCE exceeded budget, and was also higher than the sector average. The plan projects that the ratio will continue to perform well when measured against the median.

Strategic Report

Social Value

Employment, skills, training and volunteer opportunities

Through our employability programmes we delivered group workshops and individual 1:1 support to 25 participants, achieving successful outcomes into work, training, work experience or volunteering. Customers engaging with our programmes are offered work experience with us or our partners to improve their CV and employment prospects.

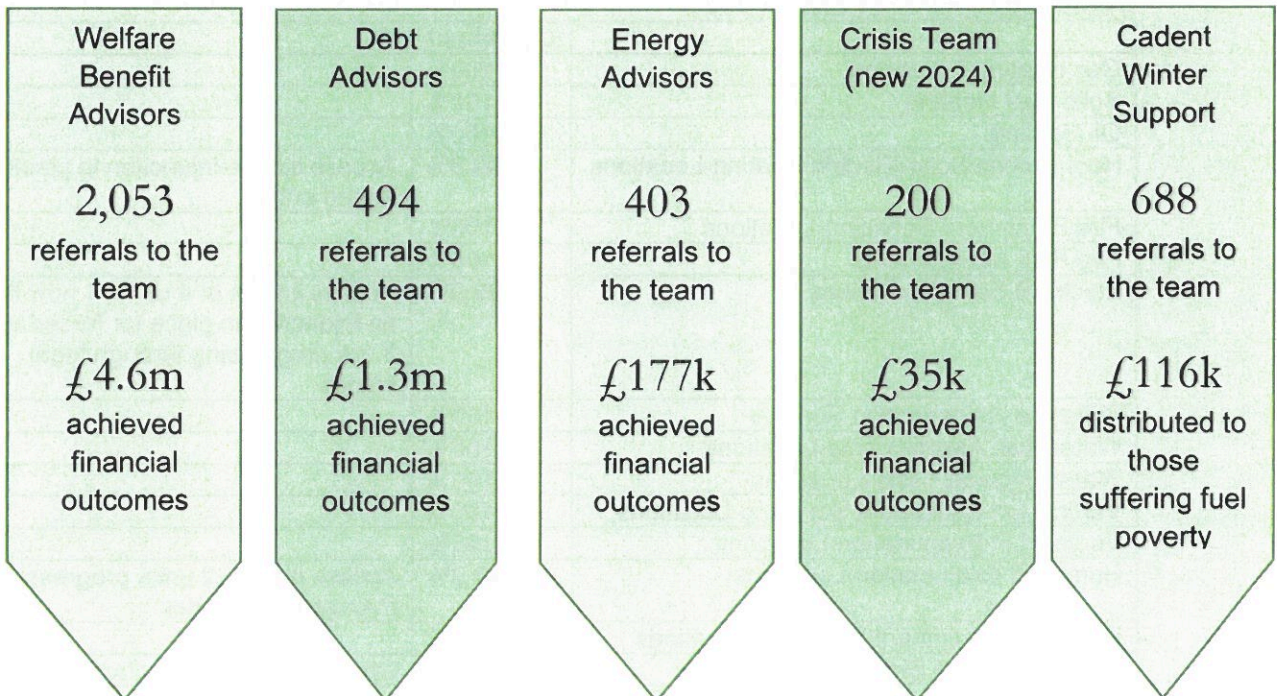
In our role as a Cornerstone Employer, we welcomed 90 work experience placements across the business, varying from occasional days, to a week, to a day per week for a full academic year. Staff attended 30 school careers events, dedicating 152 staff volunteer hours during the year and 112 students participated in school workplace visits and taster days.

Through our digital inclusion programmes we supported 468 tenants through 1:1 trouble shooting, skills and confidence building alongside fraud awareness sessions. We gifted 42 digital devices to tenants facing financial hardship or digital exclusion.

Through our development schemes we have supported 71 construction-based apprenticeships and 273 work experience weeks across our development sites.

Welfare, debt and energy advice

Our Money Matters team has provided expert income and benefit advice to ensure that customers are receiving all of the income they are entitled to. Supporting our customers to manage expenditure, including the interaction with our Debt Advice Team, is all focussed on sustaining tenancies. Our Energy Advice team continue to support customers with rising energy costs and continued funding support from the Cadent Foundation allows us to do so.



Strategic Report

Asset Management

At Wrekin, we are committed to providing homes that excel in safety, energy efficiency, and sustainability. During 2024/25, we invested £10.2 million in our existing stock. A comprehensive programme of stock condition surveys has been completed with 99.1% of the stock having had a stock condition survey within the last 5 years.

As of 31 March, (84.8 %) of our stock had an EPC rating of band C or above based on its last EPC, with the goal for all stock to meet this standard by 2027. Our focus on quality and safety is reflected in our strong performance in all building compliance areas. Partnering with expert organisations, we continually review our building safety and damp and mould strategies to ensure they are effective and customer-focused.

During 2024/25 we have continued to develop our approach to managing damp and mould in homes. As at 31 March 2025 our performance was as follows:

Properties reporting damp and mould from 1st April 2024	1,771
Number of properties reporting damp as a % of stock	13.8%
Number of properties that have had work completed and issue resolved	1,557
Number of properties with an open repair commitment at 31 March 2025	271
Number of properties visited where works are in progress	251
Number of properties appointed to be visited	20

Compliance as at 31 March 2025

	Compliant	
Gas Heating-Locations	100%	
Solid Fuel Heating	100%	
Oil Heating	100%	
Heat Pumps/Solar/Electric Heating-Locations	99.8%	Access issues-Injunction in place for forced entry
Fire Equipment Servicing-Locations	100%	
Fire Risk Assessments	100%	
Electrical Safety-Locations	99.9%	Access issues at 4 units. 1 now has an injunction in place for forced entry; 3 are progressing through legal stages.
Asbestos Reinspection Surveys	100%	
Water Risk Assessments-Locations	100%	
Water Hygiene Tests-Locations	100%	
Vertical Lift Equipment Servicing-Locations	100%	
Vertical Lift Examination-Locations	100%	
Home Lift Examination-Locations	98.9%	Access issues, 2 units progressing through legal stages
Home Lift Equipment Servicing-Locations	100%	
Food Hygiene-5 Star Locations	95.8%	One location has a 4 star rating

Strategic Report

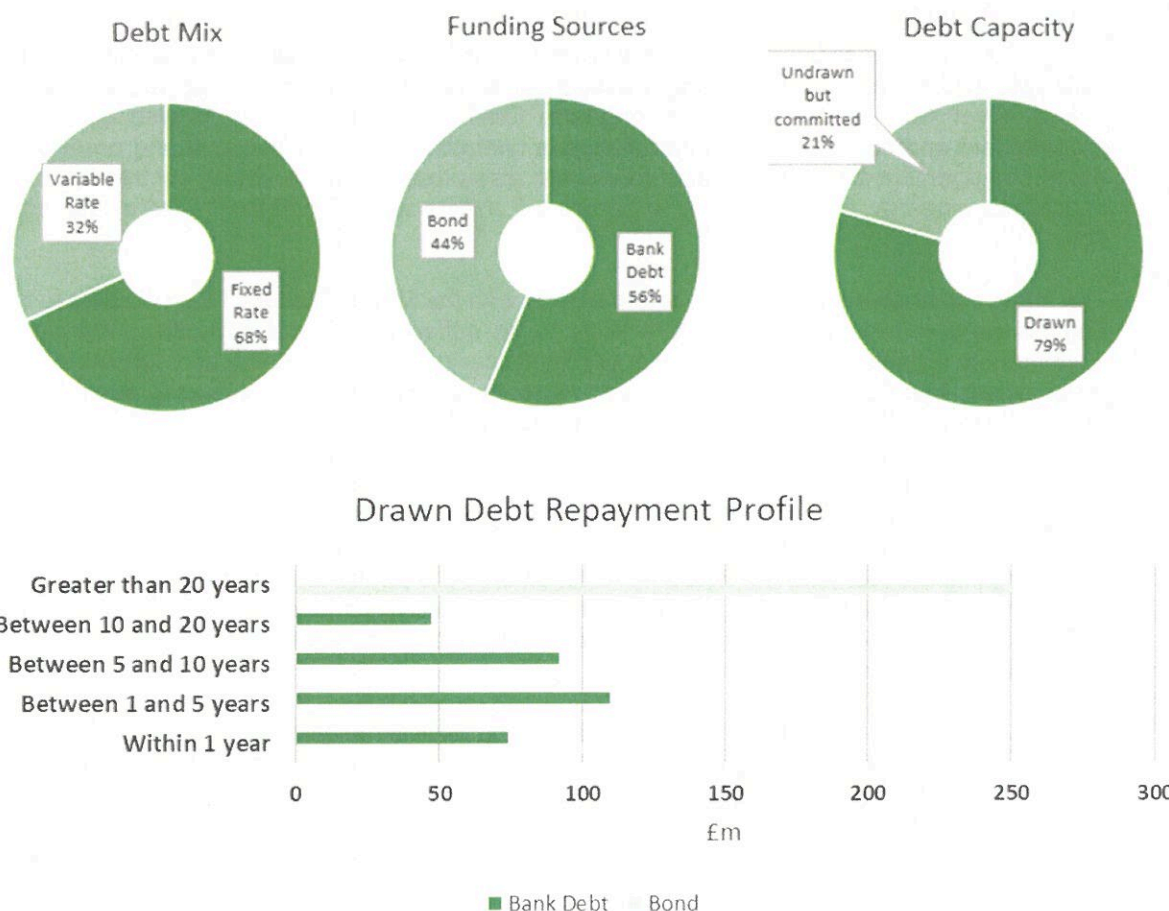
Capital Structure

The Wrekin Housing Group Limited's activities are funded through a mix of bank loans and a corporate bond issued on debt capital markets.

As at 31 March 2025, we have drawn loans amounting to £573m (£250m from the 2019 bond, and £323m from bank loans). We also have the ability to draw down another £148m from committed but undrawn variable rate bank loans. At 31 March 2025, the Group's borrowings were split 68% fixed rate, and 32% from variable rate loans. The weighted average maturity date of the drawn funds is 13.4 years (August 2038). The weighted average cost of capital as for the year was 4.27%.

During 2024 Wrekin negotiated some extensions in the maturity of our revolving variable rate deals helping reduce refinancing risk, and added an extra £115m of new variable rate facilities to improve our liquidity. Our treasury activities are intended to manage risk (rather than generate profit) and so our treasury management operates within a framework of policies, procedures and delegated authorities.

The Group's counterparties (with which excess funds are deposited in mixed-term vehicles) are all traditional, high-street banks, with a triple-A credit rating to ensure the safety of its assets.



Covenant compliance

The business complied with all of its loan covenants during the year and at the year end. It also complied with the internal golden rules, set up by the board in its approved treasury management policy, which are tighter than the actual loan covenant requirements. This is to ensure that the organisation always has a significant amount of headroom over and above the required compliance levels. This should enable the business to deal with negative economic impacts that might adversely affect its financial performance without triggering an actual covenant breach.

The tightest covenant performances for the year to 31 March 2025 were as follows:

Strategic Report

- Interest Cover (EBITDA only) – 209.1% against a target of 135% and a golden rule of 155%
- Gearing – 53.2% against a ceiling of 70% and a golden rule of 65%

Economic uncertainty

Wrekin is currently operating in an economic environment that is volatile, uncertain and complex. A cost of living crisis continues to affect the UK economy, and although bank rates have begun to fall, inflation remains above the Bank of England target, and growth remains elusive. Volatility in the world economy, largely driven by ongoing conflicts and American economic policies, has translated into higher borrowing costs and uncertainty about future economic trends for the Group, presenting a certain level of financial risks in both our planning and performance.

There are limited ways in which the Group can remove the underlying causes of these risks, given that they are world-wide issues, but the business remains active in financial risk management where we can have an impact. However, in June 2025 the Government announced a significant level of funding and support for the Social Housing sector, including £39bn in development grants, the prospect of low interest rate funding, and a rent settlement for 10 years at CPI+1%.

Stress testing the financial plans has shown that there is a high degree of financial resilience in our activities, and we are able to manage sustained, extreme and multi-faceted sequences of negative events. Over 68% of our loans are long-term fixed rate loans. Wrekin is also actively managing procurement and contracts to ensure inflation is controlled as far as possible and costs are kept low. Asset Management and Development teams are also proactive in identifying contractors that could be in financial jeopardy, moving quickly to secure our assets and support them where it is sensible to do so.

The impact on customers is also managed closely with the Money Matters Team working to identify and engage early with customers who are likely to be suffering financial difficulties. We signpost such customers to organisations that can help, or provide customers with training and support to get back into employment. Managing customers who are in arrears or likely to go into arrears is also a key part of our management of risk and has proven successful in the past.

Going concern

After making enquiries, the Group Board has a reasonable expectation that Wrekin Housing Group as a single entity has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Board have considered the period to 30 September 2026. For this reason, it continues to adopt the going concern basis in the financial statements. The principal factors that the Board have considered in determining that the going concern basis of preparation remains appropriate are as follows:

- At 31 March 2025, Wrekin had loan and bond facilities totalling £721 million. At that date £148m of loan finance remained undrawn. We have a long-term business plan which shows that the remaining undrawn amount will be used to repay maturing debt, and committed to our development programme during the period through to 31 March 2027.
- The business plan also shows that Wrekin is able to service these debt facilities whilst continuing to comply with lenders' covenants.
- As at 31 March 2025 Wrekin has a net current liability position of £87m. Of that balance, £74m relates to maturing debt due to be repaid before 31 March 2026, which will be funded out of the undrawn debt balance of £148m. In addition, there is an intercompany creditor of £9m on the balance sheet that is due to Strata Housing Services Limited. There has been a change in how the group recognises retention payments due by Strata to contractors on schemes commissioned by Wrekin which has resulted in the creditor balance. The Group raised an additional £115m new revolving credit facilities during 2024 with the aim of funding future debt maturities and new development spend across the Group.
- A comprehensive set of stress tests have been run on the plan that pushes the forecast to breaking point to ensure the Board better understands the key drivers and pressures on the business. Building on the current tough economic environment, these stress tests explore the vulnerability of the business to a range of factors arising from different scenarios, including

Strategic Report

reduced income, increased costs, reduced availability of funding and a downturn in the property market. Mitigating actions have been identified for all of these scenarios, such that, post-mitigation, covenant requirements are met. A range of actions are available to Wrekin, including modifying the development programme to match with available funding should one of the scenarios materialise, and managing the level and timing of expenditure to offset adverse impacts on Wrekin's operating surplus. None of the stress tests pushed the Wrekin forecasts to break covenant terms in the going concern period.

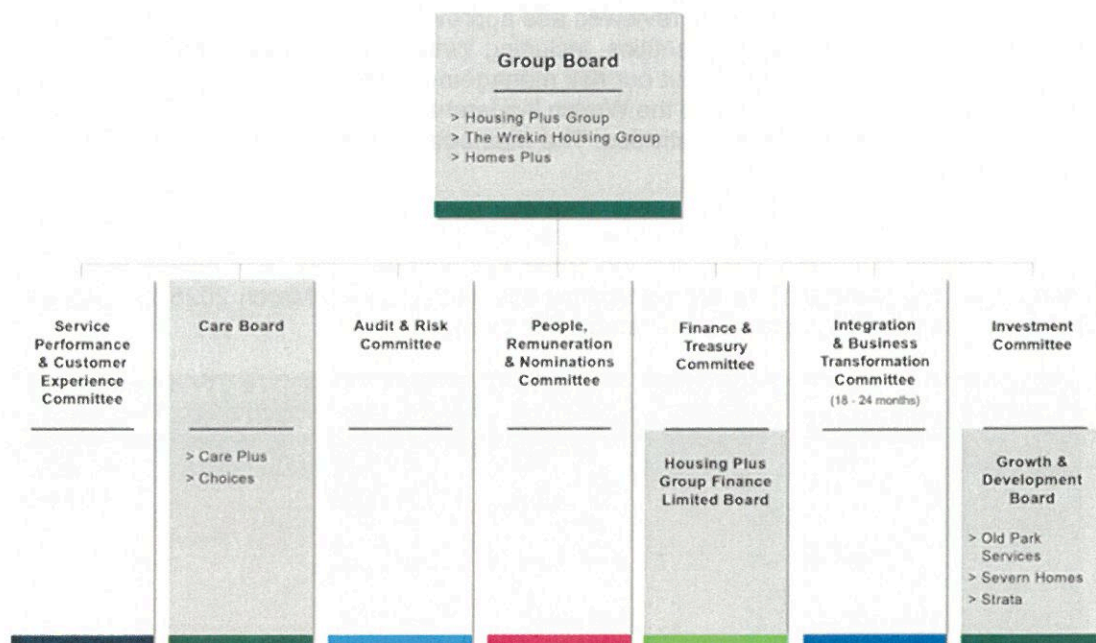
- The business plan includes investment in our homes to bring the EPC standards up to level 'C' by 2027 and meet Net Zero Carbon by 2050, which will meet the government targets for the sector.

Governance

Following the merger with Housing Plus Group on 6 January 2025 a new Board and Committee structure was introduced. The structure ensures that each of the individual entities within the Group has a clear reporting route to the Group Board.

Detailed below is the new Governance structure together with the mapping of each entity within the wider group to its respective Board or Committee.

Board and Committee Structure



Details of the role of each Board and Committee can be found in the financial statements of the ultimate parent, Housing Plus Group Limited.

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Non-executive board member remuneration

The table below includes board and committee members who served at any time during the reporting period. This includes individuals who joined the Group Board on 6 January 2025 following the merger with Housing Plus Group and their remuneration is shown only for the period served on the Group Board.

	£k		£k
Graeme Betts	4	Laura Kirkham-Williams	1
Louise Burns	9	Iain Littlejohn	6
Andrew Burns	4	Kevin Morgan	10
Catherine Dass (Chair)	6	Dinesh Murugesw-Warren	4
Shaun Davies	5	Rosalind Preen	2
Enise Goring-Piskin	4	Paul Riley	5
Deborah Griffiths	13	Roger Scott-Dow	2
Helen Hackney	5	Christopher Steele	-
Alan Hawkesworth	11	Sarah Watson	2
Desmond Hudson (former Chair)	13	Simon Whitfield	9
Ravnder Kaur	6	Alan Yates	9
		Total	130

Risk Management and Risk Assurance

The Board of Housing Plus Group reviewed and approved the Group's Risk Management Framework in March 2025 which applies to all entities, including Wrekin Housing Group Limited. It will be reviewed each year. The Framework sets out our risk management approach and details the roles of the Board, Audit & Assurance Committee and the Wrekin leadership team in terms of how we manage, monitor and report on our risk management activities. The methods of gaining and reporting on risk assurance are also covered.

The Board's Statement of Risk Appetite was also set in March 2025. The Group has a five-stage appetite matrix, starting at Averse, going through Minimal, Cautious, Open, and ending in the highest level of Hungry. All the strategic risks are set against this matrix, and in March 2025 the Group Board set the following risk appetites against the strategic risk themes:

RISK THEME	APPETITE	MAY 2025 RISK SCORE	
ICT & Cyber Security	Cautious	Open	Outside appetite
Finance & Treasury	Cautious	Cautious	
Customer Service Delivery	Cautious	Cautious	
Merger & Integration	Cautious	Cautious	
Asset Management	Cautious	Cautious	
Development & Sales	Open	Open	Within appetite
Recruitment & Retention	Cautious	Minimal	
Health & Safety	Minimal	Minimal	
Regulatory Compliance	Minimal	Minimal	

Strategic Report

As at May 2025, six risks were meeting the Board appetite level, one was below the appetite, and there was one strategic risk outside of the Board's risk appetite at the consolidated Group level: that risk related to ICT and Cyber Security. The reason for this is due to the legacy of the recent merger. The Group is currently operating four distinct housing management systems, so data management, transparency and quality is a concern. There is an ongoing ICT project to port the data onto a single system, CADRE, over the course of the coming year which will bring the risk back into appetite. From a Wrekin-only perspective, only one housing management system is in use and data and cyber security controls are all operating well.

Appropriate focus is given to the identification of emerging risks. The Executive Management Team and Audit & Risk Committee regularly review sector intelligence and emerging risks. Notable issues that present future potential risks to the business include:

- The volatile international economy and higher interest rates, creating funding constraints for the Group;
- Ongoing Cost of Living crisis affecting inflation and the finances of our customers;
- Growing focus on the safety and standard of social housing, particularly for customers;
- The Government attitude towards funding social housing and setting future rent increases;
- Counterparty risk, especially regarding our contractors on large development schemes;
- The higher costs of building new homes and investing in our existing homes;
- A growing cyber-security threat to the sector.

Top strategic risks, presenting the greatest threats to the Group, are reported at every Board meeting and Audit & Risk Committee. Wrekin Housing Group has undertaken a series of operational risk workshops with every team across the entire breadth of the business. The output from this is a comprehensive set of operational risk registers covering the whole of the business. These complement the Group-wide Strategic Risk Register and give depth to the management of risk across the business. In essence, this effective risk management approach assists the Group in the achievement of the Strategic Plan. The approach is under regular review and enhancements are made every year. We are not complacent about how we manage risk. Following the merger with Housing Plus Group, in March 2025 the Board redefined the top strategic risks that the Group faces and seeks to manage, aligning the existing approach across the merger partners. Below this level are a series of operational risks that all feed into and help mitigate at least one strategic risk. Those strategic-level risks are set out below.

Strategic Report

Risk Management and Risk Assurance (continued)

Risk Theme	ICT / Cyber-Security
Risk Description	Failure to design, implement and operate robust and effective plans, systems and infrastructure damages the resilience of the business, planned enhancements to service delivery and protecting the company assets.
Key Controls	The Board recognises the cyber risks facing the business as one of the most urgent emerging issues. The Group has an extensive suite of GDPR and Information Security policies and procedures, that all aim to mitigate against -and control- the risks inherent in data management and security. All Group IT devices require 2-factor login authentication, with backup verification procedures and systems. The network is segmented and internet access controls are also in place and regularly maintained. User passwords have to meet a high bar for strength and complexity. There is an automated email threat analysis system in place that identifies, blocks and quarantines potential threats. Employee training and awareness is also maintained for cyber security, GDPR, fraud awareness and data protection. These security measures are regularly tested through internal and external security penetration exercises. The IT team members are highly trained and qualified, and continuous professional development is essential for the senior team members.

Risk Theme	Finance & Treasury
Risk Description	Substandard financial planning and/or management leads to a lack of resources to meet obligations and poor controls that lead to a failure to deliver core business services and strategic plans in the short, medium or long-term.
Key Controls	<p>Financial performance and planning is heavily monitored by the Board. The Board approves the annual budget and business plan (including the related stress testing exercise) and receives quarterly reports on financial performance and projections against the budget across the Group's activities. The business plan is updated quarterly for financial forecasts based on the monthly projections of the financial management accounts.</p> <p>Income management is also monitored regularly. The Board and Finance & Treasury Committee receive regular and extensive treasury reporting, including; covenant compliance projections, liquidity projections and capital market intelligence. The Group has a Treasury Management Policy and other financial policies that are regularly reviewed.</p>

Strategic Report

Risk Management and Risk Assurance (continued)

Risk Theme	Customer Service Delivery
Risk Description	Inadequate service delivery negatively impacts on our customers experience and our ability to achieve the Group's Vision and Strategic Plan.
Key Controls	The Service Performance and Customer Excellence (SPaCE) Committee plays a key role in overseeing customer voice work and ensuring that the Group complies with the Consumer Standards, as well as the expectations of the Housing Ombudsman. DTP were recently commissioned to review the Group's compliance with the Consumer Standards. An Action Plan has been developed to ensure further excellence and progress in delivering the actions is reported to the Committee and Executive Team. The Committee ensures that customers are at the centre of the Group's work and provides robust oversight of the Group's strategy for service delivery and performance. The Group understands the crucial importance of listening to customers to shape and improve service delivery and there are various ways in which customers can get involved and provide feedback to us. This includes a process for providing feedback on all customer facing policies and procedures. Complaints and how Wrekin handles them are monitored and regularly reported to the Executive Team and the SPaCE Committee. Staff training, particularly those with customer-facing roles, is key to the Group's control framework in meeting customer expectations.

Risk Management and Risk Assurance (continued)

Risk Theme	Merger & Integration
Risk Description	Failure to adequately plan for, and deliver against, the strategic objectives of the merger lead to insufficient financial benefits, impaired customer service and experience or a poor place to work for colleagues.
Key Controls	This is a new risk this year following the merger in January 2025 between Wrekin and Housing Plus Group. The risk is measured at the consolidated Group level and is monitored by Board through the Integration Committee. Quarterly reports on progress against the Integration Plan are presented here, detailing progress against the various operational and strategic elements of integration.

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Risk Theme	Asset Management
Risk Description	Failure to manage assets effectively and provide decent and sustainable homes for our customers leads to poor customer service, regulatory intervention, damage to reputation and an inability to deliver our strategic plan.
Key Controls	The Group has a responsibility to invest in our current homes and ensure they meet decent homes standards and the needs of our customers, as well as being safe and healthy places to live. Regular Asset Management and Planned Programme Update Reports, which includes updates on Net-Zero, are reported to the Executive Team Investment Committee quarterly. Third party stock condition surveys are completed every 5 years with internal surveyors covering at least 20% of the stock each year. The most recent Savills full stock condition survey was completed in 2024. This informs the capital investment activity of replacing components in our existing homes. The Asset Renewal Strategy is key to maintaining the overall quality of Wrekin's stock, ensuring that older homes that perform poorly on efficiency and value for money tests are disposed, and the proceeds reinvested in developing new, more efficient and high-quality homes for customers.

Strategic Report

Risk Management and Risk Assurance (continued)

Risk Theme	Development & Sales
Risk Description	Internal and external factors impact on our ability to build new homes, regenerate sites and sell properties at the right values, resulting in financial loss and an inability to deliver the business plan and our strategic objectives.
Key Controls	Wrekin does not have an outright sales programme, therefore reducing sales risk in the business. In addition, shared ownership homes from new developments are kept at a minimum, with the majority of new homes developed for social and affordable rent. The Executive and Board are focused on monitoring development activity and are presented with quarterly reports. Development budgets are reviewed monthly, and the programme cashflow forecasts are reviewed quarterly as part of the Business Plan updates. New schemes go through a strong internal approval process, including sign offs from the Housing, Asset Management and Finance teams, to ensure the new homes are the type we need in the locations we work in and can be afforded. The Development team also has a high degree of quality control review, with third party clerks of works inspecting all sites regularly.

Risk Theme	Recruitment & Retention
Risk Description	The Group fails to recruit, retain and develop good employees and Board members which affects our ability to deliver core services, maintain compliance and deliver business objectives.
Key Controls	Wrekin manage the risk through regular reviews of colleague terms and conditions, to ensure roles are fair, attractive and benchmarked against the market. The business offers training and development opportunities to all staff, with a comprehensive approach to staff appraisals and learning. There are quarterly reports made on key staff performance metrics, including recruitment and retention performance, to the Group-wide People, Remuneration and Nomination Committee.

Strategic Report

Risk Management and Risk Assurance (continued)

Risk Theme	Health & Safety
Risk Description	Inadequate health and safety measures, processes and systems put customers, service users, staff and the general public at risk, leading to injury or death, prosecution, regulatory intervention, financial loss and damage to our reputation.
Key Controls	The Board takes the health and safety of customers, staff and the public very seriously. The Group regularly monitors consultations to ensure that it replies to, and complies with, all regulatory changes and upcoming legislation that impacts all of these individuals. The Group has a full suite of health and safety policies and procedures in place to ensure the health and safety of all staff and customers. Complimenting this, regular specialist third party audits are completed in all compliance areas. Staff have access to occupational health support, an Employee Assistance Programme (EAP) and specifically trained Mental Health First Aiders to ensure their health and wellbeing.

Risk Theme	Regulatory Compliance
Risk Description	Inability to operate within regulatory and legislative requirements results in financial damage, loss of reputation or prosecution.
Key Controls	The Group has adopted the NHF Code of Governance 2020 and currently meets all aspects of the Code. The Group Board maintains a compliance calendar for all relevant regulatory submissions and regular agenda items, ensuring Group business is conducted methodically and on a timely basis. The Board receives the annual assessment of the Group's performance against the RSH's Regulatory Standards to ensure wide-ranging compliance and effective governance. There is a board member directly responsible for complaints (Chair of the SPaCE Committee) where involved tenants scrutinise complaints handling.

Strategic Report

Health and Safety

The Board is acutely aware of its obligations in all aspects of health and safety. The board prioritises the health and safety of residents, service users, personnel, and contractors and it takes a “zero tolerance” stance to non-compliance.

The Housing Plus Group has developed extensive health and safety policies and procedures, analyses risk assessments on a regular basis, and ensures that any required actions resulting from those risk assessments are carried out. We provide adequate health and safety training and instruction to our employees, and have received a number of accolades in recognition of our commitment to high standards in this area.

The Board receive frequent reports on health and safety performance and issues, including any reportable occurrences and all areas of property safety, as well as the findings of audits conducted by independent third-party specialists. The performance against key indicators is displayed on page 14.

Business performance

Statement of Comprehensive Income	2025	2024*	2023	2022
	£m	£m	£m	£m
Turnover	97.30	90.5	90.0	84.20
Operating Costs	(73.20)	(68.7)	(68.0)	(62.30)
Gain on disposal of housing properties	11.50	11.10	1.90	2.80
Gain / (loss) on revaluation of investment properties	(0.30)	0.30	0.20	2.70
Gift aid covenanted from subsidiaries	1.80	1.50	1.70	1.40
Operating surplus	37.10	34.70	25.80	28.80
Net interest costs	(18.6)	(18.60)	(18.2)	(15.7)
Taxation	-	-	-	-
Provision for inter company debt	-	(2.70)	-	-
Surplus/(deficit) for the year	18.5	13.4	7.6	13.1
Actuarial gain/(loss) in respect of pension schemes	17.4	10.2	49.1	8.9
Effect of Asset Ceiling	(18.0)	(0.1)	-	-
Total comprehensive income for the year	17.9	23.5	56.7	22.0

Statement of Financial Position	2025	2024*	2023	2022
	£m	£m	£m	£m
Housing properties	909.5	853.5	771.0	703.4
Investment properties	18.6	20.1	19.8	19.6
Other fixed assets	2.7	2.7	2.9	4.2
Investment in subsidiaries	0.3	0.3	-	-
Long term debtors	1.5	1.4	-	-
Net current (liabilities)/assets	-87.00	-1.6	7.8	13.9
Long term creditors	-668.3	-717.0	-677.1	-630.2
Pension (liability)/asset	-	-	-10	-55.5
Reserves	177.3	159.4	114.4	55.4

*Refer to note 34 for details of the prior year restatement

Strategic Report

Business performance (continued)

The Association recorded an operating surplus of £37.1m (2024:£34.7m) with most areas of the business making a positive contribution to the result. The increase is largely due to the application of the 7.7% rent increase combined with the additional units delivered through the development programme. 316 new units were delivered in 2024/25.

Property disposals through the Association's Asset Renewal Strategy remained buoyant throughout the year with average sales values being higher than anticipated in the business plan. The association disposed of 107 (2024:113) properties through the strategy generating receipts of £11.0m (2024: £12.1m). Following a slight dip in property disposals under the Right to Buy (RTB) and Right to Acquire (RTA) schemes in 2023/24, there was an increase in the number of sales in 2024/25 with 20 sales completed under RTB (2024: 11) and a further 9 sales under RTA (2024:10).

The Bank of England base rate of interest fell during the financial year from 5.25% to 4.50% by March 2025. However, this was still relatively high compared with the period before 2021. The business did add to its debt portfolio in 2024, with deals to extend the maturity of existing revolving credit facilities and add £115m in new undrawn variable rate deals. These were all agreed with margins above the SONIA rate. SONIA is a rate of interest separate from the Bank of England's base rate of interest, and is calculated as the average interest rates that banks pay to borrow sterling overnight from other financial institutions and large institutional investors. During 2024/25 it fell from 4.700% to 4.455% over the course of the financial year. Drawn debt increased during the year by £19m to a total of £573m, but only 32% of that total balance is subject to SONIA rate movements, whilst the other 68% is borrowed on fixed or hedged rates. Although the amount of debt increased the reference rate on variable debt decreased over the year, resulting in a weighted average cost of capital for 2024/25 of 4.27% (2024: 4.44%).

After net funding costs of £18.6m, the Association achieved a surplus on ordinary activities before taxation of £18.5m.

Total comprehensive income for 2024/25 of £17.9m includes actuarial gains on the pension scheme of £17.4m (2024: £10.2m). The actuary has estimated that the net pension asset as at 31 March 2025 is £18.113m. The extent to which the surplus can be recognised has been determined by assessing the economic value available from 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 balance sheet position recognised is a liability in the statement of financial position is nil."

A full triennial valuation of the scheme was completed in March 2022 and the next is due later in 2025. More details are disclosed in Note 11 of these accounts.

The principal movement in the Associations balance sheet relates to the net increase in housing properties of £56.0m. A total of 346 new homes were completed during the year securing £11.7m of Homes England grant funding. In addition the Association capitalised £10.2m in its existing stock. Work continues to ensure all stock is rated EPC band C or above by 2027.

Social Housing Lettings

Our operating margin on social housing lettings was 24.3% (2024: 23.6%), demonstrating how cost inflation was managed through efficiencies and the rent uplift. Whilst the Group's margin was higher than the sector median for 2023/24, continuing pressure on our cost base does mean that we expect our operating margins on both social housing and overall to be eroded during 2025/26 and be much more aligned to the sector median. Following merger with Housing Plus Group, the business has embarked on an efficiency drive to create a recurring £6m annual operating cost saving by 2028. In addition, the business has a commitment to driving efficiency through its value for money strategy in all activities.

Strategic Report

Non-social housing activity

The Association undertakes very little non-social housing activity outside of its Asset Renewal Strategy. A small portfolio of units is leased to the Group's trading subsidiary with the income in receipt of the lease payment being disclosed as non-social housing income.

Gift aid from the wholly owned subsidiaries is also included as non-social housing income.

Environmental, Social and Governance Reporting

Following the merger in January, Housing Plus Group is currently in the process of aligning the ESG policies and strategies of the legacy entities. While a formal ESG strategy is yet to be finalised, the Board recognises the importance of environmental sustainability, social responsibility, and effective governance in delivering long-term value to residents and stakeholders. In the interim, the organisation continues to operate under key principles inherited from the legacy organisations, particularly in areas such as:

- Energy efficiency and decarbonisation of the housing stock
- Resident engagement and social impact initiatives
- Strong governance and risk management frameworks

A full ESG strategy, aligned to the organisation's new corporate plan and strategic objectives, is under development and is expected to be published during the next financial year. This will build on sector best practice, including alignment with the Sustainability Reporting Standard for Social Housing (SRS) and ESG principles appropriate to the organisation's scale and mission.

As part of this work, the Group will also develop a new Net Zero Strategy, which is scheduled for publication in 2026. This strategy will outline the Group's long-term pathway to achieving net zero carbon emissions, building on existing decarbonisation initiatives and supporting national and regional climate goals.

The Board remains committed to transparency and accountability in this area and will provide regular updates on progress in future reporting cycles.

Housing Properties

At 31 March 2025, the Association owned 13,497 housing properties (2024: 13,366), a net increase of 131, taking account of acquisitions, demolitions and disposals in the year. The properties were carried in the Statement of Financial Position at cost (after depreciation) of £880.8m (2024: £828.9m).

Pension Costs

Wrekin participates in the Shropshire County Pension Fund (SCPF), a career average salary defined benefit scheme. We made the decision to close the scheme to new entrants with effect from 1 September 2020. We have contributed to the scheme in accordance with levels, set by the actuaries, of 20% of pensionable pay in the year to 31 March 2025 in respect of future service benefits. For 2025/26 the employer contribution rate will remain at 20%. During the year, the association made a lump sum payment of £146,700 in respect of past service deficits. The annual lump sum payment will be £153,100 in 2025/26.

The net actuarial gain in the year was £17.419m (2024: £10.208m gain). The movement year on year is due to the shifts in actuarial assumptions caused by general economic conditions, and in particular to a rise in the expectations related to future inflation, increasing future pension payments, and to an increase in the discount rate, further increasing the present value of future pension payments.

Strategic Report

Pension Costs (continued)

Sensitivity to these and other assumptions is shown in note 11 of these accounts. The actuary has estimated that the net pension asset as at 31 March 2025 is £18.113m. The extent to which the surplus can be recognised has been determined by assessing the economic value available from 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 balance sheet position recognised is a liability in the statement of financial position is nil.

Development

Under its Asset Renewal Strategy, Wrekin sets out to add three new properties for every two older, uneconomic properties that are disposed of. 2024/25 was the twentieth year of the strategy. During 2024/25 the Association sold 107 properties (2024: 113). A further 29 (2024: 21) properties were sold under the Right to Buy and Right to Acquire provisions. Additionally, the disposal of a unit originally acquired under a shared ownership arrangement with the Local Authority, as part of the LVST in 1999, was completed.

First tranche shared ownership sales were completed on 14 units generating a surplus of £558k (2024: £582k). There was also three staircasing sales where the tenants became the owner occupier. During the year, Wrekin added 346 new homes to its stock. The 346 new homes are a combination of traditional development and section 106 planning gains. Following the merger with The Housing Plus Group Limited a new development strategy is being formed, details of which are included in the consolidated statements of The Housing Plus Group Limited.

For the Association the year continued to be very challenging dealing with the insolvency of two contractors from the previous financial year, and the continued impacts on contracting partners' supply chains due to global economic challenges.

During the year, we completed a wide range of developments, including the new 71 apartment Extra Care development at Paul's Moss in Whitchurch. This challenging development, which incorporated a locally treasured heritage building and a new BREEAM medical centre facility, has made a huge impact on the town that was in need of additional older person's accommodation and expanded health facilities.

Our relationship with our key grant provider was also strengthened. During the year we drew down circa £10m of Homes England grant. We also exceeded our Start on Site target by 26 units. These results, along with our recent clean audit result and our relationship management have ensured The Housing Plus Group is regarded as a trusted partner of Homes England.

Payment of Creditors

The Association agrees terms and conditions for its business transactions with suppliers at the time of supply. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

Strategic Initiatives

During the year The Wrekin Housing Group Limited (the legacy parent) completed a merger with The Housing Plus Group Limited. The transaction was treated as a merger in accordance with Section 19 of FRS102. The initial merger discussions with The Housing Plus Group Limited focussed on evaluating the potential benefits and strategic fit of combining the two entities. The desire from both parties was to create a stronger, regional organisation that will bring significant benefits to both staff and customers. Culturally both entities have much in common, sharing similar values and services. The new merged organisation will be:

- More resilient and able to invest in our homes, while also building more new homes.
- Larger, but remain fully connected to, and invested in, the communities we serve across Telford & Wrekin, Shropshire and Staffordshire.
- Able to provide even better services, while creating more opportunities for our staff.

Strategic Report

The merger completed on 6th January 2025 with the new organisation establishing its vision and values and each of the entities within the new group will embrace those values and behaviours.

Statement of Compliance

In preparing this strategic report, the board has followed the principles set out in Part 2 of the SORP 'Accounting by Registered Housing Providers' 2018. The financial statements comply with FRS 102, SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The board further confirms that the Housing Plus Group Limited (the ultimate parent) has complied with the requirements of the Social Housing Regulator Governance and Financial Viability Standard and currently holds a G1/V2 rating and has the required register of assets and liabilities in place.

The strategic report was approved by the board on 3 September 2025 and signed on its behalf by:



Chair
Catherine Dass

Statement of responsibilities of the board

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law, the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the Board are required to:

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

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

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The statement of responsibilities of the Board was approved by the Board on 3 September 2025 and signed on its behalf by



Chair

Catherine Dass

Independent auditor’s report to the members of
The Wrekin Housing Group Limited



Independent
auditor’s report

to The Wrekin Housing Group Limited

1. Our opinion is unmodified

We have audited the financial statements of The Wrekin Housing Group Limited (“the Association”) for the year ended 31 March 2025 which comprise Association Statement of Comprehensive Income, Association Statement of Changes in Reserves, Association Statement of Financial Position, and the 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 the Association’s affairs as at 31 March 2025 and of its income and 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 6 January 2025. The period of total uninterrupted engagement is for the one financial year ended 31 March 2025. We have fulfilled our ethical responsibilities under, and we remain independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview	
Materiality:	£905,000
financial statements as a whole	0.93% of total revenue
Key audit matters	
Valuation of Defined Benefit Obligations	

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

1. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
<p>Valuation of Defined Benefit Obligations</p> <p>Present value of DB liabilities £108.3 million; (2024: £120.8m)</p> <p><i>Refer to page 10 of the Audit Committee Report, note 2 (accounting policy) and note 11 (financial disclosures)</i></p>	<p>Valuation of Post Retirement Benefit Obligations:</p> <p>The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Association's pension liability could have a significant effect on the financial position of the Association.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Association in completing the year end valuation of the pension deficit and the year-on-year movements.</p> <p>We have identified this in relation to the membership of the Shropshire LGPS.</p>	<p>Our procedures included:</p> <p>We performed the tests below rather than seeking to rely on any of the Association's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <ul style="list-style-type: none"> ▪ Evaluation of Management's Specialist: Evaluated the competency and objectivity of the actuaries to confirm their qualifications and the basis for their calculations; ▪ Enquiry and Review: Performed inquiries of the scheme actuaries to assess the methodology and key assumptions made, including actual figures where estimates had been used by the actuaries, such as the rate of return on pension fund assets; ▪ Reperformance: Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation; ▪ Our Actuarial Expertise: Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data; where applicable, assessed the level of surplus that should be recognised by the entity; ▪ Assessing Treatment: Confirmed that the accounting treatment and entries applied by the Association were in line with FRS102 and the SORP; ▪ Assessing Disclosure: Considered the adequacy of the Association's disclosures in respect of the sensitivity of the deficit to these assumptions; <p>Our results</p> <p>— We found the valuation of post retirement benefit obligations to be acceptable.</p>

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

1. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £905k, determined with reference to a benchmark of total revenue, of which it represents 0.93%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% of materiality for the financial statements as a whole, which equates to £678k. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £45k, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Association was undertaken to the

materiality level specified above and was performed by a single audit team.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Association's internal control over financial reporting.

4. Going concern

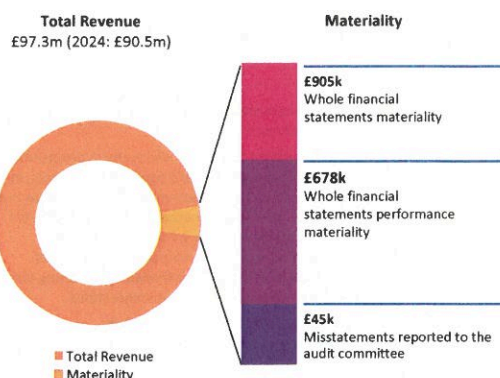
The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no 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").

We used our knowledge of the Association, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Association's available financial resources and/or metrics relevant to debt covenants over this period were:

- Insufficient access to liquidity to meet current liabilities as they fall due.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's and Association's financial forecasts.

We consider whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the Board's assessment of going concern.



2. Going concern (continued)

Our conclusions based on this work:

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

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

5. 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 the directors, the 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 the Board and the audit and risk committee minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

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

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Association management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the non-complex nature of material revenue streams and the limited opportunity for management to manipulate 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 some of the Association-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 unusual journal pairings posted to cash, borrowings and revenue accounts.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and 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 & community benefit society 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.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

We identified the following areas as those most likely to have such an effect: GDPR, health and safety (including related fire safety and building standards), compliance with social housing regulator regulations, environmental legislation, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. 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.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report; and
- in our opinion the information given in those reports for the financial year is consistent with the financial statements

6. We have nothing to report on the other 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.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 30, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine 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 they either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

8. 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association 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
One Snowhill
Snow Hill Queensway,
Birmingham
B4 6GH

16/09/2025

Statement of Comprehensive Income

	Note	2025 £'000	2024 as restated* £'000
Turnover	3	97,293	90,503
Operating costs	3	(73,273)	(68,723)
Gain on disposal of housing properties	4	11,492	11,108
Movement in the fair value of investment properties	17	417	288
Loss on disposal of investment properties	17	(753)	-
Gift aid covenanted from subsidiary	34	1,856	1,513
Operating surplus	6	37,032	34,689
Interest receivable and similar income	7	635	845
Interest payable, financing and similar costs	8	(19,142)	(19,484)
Exceptional Item: Provision for write-off of intercompany debt	20	-	(2,583)
Surplus on ordinary activities before taxation		18,525	13,467
Tax on surplus	12	(15)	(8)
Surplus for the year		18,510	13,459
Actuarial gain in respect of pension schemes	11	17,419	10,208
Effect of asset ceiling		(18,027)	(82)
Total comprehensive income for the year		17,902	23,585

*Refer to note 34 for details of the prior year restatement

The Association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 3 September 2025 and signed on its behalf by:



Chair
Catherine Dass



Board Member
A P. Hinesworth



Secretary
Janet Lycett

Statement of Changes in Reserves

	Revenue Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 March 2023 as previously reported	113,629	846	114,475
Impact of correction*	21,350	-	21,350
Restated balance as at 1 April 2023	134,979	846	135,825
Surplus for the year restated*	13,459	-	13,459
Other comprehensive income for the year	10,126	-	10,126
Balance at 31 March 2024	158,564	846	159,410
Surplus for the year	18,510	-	18,510
Other comprehensive income for the year	(608)	-	(608)
Balance at 31 March 2025	176,466	846	177,312

*Refer to note 34 for details of the prior year restatement

The accompanying notes form part of these financial statements.

Statement of financial position

	Note	2025 £'000	2024 as restated* £'000
Non-Current Assets			
Intangible Assets	13	-	7
Housing properties	14	909,599	853,546
Investment properties	17	18,633	20,101
Other tangible fixed assets	15	2,732	2,721
Investment in Subsidiaries	16	237	237
Debtors: amounts falling due after more than one year	18	1,517	1,438
		<u>932,718</u>	<u>878,050</u>
Current assets			
Stock		346	346
Properties for sale	19	317	347
Debtors	20	8,897	4,993
Cash and cash equivalents	21	8,817	17,042
		<u>18,377</u>	<u>22,728</u>
Creditors: amounts falling due within one year	22	<u>(105,414)</u>	<u>(24,341)</u>
Net current liabilities		<u>(87,037)</u>	<u>(1,613)</u>
Total assets less current liabilities		<u>845,681</u>	<u>876,437</u>
Creditors: amounts falling due after more than one year	23	<u>(668,369)</u>	<u>(717,027)</u>
Pension liability	11	<u>-</u>	<u>-</u>
Total net assets		<u>177,312</u>	<u>159,410</u>
Capital and reserves			
Revenue reserve	27	176,466	158,564
Restricted reserve	27	846	846
Association's funds		<u>177,312</u>	<u>159,410</u>

*Refer to note 34 for details of the prior year restatement

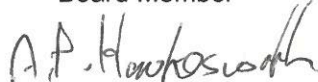
The financial statements were approved by the Board on 3 September 2025 and signed on its behalf by:



Chair
Catherine Dass



Board Member





Secretary
Janet Lycett

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Legal status

On 6 January 2025 the former parent The Wrekin Housing Group Limited merged with The Housing Plus Group Limited. The Housing Plus Group is now the ultimate parent company. The Association (The Wrekin Housing Group Limited) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014. It is registered with the Regulator of Social Housing as a Registered Provider of social housing. The Association remains an intermediate holding company within the group.

Its subsidiaries, Old Park Services Limited and Strata Housing Services Limited, are incorporated under the Companies Act 2006 (limited by share capital) and Choices Housing Association Limited is incorporated under the Co-operative and Community Benefits Societies Act 2014, under charitable rules and is also a Registered Provider of social housing. The registered address of the Association is Colliers Way, Old Park, Telford, TF3 4AW.

2. Accounting policies

Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction 2022 for Private Registered Providers of Social Housing 2019. The Group is a public benefit entity in accordance with FRS 102.

The financial statements are presented in sterling (£).

The individual accounts of the Association have adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes; and
- Financial instrument disclosures including:
 - Categories of financial instruments;
 - Items of income, expenses, gains or losses relating to financial instruments; and
 - Exposure to, and management of, financial risks.

Basis of consolidation

These financial statements are the individual financial statements of The Wrekin Housing Group Limited and have been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Association is exempt from the requirement to prepare consolidated financial statements under section 9.9 of FRS 102, as it is a wholly owned subsidiary of The Housing Plus Group Limited which prepares consolidated financial statements in accordance with applicable accounting standards.

The consolidated financial statements of the group headed by The Housing Plus Group Limited are publicly available at www.housingplusgroup.co.uk/about-us/publications

Basis of consolidation (continued)

As a result, these financial statements present information about the Association as an individual entity and do not include the results of its subsidiaries. Investments in subsidiaries are accounted for at cost in accordance with section 9 of FRS 102.

Notes to the financial statements (continued)

Going Concern

After making enquiries, the Group Board has a reasonable expectation that Wrekin has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Board have considered the period to 30 September 2026. For this reason, it continues to adopt the going concern basis in the financial statements. The principal factors that the Board have considered in determining that the going concern basis of preparation remains appropriate are as follows:

- At 31 March 2025, Wrekin had loan and bond facilities totalling £721 million. At that date £148m of loan finance remained undrawn. We have a long-term business plan which shows that the remaining undrawn amount will be used to repay maturing debt, and committed to our development programme during the period through to 31 March 2027.
- The business plan also shows that Wrekin is able to service these debt facilities whilst continuing to comply with lenders' covenants.
- As at 31 March 2025 Wrekin has a net current liability position of £87m. Of that balance, £74m relates to maturing debt due to be repaid before 31 March 2026, which will be funded out of the undrawn debt balance of £148m. In addition, there is an intercompany creditor of £9m on the balance sheet that is due to Strata Housing Services Limited. There has been a change in how the group recognises retention payments due by Strata to contractors on schemes commissioned by Wrekin which has resulted in the creditor balance. The Group raised an additional £115m new revolving credit facilities during 2024 with the aim of funding future debt maturities and new development spend across the Group.
- A comprehensive set of stress tests have been run on the plan that pushes the forecast to breaking point to ensure the Board better understands the key drivers and pressures on the business. Building on the current tough economic environment, these stress tests explore the vulnerability of the business to a range of factors arising from different scenarios, including reduced income, increased costs, reduced availability of funding and a downturn in the property market. Mitigating actions have been identified for all of these scenarios, such that, post-mitigation, covenant requirements are met. A range of actions are available to Wrekin, including modifying the development programme to match with available funding should one of the scenarios materialise, and managing the level and timing of expenditure to offset adverse impacts on Wrekin's operating surplus. None of the stress tests pushed the Wrekin forecasts to break covenant terms in the going concern period.
- The business plan includes investment in our homes to bring the EPC standards up to level 'C' by 2027 and meet Net Zero Carbon by 2050, which will meet the government targets for the sector.

Judgements and key sources of estimation uncertainty

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

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

Notes to the financial statements (continued)

Judgements and key sources of estimation uncertainty (continued)

- **Development expenditure:** The Group 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.

Other key sources of estimation and assumptions:

- **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. Accumulated depreciation on housing properties at 31 March 2025 was £155.9m, (please see note 14). Accumulated depreciation on other fixed assets at 31 March 2025 was £6.2m, (please see note 15).
- **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 no triggers for impairment were identified.
- **Defined benefit obligation (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Sensitivity analysis is detailed in note 11. At 31 March 2025 the valuation under FRS102 indicated a net asset position of £18m. Management has applied an asset ceiling of an equal amount to reduce the net asset to £nil since, in accordance with FRS102, management does not believe that the surplus is recoverable.
- **Intra Group Loan:** During 2023/24 the parent company made a loan advance of £1.6m to its subsidiary, Choices Housing Association at a zero rate of interest. The loan is intended to support the operational activities of Choices whilst it actively implements the actions arising from the legacy Board's review of care provision within the Group. The loan is subject to a bullet repayment at the end of three years. The Group has considered the recoverability of the loan at the end of the three-year period, including the potential delay in repayment if Choices does not actively achieve its business performance as projected in the latest business plan. Whilst estimation uncertainty exists around the recoverability of the loan, management have concluded that as at the reporting date the loan remains recoverable.

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. Income also includes the proceeds of first tranche sales of shared ownership properties. Revenue for the main income streams is recognised as follows:

Notes to the financial statements (continued)

- 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.
- Charges for support services are recognised as they fall due under the contractual arrangements with administering authorities. Income from care services is recognised at the point of delivery to the service user.
- Income from services provided to third parties through the trading subsidiary is recognised at the point of delivery of the service.

Housing property disposals

Gains or losses arising on the disposal of housing properties (including the sale of properties under the Right to Buy, Right to Acquire schemes and the Group's asset disposal strategy) 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.

Interest payable and other finance costs

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

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.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

Notes to the financial statements (continued)

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.

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.

The Group'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.
- The estimated useful lives of components and classes of components are kept under review.
- 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.

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.

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.

Notes to the financial statements (continued)

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.

Investment properties

Investment properties consist of market rented residential properties. Investment properties are measured at cost on initial recognition and 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.

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 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.

Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties and charges depreciation, so as to write down the cost of each component to nil, on a straight-line basis over its estimated useful economic life. Freehold land is not depreciated. The structural components of its housing properties are depreciated at the following annual rates:

Component Depreciable Life (Years)

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

Notes to the financial statements (continued)

Intangible Fixed Assets

Intangible assets are identifiable non-monetary assets without physical substance. The Association'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

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:

- Small freehold buildings 25 years
- Large office complex 60 years
- Sheltered scheme furniture, fixtures and fittings 5 years
- IT hardware and office equipment 1 to 5 years
- Plant, machinery and vehicles 4 to 5 years

Stocks

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

Debtors

Short term debtors are measured at transaction price, less any impairment or provision for doubtful debts. Debtors due after more than one year solely relate to the intra group loan to subsidiary entity Choices Housing Association. The loan was initially recognised at fair value, determined by discounting the future repayment using a market rate of interest. The difference between the loan amount and its fair value is treated as an equity contribution (investment in subsidiary). Subsequently, the loan is measured at amortised cost, with the unwinding of the discount recognised as interest income over the term of the loan.

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.

Provision for liabilities and charges

The Group only makes a provision 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.

Notes to the financial statements (continued)

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 Association 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.

Leased assets

At inception, the Association 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 Association 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.

Leased assets (continued)

Payments received when the Association is acting as a lessor 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

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 has charitable status and therefore not subject to corporation tax on the surplus arising from charitable activities. Provision is made for the tax liabilities which arise on the surplus arising on the Parent's non-charitable activities.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date.

Value Added Tax (VAT)

The Association'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 Association and not recoverable from HM Revenue and Customs (HMRC). The Association is able to reclaim VAT in line with a Partial Exemption Special Method agreed with HMRC as it sits within the wider VAT Group.

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.

Notes to the financial statements (continued)

Pensions

The Association participates in a defined benefit pension scheme. The assets of the scheme are held separately to those of the Association.

For defined benefit schemes accounted for 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.

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. All of the Association's financial instruments are deemed to be basic.

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 considered to be 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 Association. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type of customer and the nature of the regulatory environment across all of the geographical locations in which the Association operates. The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segment.

Reserves

The Association establishes restricted reserves for specific purposes where their use is subject to external restrictions.

Notes to the financial statements (continued)

3 Turnover, operating costs and operating surplus

Association - continuing activities

	2025	2025	2025	2024 as restated*	2024 as restated*	2024 as restated*
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	93,901	(71,037)	22,864	86,288	(65,963)	20,325
Other social housing activities:						
Renting & letting of garages	856	(184)	672	830	(252)	578
Leaseholder service charges & communal repairs	577	(577)	-	513	(513)	-
Shared ownership 1 st tranche sales	1,155	(597)	558	1,377	(795)	582
Other	24	(667)	(643)	370	(997)	(627)
	96,513	(73,062)	23,451	89,378	(68,520)	20,858
Activities other than social housing:						
Property lease income-group companies	644	-	644	978	-	978
Community centres and social enterprise	73	(175)	(102)	69	(203)	(134)
Other non social housing activities	63	-	63	78	-	78
Gain/(Loss) on disposal of other Fixed Assets	-	(36)	(36)	-	-	-
Gain on disposal of housing properties	-	-	11,492	-	-	11,108
Movement in the fair value of assets	-	-	417	-	-	288
Loss on disposal of investment properties	-	-	(753)	-	-	-
Gift aid covenanted from subsidiaries	-	-	1,856	-	-	1,513
Total Operating Surplus	97,293	(73,273)	37,032	90,503	(68,723)	34,689

*Refer to note 34 for details of the prior year restatement

Notes to the financial statements (continued)

3 Turnover, operating costs and operating surplus (continued)

Particulars of income and expenditure from social housing lettings

Association	General needs housing	Supported housing and housing for older people	Total	Total 2024 as restated
	2025 £'000	2025 £'000	2025 £'000	£'000
Rents receivable net of identifiable service charges	67,415	14,843	82,258	75,193
Service charge income	1,586	8,629	10,215	9,498
Amortised government grants	1,424	-	1,424	1,312
Other revenue government grants	4	-	4	285
Turnover from social housing lettings	70,429	23,472	93,901	86,288
Management	(6,880)	(3,430)	(10,310)	(10,661)
Services	(2,318)	(12,381)	(14,699)	(12,091)
Routine maintenance	(16,335)	(3,287)	(19,622)	(18,928)
Rent losses from bad debts	(175)	(38)	(213)	(236)
Major repairs expenditure	(8,210)	(1,682)	(9,892)	(9,206)
Depreciation of housing properties	(13,301)	(2,965)	(16,266)	(14,841)
Component write-off following demolition	(35)	-	(35)	-
Operating costs on social housing lettings	(47,254)	(23,783)	(71,037)	(65,963)
Operating surplus on social housing lettings	23,175	(311)	22,864	20,325
Void losses	155	331	486	737

*Refer to note 34 for details of the prior year restatement

Notes to the financial statements (continued)

4 Surplus on sale of housing assets

	Right to Buy Sales	Right to Acquire Sales	Low Cost Home Ownership Sales	Other	Total 2025	Total 2024 as restated*
	£'000	£'000	£'000	£'000	£'000	£'000
Disposal proceeds	1,044	1,350	236	14,445	17,075	20,488
Carrying value of fixed assets	(425)	(384)	(103)	(4,671)	(5,583)	(9,380)
	<u>619</u>	<u>966</u>	<u>133</u>	<u>9,774</u>	<u>11,492</u>	<u>11,108</u>

*Refer to note 34 for details of the prior year restatement

5 Accommodation in management

Accommodation in management for each class of accommodation was as follows:

Association	2024 No.	2025 Additions	2025 Disposals	2025 Other	2025 No.
Social housing					
General needs housing at social rent	7,891	31	(138)	-	7,784
General needs housing at affordable rent	2,823	145	(28)	-	2,940
Supported housing at social rent	1,377	-	-	-	1,377
Supported housing at affordable rent	803	141	-	-	944
Low cost home ownership	340	2	(12)	-	330
Non-social housing					
Market rented	<u>132</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>122</u>
Total owned	<u>13,366</u>	<u>319</u>	<u>(188)</u>	<u>-</u>	<u>13,497</u>
Social housing managed for others					
Other social housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Managed	<u>13,366</u>	<u>319</u>	<u>(188)</u>	<u>-</u>	<u>13,497</u>
Properties where the Group had residual freehold interest	<u>565</u>	<u>12</u>	<u>(28)</u>	<u>-</u>	<u>549</u>
	<u>13,931</u>	<u>331</u>	<u>(216)</u>	<u>-</u>	<u>14,046</u>
Accommodation in development at year end	<u>811</u>				<u>637</u>

Notes to the financial statements (continued)

6 Operating surplus

The operating surplus is arrived at after charging/(crediting):

	2025 £'000	2024 as restated* £'000
Gain on disposal of housing properties	(11,492)	(11,108)
(Gain)/Loss on disposal of other fixed assets	-	-
Amortisation of intangible assets	7	13
Depreciation of housing properties	16,266	14,841
Depreciation released on disposal		
– properties	(1,655)	(989)
– components	(3,168)	(2,082)
Depreciation of other tangible fixed assets	525	455
Impairment of housing properties	-	-
Operating lease charges		
- Equipment Leases	504	467
- Vehicle Leases & Hire	1,169	1,091
- Land & Building Leases	141	211
Auditor's remuneration (excluding VAT):		
for audit services	143	73
for non-audit services	-	-

*Refer to note 34 for details of the prior year restatement

7 Interest receivable and similar income

	2025 £'000	2024 £'000
Interest received from temporary investments with banks and building societies	555	769
Other interest receivable	80	76
	<u>635</u>	<u>845</u>

8 Interest payable, financing costs and similar charges

	2025 £'000	2024 as restated* £'000
Loans repayable within 5 years	13,127	10,133
Loans wholly or partly repayable in more than five years	9,163	11,383
Funders security/facility fee	1,028	536
Valuer's fee	30	311
Defined benefit pension charge	(61)	434
Interest payable capitalised on housing properties under construction	(4,145)	(3,313)
Other interest payable	-	-
	<u>19,142</u>	<u>19,484</u>

Interest has been capitalised on housing properties under construction at a rate of 4.45% (2024: 4.45%)

*Refer to note 34 for details of the prior year restatement

Notes to the financial statements (continued)

9 Employees

	2025 No.	2024 No.
Average monthly number of employees expressed in full time equivalents: (calculated based on a standard working week of 36 hours)		
Office staff	362	376
Trades & retail employees	216	204
Scheme managers, estate officers and cleaners	67	68
Care	-	-
	<u>645</u>	<u>648</u>

	2025 £'000	2024 £'000
Staff costs:		
Wages and salaries	22,984	22,666
Social security costs	2,384	2,283
Other pension costs	<u>2,947</u>	<u>2,933</u>
	<u>28,315</u>	<u>27,882</u>

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

	2025 No.	2024 No.
£60,001-£70,000	21	8
£70,001-£80,000	3	5
£80,001-£90,000	4	5
£90,001-£100,000	4	3
£100,001-£110,000	-	-
£110,001-£120,000	1	3
£120,001-£130,000	4	-
£130,001-£140,000	-	-
£140,001-£150,000	-	1
£150,001-£160,000	-	2
£160,001-£170,000	1	-
£170,001-£180,000	1	-
£190,001-£200,000	-	-
£200,001-£210,000	-	1
Total	<u>39</u>	<u>28</u>

Notes to the financial statements (continued)

10 Key management personnel, board members and executive directors

Following the merger with Housing Plus Group on 6 January 2025, all executive director costs from that date to the 31 March 2025 were paid by the new parent company. The figures below represent payments made from 1 April 2024 to 5 January 2025.

Expenses paid during the period to board members amounted to £7,704 (2024: £5,858).

The aggregate amount of the total cost of key management personnel to the business (including benefits in kind and pension contributions) during the year was £777,372 (2024: £972,978).

	2025 £'000	2024 £'000
Executive directors		
Basic salary	511	630
Benefits in kind (car provision)	21	25
Pension contributions	97	121
	<u>629</u>	<u>776</u>
Employer's social security contributions	67	82
	<u>696</u>	<u>858</u>
Total		
	<u>696</u>	<u>858</u>
Board members		
Fees	80	114
Social Security Contributions	1	1
	<u>81</u>	<u>115</u>

The pension costs disclosed in the table above represent the employer contributions in respect of the key management personnel. The actuary for the Local Government Pension Scheme does not provide details of current or past service cost on an individual member basis and, therefore, the disclosure represents the contributions payable only rather than the total amount charged to operating costs in respect of the key management personnel.

All Board member fees were met by The Wrekin Housing Group Limited. Disclosure of fees paid to individual board members is included within the Report of the Board.

The emoluments of the highest paid director, the Group Chief Executive to the date of merger were £160,128 (2024: £201,965). The Group Chief Executive is a member of the Local Government Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual arrangement for the Group Chief Executive.

Notes to the financial statements (continued)

11 Pensions

Group

The Association participates in the Shropshire County Pension Fund which is a defined benefit career average salary pension scheme. Triennial actuarial valuations are performed by a qualified actuary using the "projected unit" method. The most recent formal valuation of the Fund was completed as at 31 March 2022 and rolled forward, allowing for the different financial assumptions required under FRS102, to 31 March 2025, by a qualified independent actuary.

The Group made the decision to close the scheme to new entrants with effect from 1 September 2020. New employees are offered membership of a Smart defined contribution pension with employer contributions ranging from 10-14%.

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 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.

Contributions

The employer's contributions to the Shropshire County Pension Fund (SCPF) by the Association for the year ended 31 March 2025 were £2,502,000 (2024: £2,380,000) and the employer's contribution rate was fixed at 20% of pensionable pay until 31 March 2025 with regard to future service benefits. For the 2025/26 year this rate will remain at 20%. In addition, annual lump sum payments are being made in respect of past service deficits. The lump sum payment for 2024/25 was £146,700, and will be £153,100 in 2025/26. The Association will continue to make additional lump sum payments in line with the deficit contribution schedule, as agreed with the SCPF, payable over 16 years. As a result of the 2022 valuation, deficit contributions will be £153,100 in 2025/26. The deficit contributions will be revised on receipt of the March 2025 valuation.

Principal actuarial assumptions

	31 March 2025 % per annum	31 March 2024 % per annum
Rate of increase in salaries	3.3	3.1
Rate of increase in pensions in payment	2.8	2.7
Discount rate	5.9	4.9
Inflation assumption	2.8	2.6

There is a change in methodology while setting all actuarial assumptions mainly driven by a change in actuarial advisor and a desire to align assumptions across Housing Plus Group and their various participations in the Fund.

Notes to the financial statements (continued)

11 Pensions (continued)

Mortality Assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2025	2024
	No. of years	No. of years
Retiring today:		
Males	22.0	21.8
Females	24.3	24.2
Retiring in 20 years:		
Males	23.0	23.1
Females	25.7	26.0

Post mortality assumptions (normal health)

Non-Retired Members M/F

	2025	2024
-Mortality table	SAPS 3/SAPS 3 middle	SAPS 3/SAPS 3 middle
-Improvements	CMI 22 1.5%/ CMI 22 1.5%	CMI 23 1.25%/ CMI 23 1.25%
-Weightings	102%/92%	101%/93%
-Additional parameters	S=7, A=0	S=7, A=0.25
	W20=W21=0, W22=25%	W20=W21=0, W22=W23=15%

Retired Members M/F

-Mortality table	SAPS 3/SAPS 3 middle	SAPS 3/SAPS 3 middle
-Improvements	CMI 22 1.5%/ CMI 22 1.5%	CMI 23 1.25%/ CMI 23 1.25%
-Weightings	98%/92%	96%/93%
-Additional parameters	S=7, A=0	S=7, A=0.25
	W20=W21=0, W22=25%	W20=W21=0, W22=W23=15%

Amounts recognised in the statement of financial position:

	2025 £'000	2024 £'000
Fair value of employer assets	126,441	120,894
Present value of funded liabilities	(108,328)	(120,812)
Impact of asset ceiling	(18,113)	(82)
Net (liability)/asset	-	-

Analysis of the amounts charged to the statement of comprehensive income:

	2025 £'000	2024 £'000
Net interest cost	(65)	434
Current service cost	1,816	1,934
Administration expenses	91	93
Past service cost	48	-
Amount charged to operating costs	1,955	2,027
Interest on asset ceiling	4	-
Total amount recognised in the statement of comprehensive income	1,894	2,461

Notes to the financial statements (continued)

11 Pensions (continued)

Analysis of the amounts charged to other comprehensive income:

	2025 £'000	2024 £'000
Remeasurements – net gain	(17,419)	(10,208)
Impact of asset ceiling	18,027	82
Total remeasurements loss / (gain)	608	(10,126)

Change in asset ceiling to 31 March 2025

	£'000
Asset ceiling impact at beginning of year	82
Interest on surplus above asset ceiling	4
Change in asset ceiling (net of interest)	18,027
Asset ceiling impact at end of year	18,113

Reconciliation of opening and closing balances of the present value of scheme liabilities:

	2025 £'000	2024 £'000
Opening scheme liabilities	(120,812)	(118,901)
Current service cost	(1,816)	(1,934)
Interest cost	(5,842)	(5,748)
Contribution by members	(800)	(813)
Past service cost	(48)	(-)
Benefits paid	3,989	3,996
Actuarial gain	17,001	2,588
Closing scheme liabilities	(108,328)	(120,812)

Reconciliation of opening and closing balances of the fair value of plan assets:

	2025 £'000	2024 £'000
Opening fair value of plan assets	120,894	108,856
Interest income	5,907	5,314
Contributions by the employer	2,502	2,380
Contribution by members	800	813
Benefits paid	(3,989)	(3,996)
Administration expenses	(91)	(93)
Actuarial gain/(loss)	418	7,620
Closing fair value of plan assets	126,441	120,894

Notes to the financial statements (continued)

11 Pensions (continued)

Major categories of plan assets as a percentage of total plan assets:

	2025	2024
Equities	58.9%	56.5%
Bonds	13.4%	14.6%
Property	4.4%	3.5%
Cash	0.7%	1.4%
Other	22.6%	24.0%

Sensitivity Analysis

Disclosure Item	None	0.5% p.a. discount rate	0.25% p.a. inflation	0.25% p.a. pay growth	1 Year increase in life expectancy	+1% change in 2024/25 investment returns	-1% change in 2024/25 investment returns
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	108,328	100,498	112,469	109,292	110,421	108,328	108,328
Assets	(126,441)	(126,441)	(126,441)	(126,441)	(126,441)	(127,702)	(125,180)
Deficit/(Surplus)							
Exc ceiling impact	(18,113)	(25,943)	(13,972)	(17,149)	(16,020)	(19,374)	(16,852)
Projected service cost for next year	1,409	1,216	1,514	1,409	1,446	1,409	1,409
Projected net interest cost for next year	(1,141)	(1,738)	(896)	(1,084)	(1,017)	(1,215)	(1,067)
Exc. ceiling impact							

The table above shows the sensitivity of the results of the calculations to changes in the actuarial assumptions used. These exclude the impact of the asset ceiling.

Notes to the financial statements (continued)

12 Taxation

	2025 £'000	2024 as restated* £'000
Current Tax		
UK corporation tax on surplus for the year	12	9
Adjustments in respect of prior years	<u>3</u>	<u>(1)</u>
Total current tax	<u>15</u>	<u>8</u>
Total tax on results on ordinary activities	<u>15</u>	<u>8</u>
Surplus on ordinary activities before tax	18,525	13,467
Theoretical tax at corporation tax rate of 25% (2024: 25%)	4,631	3,367
Effects of:		
Income not taxable for tax purposes	(29,197)	(28,324)
Expenses not deductible for tax purposes	24,578	24,966
Adjustments to tax in respect of prior periods	<u>3</u>	<u>(1)</u>
Total tax charge	<u>15</u>	<u>8</u>

*Refer to note 34 for details of the prior year restatement

Notes to the financial statements (continued)

13 Intangible fixed assets

	Computer Software £'000	Total £'000
Cost		
At 1 April 2024	997	997
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2025	997	997
	<hr/>	<hr/>
Amortisation		
At 1 April 2024	990	990
Charged in year	7	7
Depreciation on Disposal	-	-
	<hr/>	<hr/>
At 31 March 2025	997	997
	<hr/>	<hr/>
Net book value		
At 31 March 2024	7	7
	<hr/>	<hr/>
At 31 March 2025	-	-
	<hr/>	<hr/>

Notes to the financial statements (continued)

14 Fixed assets - housing properties

Housing Properties

	Social housing properties completed £'000	Social housing properties under development £'000	Shared ownership properties completed £'000	Shared ownership properties under development £'000	Total £'000
Cost					
At 1 April 2024 as restated*	887,451	88,909	21,704	-	998,064
Improvements to existing properties	10,222	-	-	-	10,222
Additions	3,033	66,281	38	0	69,352
Change of tenure	(987)	(156)	987	156	-
Schemes completed	62,407	(62,407)	156	(156)	-
Transfer to assets held for sale	-	-	(590)	-	(590)
Transfer to investment properties	-	-	-	-	-
Disposals – properties	(8,233)	-	(114)	-	(8,347)
Disposals – components	(3,168)	-	-	-	(3,168)
At 31 March 2025	<u>950,725</u>	<u>92,627</u>	<u>22,181</u>	<u>-</u>	<u>1,065,533</u>
Depreciation and impairment					
At 1 April 2024 as restated*	142,603	-	1,915	-	144,518
Change of tenure	(51)	-	51	-	-
Impairment	-	-	-	-	-
Charged in year	16,108	-	158	-	16,266
Released on disposal - properties	(1,645)	-	(11)	-	(1,656)
Released on disposal - components	(3,168)	-	-	-	(3,168)
Transfer to assets held for sale	-	-	(26)	-	(26)
At 31 March 2025	<u>153,847</u>	<u>-</u>	<u>2,087</u>	<u>-</u>	<u>155,934</u>
Net book value					
At 31 March 2024 as restated	<u>744,848</u>	<u>88,909</u>	<u>19,789</u>	<u>-</u>	<u>853,546</u>
At 31 March 2025	<u>796,878</u>	<u>92,627</u>	<u>20,094</u>	<u>-</u>	<u>909,599</u>

*Refer to note 34 for details of the prior year restatement

Notes to the financial statements (continued)

14 Fixed assets – housing properties (continued)

Included in the depreciation charge for the year is £722k of accelerated depreciation on components disposed before the end of their useful economic lives (2024: £397k). Improvements to existing properties includes component replacements and enhancements. Initially, stock transfer units comprised only land and building components due to their low value. Component replacements in these units are treated as new and form part of this value.

Expenditure on works to existing properties

	2025 £'000	2024 £'000
Amounts capitalised – component replacement	10,222	8,333
Amounts charged to statement of comprehensive income	<u>9,892</u>	<u>9,206</u>
Total	<u>20,114</u>	<u>17,539</u>

Social housing grant (SHG)

	2025 £'000	2024 £'000
Total accumulated SHG receivable at 31 March:		
Recognised in the statement of comprehensive income	11,003	9,611
Held as deferred income	<u>148,577</u>	<u>138,439</u>
	<u>159,580</u>	<u>148,050</u>

Notes to the financial statements (continued)

15 Tangible fixed assets - other

	Freehold buildings and land	Sheltered scheme furniture, fixtures and fittings	Computers and office equipment and furniture	Plant, machinery and vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	5,027	3	3,241	261	8,532
Additions	149	-	423	-	572
Disposals	(145)	-	(12)	-	(157)
At 31 March 2025	<u>5,031</u>	<u>3</u>	<u>3,652</u>	<u>261</u>	<u>8,947</u>
Depreciation and impairment					
At 1 April 2024	2,980	3	2,635	193	5,811
Charged in year	207	-	304	14	525
Depreciation on disposals	(109)	-	(12)	-	(121)
At 31 March 2025	<u>3,078</u>	<u>3</u>	<u>2,927</u>	<u>207</u>	<u>6,215</u>
Net book value					
At 31 March 2024	<u>2,047</u>	<u>-</u>	<u>606</u>	<u>68</u>	<u>2,721</u>
At 31 March 2025	<u>1,953</u>	<u>-</u>	<u>725</u>	<u>54</u>	<u>2,732</u>

16 Investment in subsidiaries

At the year end the Association had three wholly owned subsidiaries, Choices Housing Association Limited, Old Park Services Limited and Strata Housing Services Limited. It holds one £1 ordinary share in each company which equates to a 100% holding. The principal activity of Choices Housing Association is the provision of registered care and supported housing for adults with a learning disability, specialist dementia care and domiciliary care. The principal activity of Old Park Services Limited is to provide housing and property related services and associated software to other social landlords. The principal activity of Strata Housing Services Limited is the provision of development services to its parent company, The Wrekin Housing Group Limited. The Association has the right to appoint members to the boards of the subsidiaries and thereby exercises control over them. Old Park Services Limited and Strata Housing Services Limited are non-regulated companies. The registered office is the same for all group companies. During the year Wrekin Housing Group Limited invested £237,000 in Choices Housing Association Limited.

Notes to the financial statements (continued)

16 Investment in subsidiaries (continued)

	Association	
	2025	2024
	£'000	£'000
Investment in group undertakings	237	237
	<u>237</u>	<u>237</u>

Company	%	Surplus / (deficit) for the year	Reserves
Choices Housing Association	100	£271,000	£951,000
Old Park Services Limited	100	£843,000	£901,000
Strata Housing Services Limited	100	£1,283,000	£840,000

17 Investment properties

	2025	2024
	£'000	£'000
At 1 April	20,101	19,813
Transfer from housing properties	-	-
Disposals	(1,885)	-
Increase/(decrease) in value	<u>417</u>	<u>288</u>
At 31 March	<u>18,633</u>	<u>20,101</u>

Investment properties are non-social housing properties held for letting which were valued at 31 March 2024. These properties have been valued 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. During the year, the Group disposed of 10 investment properties for total proceeds of £1.132m. The carrying amount of these properties at the time of disposal was £1.885m, resulting in a gain/(loss) of £0.753 million. The properties were previously measured at fair value.

Notes to the financial statements (continued)

18 Debtors: Amounts falling due after more than one year

	Association	
	2025	2024
	£'000	£'000
Amounts owed by group undertakings	1,517	1,438
	<u>1,517</u>	<u>1,438</u>

19 Properties held for sale

	2025	2024 As restated*
	£'000	£'000
Completed shared ownership properties	317	347
Properties held for sale- asset renewal strategy	-	-
	<u>317</u>	<u>347</u>

*Refer to note 34 for details of the prior year restatement

20 Debtors

	2025	2024 as restated*
	£'000	£'000
Rent and service charges receivable	1,516	1,245
Less: provision for bad and doubtful debts	(1,137)	(945)
	<u>379</u>	<u>300</u>
Prepayments and accrued income	4,688	2,180
Other debtors	1,198	990
Trade debtors	35	35
Amounts owed by group undertakings	2,324	4,071
Amounts owed by parent company	273	-
Less: provision for bad and doubtful debts owed by other group undertakings	-	(2,583)
	<u>8,897</u>	<u>4,993</u>

*Refer to note 34 for details of the prior year restatement

There are no special payment terms, interest or security arrangements in place with regard to amounts owed by group undertakings. However, in 2023/24 the Association provided in full for the outstanding

Notes to the financial statements (continued)

debt owed by Choices Housing Association amounting to £2.583m. This debt was written off in 2024/25 as approved by the Board.

21 Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	2,287	1,839
Short-term bank deposits	6,530	15,202
Cash held as collateral*	-	1
	<u>8,817</u>	<u>17,042</u>

*Cash held in charged bank accounts as collateral against the bond. The Group provided this cash collateral to enable sales of its retained bond to be completed during the year ended 31 March 2022, in advance of property security being put in place to ensure that the Group took advantage of propitious market conditions.

22 Creditors: Amounts falling due within one year

	2025 £'000	2024 as restated* £'000
Debt (note 26)	74,243	-
Trade creditors	2,158	3,504
Rent and service charges received in advance	5,027	3,880
Other taxation and social security	693	696
Pension contributions due	96	309
Social housing grant received in advance	1,241	2,547
Accruals	5,777	3,589
Interest Payments Due	4,258	4,183
Deferred Income	104	45
Holiday pay accrual	230	230
Deferred grant income (note 23)	1,424	1,312
Other creditors	340	299
Amounts owed to group undertakings	9,611	3,747
Amounts owed to parent company	212	-
	<u>105,414</u>	<u>24,341</u>

*Refer to note 34 for details of the prior year restatement

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

Notes to the financial statements (continued)

23 Creditors: Amounts falling due after more than one year

	2025 £'000	2024 £'000
Debt (note 26)	510,690	569,029
Recycled capital grant fund (note 25)	207	322
Deferred grant income (note 24)	157,472	147,676
	<u>668,369</u>	<u>717,027</u>

24 Deferred grant income

	2025 £'000	2024 £'000
At 1 April	148,988	137,203
Grant received in the year	9,828	13,171
Transferred from DPF (Historic – Pauls Moss)	1,743	-
Transfer to recycled capital grant fund	(239)	(74)
Released to income in the year	<u>(1,424)</u>	<u>(1,312)</u>
At 31 March	<u>158,896</u>	<u>148,988</u>
Amounts to be released within one year	1,424	1,312
Amounts to be released in more than one year	<u>157,472</u>	<u>147,676</u>
	<u>158,896</u>	<u>148,988</u>
SHG	148,577	138,439
Other grant	<u>10,319</u>	<u>10,549</u>
	<u>158,896</u>	<u>148,988</u>

Notes to the financial statements (continued)

25 Recycled capital grant fund

	2025 £'000	2024 £'000
At 1 April	322	701
Grants recycled	239	74
Interest accrued	-	-
Acquisition of dwellings for letting	(354)	(453)
Balance at 31 March	<u>207</u>	<u>322</u>

Withdrawals from the recycled capital grant fund have been used for the purchase and development of new housing schemes for letting.

26 Debt analysis

	2025 £'000	2024 £'000
Due after more than one year		
Bond Financing	250,000	250,000
Discount and premium	1,379	1,451
Amortised cost of issue	(1,175)	(1,224)
Carrying value of bond	250,204	250,227
Bank loans amortised cost	334,729	318,802
	<u>584,933</u>	<u>569,029</u>
Repayable in		
Less than one year	74,243	-
One year or more but less than five years	210,115	187,306
After five years	300,575	381,723
	<u>584,933</u>	<u>569,029</u>

The bank loans are secured by fixed charges on individual properties and by a floating charge over the assets of the Association. At 31 March 2025 the Association had total loan facilities available of £471m (2024: £356m) of which £148m (2024: £83m) was undrawn. £141 m of this facility is fixed for periods of between 1 and 15 years at fixed rates of interest ranging from 4.126% to 7.25%. The instalments fall to be repaid in the period 2026 to 2040. £215m of this facility is variable at a rate of SONIA plus credit adjustment spread (CAS) plus margin and is repayable between 1 & 5 years.

The bond is a £250m, long-dated instrument issued via the debt capital markets, maturing in 2048 and with a coupon rate of 2.5%. The bond is listed on the London Stock Exchange. £200m was issued on day one, with £50m initially retained for future issue. The bond was issued at 148bps over Gilt, giving an all-in cost of funds of 2.607%. In August 2020 the Group issued a further £25m of its retained bond. It was issued at 108bps over Gilt, giving an all-in cost of funds of 1.92%. In November 2021 the final £25m was issued at 95 bps over Gilt, giving an all-in cost of funds of 1.962%. At 31 March 2025 the £250m 2019 bond was priced at 55.366p and therefore valued at £138.415m.

Notes to the financial statements (continued)

27 Reserves

Revenue reserves include all retained surpluses and deficits in relation to current and prior periods, and any fair value movement on the valuation of Investment properties.

At 31 March 2025, the revenue reserve included £nil in respect of the defined benefit pension liability (2024: £nil).

Restricted reserves relate to the agreement with the former English Partnerships that The Wrekin Housing Group Limited retains all receipts from the sale of housing assets on the Woodside estate for reinvestment in the regeneration of the estate.

28 Financial commitments

	2025 £'000	2024 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	46,305	76,112
Expenditure authorised by the board but not contracted for	<u>21,765</u>	<u>23,139</u>
	<u>68,070</u>	<u>99,251</u>

The above commitments reflect the continuation of the Group's Asset Renewal and Development Programme. The commitments will be financed through a combination of borrowings, which are available for draw-down under existing loan arrangements, social housing grant, expected shared ownership sales proceeds, property sales under the Group's Asset Renewal Strategy and cash generated from operating activities.

Operating leases

The future minimum lease payments of leases are as set out below. Leases relate to office accommodation and vehicles.

The future minimum operating lease payments are as follows:	2025 £'000	2024 £'000
Within one year	933	931
Two to five years	<u>1,346</u>	<u>1,706</u>
	<u>2,279</u>	<u>2,637</u>

The Association had no lease receivables under non-cancellable operating leases.

Notes to the financial statements (continued)

29 Financial assets and liabilities

Categories of financial assets and liabilities

	2025 £'000	2024 £'000
Financial assets that are debt instruments measured at amortised cost	13,026	32,802
Financial liabilities measured at amortised cost	(607,289)	(561,413)
	<u>(594,263)</u>	<u>(528,611)</u>

Financial assets that are debt instruments measured at amortised cost comprise short term debtors, cash deposits on money markets at call and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, interest payments due, other creditors and debt.

Interest rate Risk profile

The group's financial liabilities are sterling denominated. The interest rate profile of the group's financial liabilities at 31 March was:

Group	2025 £'000	2024 £'000
Fixed rate	379,541	381,724
Floating rate	<u>205,392</u>	<u>187,305</u>
Total borrowings	<u>584,933</u>	<u>569,029</u>

The floating rate financial liabilities comprise bank loans that bear interest rates based on SONIA plus a credit adjustment spread and contracted margins.

The fixed rate financial liabilities have a weighted average interest rate of 3.70% (2024: 3.70%) and the weighted average period for which it is fixed is 17 years (2024: 18 years).

The debt maturity profile together with applicable interest rates is disclosed in note 25.

Borrowing facilities

The group has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent had been met were as follows:

	2025 £'000	2024 £'000
Expiring in less than two years	<u>8,000</u>	
Expiring in more than two years	<u>140,000</u>	<u>52,000</u>

Notes to the financial statements (continued)

30 Contingent liabilities

The Association had no contingent liabilities to disclose at 31 March 2025 (2024: £0).

31 Related parties

During the year, the Association recharged amounts to its wholly owned subsidiaries. Choices Housing Association Limited is registered with the Social Housing Regulator. Old Park Services Limited and Strata Housing Services Limited are both unregistered entities. The amounts were as follows:

Entity	Cost	2025 £'000	2024 £'000
Old Park Services Limited	Recharge of staff and operating costs (Reviive)	561	502
	Recharge of staff and operating costs (third party repairs services)	2,442	2,136
Strata Housing Services Limited	Recharge of Staff Costs (development services)	891	880
Choices Housing Association Limited	Recharge of staff and operating costs	1,093	1,415

All costs are recharged on an actual cost basis.

During the year the following services were supplied by the parent to the unregistered entities:

Entity	Service	2025 £'000	2024 £'000
Old Park Services Limited	Property leases	644	692

During the year the following services were supplied by the subsidiary entities to the parent:

Entity	Service	2025 £'000	2024 £'000
Old Park Services Limited	Provision of energy supplies	79	77
Strata Housing Services Limited	Provision of development services	46,739	48,223
Choices Housing Association Limited	Provision of care services	3,874	2,532

Notes to the financial statements (continued)

31 Related parties (continued)

The Board includes one member who is also a tenant of the Association. Tenancies are granted on normal terms and conditions and are not considered material to the financial statements. During the year Mr Kevin Morgan held a position on the Board. Tenant board members are required to pay rent and service charges under standard tenancy agreements. No preferential treatment, rent waivers or other benefits were provided to Mr Morgan in his capacity as a tenant or board member. Tenant board members are excluded from any board discussions or decisions where a conflict of interest may arise.

All transactions with tenant board members were on standard terms and were not material to the financial statements.

There are no other related party transactions to disclose that have not been disclosed elsewhere in these financial statements. Please see note 10 for details of executive and board remuneration.

As at the 31st March the amounts owed to the association by subsidiary entities was as follows:

Old Park Services Limited	£1,449,388	(2024: £1,117,325)
Strata Housing Services Limited	£483,139	(2024: £321,003)
Choices Housing Association Limited	£1,907,317	(2024: £4,070,357)

As at the 31st March the amounts owed by the association to subsidiary entities was as follows:

Old Park Services Limited	£131,283	(2024: £132,136)
Strata Housing Services Limited	£9,100,335	(2024: £3,612,354)
Choices Housing Association Limited	£379,167	(2024: £2,685)

32 Gift aid

	2025 £'000	2024 £'000
Gift aid received from Old Park Services Limited	608	286
Gift aid received from Strata Housing Services Limited	1,248	1,227
	<u>1,856</u>	<u>1,513</u>

33 Non-equity share capital

When the Association registered as a Co-operative and Community Benefit Society its rules were drafted such that there is a single class of shareholder. Each share has the nominal value of £1 and carries no right to any interest, dividend or bonus. The independent shareholders are the board members. There are 11 shares in issue following the merger and restructure of the Board. (2024: 10)

Notes to the financial statements (continued)

34 Prior Period Adjustment

Following the merger with Housing Plus Group Limited, the Association has identified two prior period adjustments that require restatement of comparative figures and opening balances. These are as follows:

1. Correction of Classification and Disclosure Errors

A review of the 2024 financial statements identified classification and disclosure errors relating to property disposals and asset categorisation. Specifically, proceeds from property disposals amounting to £12.069 million were incorrectly recognised within turnover, while associated disposal costs of £2.412 million were incorrectly included in operating costs. Furthermore, properties with a value of £1.533 million were misclassified as 'Properties held for sale' within current assets, which did not comply with FRS 102 requirements. There was no impact on the Association's Funds as at 31 March 2024 from these classification errors, as these adjustments only affected the presentation of items within the income statement and the statement of financial position and did not alter the reported net surplus or deficit or Associations Funds.

2. Change in Accounting Policy (Voluntary) – Capitalisation of Interest on Developments

Following the merger, the Association undertook a review of its accounting policies and has adopted a revised policy regarding the treatment of interest costs incurred on development schemes. Under the previous policy, all interest was expensed as incurred. The revised policy now capitalises interest that is directly attributable to the financing of qualifying development schemes, as part of the asset cost during the construction phase.

These adjustments have been applied retrospectively in accordance with FRS 102, Section 10 – *Accounting Policies, Estimates and Errors*. Consequently, the comparative figures for the year ended 31 March 2024 and the opening balances as at 1 April 2023 have been restated.

Change in Accounting Policy (Voluntary) – Further Detail

Under the revised policy, the Association has capitalised £22.792 million of interest costs that had previously been expensed in earlier periods. A corresponding depreciation charge of £1.442 million has also been recognised, representing depreciation that would have been incurred had the interest been capitalised originally. The net impact of this adjustment is an increase in revenue reserves of £21.350 million as at 1 April 2023.

For the year ended 31 March 2024, an additional £3.313 million of interest was capitalised and £3,000 of depreciation recognised in respect of that year. These amounts are reflected in the restated comparatives for the year but are not included in the prior period adjustment.

Notes to the financial statements (continued)

34 Prior Period Adjustment (continued)

Impact on Financial Statements

Statement of Comprehensive Income (Extract)

Description	As Previously Stated (£m)	Adjustment 1-Error (£m)	Adjustment 2- Voluntary (£m)	Restated (£m)
Turnover	102,572	(12,069)	-	90,503
Operating Costs	(71,132)	2,412	(3)	(68,723)
Gain on Disposal of Fixed Assets	1,451	9,657	-	11,108
Operating Surplus	34,692	-	(3)	34,689
Interest payable, financing and similar costs	(22,797)	-	3,313	(19,484)
Surplus on ordinary activities before taxation	10,157	-	3,310	13,467
Surplus for the year	10,149	-	3,310	13,459

Impact on Financial Statements (continued)

Statement of Financial Position (Extract)

Statement of Financial Position (Extract) Description	As Previously Stated (£m)	Adjustment 1 - Error (£m)	Adjustment 2 - Voluntary (£m)	Restated (£m)
Property, Plant & Equipment – Housing Properties	827,354	1,533	24,659	853,546
Properties held for Sale	1,880	(1,533)	-	347
Creditors: amounts falling due within one year (Rounding)	(24,342)	-	1	(24,341)
Revenue Reserve	133,904	-	24,660	158,564

Notes to the financial statements (continued)

34 Prior Period Adjustment (continued)

The impact of applying this policy for all years to the year ended 31 March 2023 is as follows:

Statement of Financial Position (Extract)

	£m
Property, Plant & Equipment – Housing Properties	22,792
Increase in accumulated depreciation-Housing Properties	(1,442)
Net increase in reserves as at 1 April 2023	21,350

Statement of Changes in Reserves (Extract)

	Revenue Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 March 2023 as previously reported	113,629	846	114,475
Impact of correction	21,350	-	21,350
Restated balance as at 1 April 2023	134,979	846	135,825