Registered Provider of Social Housing No: LH0870
Registered Co-operative and Community Benefit Society No: 16849R

Gravesend Churches Housing Association Limited

Annual Report and Financial Statements

for the year ended 31 March 2025

Board information

The Board	Marie Li Mow Ching (Chair)	
	Eileen Jordan	Retired September 2024
	Nicola Bowen	Retired September 2024
	Jim McLaughlin	Retired September 2024
	Manpreet Bhupal	Resigned April 2024
	Brian Horton	
	Abay Aromire	
	Chris Starke	
	Paul Sylva	
	Roselyn Unegbu	
	Omobukunla McGlynn	
	Andrew Pert	Appointed July 2024
	Mabel Worburton	Appointed September 2024
Chief Executive	Omobukunla McGlynn	
Registered Provider of Social Housing No.	LH0870	
Registered Co-operative and Community Benefit Society No.	16849R	
Registered Office	14 London Road Northfleet Kent DA11 9JQ	
Auditors	S&W Partners Audit Limited 45 Gresham Street London EC2V 7BG	
Bankers	Barclays Bank	
Solicitors	Sharratts (London) LLP 1 The Old Yard, Rectory Lane Brasted Westerham Kent TN16 1JP	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ
	Birketts LLP 141 – 145 Princess Street Ipswich Suffolk IP1 1QJ	

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Board Report
for the Year Ended 31 March 2025

The Board present their report and the financial statements for the year ended 31 March 2025.

Principal activity

The principal activity of the Association is the provision and management of social rented homes to those in housing need within the communities where the Association operates.

Corporate governance

Gravesend Churches Housing Association Limited ("GCHA") has adopted the National Housing Federation Code of Governance 2020 and are fully compliant with all areas of the code.

The Board

The Board who served during the year and up to the date of signature are as stated below:

		Year appointed
Marie Li Mow Ching (Chair)		2023
Eileen Jordan	Retired Sept 2024	2018
Nicola Bowen	Retired Sept 2024	2018
Jim McLaughlin	Retired Sept 2024	2018
Manpreet Bhupal	Resigned April 2024	2020
Brian Horton		2021
Abay Aromire		2022
Chris Starke		2022
Paul Sylva		2023
Roselyn Unegbu		2023
Omobukunla McGlynn		2021
Andrew Pert	Appointed July 2024	2024
Mabel Worburton	Appointed Sept 2024	2024

Our strategic objectives

Our vision is long term and aspirational and our strategic priorities are to:

- deliver good quality homes and excellent services in safe neighbourhoods;
- maintain high levels of resident and staff satisfaction and engagement;
- develop new energy efficient affordable homes; and
- remain financially viable and strong.

Governance and Financial Viability Standards

The Board has considered how the Association meets the Governance and Financial Viability Standards set by the Social Housing Regulator which includes the following required outcomes:

Governance

Registered providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Governance arrangements shall ensure registered providers:

(a) adhere to all relevant law
(b) comply with their governing documents and all regulatory requirements
(c) are accountable to tenants, the regulator and relevant stakeholders
(d) safeguard taxpayers' interests and the reputation of the sector
(e) have an effective risk management and internal controls assurance framework; and
(f) protect social housing assets.

Financial viability

Registered providers shall manage their resources effectively to ensure their viability is maintained while ensuring that social housing assets are not put at undue risk.

The Board has concluded that GCHA is compliant with the Governance and Financial Viability Standards.

Statement on System of Internal Control

The Board is ultimately responsible for GCHA's system of internal control and for reviewing its effectiveness. This process is ongoing and has been in place throughout the period from 1 April 2024 to date. The system of internal control is designed to manage, rather than eliminate, the risk of failure to meet corporate objectives. The system is also designed to give reasonable assurance that financial and management performance information is reliable and that the Association's assets are safeguarded. It can provide reasonable, but not absolute assurance against the possibility of material misstatement or loss.

Key procedures have been established and are designed to provide effective internal control. These key areas cover control, reporting information systems, monitoring and risk management. The Board ensures that stress testing and multivariate tests of the financial plan are completed during the financial year. The key strategic risks that may affect the Association's achievement of its strategic objectives are included within the Association's risk register which is reviewed by the Executive Team and Audit and Risk Committee quarterly. The Board consider key issues arising from the Audit and Risk Committee at each Board meeting. In addition, the Board agree a risk appetite for the Risk Management framework.

The Board revised GCHA's Risk Appetite Statement in February 2025. This new statement outlines the organization's approach to risk across several key areas, reflecting its strategic priorities and commitment to effective governance.

GCHA maintained a strong focus on governance and compliance. The internal auditors provided a reasonable level of assurance that there is an effective framework of governance, risk management, and controls at GCHA. The self-assessment of compliance with the Governance and Financial Viability Standard showed material compliance.

The Executive Team is responsible for reporting to the Board on any significant changes affecting key risks and all projects and reports to the Board and Committees include an analysis of the relevant risks, how they impact on the approved risk appetite and mitigating actions.

The system of internal control established by the Board consists of:

- Sound corporate governance arrangements including the adoption of the NHF's Code of Governance;
- A long-term financial plan and corporate plan with specific targets and objectives;
- An organisational structure with clearly defined lines of responsibility and delegations of authority. These are set out in Standing Orders and Financial Regulations and detailed policies and operational procedures;
- An ongoing programme in place for reviewing all key policies, to ensure that they are effective and reflect the latest legislation and regulatory requirements;
- A staff appraisal process including appropriate training and development opportunities;
- Preparation of monthly management accounts incorporating revised forecasts which allow the Board and management to monitor financial performance. Significant variances from budgets are investigated and reported; and
- A performance report including key performance indicators for review by the Executive Team on a monthly basis and by the Board on a quarterly basis.

Process for reviewing the effectiveness of the Internal Control System

The Board has established a process to review and gain assurance on the effectiveness of the system of internal control via an Internal Control Assurance Framework. The framework comprises different sources of assurance, including reports from the internal auditors, external auditor, the Executive Team and the Audit and Risk Committee. In addition, a major component of this assessment is the risk management process described above. The key features are:

- The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury management strategy and new investment projects;
- The Board regularly reviews key performance indicators to assess the progress towards the achievement of key targets and progress against the corporate plan;
- The Association has in place an Internal Audit Plan and a risk-based approach to internal audit reviews. The plan covers financial and non-financial areas. The Audit and Risk Committee monitors progress on agreed actions to address recommendations arising from these reviews. The internal auditors also follow up actions from previous recommendations and the extent to which these have been implemented;
- A review of complaints is undertaken and the results reported to the Board; and
- There is a comprehensive set of financial and operating policies and procedures covering all aspects of the organisation.

The Audit and Risk Committee presents quarterly reports to the Board outlining its work during each period to support the assurance work on internal controls.

The Board has approved an anti-fraud policy covering prevention, detection and reporting of fraud and the recovery of assets, supported by a confidential reporting policy and fraud response plan. Details of identified frauds are maintained in a fraud register, which is reviewed quarterly by the Audit and Risk Committee. No fraud has been recorded in the period.

The organisation has adequate internal controls in place, as a result there are no significant internal control issues that need to be disclosed in the financial statements.

Our Activities

Overall, GCHA showed resilience and a commitment to continuous improvement. Despite ongoing challenges, the organization stays focused on providing high-quality services and maintaining strong governance standards.

Customer satisfaction is a priority, with efforts to improve digital services, including the introduction of the resident portal. This portal allows residents to pay rent securely online, check rent statements, report and track repair progress, and update their contact details at their convenience. We also upgraded our Finance system to better integrate with CRM systems and streamline processes through automation.

Board Report
for the Year Ended 31 March 2025

We achieved Customer Service Excellence (CSE) accreditation in March 2025 demonstrating our commitment to providing high quality services for our residents and improving customer satisfaction in line with our strategic priorities. The Board has recently approved a Value for Money ("VFM") Strategy and plan which outlines actions taken to ensure VFM across all operations including efficiencies in procurement, cost control and debt management as well as initiatives for process improvement, data analysis and technology integration.

GCHA ensures compliance with standards through regular monitoring, specialized contractors and quarterly Board reports. Our commitment to maintaining our properties to decent home standards has been ongoing, with a focus on implementing a stock condition survey and ensuring planned maintenance programs are in place. During the year, we disposed of two investment properties, with the proceeds used to fund investments in our homes. Additionally, we disposed of a development site to the Local Authority and repaid the related grant.

Furthermore, this year, we upgraded 17 roofs, 14 kitchens, 12 bathrooms, 30 doors, 19 windows, and 24 heating systems. We continue to reinvest in our properties to ensure a safe and comfortable environment for our residents.

Our efforts to support residents with rent have reduced arrears to 2.09% (2.76% in 2024), exceeding our target of 2.5%. We continue to communicate with residents and partners to help them meet rent obligations and maintain their homes.

During the 2024/25 period, there were 26 void properties, a reduction of 20 properties compared to the previous year. The year-to-date average relet time for all voids, excluding market rent properties, is 26 days, against a target of 14 days. We continue to work with our contractors and local authority partners to improve void relet times and reduce void rent loss.

In presenting the value for money metrics for 2024-2025 we continue to use benchmark comparisons with both our local benchmark club, comprising 42 London based associations of under 1,000 units, alongside the Regulator of Social Housing's Global accounts median values for associations with under 2,500 units. Both sources are the most recently available, being from the 2023-24 annual accounts. Results and commentary are highlighted below.

Board Report
for the Year Ended 31 March 2025

Value for money statement

The Regulatory Framework for Social Housing includes a specific standard for Value for Money. Our regulator, the Regulator of Social Housing, requires registered providers to:

- clearly articulate their strategic objectives;
- have an approach agreed by their Board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders;
- through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs; and
- ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

The Board has approved the strategic priorities for GCHA as set out on page 4, which is supported by a Value for Money Strategy that was reviewed and approved by the Board in April 2024. The VFM strategy is an integral part of our Strategic Plan which also emphasises our vision and guiding values. This approach will enable us to have high resident and staff satisfaction and lower than average staff turnover.

The Value for Money Strategy aims to deliver more social value by reinvesting surpluses and improving service outcomes. The key objectives of the strategy are:

- A robust approach to achieving VFM, including a robust approach to decision making and a rigorous appraisal of potential options for improving performance;
- Regular and appropriate consideration by the Board of potential VFM gains;
- Consideration of VFM across their whole business; and
- Have appropriate targets in place for measuring performance in achieving VFM in delivering the organisation's strategic objectives, ensuring regular monitoring and reporting of performance against these targets.

1 REINVESTMENT %

	£					
Properties acquired	-		Housing properties			
Development of new properties	2,072					
			At cost	31,259,092		
Works to existing	701,024		At valuation	8,570,269		
Capitalised interest	-					
						A/B
	703,096	A		39,829,361	B	1.8%

SPBM median	2.7%	2024-Global accounts <2,500 units	4.4%	GCHA 2023-24	1.3%

No new properties were acquired in 2024/25, however we continue to invest in existing properties.

Board Report
for the Year Ended 31 March 2025

2 NEW SUPPLY DELIVERED %

A		B	
New supply delivered (Social housing units)	0	New supply delivered (Non-social housing units)	0
Total social housing units managed at period end	578	Total non-social housing unit managed at period end	35
	0%		0.0%
SPBM median	0.0%	SPBM median	0.0%
Global accounts <2,500 median	0.3%	Global accounts <2,500 median	0.0%
GCHA 2023-2024	0.0%	GCHA 2023-2024	0.0%

No new supply was delivered in 2024/25.

3 GEARING %

A			B			
Short term loans	631,305		Housing properties at cost	31,259,092		
Long term loans	14,480,905		Housing properties at valuation	8,570,269		
Cash	(843,112)					
						C/D
	14,269,098	C		39,829,361	D	35.8%

SPBM median	17.3%	2024-Global accounts <2,500 median	34.1%	GCHA 2023-2024	36.7%

Our gearing has slightly decreased to 35.8% from 36.7% in 2024/25, primarily due to loan repayments and no new drawdowns during the year. This figure is above the global accounts benchmark of 34.1% but remains significantly higher than the SPBM median of 17.3%, which likely reflects a lack of borrowing for new developments within our benchmark group.

4 EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, MAJOR REPAIRS INCLUDED (EBITDA MRI) INTEREST COVER %

	£			£		
Operating surplus/(deficit)	970,310					
- Amortised government grant	(169,955)		Capitalised interest in housing properties	-		
+ Interest receivable and other income	10,501					
- Capitalised major repairs expenditure	(701,024)		+ Interest payable and financing costs	888,375		
+ Total depreciation charge	694,024					
+ Deficit on disposal	23,320					
+ Decrease in value of investment property						E/F
	827,176	E		888,375	F	93.1%

SPBM median	200.0%	2023-2024 Global accounts <2,500 median	150.3%	GCHA 2023-2024	36.1%

Our EBITDA MRI Interest cover stands at 93.1%, which is significantly lower than the benchmarking group's 200%. This discrepancy is primarily due to substantial investments in our existing properties, focusing on compliance, health, and fire safety-related major works. To ensure compliance with our loan covenants, we obtained approval from our bankers for a carve-out of £585k over two years, with £485k spent during 2024/25. Excluding the carve-out works from the calculations, our EBITDA MRI Interest cover would be 145%.

5 HEADLINE SOCIAL HOUSING COST PER UNIT

	£					
Management costs	551,375		Total social housing units managed at period end	578		
+ Service costs	802,527					
+ Routine maintenance costs	842,373					
+ Planned maintenance costs	300,133					
+ Capitalised major repairs expenditure	701,024					
+ Other(social housing letting) costs	354,673					
+ Other social housing activities: other	-					G/H
	3,552,105	G		578	H	£6,146

SPBM median	£6,447	2024-Global accounts <2,500 median	£5,768	GCHA 2023 -2024	£5,307

This metric highlights the amount spent on the social housing units of an organisation, and by excluding depreciation, largely only includes controllable costs. 2024-25 has seen an increase in cost per unit to £6,146 (2023-24: £5,307), due to significant investment in our existing stock. However, this still sits slightly below the SPBM median of £6,447 but above the global accounts of £5,768.

6 OPERATING MARGIN %

A	£	B	£
Operating margin (social housing lettings only)		Operating margin (overall)	
Operating surplus from social housing lettings	659,292	Operating surplus (overall)	970,310
		+ Deficit on disposal	23,320
Turnover from social housing lettings	4,160,937	Turnover (overall)	4,642,563
	15.8%		21.4%
SPBM median	18.52%	SPBM median	15.52%
Global accounts <2,500 median	19.0%	Global accounts <2,500 median	15.3%
GCHA 2023-2024	15.0%	GCHA 2023-2024	4.9%

GCHA has seen its overall operating margin increase against its last year's performance, as performance was based on core operations, with no exceptional items during 2024/25. There was a slight increase in operating margin for social housing lettings only against GCHA's last year's performance.

This reflects that our overall efficiency remains healthy and that our non-social housing activities contribute positively to the overall surplus of the organisation.

7 RETURN ON CAPITAL EMPLOYED (ROCE) %

	£			£		
Operating surplus/(deficit) (overall)	970,310		Total assets less current liabilities	39,487,852		I/J
	970,310	I		39,487,852	J	2.5%

SPBM median	2.53%	Global accounts <2,500 median	2.3%	GCHA 2023-2024	0.6%

Our return on capital employed has improved from to 0.6% to 2.5%, due to the overall increase in operating surplus.

Throughout the year, the organisation reports to the Board on a number of KPIs, which are generated alongside the monthly accounts. Core operational targets are set and monitored, including a financial budget for the year, arrears levels and void day turnarounds. In addition, we continue to report on health & safety areas covering the following key areas; gas safety, fire safety, electrical inspections, asbestos management, carbon monoxide detectors and damp and mould, legionella management and lift safety.

We continue to utilise the Southeast Consortium to ensure we reap the pricing benefits that this presents, providing us with access to contractors at rates agreed across the consortium, enabling us to benefit from economies of scale we could not achieve on our own.

In addition, we have also invested in our Estate Management Team to reduce our dependency on contractors for the small reactive works, which currently incurs heavy overhead costs with our current contractor.

Board Report
for the year ended 31 March 2025

Statement of Board's responsibilities

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

The law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the Association's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 of the Association and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for Registered Social Housing Providers (SORP 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 books of account that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Social Housing Providers 2022 and the Statement of Recommended Practice for Registered Social Housing Providers (SORP 2018). They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

This report was approved by the Board on 24th July 2025 and signed on its behalf by

Marie Li Mow Ching
Marie Li Mow Ching (Jul 24, 2025 18:05:51 GMT+1)

Marie Li Mow Ching
Chair

Date 24th July 2025

INDEPENDENT AUDITOR'S REPORT TO GRAVESEND CHURCHES HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Gravesend Churches Housing Association Limited (the "Association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:
- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the Association financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 12, the members of the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained a general understanding of the Association's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the Association's industry and regulation.

We understand that the Association complies with the framework through:
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit reviews performed by an independent firm of internal auditors;
- Independent health and safety reviews across identified compliance areas;
- A risk assessment framework and register that includes regular review and scrutiny by the Audit and Risk Committee;
- An annual assessment of compliance with housing association regulations; and
- The Board's close oversight through regular board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Association's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the association:
- FRS 102, the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and

- Regulatory Standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries with management as to the risks of non-compliance and any instances thereof; and
- Performed a review of the Board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulators;
- Performed a review of the Internal Auditor's Reports to identify any indicators of known or suspected non-compliance with significant laws and regulators; and
- Reviewed any correspondence between the Regulator of Social Housing and the Association.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were regarding the manipulation of financial statements through manual journal entries.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Association's processes and controls surrounding manual journal entries.

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

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

S&W Partners Audit Limited
S&W Partners Audit Limited (Jul 25, 2025 11:31:31 GMT+1)

S&W Partners Audit Limited
Chartered Accountants
Statutory Auditor
45 Gresham Street
London
EC2V 7BG
Date: 25/07/2025

Statement of Comprehensive Income
for the year ended 31 March 2025

	Notes	2025 £	2024 £
Turnover		4,642,563	4,364,677
Operating expenditure		(3,648,933)	(3,449,450)
Deficit on disposal of investment properties		(23,320)	-
Operating surplus before impairment of housing property		970,310	915,227
Impairment of housing property		-	(700,000)
Operating surplus	**4**	970,310	215,227
Interest receivable and similar income	**5**	10,501	8,742
Interest payable and financing costs	**6**	(888,375)	(979,299)
Surplus / (deficit) for the year		92,436	(755,330)
Other comprehensive income:			
Actuarial surplus/(deficit) on defined benefit pension plan for the year	**17**	57,000	(137,000)
Total comprehensive income/(loss) for the year		149,436	(892,330)

There were no acquisitions and no discontinued operations for the year.

The notes on pages 20 to 39 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 March 2025

	Revenue reserve	Called up share capital	Total
	£	£	£
2024			
As at 1 April 2023	14,653,832	10	14,653,842
Deficit for the year	(755,330)	-	(755,330)
Actuarial deficit on defined benefit pension plan for the year	(137,000)	-	(137,000)
As at 31 March 2024	13,761,502	10	13,761,512
2025			
As at 1 April 2024	13,761,502	10	13,761,512
Surplus for the year	92,436	-	92,436
Actuarial surplus on defined benefit pension plan for the year	57,000	-	57,000
Movement in share capital	-	(1)	(1)
As at 31 March 2025	13,910,938	9	13,910,947

The notes on pages 20 to 39 form an integral part of these financial statements.

Statement of Financial Position
as at 31 March 2025

		2025		2024	
	Notes	£	£	£	£
Property, plant and equipment					
Housing properties	10		31,259,092		31,768,385
Other property, plant and equipment	11		505,314		514,743
			31,764,406		32,283,128
Investments					
Investment properties	12		8,570,269		9,126,538
			40,334,675		41,409,666
Current assets					
Debtors	13	167,817		188,288	
Cash and cash equivalents		843,112		688,986	
		1,010,929		877,274	
Creditors: amounts falling due within one year	14	(1,857,752)		(6,270,102)	
Net current liabilities			(846,823)		(5,392,828)
Total assets less current liabilities			39,487,852		36,016,838
Creditors: amounts falling due after more than one year	15		(25,317,905)		(21,846,326)
Provisions	17		(259,000)		(409,000)
Net assets			13,910,947		13,761,512
Capital and reserves					
Called up share capital	18		9		10
Revenue reserve	19		13,910,938		13,761,502
			13,910,947		13,761,512

The financial statements were approved by the Board and authorised for issue on 24th July 2025.

On behalf of the Board

Marie Li Mow Ching
Marie Li Mow Ching (Jul 24, 2025 18:05:51 GMT+1)

Chris Starke (Jul 24, 2025 21:04:03 GMT+1)

Bukky McGlynn (Jul 24, 2025 21:11:45 GMT+1)

Marie Li Mow Ching
Chair

Chris Starke
Board Member

Omobukunla McGlynn
Chief Executive
and Company Secretary

The notes on pages 20 to 39 form an integral part of these financial statements.

Statement of Cash Flows
for the year ended 31 March 2025

	Notes	2025	2024
		£	£
Net cash generated from operating activities	**20**	1,697,147	1,335,244
Cash flow from investing activities			
Proceeds from disposals of investment properties		554,169	-
Proceeds from disposals of housing properties		560,288	
Interest received		10,501	8,742
Additions to housing properties		(703,096)	(528,024)
Additions to investment properties		(18,731)	-
Additions to other property, plant and equipment		(34,983)	(10,158)
Net cash generated from/(used in) investing activities		368,148	(529,440)
Cash flow from financing activities			
Repayments of borrowings		(591,794)	(546,630)
Loans drawn down		-	500,000
Interest paid		(871,375)	(964,299)
Grant repaid		(448,000)	-
Net cash used in from financing activities		(1,911,169)	(1,010,929)
Net increase/(decrease) in cash and cash equivalents		**154,126**	**(205,125)**
Cash and cash equivalents at beginning of the year		688,986	894,111
Cash and cash equivalents at end of year		**843,112**	**688,986**

The notes on pages 20 to 39 form an integral part of these financial statements.

Notes to the Financial Statements
for the Year Ended 31 March 2025

1. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 (No: 16849R) and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing (No: LH0870). The principal activity of the Association is the provision and management of social rented homes.

The registered office is 14 London Road, Northfleet, Kent DA11 9JQ.

2. Accounting policies

2.1. Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties in accordance with the Association's accounting policies and in accordance with applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard 102 ("FRS 102"), the Statement of Recommended Practice for Registered Social Housing Providers ("the Housing SORP 2018") and the Accounting Direction for Private Registered Providers of Social Housing 2022 ("the Direction").

In accordance with FRS 102 (3.3A), the Association is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements are presented in Sterling (£) except where specifically stated otherwise.

2.2. Going concern

The Association has net current liabilities of £847k (2024-£5,393k). The Association regularly reviews the cash flow in its thirty year business plan, which shows it is able to service its debt facilities whilst complying with lenders covenants.

Long-term business modelling has been ongoing throughout the year. A base case scenario was developed and did not identify any threats to loan covenants or cash flow. Previous modelling of potential cash impacts due to the increase in cost of living showed that these impacts do not threaten the organisation's viability, and performance to date does not suggest that these risks may materialise. Existing cash reserves have effectively covered any potential impacts, and the organisation remains secure, even before considering the rescheduling of capital and improvement works.

The Board has a reasonable expectation that the Association has sufficient resources to continue operating for at least 12 months from the date of approval of the accounts.

Therefore, the Board continues to prepare the financial statements on a going concern basis.

2.3. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions regarding the recorded values of assets and liabilities at the Statement of Financial Position date and the amounts reported for revenues and expenditure during the year.

2.3. Judgements and key sources of estimation uncertainty (continued)

- **Categorisation of housing properties as investment properties or property, plant and equipment**

Classes of properties within the category of housing properties that are held to earn commercial rentals or for capital appreciation or both are accounted for as investment properties. Properties rented to provide social housing and properties used for the production or supply of goods and services or for administrative purposes are classified as property, plant and equipment.

- **Impairment of housing properties**

Impairment reviews are carried out where there has been a trigger event, including any known threats to the financial viability of the asset. Whether or not there is a trigger (“indicator of trigger”) is a matter of judgement. Impairment is recognised when the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. The Association’s policy is to use the property scheme level as the base for the cash generating unit. During 2023-24 we identified an impairment charge of £700k to one of our development sites (Lower Range Road), due to a reduction in the sale value. No such triggers were identified during 2024-25.

- **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Multi-employer pension obligation**

Various estimates are used in the calculation of the defined pension liability, such as discount rate, inflation, salary growth and mortality rates. The Pensions Trust provided base assumptions which the Association can flex to reflect more accurately the particular circumstances of the organisation. In determining the appropriate discount rate, consideration is made of the interest rates of corporate bonds with at least an AA rating. Inflation is set by considering market expectations, salary growth is set by aligning with the Association’s business plan and mortality rates have been adjusted to allow for any expectation of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. The value of the provision is highly sensitive to relatively small changes in assumptions. A provision of £259,000 is recorded in the Statement of Financial Position as at 31 March 2025 (2024: £409,000).

- **Investment property**

Investment properties are stated at fair value, at amounts disclosed in Note 12. The assumptions on which the valuations have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, the structural conditions of the properties, prevailing market yields and comparable market transactions. However, the valuation of the Association's properties are inherently subjective, as it is made on the basis of assumptions which may not prove to be accurate.

- **Property, plant and equipment**

In line with SORP 2018, component accounting policies are applied to the capitalisation and depreciation of assets. The individual components of each property are depreciated over their expected useful life. On new build developments, the value of components is assigned using land purchase costs and the contractor’s detailed costing schedule. For off the shelf purchases, appropriate percentages are applied to each component using data from similar new build development schemes. The actual lives are assessed on an annual basis and may vary depending on a number of factors such as property life cycle and their component replacement programmes. As at 31 March 2025 the carrying value of property, plant and equipment was £31,764,406 (2024: £32,283,128).

2.4. Turnover

Turnover is measured at the fair value of the consideration received or receivable and principally represents rental and service charge income receivable in the year net of rent and service charge losses from voids together with amortised social housing grant and management fees from property management contracts with local charities.

Turnover is recognised as follows:

- **Rental and service charge income**

Income from rent and service charges is recognised in the period to which it relates net of any voids. Where there are new developments, income and any voids recognition starts from the practical completion date. Where sites are being redeveloped, income and any voids are recognised up until the contract start date.

- **Capital grants**

Capital grants received are initially deferred and then credited to turnover in the Statement of Comprehensive Income on a straight line basis over the expected life of the asset which they have funded.

- **Other grants and donations**

Grants and donations that relate to revenue are recognised in the Statement of Comprehensive Income in accordance with the period to which the grant relates. Where the grant requires future performance conditions to be met, the grant is not recognised until these have been satisfied. Any grant received before these conditions are met is held as a liability in the Statement of Financial Position.

- **Management fees**

Income from management fees is recognised in the period to which it relates.

2.5. Interest payable

Interest on loans specifically financing development is capitalised on a weighted average cost basis for the period from start of works up to the date of practical completion or acquisition of legal title, whichever is later. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was required.

2.6. Property, Plant and Equipment

Housing properties and depreciation

Housing properties are properties held for the provision of social housing and are recorded at cost less depreciation less any applicable impairment. The cost of the property is recorded as the initial cost of acquiring the land and buildings together with those costs that are directly attributable to acquisition and development, including any interest cost up to the date of completion.

Housing properties in the course of construction are stated at cost plus capitalised interest and are not depreciated until they are reclassified as housing properties on practical completion of construction.

Freehold and leasehold housing properties are depreciated by component on a straight line basis over the estimated lives of component categories, in accordance with the principles of component accounting in SORP 2018. Where a component is replaced before the end of its useful life, any remaining depreciation charges are accelerated into the year of disposal. Useful estimated lives for identified components are as follows:

Notes to the Financial Statements
for the Year Ended 31 March 2025

2.6. Property, Plant and Equipment – (continued)

Freehold land	- not depreciated
Structure	- remaining estimated life of the property not exceeding 100 years from date of construction
Short leasehold structure	- over life of lease or estimated useful life if less
Roofs	- 40 to 80 years
Windows	- 40 years
Electrical systems	- 40 years
Bathrooms	- 30 years
Doors	- 20 years
Lifts	- 20 years
Kitchens	- 20 years
Heating systems	- 15 years

2.7. Works to existing housing properties

Expenditure on existing housing properties is capitalised when this represents a component replacement or when a new component is created. All other expenditure in respect of general repairs to the housing stock is charged to the Statement of Comprehensive Income as it is incurred. The cost of replacing a part of an item of property plant and equipment is also capitalised if the replacement is expected to provide incremental future benefits to the Association. The carrying amounts of the replaced parts is derecognised.

2.8. Impairment of housing properties

Housing properties are assessed at each Statement of Financial Position date to determine if there are any indicators of impairment. If there are such indicators of impairment, then an exercise is undertaken to compare the properties' carrying value to their recoverable amount. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately. For impairment purposes, properties are appraised on either an individual basis, or where they are part of a collective development such as a block of flats, on a scheme by scheme basis.

2.9. Investment property

Investment property is measured at cost on initial recognition, including purchase cost and any directly attributable expenditure, then at fair value at each Statement of Financial Position date. Fair value is calculated using a combination of local house price inflation indicators, local market sales data and valuations generated by external valuers.

2.10. Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis, and the asset lifetimes are as follows:

Freehold office land	- not depreciated
Freehold office structure	- 100 years
Freehold office roof	- 80 years
Freehold office windows	- 40 years
Freehold office electrical systems	- 40 years
Freehold office bathrooms	- 30 years
Freehold office doors	- 20 years
Freehold office kitchens	- 20 years
Freehold office heating systems	- 15 years
Plant and equipment	- 5 to 10 years
IT hardware	- 4 years
IT software	- 4 years

Notes to the Financial Statements
for the Year Ended 31 March 2025

2.11. Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in turnover over the estimated useful life of the housing property structure, under the accrual model.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current liabilities.

2.12. Leases

Leases are classified as finance leases where the terms of the leases transfer substantially all the risks and the rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

Assets held under finance leases are measured initially at the fair value of the leased asset and the corresponding lease liability. Assets held under finance leases are included in property, plant and equipment and depreciated in the same way as owned assets.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

The aggregate benefits of any lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Any incentives offered in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2.13. Pensions

The Association participates in the Social Housing Pension Scheme ("SHPS"). SHPS is a multi-employer defined benefit (career average revalued earnings) contributory pension scheme administered independently.

In the Statement of Financial Position, the assets of the scheme are measured at fair value and the liabilities are measured on an actuarial basis, discounted at a rate equivalent to yields on "high quality" corporate bonds of appropriate duration and currency, or a suitable proxy. The resulting net asset or liability is then presented separately on the face of the Statement of Financial Position as a provision. Current service costs and net financial returns are included in the Statement of Comprehensive Income in the period to which they relate. Any actuarial gains or losses for the year are taken to the Statement of Comprehensive Income as other comprehensive income.

2.14. Provision for liabilities

The Association recognises a provision where a past event has given rise to a present obligation and where a reliable estimate can be made of the value of the provision.

The recorded amount of the liability is the best estimate of the sum required to settle the present obligation at the date of the Statement of Financial Position.

2.15. Cash and cash equivalents

This includes all forms of cash and includes cash in hand, deposits repayable on demand, overdraft repayable on demand and short term held with various banks, which can be withdrawn without disrupting the business and are readily convertible to a known amount of cash at the year end at or close to the carrying values. These cash balances are used in our cash flow statements and future cash projections.

2.16. Financial instruments

Financial assets and liabilities comprise of trade and other debtors, cash and cash equivalents, trade and other payables, accruals and loan balances.

Financial assets and financial liabilities are recognised when the Association becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Association intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Other financial instruments and investments in equity instruments are recognised at fair value with any gains or losses being reported in surplus or deficit.

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled;
- the Association transfers to another party substantially all the risk and rewards of ownership of the financial asset; or
- the Association, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Association will not be able to collect all amounts due.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. Where the debt is not at a market rate, initial measurement will be the present value of cash flows, discounted at a market rate for a similar debt instrument, net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Notes to the Financial Statements
for the Year Ended 31 March 2025

2.16. Financial instruments (continued)

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.17. Property managed by agents

Where the Association carries the financial risk on property managed by its agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

2.18. VAT

The Association is not registered for VAT and VAT billed to the organisation is accounted for as a cost to the organisation within the respective expenditure heading.

2.19. Taxation

The Association has charitable status and therefore is not subject to corporation tax on surpluses derived from charitable activities, provided that the surpluses are applied to the charitable objects of the Association.

3. Social Housing Income and Expenditure

	2025	2024
	£	£
Rents receivable net of rent loss from voids	3,723,876	3,463,682
Service charge income	267,106	255,096
Revenue, capital grants, contract, and other income	169,955	169,955
Total income from social housing activities	4,160,937	3,888,733
Social housing activities expenditure	(3,501,645)	(3,303,569)
Operating surplus from social housing activities	659,292	585,164
Rent losses from voids	16,859	23,540

4. Operating surplus

	2025 £	2024 £
The operating surplus is stated after charging:		
Depreciation and other amounts written off		
Property, plant and equipment	694,024	705,570
Auditors' remuneration:		
For audit services- current year (net of VAT)	46,799	39,638
Impairment of housing property	-	700,000
Deficit on disposal of investment properties	23,320	-
Operating lease rentals		
Office equipment	2,949	2,309
Vehicle lease	10,096	6,142
Premises	1,200	1,200

5. Interest receivable and similar income

	2025 £	2024 £
Bank interest	10,501	8,742
	10,501	8,742

6. Interest payable and financing costs

	2025 £	2024 £
Included in this category is the following:		
Interest on loans repayable	894,671	987,595
Remeasurement of loan balance	(23,296)	(23,296)
Defined benefit pension – net interest expense	17,000	15,000
	888,375	979,299

Notes to the Financial Statements
for the Year Ended 31 March 2025

7. Employee information

Number of employees	**2025**	**2024**
	No.	**No.**
The average number of persons employed during the year expressed in full time equivalent (including the Chief Executive) was:		
Staff	16	14

Employment costs	**2025**	**2024**
	£	**£**
Wages and salaries	672,521	606,329
Social security costs	68,289	61,285
Other pension costs	75,694	71,628
	816,504	739,242

Higher paid staff (including key management personnel)

	2025	**2024**
Staff members paid between £70,000 and £80,000	-	2
Staff members paid between £80,000 and £90,000	2	-
Staff members paid between £90,000 and £100,000	1	1
	3	3

8. Senior management team emoluments

The remuneration paid to the senior management team of the Association was:	**2025**	**2024**
	£	**£**
Emoluments	262,279	247,449
Pension contributions	30,958	29,484
Social security costs	32,429	30,382
	325,666	307,315

The emoluments paid to the highest paid member of the senior management team:	**2025**	**2024**
	£	**£**
*Chief Executive	98,490	92,983

The Chief Executive is an ordinary member of the defined benefit scheme and there are no enhanced or special terms. There are no additional pension arrangements. The aggregate contribution made by GCHA was £11,642 (2024: £11,088 in addition to the personal contributions of the Chief Executive.

As well as the Chief Executive's pay as aforementioned a total of £24,846 (2024: £29,394) remuneration was paid to Board members during the year.

Expenses totalling £765 (2024: £510) were reimbursed to board members during the year.

9. Taxation

No taxation is payable by the Association since it has charitable status and its charitable activities are exempt from tax.

Notes to the Financial Statements
for the Year Ended 31 March 2025

10. Housing properties

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost			
At 1 April 2024	40,424,517	1,278,097	41,702,614
Additions:			
Capital additions	701,024	2,072	703,096
Disposals	(127,597)	(1,262,777)	(1,390,374)
At 31 March 2025	40,997,944	17,392	41,015,336
Depreciation and impairment			
At 1 April 2024	9,234,229	700,000	9,934,229
Charge for year (including accelerated depreciation on replaced components)	649,612	-	649,612
On disposals	(127,597)	(700,000)	(827,597)
At 31 March 2025	9,756,244	-	9,756,244
Net book value			
At 31 March 2025	31,241,700	17,392	31,259,092
At 31 March 2024	31,190,288	578,097	31,768,385

Tenure status	**2025**	**2024**
Freehold	30,893,908	31,405,734
Short leasehold	297,965	308,246
Long leasehold	67,219	54,405
Total	31,259,092	31,768,385

Works to existing properties

The cost of building components replacements within the year amounted to £701,024 (2024: £405,787).
The value of planned improvement works to existing properties, expensed to the Statement of Comprehensive Income, amounted to Nil (2024: Nil)

Notes to the Financial Statements
for the Year Ended 31 March 2025

11. Other property, plant and equipment

	Freehold office	Plant and equipment	IT Hardware / Software	Total
	£	£	£	£
Cost				
At 1 April 2024	489,119	104,194	309,704	903,017
Additions	-	-	34,983	34,983
At 31 March 2025	489,119	104,194	344,687	938,000
Depreciation				
At 1 April 2024	69,200	87,652	231,422	388,274
Charge for the year	10,148	7,630	26,634	44,412
At 31 March 2025	79,348	95,282	258,056	432,686
Net book value				
At 31 March 2025	409,771	8,912	86,631	505,314
At 31 March 2024	419,919	16,542	78,282	514,743

12. Investment properties

	Housing properties	Office building	Total
	£	£	£
Value			
At 1 April 2024	8,751,538	375,000	9,126,538
Additions	18,731	-	18,731
Disposals	(575,000)	-	(575,000)
At 31 March 2025	8,195,269	375,000	8,570,269
Historic cost	6,576,124	268,309	6,844,433

Our investment portfolio consists of 35 market rent properties. These properties are professionally valued on a regular basis to ensure fair value measurement in accordance with applicable accounting standards.

Between professional valuations, we utilise the Rightmove–Savills professional valuation model to monitor and assess the fair value of investment properties. Adjustments to carrying values are only made if the model indicates a change exceeding 5% from the last recorded valuation.

The last professional valuation had been conducted in the 2021/2022 financial year. The next scheduled professional valuation is planned for the 2025/26 financial year.

Notes to the Financial Statements
for the Year Ended 31 March 2025

13. Debtors

	2025	2024
	£	£
Rental debtors	77,898	102,080
Other debtors	50,244	65,532
Prepayments and accrued income	39,675	20,676
	167,817	188,288

Rental debtors are stated after providing a bad debt provision of £28,311 (2024: £79,463). The gross amount of rental debtors before bad debt provision is amounted to £106,209 (2024: £181,543).

14. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	297,648	5,823
Rent in advance	152,966	164,969
Other taxes and social security costs	17,960	17,240
Other creditors	76,329	74,560
Accruals and deferred income	511,589	524,923
Housing loans (note 15)	631,305	4,864,632
Government grants – deferred capital grant (note 16)	169,955	169,955
Grant received in advance (note 16)	-	448,000
	1,857,752	6,270,102

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

	2025	2024
	£	£
Housing loans	14,480,905	10,839,371
Government grants – deferred capital grant (note 16)	10,837,000	11,006,955
	25,317,905	21,846,326

Loans

	2025	2024
Repayable in one year or less (note 14)	631,305	4,864,632
Repayable between one and two years	613,838	608,444
Repayable between two and five years	6,091,723	1,825,520
Repayable in five years or more	7,775,344	8,405,407
	15,112,210	15,704,003

The nominal value of loans as at 31 March 2025 was £14,949,142 (2024: £15,527,200).
Actual interest rates on borrowings vary between 3.35% and 10.63%.

Housing loans

Housing loans from private and public sources are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments partly due in five years or more.

Notes to the Financial Statements
for the Year Ended 31 March 2025

16. Social Housing Grant

Social Housing Grant	**£**
At 1 April 2024	16,370,369
Grant repaid	(448,000)
At 31 March 2025	15,922,369
Amortised Social Housing Grant	
At 1 April 2024	(4,745,459)
Amortisation charge for the year	(169,955)
As 31 March 2025	(4,915,414)
Net Book Value	
At 31 March 2025	11,006,955
At 31 March 2024	11,624,910

The social housing grant of £448,000 received for Lower Range Road has been repaid to Homes England in FY24/25.

17. Pension arrangements

The Association operates a defined benefit scheme.

The UK defined benefit scheme the Association participates in is the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

Please refer to Note 27 for details on the contingent liability.

Notes to the Financial Statements
for the Year Ended 31 March 2025

17.Pension arrangements (continued)

Statement of Financial Position	**2025**	**2024**
	£	**£**
Fair value of Plan assets	1,724,000	1,794,000
Present value of funded retirement benefit obligations	(1,983,000)	(2,203,000)
Deficit in Plan	(259,000)	(409,000)

Reconciliation of movements on the fair value of plan assets	**2025**	**2024**
	£	**£**
Fair value of the Plan assets at the start of the period	1,794,000	1,861,000
Interest income	89,000	91,000
Experience loss on Plan assets	(187,000)	(208,000)
Contributions by the employer	115,000	109,000
Contributions by members	-	-
Benefits paid and expenses	(87,000)	(59,000)
Fair value of Plan assets at the end of the period	1,724,000	1,794,000

Reconciliation of movements on the defined benefit obligation	**2025**	**2024**
	£	**£**
Defined benefit obligation at the start of the period	(2,203,000)	(2,222,000)
Expenses	(5,000)	(5,000)
Interest cost	(106,000)	(106,000)
Actuarial gains due to scheme experience	(80,000)	13,000
Actuarial gains due to changes in demographic assumptions	-	25,000
Actuarial gains due to changes in financial assumptions	324,000	33,000
Benefits paid and expenses	87,000	59,000
Defined benefit obligation at the end of the period	(1,983,000)	(2,203,000)

Amounts recognised in the Statement of Comprehensive Income

	2025	**2024**
	£	**£**
Expenses paid	5,000	5,000
Net interest on defined benefit liability	17,000	15,000
Total expenses	22,000	20,000

Notes to the Financial Statements
for the Year Ended 31 March 2025

17.Pension arrangements (continued)

Amounts recognised in Other Comprehensive Income

	2025 £	2024 £
Experience gain/(loss) arising on the Plan assets	(187,000)	(208,000)
Experience gain/(loss) arising on the Plan liabilities gain	(80,000)	13,000
Effects of changes in the demographic assumptions underlying the present value of the Plan liabilities –gain	-	25,000
Effects of changes in assumptions underlying the present value of the Plan liabilities – gain	324,000	33,000
Actuarial surplus/(deficit) recognised	57,000	(137,000)

Principal actuarial assumptions at the financial position date:	**2025**	**2024**
Discount rate	5.90%	4.92%
Inflation (RPI)	3.06%	3.11%
Inflation (CPI)	2.80%	2.79%
Salary growth	3.80%	3.79%
Allowance of commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions applied at 31 March 2025 imply the following life expectancies

	Life expectancy at age 65 (years)		Life expectancy at age 65 (years)
Male retiring in 2025	20.5	in 2024	20.5
Female retiring in 2025	23.0	in 2024	23.0
Male retiring in 2045	21.7	in 2044	21.8
Female retiring in 2045	24.5	in 2044	24.4

17. Pension arrangements (continued)

Categories of plan assets are as follows:	2025 £'000s	2024 £'000s
Absolute Return	-	70
Alternative Risk Premia	-	57
Corporate Bond Fund	-	-
Credit Relative Value	-	59
Currency Hedging	3	(1)
Distressed Opportunities	-	63
Emerging Markets Debt	-	23
Cash	23	35
Credit	66	-
Global Equity	193	179
High Yield	-	-
Infrastructure	-	181
Insurance-Linked Securities	5	9
Investment Grade Credit	53	-
Liability Driven Investment	522	731
Liquid Alternatives	320	-
Liquid Credit	-	-
Long Lease Property	-	12
Net Current Assets	4	3
Opportunistic Credit	-	-
Opportunistic Illiquid Credit	-	70
Private Credit	211	-
Private Equity	2	1
Private Debt	-	71
Property	86	72
Real Assets	207	-
Risk Sharing	-	105
Secured Income	29	54
Total Assets	1,724	1,794

Notes to the Financial Statements
for the Year Ended 31 March 2025

18. Share capital – non equity

The shares have a denomination of £1 and limited rights. They carry no entitlement to dividend, they are not repayable and do not participate in a winding up. They carry an entitlement to vote at the Association's annual general meeting and special general meetings.

Called up share capital

Issued and fully paid – ordinary shares of £1 each	**2025** **£**	**2024** **£**
At 1 April 2024	10	10
Issued during the year	2	-
Cancelled during the year	(3)	-
At 31 March 2025	9	10

19. Revenue reserve

This reserve relates to the cumulative retained net surpluses.

20. Notes to the Statement of Cash Flows

	2025 **£**	**2024** **£**
Operating surplus	970,310	215,227
Depreciation	694,024	705,570
Loss on disposal of investment properties	23,320	-
Amortised government grants	(169,955)	(169,955)
Pension adjustment	(110,000)	(104,000)
Decrease in debtors	20,471	13,213
Increase/(decrease) in creditors	268,977	(24,811)
Impairment – housing properties	-	700,000
Net cash generated from operating activities	1,697,147	1,335,244

Notes to the Financial Statements
for the Year Ended 31 March 2025

21. Net debt reconciliation

	At 1 April 2024 £	Cash flows £	Other non-cash changes £	At 31 March 2025 £
Cash and cash equivalents				
Cash	678,986	154,126	-	833,112
Cash equivalents	10,000	-	-	10,000
	688,986	154,126	-	843,112
Borrowings				
Debt due within one year	(4,864,632)	591,794	3,641,533	(631,305)
Debt due after one year	(10,839,371)	-	(3,641,534)	(14,480,905)
	(15,704,003)	591,794	(1)	(15,112,210)
	(15,015,017)	745,920	(1)	(14,269,098)

22. Accommodation managed by agents

The Association owns property managed by other bodies, as follows:

	2025	**2024**
Clarion Housing Association Ltd	17	17
KASBAH	15	15

23. Housing Units owned and managed

Housing Units owned

	Social Housing				**Market Housing**	**Supporte d**	**Total**
	Fair	Social	Affordabl e	Discounted			
At 1 April 2024	**20**	**419**	**104**	**3**	**37**	**32**	**615**
Disposals	-	-	-	-	(2)	-	**(2)**
Changes in tenancy	(1)	1	-	-	-	-	-
At 31 March 2025	**19**	**420**	**104**	**3**	**35**	**32**	**613**

Notes to the Financial Statements
for the Year Ended 31 March 2025

24. Operating lease commitments

Operating leases have been taken out for our office vehicles, workshop, and photocopier.

Total commitment under non cancellable operating leases which expire:

	2025 £		
	Vehicles	Buildings	Total
Within one year	9,238	800	10,038
One to two years	9,238	-	9,238
Two to five years	21,555	-	21,555
Over five years	-	-	-
Total	40,031	800	40,831

	2024 £		
	Vehicles	Buildings	Total
Within one year	911	2,400	3,311
One to two years	-	800	800
Two to five years	-	-	-
Total	911	3,200	4,111

25. Amounts Receivable under Operating Lease

This relates to the letting out of our commercial building as an office.

Future minimum lease payments due under non cancellable operating leases for each of the following periods:

	2025 £	2024 £
Not later than one year	31,250	31,250
One to five years	18,229	49,479
Total	49,479	80,729

The office lease had an option to break on 31 October 2020. The lease ends on 31 October 2026.

26. Related party transactions

At the date of these financial statements there are no related party transactions that require disclosure, except for the key management personnel remuneration as disclosed in note 8.

27. Contingent Liability

In the prior year, we were notified by the Trustee of the Scheme that it had performed a review of the changes made to the Scheme's benefits over the years and the result was that there was uncertainty surrounding some of these changes. The Trustee was advised to seek clarification from the Court on these items so that it has the certainty it needs to properly administer the Scheme. The Court case is still ongoing, and the outcome is not expected until later on in 2025 at the earliest. It is recognised that this could potentially impact the value of the scheme liabilities, and the current best estimate of this impact to the Association is currently estimated at £110k though until the Court directions are received, this amount cannot be confirmed. No adjustment has been made in these financial statements in respect of this potential issue.

As part of preparing for the Court case, the Trustees have also been considering the outcome of the Court of Appeal judgment in Virgin Media vs NTL Pension Trustees II Limited and have added some questions to the Court documents to gain clarity on the points arising. This process is also on-going, and the matter is unlikely to be resolved for a number of months. It is recognised that this could also potentially impact the value of the Schemes liabilities, but until the clarification has been provided, it is not possible to calculate the impact of this issues, particularly on an individual employer basis with any accuracy at this time. Furthermore, the Government has indicated that retrospective legislation may be introduced to remove the potential for the above further liability to arise. No adjustment has been made in these financial statements in respect of this potential issue.