



Building homes, independence and aspirations

**Reports and Financial Statements
for the year ended 31 March 2025**

Contents

2 - 3	Chairman's Introduction
4 - 25	Strategic Report
26 - 31	Report of the Board
32 - 35	Alternative Performance Measures
36 - 42	Independent Auditor's Report to Home Group Limited
43 - 86	Financial Statements

Registered Office

Home Group Limited
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Co-operative and Community Benefit Society No: 22981R

Regulator of Social Housing Registered No: L3076

Chairman's Introduction

It is with great pleasure that I introduce the financial statements for the year ended 31 March 2025.

I am pleased to say we have built on the progress of the year before and significantly strengthened our position, ensuring we could continue to deliver for our customers and communities.

We all recognise the challenging years we have faced across our sector and society, and which we continue to navigate, but through clear direction we have maintained the organisation's ability to provide across all facets of our business.

Our approach as a business has been to think proactively and deliberately about how we can navigate the challenges we face and maintain a healthy financial position, as we have done, while continuing to deliver our full spectrum of services, from development through to supported housing.

This positive trajectory has allowed us to pull in the same direction as the Government, whose ambition around social housing and housebuilding we welcome.

Our surplus for reinvestment before tax for the year ended 31 March 2025 was £34.7 million. A significant increase of £11.5 million on the previous year, it reflects the growth we have seen across the business.

Last year, we housed over 125,000 people in our 57,000 homes across England and Scotland. This included accommodation-based support for over 14,000 customers with mental and physical health issues.

We operate across 196 local authority areas with 50% of stock within 12 local authorities, primarily affordable tenures.

We invested £156.6 million to deliver 1,437 homes across England and Scotland, with 766 of those being affordable housing. This is an increase in the overall number of homes delivered on the year previous.

This included delivering key affordable homes across England and Scotland, and in a range of house types and tenures to ensure that we best reflected the needs locally of the communities in which we were building.

It also involved us working closely with housebuilders to access and invest in Section 106 housing where it was to a high standard and in areas which suited our customers' needs.

At a time when some in the sector have shied away from this area of the market, we saw strong opportunity to instead be involved but earlier in the process, building strong working relationships with a number of traditional builders to give us a voice earlier in the planning process and guarantee better quality housing for our customers.

As well as new homes, we also retain a duty to invest in our existing customers' homes too. Last year, we invested £174.7 million in improving and maintaining our customers' homes, including both planned maintenance work and efforts to improve the energy efficiency of our existing housing stock.

This green investment forms part of our organisational strategy, which are underpinned by our net zero targets and align to the Government's net zero targets for 2050.

A big undertaking to support this over the past year has been improvements made to our data capturing and utilisation. We know that in order to achieve our ambitions we must be able to draw upon a comprehensive view of our asset portfolio in a singular system, and our team has made vast strides towards this.

When retrofitting our homes, improving the EPC ratings of our existing homes not only improves their overall energy efficiency and helps us to meet our own net zero targets, but it also supports our customers in reducing their energy costs.

This year, we delivered 17 homes at the highest EPC A rating across Cumbria and Northumberland. We intend to explore ways of delivering more homes of this highest energy efficiency standard and ensuring customers in social housing have equal access to this type of housing.

Building on from the success we had in Cumbria with our work under Wave 1 of the Social Housing Decarbonisation Fund (SHDF), we were also fully underway ensuring we met our benchmarks for completing work on 1,000 further homes under Wave 2 of SHDF.

In Scotland, we completed work on our first major retrofit project in Dundee, raising customers' homes from EPC D and C rating to a B rating through improvements to insulation, doors and windows, lofts and the installation of solar panels.

This retrofitting work is one key facet of our direction as an organisation and will continue into the upcoming financial year after we secured significant funding from the Government's Warm Homes fund, which we have then further matched with direct investment.

All of the work on our homes means little though if we don't also invest in supporting our customers and communities too. They remain at the forefront of the work we do, and our strategic planning as an organisation.

Introduced directly as a result of feedback from our customers, our regionalised approach was in full effect during this past year. Each of our regions has been led by a Regional Director who has been out talking with our customers and building their regional plans to directly address the needs of their local communities.

This has given us greater insight locally, but also a higher degree of accountability. It also gives us an opportunity to build the close regional connections needed for us to continue to deliver as an organisation, as the Government looks towards increased devolved powers.

Every decision we make which impacts our customers or communities we assess in line with our Customer Promise. We engage with close to 4,000 customers per year to gather their thoughts, views and ideas.

As well as feeding directly into our plans, we also encourage communication direct between our customers and provide them the opportunity to visit other services and estates of ours, to talk customer-to-customer about how they feel we are shaping up against our Customer Promise.

This commitment to accountability is also incorporated across our 14,000 supported customers too, as we believe every one customer should have a voice in the support and service they receive from us.

Our financial inclusion team continues to support customers who are finding life difficult financially, or feel they need more information to make informed choices about their finances. Their efforts over the last year have benefitted customers by £6.5 million in additional income.

This past year has also seen opportunities for us to work closely with partners to make a positive change within our wider communities. In Cumbria, we have been a key partner redesigning the approach to community mental health support alongside the local NHS trust and key third sector partners.

Efforts like these strengthen our position as a full spectrum provider, ensuring that even as we navigate exacting times it is never at the cost of our customers or our communities.

We have undertaken significant work to streamline and improve our complaints processes, as well as making improvements to how we handle anti-social behaviour, including a dedicated expert team within our customer service centre and lengthy work undertaken directly out on our estates.

I am pleased to say that, although there will always be further progress to make, thanks to the efforts of Home Group colleagues we have made a lot of progress this past year and find the organisation in a strong position.



John Cridland, CBE
Chairman
Home Group



Strategic Report

Board

John Cridland, CBE (Home Group Chairman)

Rhona Bradley (until 16 September 2024, Clinical Governance Committee Chair until that point)

Linda Cullen (Health and Safety Governance Committee Chair)

Duncan Cumberland

Susan Deacon, CBE (Home Scotland Chair)

Ken Gillespie (Development Committee Chair)

Mark Henderson

Zoe Hingston

Lara Joice (Audit Committee Chair)

Helen Meehan

Indra Mudie (until 30 May 2025)

Chris Vallis (Senior Independent Member, and Governance Committee Chair)

Brian Walsh (appointed as Chair to the Clinical Governance Committee on 17 September 2024)

Executive (key management personnel)

Mark Henderson
Chief Executive

Rachael Byrne
Executive Director – Models of Care (until 30 June 2024)

Helen Meehan
Chief Financial Officer

Will Gardner
Executive Director – Development and Investment

Nusheen Hussain
Executive Director – Customer and Communities

Paul Walker
Executive Director – Maintenance

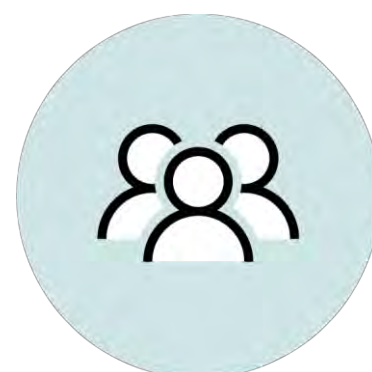
Kate Still
Chief Commercial Officer (from 5 September 2024 until 31 January 2025)

Advisors

Bankers:
Barclays Bank plc
7th Floor, Bank House
East Pilgrim Street
Newcastle upon Tyne
NE1 6QE

Independent Auditor:
Deloitte LLP
One Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Solicitors:
Devonshires Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT



Strategy

Overview of Home Group

Home Group, a social enterprise and a charity with a turnover in excess of £500 million, is one of the UK's largest providers of high quality housing and supported housing services and products.

Founded in the North East by an Act of Parliament in the 1930s, for over 90 years we have been working with trusted partners and our customers to make a real difference to the lives of individuals and communities across the UK.

The principal activities of Home Group are:

- The provision of affordable rented accommodation – we currently house over 125,000 people across 57,000 properties. These are a variety of tenures,

including social, affordable, shared ownership and supported homes.

- The design, development and delivery of integrated health and care services – for our customers who need more than just a home, we support their specific needs. We worked with over 14,000 vulnerable people last year in our supported housing and health services.
- The development of new homes – in addition to developing new build properties for social and affordable rent, and affordable home ownership, we also develop homes for sale on the open market. Profits from our open market sales activity are reinvested into the business.

Building homes, independence and aspirations

Since the inception of our strategy in 2022, we have made significant strides in achieving our goals and targets. The progress to date highlights our commitment to our strategy and continues our mission of building homes, independence and aspirations. The strategic goals focus on customer outcomes rather than the pursuit of core targets. We do have clear objectives, results and key performance indicators, which ensure colleagues are accountable and commercial in line with our values.

We care about our customers, and we know it is important to feel safe and supported in good quality,

affordable homes. Getting the basics right and consistently delivering all aspects of our Customer Promise continues to be a key measure of our success, demonstrating respect and maintaining trust.

We're committed to further investment in data and technology solutions. The implementation of our new customer relationship management platform to increase our capability to respond to our customers' needs continues. Enhanced features will improve how we deal with routine transactions such as logging and tracking repairs, complaints and accessing information about their property.

Our strategic goals

Our strategy has four goals. They are:



Delivering for our customers and communities

Our priority in our homes and communities is getting the basics right in a consistent way – customers have told us this is a must do. This includes strengthening our approach to anti-social behaviour and ensuring customers feel safe.

Beyond this, we will work with customers and stakeholders to develop a new approach to collaboration and partnerships. We will create new opportunities to engage with more customers and enable them to have greater influence over their homes and communities.



Providing the right homes in the right places

We will provide safe, good quality and affordable homes in mixed tenure communities. We will further invest in geographical areas where we want to create a strong presence so that we can make a meaningful impact within those communities.

Existing and new homes will meet the Home Group Standard. We will invest in tried-and-tested technology when it comes to decarbonisation to support us in maximising sustainability, helping customers in fuel poverty and meeting net zero targets.

Strategy (continued)

Our strategic goals (continued)



Evolving our model of care and support

Supporting vulnerable people to achieve greater independent living is core to our mission. Our model of care and support comprises meeting specialised individual complex care needs through to providing supported care services in the community, working closely with partners and commissioners.

We will be proactive in designing and growing our care and support services in the areas of learning disabilities, mental health, move on and community health.

Underpinning all of this is enabling customers to live more independent lives in the long term.



Creating a vibrant, customer-focused organisation

As an organisation, we will invest in our colleagues through 'growing our own' to develop their skills, progression routes and to increase retention.

We will focus on upskilling customers and apprentices to create a diverse and vibrant workforce and generate positive social impact.

We will be an exemplar in equality, diversity and inclusion, building on the strong culture of the organisation and constantly assessing ourselves against best practice.

We will be a leading digital first (but not digital only) organisation, with strong data underpinning decisions.

Our strategic progress

We measure progress against these goals to ensure they are fully embedded and driving everything we do. The KPIs against which we measure performance for the strategic goals are discussed further in the Strategic Performance and Value for Money section of this report at page 19.

Delivering for our customers and communities

During 2024/25, we moved to a regionalised structure to better support the communities we serve. We have six regional areas supported by asset and maintenance teams directly aligned to that area. We also now have three Direct Labour Organisations (DLO) providing us with more flexibility and control over our maintenance operations, increasing customer satisfaction. Together, this helps us make better localised decisions on resource and investment, ultimately benefiting our customers.

We are working in partnership with customers to embed new regulations in a meaningful way, particularly the Consumer Standards and the Tenant Satisfaction Measures (TSMs), where further insight will influence our approach to service delivery by identifying opportunities for continuous improvement. Our overall TSM satisfaction score has increased by 1.3% to 68.2% in the 12 months since its introduction.

We work closely with our customers to ensure their voices are heard at all levels throughout the organisation. Two of our Board members are customers. We undertake qualitative assessments of how we are delivering the customer promise across our communities and neighbourhoods. Customers are involved in recruitment and scrutinizing our responses to complaints. Our overall performance is regularly challenged by our Customer Forum, which provides feedback directly to our Board.

Providing the right homes in the right place

Since the launch of our strategy, we have developed 3,819 new homes, of which 2,367 have been social and affordable tenure. Our focus is on our target footprint, and we have geographically exited various locations and local authority areas where we had low stock levels.

Our commitment to sustainability continues. We have been successful in the Social Housing Decarbonisation Fund (SHDF) across its various waves and utilising £18.4 million funding and £59.7 million of our own money, we are on course to upgrade 1,942 homes to EPC C or above. 73% of our homes are now EPC C and above.

Evolving our model of care and support

We continue to grow our regulated care and supported businesses, whilst achieving an improving margin. We have been selective about opportunities to grow as the market has become financially strained. Long-anticipated reforms have been pushed back and the Casey Commission, launched in January 2025 to address the challenges in the UK's social care system, will not make its final recommendations until 2028.

Creating a vibrant, customer-focused organisation

Our approach to recruitment and retention is key, and our 'grow our own' programme has had continued success at all levels of the organisation, with 38% of job offers going to our own colleagues. We have invested in apprenticeships, many of them customers, ensuring our workforce truly reflects the communities we serve.

We have built on the success of achieving the 'National Equality Standard' (exemplar in Equity, Diversity, Inclusion and Belonging (EDI&B)) and we are proud to have hit or surpassed our multicultural and LGB+ targets, but we know there's more to do on disability representation. Within our annual Great Place To Work Survey, 80% of colleagues continue to say Home Group is a great place to work, landing us a Top 10 spot nationally in the super employer category.

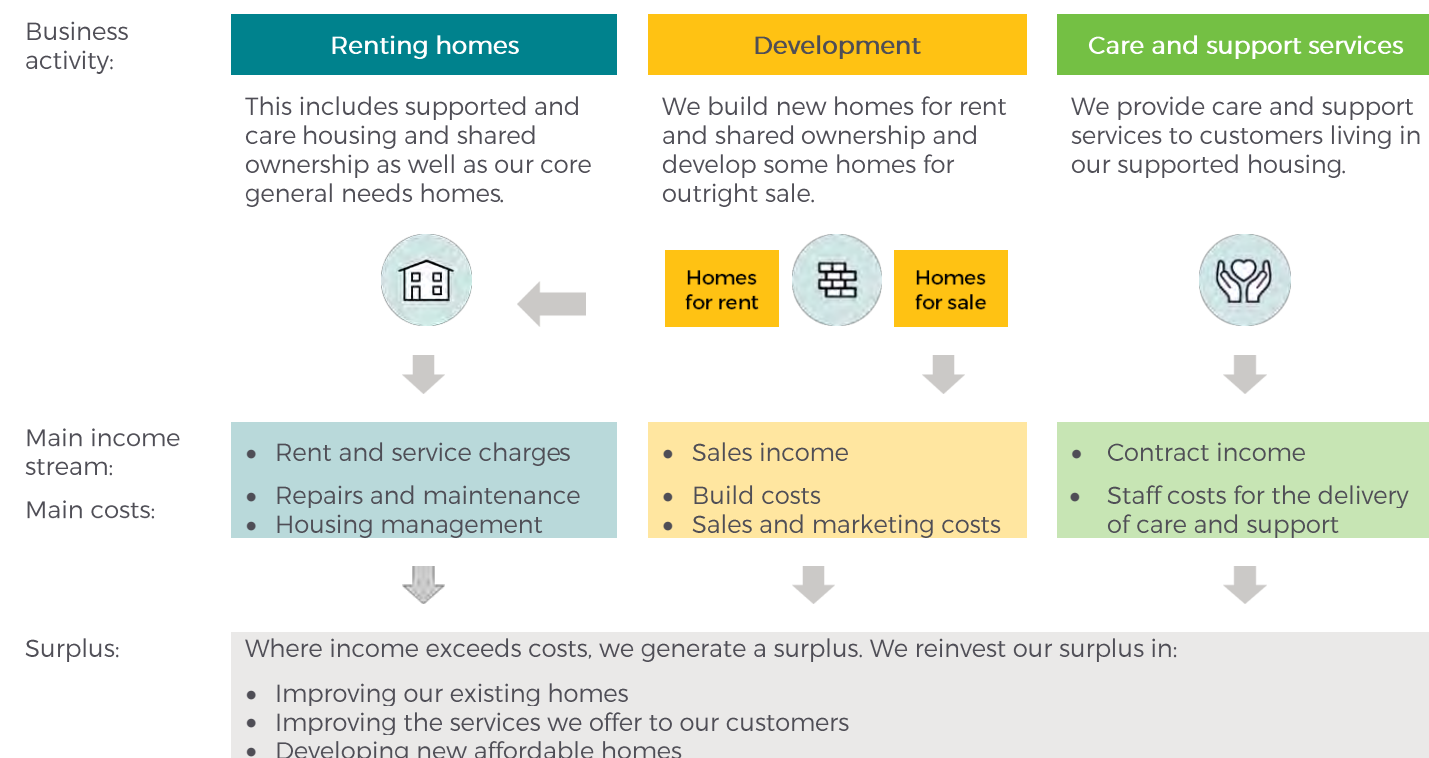
Business model and structure

Business model

Home Group is not-for-profit and any surplus is reinvested back into the business. Underlying our strategy is the need to ensure we remain financially viable and are able to continue to invest in both our existing homes and in developing new build homes. For this reason, we seek to achieve annual surpluses that allow us to fulfil our programme of investments whilst achieving value for money for our customers.

Value is generated through the business streams below, and through the following key resources and relationships.

- The homes we own
- Our colleagues and customers
- Our suppliers and contractors
- Our partners and commissioners



As well as our own reserves built through surpluses described above, the business is funded through external borrowings and government grant:

- We are a strategic development partner with Homes England, the Greater London Authority and the Scottish government, all of which provide grant funding to help us build affordable homes.
- We also fund our development through long-term borrowings, either through bank loans or the issue of corporate bonds.

For management purposes, we operate a matrix structure, with the business organised into four functional business units, across six regional areas:

Functional business area	Activity
Customer and Communities	The delivery of services to our rented and supported customers
Maintenance and Building Safety	Delivery of repairs and maintenance services
Development and Asset	Design and delivery of our new build homes, regeneration and strategic asset management
Care	Design and development of our integrated support services, and delivery of complex care

Business model and structure (continued)

These business units and regions are supported by our central support functions team which provides assurance, compliance and risk, facilities, communications, marketing, strategy, finance and procurement, human resources,

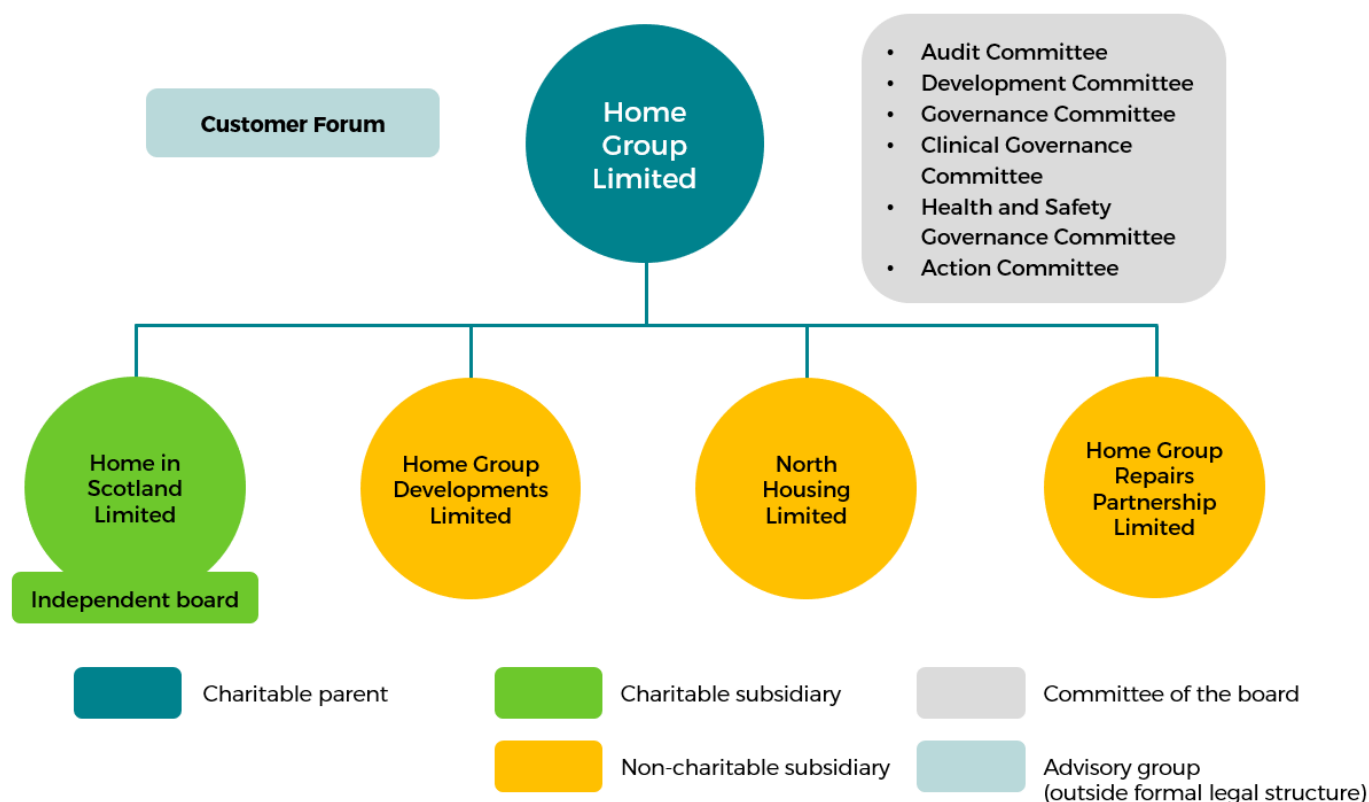
Group structure

Home Group Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014, is the parent organisation in the group. Home Group Limited is registered with the Financial Conduct Authority (FCA) as a registered society and with the Regulator of Social Housing (RSH) as a Registered Provider and has charitable status.

Home Group Limited (HGL) has four trading subsidiaries:

- Home in Scotland Limited (Home Scotland), a charitable registered housing association registered with the Scottish Housing Regulator as a Registered Social Landlord, undertaking Home Group's business in Scotland.
- Home Group Developments Limited (HGD), a private non-charitable company which undertakes new build construction of affordable housing and homes for sale on the open market.
- North Housing Limited (NHL), a private, non-charitable company which acts as a vehicle to facilitate joint venture activity across the Group. Joint venture partnerships are formed primarily to develop residential property.
- Home Group Repairs Partnership Limited (HGRP), a private non-charitable company which provided repairs and maintenance services to HGL, until 8 November 2024 when the trade and activities transferred to HGL. HGRP remains trading due to the interest it receives on its investments.

Profits arising in the group's non-charitable subsidiaries are distributed to the parent company where possible, for reinvestment in the group's social purpose.



The group also has interests in joint ventures and associates, details of which are set out in Note 14 to the financial statements.

Within the main financial statements, the consolidated financial position is referred to as the 'Group', and the parent entity financial position is referred to as the 'Association'. References to 'Home Group' are to the group as a whole.

Business environment

The current operating environment

Following a challenging couple of years, the external business environment has stabilised in the UK but is still subject to uncertainties in the global economy.

Labour supply challenges have continued, making recruitment difficult, particularly in our supported and care businesses. We have, and will continue, to see employment costs continue to increase due to changes in NI contributions and as we continue to commit to providing the Real Living Wage to all colleagues.

The economic environment has also affected the property market, and although we saw little impact on shared ownership sales, there has been lower demand for outright sale homes meaning some of our joint ventures are underperforming against expectation.

Cost of living continues to impact our customers, so we provide a wide range of financial and non-financial support, particularly through our financial inclusion team.

As we enter a new financial year, we continue to monitor the economic environment closely and we respond to these factors by reviewing our business plan and making changes to mitigate risk.

The factors discussed above are reflected in our financial modelling and stress testing, discussed further in our going concern assessment on pages 47-48.

Principal risks and uncertainties

Risk events with the potential to disrupt our key objectives are reviewed on a continuing basis throughout the year by the Board, the Executive team and senior management. The Group takes a balanced approach to risk and opportunities. We are risk averse in relation to compliance with laws and regulations and have in place robust measures to prevent any non-compliance. We take a considered view of risk in pursuit of our strategic goals to grow our complex care business and our development programme.

All risks are identified, evaluated, monitored and reported in line with our Risk Management Framework which is approved by the Board. Strategic and operational risks presenting the greatest threat or opportunity to Home Group are reported to each Audit Committee and twice annually to the Board. The risk updates include an assessment of the impact of uncertainty, details of the controls in place and any future plans to help bring the risk within appetite.

We score risks as low, medium, high or critical based on the likelihood of them materialising and the impact if they did. We take measurements both without mitigation (the uncontrolled or inherent risk score) and taking into account the controls we have in place (the controlled or residual risk score). We also capture a

target risk score which reflects projected exposure once all outstanding actions have been completed for comparison against appetite

Risk Scoring Matrix

		5	M	H	H	C	C	
		4	M	M	H	C	C	
		3	L	M	M	H	C	
		2	L	L	M	H	H	
		1	L	L	L	M	H	
			1	2	3	4	5	
			Impact					
Likelihood								

Key:
L=Low
M=Medium
H=High
C=Critical

Management and the Board also review the cumulative effect of all risks and evaluate the combined impact these could have should they occur at the same time.

Below is a summary of our current strategic risks including the controlled scores which are all significantly reduced from their inherent states:

Business environment (continued)

Risk description	How we manage and mitigate the risk	Controlled risk score
We do not comply with clear statutory legislation and regulation which Home Group, and all those employed by it, must comply with in respect of the health and safety.	We take the health, safety and wellbeing of everyone interacting with Home Group very seriously. Compliance with the relevant policies, procedures and plans in each area of the business is mandatory and they are regularly reviewed/updated. Our Health and Safety Governance Committee scrutinise policy and practice across the organisation and regularly analyse incidents to identify opportunities for improvement.	 High
Changes in government policy restrict our ability to achieve our strategy.	We have dedicated resource with their finger on the pulses of both Westminster and Holyrood, identifying any possible tactical or strategic changes and analysing how they might impact us so that we're in the best position to respond accordingly. We also frequently participate in consultations on proposed legislation/regulation to ensure the impact on our colleagues and customers, as well as the wider sector, is fully understood.	 High
Home Group do not attract, recruit, develop and retain the right or diverse enough skills and talent, in order to Grow our Own and develop a dynamic and ambitious skills base to enable delivery of the strategy.	Our employer of choice offer builds on our reputation as a Great Place to Work and targets social purpose in resourcing and attracting colleagues. We conduct regular salary benchmarking and have an enhanced wellbeing offer to support our colleagues which we continuously review to ensure we make Home Group a healthy place to work. Our continued focus on 'growing our own' talent includes identifying skill gaps and providing development opportunities for existing colleagues.	 High
There is a risk that a data breach occurs that could have an impact upon Home Group, whether the breach happens within Home Group or via suppliers, commissioners and/or partners.	We maintain ISO27001 accreditation and regularly review data management and security controls by subjecting our systems to penetration testing. There are robust contingency/recovery plans in place and in recognition that our colleagues are the first line of defence, we run regular awareness campaigns relating to cyber security. We have also established a 24-hour Security Operations Centre (SOC) to ensure we can react and respond to any incident immediately.	 Medium
The organisation is unable to deliver the quality of care required to achieve its strategic goal of "Evolving our model of care and support" for customers in our CQC registered services.	The wellbeing and satisfaction of our most vulnerable customers is paramount so we strive for the highest standards of care by employing competent and experienced practitioners. We have a comprehensive suite of policies and procedures in place to support them and our Clinical Governance Committee provides leadership oversight. We frequently and meticulously evaluate the quality of our services against regulations to provide assurance and identify areas for improvement.	 Medium
Financial position and liquidity insufficient to deliver our strategy.	Compliance with our golden rules is a key focus and we maintain significant levels of liquidity. Our leadership team remain focused on finances and strict adherence to our comprehensive suite of controls. This has once again resulted in us ending the year in a strong position, ahead of budget. Our acute awareness of the challenging financial environment prevents complacency, and we continue to forecast, stress test and review our business plan whilst remaining responsive to the impact of external factors outside of our control.	 Medium

Risk description	How we manage and mitigate the risk	Controlled risk score
We fail to comply with the Regulatory Frameworks relevant to our business in England/Scotland resulting in a fine and/or downgrade.	We have an established review schedule spanning the entire business across the first, second and third lines of assurance. We are also constantly scanning the horizon to identify any new regulations that apply to us as a result of changes from within or outside of the organisation. Boards and Committees are engaged in our compliance activities and regulators are able to observe the importance our organisation places on compliance.	M Medium

Business environment (continued)

The climate emergency and our environmental impact

Our customers, colleagues and partners care about our impact on the environment, and we're acutely aware of the need to reduce our carbon footprint. We are fully behind the UN's goal to stabilise the amount of human-induced greenhouse gases in the atmosphere and have committed significant investment within our 30 year financial plan to drive towards our sustainability goals.

Our existing homes

With 57,000 homes in hundreds of communities, we are focused on improving their energy efficiency. It is the right thing to do for the environment, and we hope it will also help to reduce the risk of fuel poverty for our customers. We have a clear plan for all existing homes to achieve an EPC rating of C by 2030 followed by EPC B by 2032 in Scotland, and a roadmap to meet the challenge of net zero by 2045 (Scotland) and 2050 (England).

As at 31 March 2025, the average energy efficiency rating (SAP) of our homes was 73.3 (2024: 71.8). During the year we carried out works to over 4,785 homes to improve their energy efficiency, however the impact of this work will not be reflected in higher SAP ratings until the properties undergo a full stock condition survey.

We continue to be successful in the various Social Housing Decarbonisation Fund (SHDF) waves.

- Wave 1 completed in 2023/24 which targeted our off-gas properties in Cumbria in a whole house retrofit project.
- Wave 2, commenced in January 2024, targets another 95 properties in Cumbria as a follow on from Wave 1, and a further 905 properties in the North East region delivering solar PV and other fabric upgrades to improve EPC ratings to grade C.
- Wave 3, from the Government's Warm Homes Fund, was awarded in March 2025 and together with our own investment targets improving the energy efficiency of 3,500 homes.

These programmes have resulted in reduced carbon emissions, improved insulation and ventilation, and reduced energy bills for the customers living there.

Our new homes

When we're building new homes and communities, we're building them so they are fit for the future. We're responding to the government's future homes standard, which means installing only renewable heating systems from 2025, assessing the use of heat networks for decarbonisation and using modern methods of construction, such as offsite construction.

When designing new developments, flood risk and overheating are also key components in our design. We want to implement the most effective flood resilient and overheating components and design standards. We can also maximise the benefits of these programmes such as designing sustainable urban drainage systems to provide other ecosystem services such as biodiversity net gain or sense of place for our customers.

During the year, we added 920 homes to our housing stock. The majority of these were new build homes, although we did acquire some properties and convert some existing properties. Of the 754 new build homes, 2.7% were built to an EPC A rating and 97.3% were built to an EPC B rating.

Our offices and operations

As well as future proofing our homes, we also want to ensure we're operating as sustainably as possible. We're looking at office energy and water use, emissions from our contractors and diverting waste from landfill to minimise our environmental impact.

Our head office in Newcastle has a Smartscore certification, an accreditation that recognises cutting edge technology and high standards of sustainability. It is also BREEAM rated excellent and has won several awards including Constructing Excellence's Building Project of the Year and Newcastle Lord Mayor's Design Award for the best New Building (Large).

Beyond our head office Home Group make a conscious effort to only lease serviced offices with clear environmental commitments to continue the sustainability focus of our head office across all of our locations across the UK.

Through both our SHIFT accreditation and our ISO 14001:2015 certification we are underpinning and embedding environmental sustainability into decision making at all levels. As testament to Home Group's ongoing commitment to environmental sustainability our Environmental Management System has received no non-conformances for five consecutive years setting us apart from the crowd.

Environmental, social and governance (ESG) reporting

We have adopted the Sustainability Reporting Standard for Social Housing (SRS), and publish an annual ESG report. The SRS is a voluntary framework which covers 48 criteria across various ESG considerations, and enables housing providers to report in a consistent and comparable way.

The environmental criteria of the SRS are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our ESG report is published annually on our website.
[Group ESG Reports](#)

Business environment (continued)

Equality, diversity, inclusion and belonging

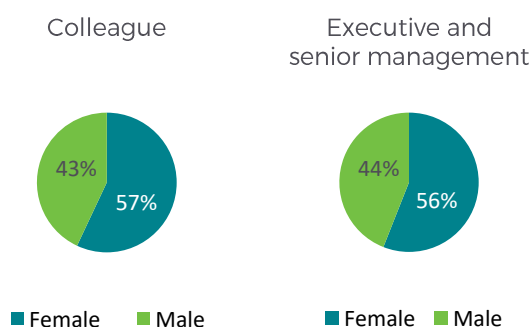
As an organisation with a strong social mission, we are absolutely committed to equity, diversity, inclusion and belonging in the workplace, as this reflects the customers and communities we exist to serve. Being an exemplar in equity, diversity, inclusion and belonging is a key enabler to our strategy.

Having achieved the National Equality Standard, a government backed, industry recognised national standard we continue to deliver against the recommended actions for further improvements. The actions will assist in delivering to our strategic goal.

We strive to have a colleague profile which is representative of the communities and customers we serve.

Gender

Our colleague gender ratios are as follows:



Since April 2023 our gender pay gap has closed by a further 1.8% and it is heartening that both the external pay gap and ours is continuing to close and that we remain in line, if not ahead, of the curve compared with other organisations. The Office of National Statistics (ONS) have reported the gender pay gap for 2024 as 13.1% which is 3.87% higher than Home Group's gap.

Gender Pay Gap	2025 %	2024 %
Home Group:		
Mean	9.23	11.58
Median	7.59	9.31
Office of National Statistics (ONS)	13.1	14.3

Our most recent ranking for best workplace for women in the UK by Great Place to Work is 9th, which is a fantastic achievement and the highest ranking in our sector.

Multi-cultural, LGB+ and Disability

	2025 %	2024 %	Target %
Multicultural representation	21.6	21.1	22.0
LGB+	6.5	6.5	8.0
Disability	4.8	6.0	8.0

Our multicultural, LGB+ and disability representation continues to be strong. Nevertheless, there remains work to do if we are to achieve the aspirational targets, we've committed to by end of 2025.

Recruitment, retention, progression and awareness

'Grow our own' plays a crucial part in enabling us to retain diverse talent within the organisation. Recent data analysis shows that all under-represented colleagues have fair opportunities to progress with their careers. Of our colleagues who have progressed through Grow Our Own, 6.97% identified as LGBTQ+, 4.85% declared they have a disability, 21.21% of job moves were by females and 19.67% identified as multicultural.

We remain committed as an employer of choice across all underrepresented groups and to continue to attract diverse talent, ensuring our employer value proposition is aligned to support us with this.

Our annual colleague survey (carried out by the external company, Great Place to Work in November 2024) placed us 9th in the UK in for super large organisations, with 80% of our colleagues agreeing that Home Group is a great place to work. Insight from our Great Place to Work results tells us at an organisational level for questions around fairness for protected characteristics of gender, disability, ethnic origin and sexual orientation, results continue to remain strong at 91-96%. 89% of colleagues reported that their manager role models EDIB and the same number said colleagues take action to support EDIB, which is encouraging.

Current initiatives

We are now signatories to the newly refreshed Leadership 2025 – BME Leadership Development for the Housing Sector. Leadership 2025 was initially a London based initiative started in 2016 to address the lack of ethnic minority representation in senior leadership roles within the housing sector. The program has since grown into a wider movement across the housing sector and is reshaping its focus and offer as its ambitious goals for the sector have not yet been met. Home Group is proud to partner with Leadership 2025 to drive meaningful change within our organisation and the housing sector.

We've signed the Age-friendly Employer Pledge, a nationwide programme run by the Centre for Ageing Better to make workplaces age-friendly. We've committed to recognising the value of older workers, creating an age friendly culture, encourage career development and combat ageism in the workplace.

Business environment (continued)

Apprenticeships

On 31 March 2025, our award-winning apprenticeship programme was supporting 71 (2024: 169) apprentices, with 23 (2024: 57) exclusively for Home Group customers who often face many barriers to work, with many more apprentices completing their apprenticeship during the course of 24/25. These numbers are lower than previous years as both the duration of apprenticeships has increased along with an increase in salary costs, meaning a reduction in the number of apprenticeships we are able to offer within the budget.

Of those who completed their apprenticeship, 80% stayed with Home Group by moving into a permanent position, which shows how our apprenticeship programme provides a secure talent pipeline to address our skills needs.

As well as supporting our customers' independence and aspirations through our programme, we also offer colleague apprenticeships to enable existing colleagues to upskill and gain additional qualifications.

Modern Slavery

We have a zero tolerance approach to modern slavery and are committed to acting ethically and with integrity in all our business dealings and relationships.

Through a proactive risk-based approach within our sourcing and contract management processes we have mechanisms to ensure that our suppliers share our values and are assessing and managing the risk of modern slavery in their own supply chains.

Supply chain management

We expect our partners and suppliers to take sustainability seriously and share our values in this regard. As an organisation we have a big challenge ahead to move towards net zero and we recognise that our supply chain will play a key part in our achievement of this goal. Our sustainable procurement policy is regularly reviewed to ensure continuous improvement in the reduction of the environmental impact of our business activities.

Our consideration of the sustainability of the business activities we undertake via our supply chain starts from the outset of any procurement initiative. Not everything that we buy has an equal impact on the environment and so it is important for us to tailor our approach appropriately and proportionately. As a matter of course, in regulated procurement exercises, at initial selection stage we will seek to understand whether a bidder has an environmental policy and accreditation. At tender stage, for those categories with a significant environmental impact, we will incorporate sustainability into the qualitative assessment of bidder's proposals by asking questions on areas such as how they will minimise environmental impact in the delivery of the contract. The weighting assigned to sustainability questions will be proportionate to the environmental impact of the category concerned but in all cases it will have an influence on the outcome of the process.

As an organisation with social purpose at the heart of what we do, we consider social value each time we undertake a procurement exercise for goods and services. We are cognisant of the impact that our supply chain can have on the communities that we work within and the potential to harness social value benefits through our supplier partners. We are also well aware that the Public Services (Social Value) Act 2012 requires that public bodies must include social value considerations in contracts. When tender processes are undertaken, we invite bidders to propose how they will support our community initiatives in financial and non-financial terms and then evaluate this as part of the qualitative assessment of tender returns. Financial support could be offering to donate a percentage of the contract's annual turnover to community projects or making a donation to a specific initiative. Non-financial support are in-kind contributions that they can offer such as apprenticeships, work placements, services, training or volunteering. Once a contract is awarded, we work with our local housing teams to understand the specific needs of their community and identify the best ways of marrying up the commitments secured through the tender process to these needs.

Many of the goods, services, and works that we procure impact directly upon our customers and their experience of Home Group as their landlord. For this reason, where a contract has a direct customer impact, we will do our best to involve customers in the procurement process. This involvement can range from feedback on existing services and involvement in specification creation, to active participation in the tender evaluation process.

Business environment (continued)

Anti-corruption and Bribery

Home Group is committed to the highest ethical standards and adopts a zero tolerance to fraud, bribery or tax evasion in any form. It manages risks in respect of fraud, bribery, corruption and offences under the Bribery Act 2010, Criminal Finances Act 2017, the Economic Crime and Corporate Transparency Act 2023 and the Fraud Act 2006.

The Audit Committee is responsible for ensuring we have reporting mechanisms in place and monitoring the outcome of investigations into any detected instances of fraud and bribery.

Our fraud, tax evasion and bribery prevention, detection and response policy includes standards and guidance

for all colleagues who must also complete mandatory training.

Key measures designed to eliminate or reduce the likelihood of fraud and bribery include existing financial controls as well as procurement, recruitment and tenancy allocation policies, procedures and auditing procedures.

We also have policies, procedures and associated resources in place relating to managing conflicts of interest (including acceptance of gifts and hospitality), anti-money-laundering and confidential reporting (whistle-blowing).

Taxation – our contribution to the UK tax system

As a responsible taxpayer, Home Group meets its liabilities to pay taxes in full as they fall due, and is committed to observing all applicable laws, rules and regulations in meeting our tax obligations. The table below summarises the total tax payable by the Group.

	2025 £m	2024 £m
Irrecoverable VAT	30.7	31.5
Employer's national insurance	10.4	8.8
Corporation tax	0.6	(0.4)
Stamp duty land tax	0.2	-
Total	41.9	39.9

As the majority of our income is exempt from VAT, the Group is unable to recover the majority of the VAT it suffers on purchases. As a result we paid £30.7 million in irrecoverable input VAT this year.

The Group does not pay corporation tax on the majority of its activities, as social housing activity is charitable in nature. Profits from outright property sales are subject to corporation tax.

The Group recognised a debit in relation to corporation tax in 2025. During the year HGDL made a gift aid payment to HGL of £7.9 million (2024: £10.6 million), reducing the Group's corporation tax liability for 2025 by £2.0 million (2024: £2.0 million).

Stamp duty land tax becomes payable when land and buildings are acquired by a non-charitable company. This year the Group has paid £0.2 million (2024: £nil) in relation to land acquired by HGDL which will be used to build new homes.

Financial review

Following a number of years with external challenges, the economic environment stabilised over the course of the financial year and, combined with a focus on our strategic priorities and internal measures being implemented, has resulted in a strong financial performance this year.

Inflation remained at lower levels than previously seen, starting the year at 3.8% and ending it at 3.4%. However, whilst costs have stabilised, we continue to see increased demand in volume for our responsive repairs and maintenance jobs and recent changes in regulation, such as the Consumer Standards, has also increased our cost base.

The labour market continues to remain challenging, making recruitment difficult particularly in our supported and care businesses. We have therefore continued to use a higher proportion of agency and temporary workers than we have historically.

Interest rates have gradually decreased during the year which has had a positive impact. Although the majority of our borrowings are on fixed rate terms, approximately 25% of our borrowings are on variable rates.

Despite some challenges continuing, we report an increased operating surplus of £87.6 million (2024: £71.9 million), the main driver of which was increased rental income due to applying a rent increase in line with the rules whilst continuing to tightly control costs.

Surplus generated

Surplus before tax is a key measure we use to track our financial performance. We achieved a surplus before tax for the year of £34.7 million (2024: £23.2 million). Significant movements are discussed further below.

Summary statement of comprehensive income	2025 £m	2024 £m
Turnover	505.4	493.1
Other operating income	-	0.5
Cost of sales	(56.2)	(79.7)
Operating expenditure	(370.7)	(351.0)
Surplus on disposal of housing properties	9.1	9.0
Operating surplus	87.6	71.9
Share of profit in joint ventures and associates	2.3	0.7
Net finance costs	(55.2)	(49.4)
Surplus before tax	34.7	23.2

Turnover

Group turnover increased by £12.3 million to £505.4 million in the year ended 31 March 2025, a 2.5% increase. The main driver was an increase in income from social housing lettings of £26.6 million reflecting the 7.7% rent increase implemented on 1 April 2024 and an increase of £13.1 million on shared ownership first tranche sales. Offset by a reduction in income of £30.9 million from non-social housing activities due to a lower volume of properties developed for outright sale.

Other operating income

The amount of £0.5 million in the prior year relates to damages awarded to us in relation to a breach of contract by one of our maintenance contractors.

Cost of sales

The reduction in cost of sales reflects the lower volume of properties developed for outright sale.

Operating expenditure

Our operating costs increased by £19.7 million, a 5.6% increase. The main drivers are expenditure associated with our social housing lettings and include higher

repairs and maintenance costs mainly due to higher demand for our responsive repairs, management costs (which includes staff costs and back-office costs) and property costs, such as utilities, cleaning, gardening, etc.

Surplus on disposal of housing properties

The surplus from sale of our existing housing properties increased by £0.1 million (1.1%).

Share of profit in joint ventures and associates

Our profit share on joint ventures, excluding the impact of impairment, remained consistent with the prior year. During the year we also recognised an impairment reversal of £0.1 million (2024: an impairment charge of £1.5 million).

Net finance costs

Net finance costs increased by £5.8 million (11.7%). This was due to an increase in interest payable on our variable rate borrowings as these increased during the year.

Financial review (continued)

Financial strength

The Group's balance sheet remains strong, with net assets increasing by £35.8 million during the year. Gearing remains low, at 42.8% (2024: 42.9%). Significant movements in the balance sheet are discussed further below.

Summary statement of financial position	2025 £m	2024 £m
Housing properties	3,004.9	2,869.4
Other fixed assets and investments	136.3	136.4
Properties held for sale	53.8	80.8
Cash and cash equivalents (inc. restricted cash)	61.6	44.8
Debtors	47.1	34.1
Total assets	3,303.7	3,165.5
Borrowings (bonds and third-party loans)	(1,348.5)	(1,277.2)
Grant	(967.0)	(957.9)
Other liabilities	(147.7)	(125.7)
Total liabilities	(2,463.2)	(2,360.8)
Net assets	840.5	804.7

Housing properties

The net book value of our housing properties increased by £135.5 million during the year as we continue to invest in delivering new affordable homes and improvements to our existing homes. We spent £127.4 million developing new affordable homes and spent a further £67.4 million on capitalised improvement works on our existing homes.

Properties held for sale

Properties held for sale (which includes work in progress on developments) decreased by £27.0 million during the year. Work in progress decreased by £45.8m due to our development pipeline being geared towards rented properties. Completed properties held for sale increased by £18.8m with an increase in the number of completed homes to 143 (2024: 132 homes).

Cash and cash equivalents

Cash movements are discussed in more detail in the cash flow review on the following page.

Debtors

Debtors increased by £13.0 million. Net rental debtors comprise £2.1m reflecting the increase in rental income, and prepayments and accrued income have increased due to timing of invoices raised and received.

Borrowings

Our largest liability remains borrowings (bonds and third party loans). Borrowings increased by £71.3 million, as discussed in the cash flow review on the following page.

Deferred capital grant

Deferred capital grant increased by £9.1 million during the year as we received additional grant to fund our development of affordable housing, partial offset by amortisation.

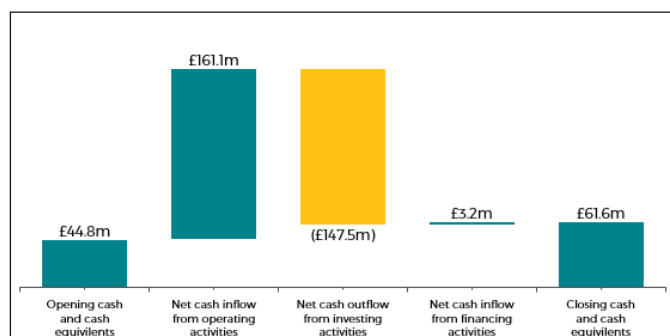
Other liabilities

Other liabilities increased by £22.0 million, with increases in trade creditors (£5.2 million) and accruals (£5.2 million) due to higher costs and timing of invoices and payments around year-end. Deferred income increased £6.3 million, due to increased rental income prepaid and timing on other contract income.

Financial review (continued)

Cash flows

Cash inflows and outflows for the year ended 31 March 2025 are detailed in the Group Cash Flow Statement on page 46.



Net cash inflow from operating activities increased to £161.1 million (2024: £154.9 million) driven by the higher surplus achieved.

Net cash outflow from investing activities decreased to £147.5 million (2024: £177.3 million). Our investment in housing properties – both development of new homes and improvements to our existing homes remained in line but we received an additional £16.8m in capital grants. Cash inflows relating to our investment in joint ventures and associates also increased by £9.0 million, due to repayments of loans and increased distributions.

Net cash inflow from financing activities decreased to £3.2 million (2024: £19.0 million) as we paid more interest due to a higher level of borrowings throughout the year. Our net inflow from new borrowing less loan repayments was also lower than in the previous year.

Overall, cash and cash equivalents, excluding restricted cash, increased by £12.1 million. As at 31 March 2025, the amount held in restricted cash was £4.7 million (2024: £nil) (see note 17).

Capital structure and treasury policies

As at 31 March 2025, the Group has committed borrowing facilities of £1.6 billion (2024: £1.6 billion) of which £1.3 billion is drawn (2024: £1.3 billion). Our borrowing enables us to continue to invest in our development programme and existing properties in line with our strategic plans.

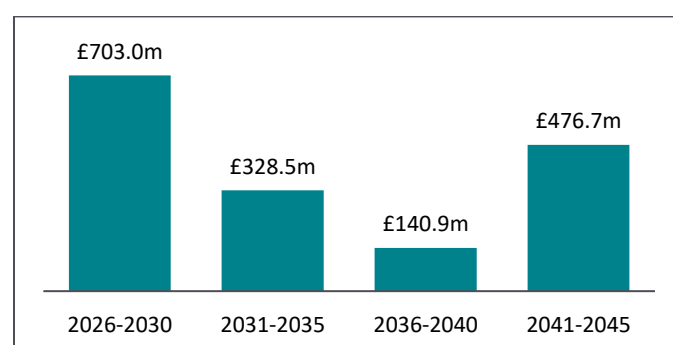
As at 31 March 2025 we have £281.0 million (2024: £314.0 million) of undrawn facilities, plus an additional £230.0 million (2024: £25.0 million) in the process of being secured.

Debt is secured by charges against specific properties. The Group continues to have a large pool of unencumbered properties available as security for future borrowings to support its growth strategy.

The Group's Treasury function operates within a framework of clearly defined Board approved policies and procedures that serve to ensure sufficient liquidity is available to meet foreseeable needs, prudent investment of surplus cash and minimise financial risk.

The Group manages its exposure to fluctuations in interest rate risk by ensuring a high proportion of its debt is long-term fixed interest rate funding. At present the policy is to aim to maintain between 65% and 80% of borrowing in long-term fixed interest rate funding. At the year-end 73.1% (2024: 74.4%) of the Group's borrowing was in the form of long-term fixed interest rate debt.

The maturity profile of our current facilities (including undrawn and available facilities) is shown below:



The Group's lending agreements include a number of financial and non-financial covenants. The key financial covenants are interest cover, gearing and net income cover ratios. Loan covenants are monitored by the Treasury team on a monthly basis and reported to Board regularly. All covenants were met throughout the year.

As at 31 March 2025, the Group has maintained a Standard & Poor's credit rating of A- and the outlook for the Group is deemed stable.

Strategic performance and value for money

Value for Money (VfM) is embedded throughout our strategic goals which set out the outcomes we intend to deliver. To Home Group, this means delivering our strategy in the most cost-effective way, allowing us to do more with less whilst maintaining a high quality of service.

How do we measure our performance?

We have developed performance indicators to measure performance against our strategic goals. We set annual and longer term targets for these, and report on performance to the Board regularly. As these measure the outcomes we want to deliver, we include these when we consider our performance on VfM.

The VfM metrics set out by the Regulator of Social Housing are driven by our financial performance and development plans. The Board consider these as part of the annual business planning process, and we set annual targets for these indicators which are in line with our business plan and strategic goals.

The Board also receive a semi-annual update on VfM performance and progress on our improvement plans. We benchmark where available and appropriate against a group of comparable housing providers to help us understand our performance and inform our improvement plans and targets.

The VfM regulatory standard requires us to develop improvement plans to address areas of underperformance. There may be areas where we perform below average in comparison to the sector and peer group and we will develop improvement plans to address this if we consider it to be underperformance.

However, if we have chosen to follow a specific course of action in pursuit of our strategic goals and direction

In doing this, we acknowledge the need to strike the right balance between delivering our strategic goals, including VfM, and our risk appetite with particular regard to compliance and regulatory risk. This means being able to respond to a changing situation, and we may decide not to pursue a particular target if our priorities change.

which results in performance below the sector or peer group, we may decide that specific improvement actions are not necessary.

Some of our performance indicators are Alternative Performance Measures (APMs) as defined by the European Securities and Markets Authority (ESMA). In accordance with the ESMA Guidelines on APMs we have provided definitions and reconciliation of each APM to line items presented in the financial statements on pages 32-35.

Our performance on our key performance indicators, including the VfM metrics set out by the Regulator of Social Housing, is shown on the following pages. We also include benchmarking information where available, the benchmark being the median average within our peer group. The benchmark information is for the year ended 31 March 2024 unless otherwise stated, as 2025 results are not yet available.

We also report our performance on the Tenant Satisfaction Measures (TSMs) as defined by the Regulator of Social Housing. We have included a summary of our performance on all TSMs on pages 24-25. Some of these are considered to be key indicators of how we are delivering against our strategy, and these are included in more detail within our performance summary on the following pages.

Strategic goal: Delivering for our customers and communities

Our longer term strategic targets for this goal are linked to specific TSMs that we consider to best demonstrate if we are delivering our strategy and customer promise.

VfM metric - Strategic	2026 Target	2025 Target	2025 Result	2024 Result	2024 Benchmark
TSM: Satisfaction that the home is safe	82%	82%	84.8%	81.9%	76.4%
TSM: Satisfaction with the repairs service	67%	66%	65.6%	64.1%	67.0%
TSM: Treat customers fairly and with respect	77%	77%	79.8%	76.7%	75.5%
TSM: Make a positive contribution to neighbourhoods	63%	63%	63.4%	62.4%	58.5%
TSM: Stage 1 complaints responded to within timescales	85%	85%	64.2%	64.4%	74.0%

Strategic performance and value for money (continued)

We met our target and benchmarked higher than the peer group median for all satisfaction indicators, with the exception of customer satisfaction with the repairs service. Our result was only marginally below target and has moved closer to the peer group median.

Delivering a reliable repairs service and meeting our customers' expectations is an important part of our strategy, and driving improvement in this area is a key priority. We are pleased to see an improved result, but recognise there is more to do in this area. We put a formal improvement plan in place for this indicator last year, and continue to target improvement.

Repairs Satisfaction Improvement Plan	
Action	Update
Establishing the Home Group Repairs Service in the North Lakes region.	Action completed: Our internal repairs service went live in the North Lakes region in spring 2024 and is performing well. This region is now the highest performing on TSM satisfaction with a score of 74% (previous year 68%).
Proactively managing external contractors where they are not performing in line with expectation.	Improvements are ongoing with a number of contract changes having taken place in the past year. We are rolling out contract management training for colleagues to further embed proactive day to day management.
Improved communication with customers on expected completion times and appointments.	We include a dedicated section on customer communication when new contracts are mobilised.
New actions added	
➤ Improve performance and efficiency of the Home Group Repairs Service to improve customer satisfaction. ➤ Improve management of complaints relating to repairs and maintenance.	
Target: Increase satisfaction to 67%	

Over the last year we have worked on improving complaints handling with better oversight and management of complaints. However this has not resulted in an improvement in complaints being responded to within timescales, partly because of the large volume of complaints we continue to deal with, and partly because of the complexities of some of these complaints.

Improvement is still needed in this area, and our complaints improvement plan remains in place. While we are focussed on ensuring the complaints process is as straightforward as possible for customers, we also acknowledge that service improvements will reduce the need for customers to make complaints.

Complaints Improvement Plan	
Action	Update
Thematic reviews of complaints to enable grouping of similar complaints so these are dealt with consistently and identify improvements that can be made to reduce complaint numbers going forwards.	We report themes, reasons for complaints, geographical and contractor views, and insight to drive improvements internally. We have a continuous improvements programme into which insights can be incorporated.
System review taking place to allow for improvement to the complaints process and customer experience.	Action completed: Complaints management was moved to a new system in May 2025, which will allow better management and oversight of complaints. The new system will provide more transparency on delays with progressing complaints.
Embedding of the new process combined with further upskilling of colleagues to drive better customer outcomes.	Action completed: We have recently re-designed all our processes concerning the complaints journey, and have invested over 400 hours of training for colleagues. This is part of our continuous improvement efforts aimed at enhancing skills and capabilities.
Process re-design to cover updates to the Ombudsman's complaint handling code.	Action completed: As part of the process redesign, we ensured that our procedures are fully aligned with the Ombudsman's code. These elements will be managed and monitored through our quality assurance frameworks.
New actions added	
➤ Embed quality assurance and reporting to map, track and monitor performance. ➤ Improve visibility and ownership of complaints through enhanced reporting.	
Target: 85% of complaints responded to within timescales	

Strategic performance and value for money (continued)

Strategic goal: Providing the right homes in the right places

In addition to continuing to build new affordable homes (linked to both the social housing reinvestment and new supply – social metrics reported on the following page), improving the energy efficiency of our existing homes is a key strand of this strategic goal. We have a plan for all our homes to achieve an Energy Performance Certificate (EPC) rating of C or above by 2030 and are tracking our progress towards this.

VfM metric - Strategic	2026 Target	2025 Target	2025 Result	2024 Result	2024 Benchmark
Homes achieving EPC C or above	73.0%	73.0%	72.8%	71.2%	75.6%*

*Sector average

We came close to meeting our target for the year, delivering improvements through both adding new build homes and carrying out work on existing homes to improve their energy efficiency.

During the year we added 754 new build affordable homes which were rated EPC B or above – 2,291 since the start of the new strategy on 1 April 2022.

We also measure energy performance on a portfolio of existing homes from the start of the strategy period to demonstrate ongoing improvement without considering new build additions. For this portfolio, 71.4% were rated EPC C or above at the year end (2024: 70.6%).

Strategic goal: Evolving our model of care and support

We use the Warwick-Edinburgh mental wellbeing scale and HACT social value framework to measure social value outcomes for our supported services. Our key outcome measures are of the improvement in mental wellbeing and in quality of life during a customer's time with us. We also aim for all of our CQC registered services to be rated 'good' or 'outstanding'.

VfM metric - Strategic	2026 Target	2025 Target	2025 Result	2024 Result	2024 Benchmark
CQC services rated 'good' or 'outstanding'	100%	100%	100%	100%	n/a
Average improvement in mental wellbeing outcomes	31%	31%	46%	27%	n/a
Average improvement in quality of life outcomes	34%	34%	37%	29%	n/a

We met all of our targets for the year in this area. On average, the increase in wellbeing our customers report equates to a social value of over £7,000 per person.

Strategic goal: Creating a vibrant customer focussed organisation

As part of improving our efficiency, we continue to develop our digital capability and channels, and have targeted an increased level of digital interactions. Our social housing cost per unit (reported on the following page) is also a key indicator of efficiency. We also want Home Group to be a great place to work for our colleagues, measured through our colleague survey score (externally benchmarked).

VfM metric - Strategic	2026 Target	2025 Target	2025 Result	2024 Result	2024 Benchmark
Digital interactions	70%	65%	69%	65%	38%*
Colleagues agreeing that Home Group is a great place to work	80%	80%	80%	80%	n/a

We met both of our targets for the year in this area. 80% of our colleagues agreed that Home Group is a great place to work. We were ranked as the 9th best workplace in the UK in the super-large category in 2025, and the 13th best workplace for colleague development.

Strategic performance and value for money (continued)

The Regulator of Social Housing's VfM metrics

VfM metric	2026 Target	2025 Target	2025 Result	2024 Result	2024 Benchmark
Operating margin – Overall	15.2%	14.1%	15.5%	12.7%	17.2%
Operating margin – Social housing lettings	20.3%	21.3%	20.4%	18.9%	22.2%
Social housing reinvestment	6.4%	7.5%	6.6%	7.1%	6.9%
New supply – Social	1.3%	1.4%	1.7%	1.1%	1.5%
New supply – Non-social	0.1%	0.1%	0.3%	0.8%	0.2%
Social housing cost per unit	£7,228	£7,446	£6,998	£6,369	£5,670
Gearing	40-50%	40-50%	42.8%	42.9%	46.7%
Interest cover	110%	80%	106%	110%	76%
Return on capital employed (ROCE)	3.1%	3.0%	2.9%	2.4%	2.5%

How we performed against target

Overall we achieved our targets for six of the nine VfM metrics, although were close to target for the majority of the others.

- Operating margin – Social housing lettings: Costs were higher than anticipated due to demand for repairs remaining high, resulting in margin slightly lower than targeted.
- Social housing reinvestment: We achieved our targets for investment in our existing homes, but expenditure on new build homes was below target having reprofiled some of our development schemes.
- Return on capital employed: We fell slightly behind target on this metric because of a portfolio sale which was expected to progress during the year, but did not, leading to lower than budgeted surplus on existing property sales.

We consider whether or not we met our target, and the reasons for this, when determining whether or not improvement plans should be put in place.

How we compare to our peer group benchmark

We outperform the peer group average on five of the nine metrics, and do not fall into the bottom quartile on any. We fall below average on the following metrics:

- Operating margin – Overall and Social housing lettings: Our margins continue to be below the peer group average although we have seen an improving trend in recent years. Margins are impacted to some extent by the mix of activities we carry out. We have a higher proportion of both supported housing and new build sales than the average within our peer group. Both of these activities deliver lower margins than our core general needs social housing lettings.

We analyse the margin in each segment of the business, and if we look solely at general needs operating margin, this is 20.5% (2024: 19.6%). This is low for the sector, but comparable to our peer group (average of 21.0%).

- Social housing reinvestment: Our performance generally fluctuates around the average within the peer group, and our 2025 result fell slightly below.
- Social housing cost per unit: Supported housing costs more to deliver, and this is one of the main drivers behind our social housing cost per unit being higher than the peer group benchmark. We analyse cost per unit to understand the differences between tenure type and what each area of the business contributes to our cost per unit. If we look solely at general needs cost per unit this is £4,131 (2024: £3,855) which was in line with the peer group (average of £3,915), but has seen an increase.

We consider these factors when determining whether or not improvement plans should be put in place, acknowledging that our strategy and business model may lead to our performance not being in line with that of our peers.

Strategic performance and value for money (continued)

We have previously had an improvement plan in place covering both operating margin metrics. We have seen an improving trend in margin over recent years and met our targets for 2025.

The targets set for 2026 reflect the budget that has been approved for the upcoming year, which includes an increased level of investment in our properties and services. This is expected to result in a slight decrease in margin compared to our 2025 result, but this is a strategic decision on how we utilise our financial capacity. In the long term we are targeting a long term sustained improvement in margin, and we consider it appropriate to keep this improvement plan in place.

We do not consider an improvement plan to be necessary on any of the other VfM metrics.

Operating margin – Improvement Plan	
Action	Update
Targeted improvement actions in place to improve underlying margin in specific operating segments.	Improvement plans are likely to have an impact over several years, and we have seen further improvement in 2025.
Regional reporting to be introduced to allow financial performance and improvement actions to be monitored with an increased regional focus.	Regional reporting has been established during the year, with the regional directors regularly reviewing performance against budgets. More detailed regional analysis will be added in the coming year.
Target: Overall operating margin 15.2%; Social housing lettings margin 20.3%	

Performance and Value for Money conclusions

Over the last year we have delivered clear improvements in a number of areas impacting our delivery of Value for Money. In particular we are pleased to have seen improvements in the customer satisfaction scores for our strategic indicators.

There is still room for improvement on our complaints performance, and this remains a priority for the upcoming year.

We continue to consider how we can deliver better Value for Money for our customers. Our recently published Tenant Satisfaction Measures (set out on the following page) are key to this and are providing us with increased insight into what our customers find important. Over the coming year, we will continue to consult with our customers on our results and changes we can make in order to improve the customer experience.

We consider it appropriate to continue with three formal improvement plans in place – on complaints, operating margin, and repairs satisfaction. Progress on these improvement plans will be monitored throughout the year.

Strategic performance and value for money (continued)

Performance on the Tenant Satisfaction Measures

This is the second year of publication for our Tenant Satisfaction Measures (TSMs), measured in line with definitions set by the Regulator of Social Housing. The TSMs include results from a customer perception survey which we run throughout the year, as well as measures taken from management information.

As required by the Regulator, some of the TSMs are measured separately for our Rented and Supported homes and customers (Low Cost Rental Accommodation), and our Shared Ownership homes and customers (Low Cost Home Ownership). Other measures are only required on an overall basis.

Overall satisfaction

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2025	2024	2025	2024
Customers who are satisfied with the overall service from Home Group	68.2%	66.9%	46.5%	44.5%

Keeping properties in good repair

Tenant Satisfaction Measure	Rented and Supported	
	2025	2024
Customers who are satisfied with the overall repairs service	65.6%	64.1%
Customers who are satisfied with the time taken to complete their most recent repair	61.3%	60.7%
Customers who are satisfied that their home is well maintained	69.4%	67.6%
Proportion of homes that do not meet the Decent Homes Standard	0.1%	0.1%
Proportion of emergency repairs completed within our target timescales	95.2%	96.0%
Proportion of non-emergency repairs completed within our target timescales	75.3%	65.2%

Maintaining building safety

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2025	2024	2025	2024
Customers who are satisfied their home is safe	84.8%	81.9%	77.3%	73.4%

Tenant Satisfaction Measure	Overall	
	2025	2024
Proportion of homes with all required gas safety checks carried out	99.9%	98.8%
Proportion of homes with all required fire risk assessments carried out	98.9%	100.0%
Proportion of homes with all required asbestos management surveys carried out	100.0%	100.0%
Proportion of homes with all required legionella risk assessments carried out	92.6%	100.0%
Proportion of homes with all required passenger lift safety checks carried out	87.8%	99.5%

Respectful and helpful engagement

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2025	2024	2025	2024
Customers who are satisfied that Home Group listens to their views and acts upon them	61.9%	61.1%	34.6%	39.1%
Customers who are satisfied that Home Group keeps them informed about things that matter to them	68.4%	68.6%	62.2%	57.5%
Customers who are satisfied that Home Group treats them fairly and with respect	79.8%	76.7%	63.4%	59.6%

Strategic performance and value for money (continued)

Effective handling of complaints

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2025	2024	2025	2024
Customers who are satisfied with Home Group's approach to complaints handling	32.4%	28.3%	25.0%	11.0%
Number of stage 1 complaints received per 1,000 homes	68.4	73.2	47.9	51.4
Proportion of stage 1 complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	64.2%	64.4%	61.5%	71.1%
Number of stage 2 complaints received per 1,000 homes	12.3	9.9	14.2	10.6
Proportion of stage 2 complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	53.2%	75.7%	61.1%	78.4%

Responsible neighbourhood management

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2025	2024	2025	2024
Customers who are satisfied with Home Group keeping communal areas clean and well maintained	63.3%	58.1%	50.0%	43.6%
Customers who are satisfied that Home Group makes a positive contribution to the neighbourhood	63.4%	62.4%	46.2%	48.8%
Customers who are satisfied with Home Group's approach to handling anti-social behaviour	56.6%	61.0%	47.0%	57.1%

Tenant Satisfaction Measure	Overall	
	2025	2024
Number of anti-social behaviour cases opened per 1,000 homes	43.5	63.2
Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	1.2	1.1

Further information about our TSM results and how we are acting on customer feedback can be found on our website at <https://www.homegroup.org.uk/about-us/corporate/transparency/tenant-satisfaction-measures>

Statement of compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the 2018 SORP for Registered Social Housing Providers.

On behalf of the Board.



J Cridland, CBE
Home Group Chairman
31 July 2025

Report of the Board

Governance

Governance structure

Throughout the year the Association operated under its established governance structure comprising the Board of the Association, and various committees, the roles of which are summarised below.

In addition, each subsidiary has its own board, and representatives of the Group attend board meetings of joint ventures and associates. The Group also has a customer forum, which is responsible for representing customers' views and interests at a national level and for providing a strong mechanism for involving customers in Home Group.

The Board	- Responsible for the overall direction of Home Group's business. - Essential functions include the setting of strategy and monitoring of progress in achieving that strategy, the definition of values and objectives, approving policies, plans and budgets, and monitoring performance of the business and its executive management. - Seeks to ensure that undue risks are not taken and that Home Group's affairs are conducted to the highest standards of performance and propriety. - Annually reviews Home Group's governance arrangements and undertakes an annual self-evaluation of its effectiveness as a Board.
Audit Committee	- Oversees financial reporting and Home Group's risk and control framework, internal and external audit arrangements and internal control systems. The Committee's role includes an overview of the work undertaken throughout Home Group by Home Group's risk and compliance and assurance services teams, and reviewing and recommending the report and financial statements to the Board for approval. - Reviews the independence and objectivity of Home Group's external auditors and monitors the provision of non-audit services undertaken by the Group external auditor, Deloitte LLP, including the fees charged for such services.
Clinical Governance Committee	- Gives the Board assurance on the quality and safety of care for customers and its remit covers governance and internal monitoring, organisational policies and procedures, safety and excellence in customer care and quality assurance. - Reviews incident reports and management's response to root cause analysis reviews of why incidents and accidents have occurred.
Development Committee	- Oversees Home Group's development activity. - Reviews performance of development schemes against commercial and strategic objectives, driving lessons learned and feeding back into the business to drive continuous improvement.
Governance and People Committee	- Oversees annual reviews of Home Group's compliance against the Regulator of Social Housing's regulatory standards, Home Group's Rules, Governance Framework and Governance Standards, and recommends any changes to the Board of the Association. - Responsible for non-executive and executive recruitment and succession planning, and for making policy recommendations on board member evaluation and non-executive appraisal. Also responsible for the recruitment process in respect of Executive appointments, and for supporting the Board in ensuring adequate succession planning for the Executive. - Recommends to the Home Group Board the remuneration package offered to the Chief Executive and endorses remuneration packages of other members of the Executive. - Reviews Home Group's People Strategy to ensure it supports the organisation's goals, including strategies aimed at recruitment, retention and staff engagement, recommending any changes to the Home Group Board.

Governance (continued)

Health and Safety Governance Committee	Provides a strategic steer into the Group's Health and Safety Strategy and Implementation Plan and oversees progress against these to provide assurance to the Home Group Board of the effective development and maintenance of the health and safety management system.
Action Committee	- Meets as required to act in relation to matters requiring an express authorisation of the Board which are not otherwise covered by delegated authority and which are necessary to safeguard the business interests of Home Group and where it is not possible or practicable to convene a meeting of the full Board. - The quorum for the Committee is three members of the Board and all decisions are reported to the next meeting of the Board and to other Boards where relevant.

Membership of the Board and committees is set out on the following page.

Corporate governance

Home Group has retained its G1:V2 for governance and financial viability by the Regulator of Social Housing following the annual stability check, published in January 2025. This grade reflects the financial pressures placed upon the sector in the current economic climate.

The Board confirms that Home Group has assessed its compliance with the Governance and Financial Viability Standard during the year and certifies that in all material respects Home Group is in compliance with the Governance and Financial Viability Standard.

The Board has adopted the National Housing Federation's Code of Governance 2020. Home Group has assessed its compliance with the Code of Governance and is compliant in full with its provisions.

A Code of Conduct is in place which is consistent with both the National Housing Federation's Code of Conduct 2022 and the Scottish Federation of Housing Associations' Model Code of Conduct 2021.

Home Group has adopted the National Housing Federation's Code on Mergers, Group Structures and Partnerships (2015). There have been no merger, group structure or partnership proposals during the year.

Executive and non-executive appraisal and remuneration

A system of non-executive Board member appraisal is in place, under which the Chair conducts an annual individual appraisal of non-executive Board members, incorporating feedback from other non-executive Board members and members of the Executive. An equivalent appraisal of the Chair is conducted by the Senior Independent Member.

Independent committee members who do not sit on the Home Group Board are appraised by the chair of the respective committee. Performance appraisal of Executive Board members is conducted within the framework of Home Group's performance appraisal process.

Following a review of non-executive board member remuneration during the year, there has been an uplift in remuneration, from 1 April 2025. Details of the remuneration drawn by members of the Board during the year are set out in Note 5 to the financial statements. The total remuneration of non-executive board members represents 0.03% of Group turnover (2024: 0.03%).

The names of those who were Board members or members of the Executive at any time during the year, or up to the date of signing this report, are set out on page 4. Board member and Committee member attendance at meetings during the year ended 31 March 2025 is shown in the table on the next page.

Governance (continued)**Home Group Board and Committee member attendance**

Name	Home Group Board		Audit Committee		Clinical Governance Committee		Development Committee		Governance and People Committee		Health and Safety Governance Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Non-executives												
Rhona Bradley	6	1	2	2	2 [^]	2 [^]						
Paul Charnock***			1	1								
John Cridland	6 [^]	5 [^]					6	5	6	5		
Linda Cullen	6	6			4	4					4 [^]	4 [^]
Duncan Cumberland	6	6					6	6				
Susan Deacon**	6	6							6	5		
Ken Gillespie	6	5	5	5			6 [^]	6 [^]			4	2
Zoe Hingston	6	6							6	5		
Lara Joisce	6	6	5 [^]	5 [^]								
Gavin MacKenzie*			5	5								
Indra Mudie	6	3									4	0
Chris Vallis [#]	6	6			4	4			6 [^]	5 [^]		
June Wylie*											4	4
Brian Walsh	6	6			4 [^]	4 [^]						
Executives												
Mark Henderson	6	6										
Helen Meehan	6	5										

A = maximum number of meetings that could have been attended

B = number of meetings actually attended

* Member of Home Scotland Board

** Chair of Home Scotland Board

*** Independent Committee Member

[^] Board or Committee Chair[#] Senior Independent Member

- Rhona Bradley resigned from Home Board, Audit Committee and Clinical Governance Committee on 16 September 2024.
- Brian Walsh was appointed Chair to the Clinical Governance Committee on 17 September 2024. He attended two meetings as Chair and two as part of the Committee.
- Paul Charnock was appointed as an Independent Committee Member of Audit Committee on 19 March 2025.

Statement of internal controls

The Home Group Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness across the Group.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss.

Key elements of the internal control framework include:

- ▶ Board approved terms of reference and delegated authorities for all Boards and Committees, including the Audit Committee.
- ▶ Clearly defined management responsibilities for the identification, evaluation and control of significant risks.
- ▶ Strategic and operational risk registers which are regularly reviewed by Senior Management, Executive, the Audit Committee and the Board.
- ▶ A robust planning process with detailed financial budgets, forecasts and performance measures.
- ▶ Regular reporting to Executive and the appropriate Board/Committee of key performance indicators to monitor progress against objectives.
- ▶ An established health and safety management system and compliance framework.
- ▶ A structured approach to the appraisal and authorisation of all significant new business initiatives and commitments.
- ▶ A considered and documented approach to treasury management which is subject to annual review.
- ▶ Formal recruitment, retention, and training and development policies.
- ▶ Board approved Confidential Reporting Policy and Fraud, Tax Evasion and Bribery Prevention, Detection and Response Policy.
- ▶ Detailed policies and procedures in each area of the Group's operations.
- ▶ An Internal Audit team which reviews internal controls across the Group and provides regular reports to the Audit Committee on any significant control weaknesses.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit Committee to regularly review the effectiveness of the system of internal control.

The Audit Committee received the Annual Assurance Statement from the Head of Audit and the Group Chief Executive's annual review of the effectiveness of the system of internal control. The Audit Committee has subsequently reported its findings to the Board in its Annual Report.

The process for identifying, evaluating and managing significant risks faced by the Group is ongoing, and has been in place throughout the period from 1 April 2024 up to the date of approval of the Financial Statements.

This process is set out in the Group's Risk Management Framework, which includes the organisation's defined risk appetite, and its effectiveness is assessed on an annual basis by the Board.

During the year there were no significant findings or weaknesses identified in internal controls, which resulted in the material losses, contingencies or uncertainties that require disclosure in the financial statements or in the report of the auditors.

Other information

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

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

Disclosure of information to auditors

The Board members and Executive Directors who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each Board member and

Executive Director has taken all the steps that they ought to have taken as a Board member or Executive Director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Other information (continued)

Colleagues

The cost-of-living challenge continues to have an impact, and we are committed to supporting colleagues where we can. We made a mutual award payment in November 2024 and have committed to pay this again in 2025/26 and we have also continued our commitment to the Living Wage Foundation Rate, which saw eligible colleagues benefit from a 10% pay increase in April 2024 and a 5% pay increase in April 2025.

We've also enhanced our wider colleague benefits offer by adding a new financial wellbeing app called Wagestream, which allows colleagues to save directly from their salary alongside other cashback and discount offers and a financial coaching service. Wagestream is a welcome addition to our other financial wellbeing resources including our Health cash plan, with a colleague benefit of £1,140 upwards per annum and Income Protection extension for all colleagues.

We know colleague wellbeing is paramount and have continued to invest here. In January 2025 we held the annual fortnight-long wellbeing event which was sponsored by our Executive team, demonstrating our senior leader commitment to colleague wellbeing.

We've further developed and promoted additional resources around stress management and a review of our workplace adjustments process is underway, to ensure it is fit for purpose to support and empower the recruitment and retention of individuals with additional support needs.

To drive and enable performance and development we have invested in our Director Leadership team through our Leading with Purpose Programme. This programme includes 360 feedback, personal

development plan, high impact face to face sessions with leading external leadership experts, coaching and is underpinned by the Insights Discovery tool.

We work with colleagues to make sure people feel aware, informed and involved with Home Group's strategic direction and we welcome views and suggestions. We use a range of ways to engage with colleagues, including Workplace (an enterprise social network), our intranet, seminars, meetings and events as well as a strong team culture of briefings, meetings and brilliant conversations. We have vibrant colleague networks with strong ally support that cover gender, multicultural, LGBTQ+, neurodiversity and people with disabilities. We also have a successful and engaged colleague forum.

We've also continued with our Living Our Values cultural programme, for all new starters and new managers, which aims to support colleagues, both in work and out of work, to be truly at their best and experience our values in practice. In this space we have increased the number of face to face culture sessions to maximise impact.

Our recruitment approach is one that is inclusive and as a Disability Confident and 'Mindful Employer' we support future and current colleagues to develop meaningful careers, offering a comprehensive training and development approach that welcomes a diverse pool of colleagues. We've partnered with DFN Project Search on a Supported Internship programme for young people with disabilities providing meaningful access to employment, with 100% of the first cohort achieving a positive outcome of gaining employment or moving onto another training programme

Auditor

A resolution to reappoint Deloitte LLP as auditor was proposed at the Annual General Meeting.

Statement of compliance

The Board confirms that this Report of the Board has been prepared in accordance with the principles set out in the 2018 SORP for Registered Social Housing Providers.

On behalf of the Board.



J Cridland, CBE
Home Group Chairman
31 July 2025

Alternative performance measures

In this report, we have used alternative performance measures ('APMs') to assess our performance. Some of the measures are defined by the Regulator of Social Housing (RSH) and some are determined by Board and management. Whilst they are financial measures of performance, financial position or cash flows, they are not defined or specified by FRS 102. As such we have provided a definition of the APMs used below. Those measures defined by the Regulator of Social Housing are identified with 'RSH'.

Amount spent on improving and maintaining our customers' homes

This shows the overall amount we invest in providing a cost-effective repairs and maintenance service, and undertaking a planned programme of improvement works.

	2025 £000	2024 £000	
Routine maintenance	64,592	54,814	Note 2b
Add: Planned maintenance	32,553	30,411	Note 2b
Add: Major repairs expenditure	10,165	13,986	Note 2b
Add: Capitalised works	67,386	50,238	Note 11
Subtotal: Planned maintenance and improvement works	110,104	94,635	
Amount spent on improving and maintaining customers' homes	174,696	149,449	

Amount spent on delivering new homes

This shows the overall amount we invest in delivering new homes, one of our strategic priorities.

	2025 £000	2024 £000	
Additions to housing properties	127,360	149,107	Note 11
Add:			
Properties held for sale – closing balance	53,812	80,781	Note 15
Add: Cost of sales	56,183	79,664	SOCI
Less: Properties held for sale – opening balance	(80,781)	(122,185)	Note 15
Subtotal: Additions to properties held for sale	29,214	38,260	
Amount spent on delivering new homes	156,574	187,367	

Social housing reinvestment (RSH)

This shows the amount we invest into new and existing social homes as a proportion of the carrying value of the homes.

	2025 £000	2024 £000	
Additions to housing properties	127,360	149,107	Note 11
Add: Capitalised interest	4,784	5,592	Note 11
Add: Capitalised works	67,386	50,238	Note 11
Subtotal: Housing properties reinvestment	199,530	204,937	
Divided by: Housing properties – Net book value	3,004,876	2,869,388	Note 11
Social housing reinvestment	6.6%	7.1%	

Gearing (RSH)

This is a key risk measure which shows whether the level of borrowing we have entered into to fund new development is appropriate for the size of our business and risk appetite.

	2025 £000	2024 £000	
Housing loans from third parties (due within one year)	23,205	27,007	Note 18
Add: Housing loans from third parties (due after more than one year)	795,622	727,481	Note 19
Add: Discounted bonds	529,676	522,671	Note 19
Less: Restricted cash and cash equivalents	(4,707)	-	SOFP
Less: Cash and cash equivalents	(56,864)	(44,778)	SOFP
Subtotal: Net debt	1,286,932	1,232,381	
Divided by: Housing properties – Net book value	3,004,876	2,869,388	Note 11
Gearing	42.8%	42.9%	

Operating margin – Overall (RSH)

This measures the proportion of surplus we generate from turnover on day-to-day activities and is a key indicator of operating efficiency and business health.

	2025 £000	2024 £000	
Operating surplus	87,597	71,943	Note 2a
Less: Surplus on sale of social housing properties	(9,066)	(9,036)	Note 2a
Subtotal: Operating surplus as defined by RSH	78,531	62,907	
Divided by:			
Turnover	505,436	493,189	Note 2a
Other operating income	-	450	Note 2a
Subtotal: Turnover as defined by RSH	505,436	493,639	Note 2a
Operating margin – Overall	15.5%	12.7%	

Operating margin – Social housing lettings (RSH)

This measures the proportion of surplus we generate from turnover on our core social housing lettings business and is a key indicator of operating efficiency and business health.

	2025 £000	2024 £000	
Social housing lettings - Operating surplus	75,083	64,389	Note 2a
Divided by:			
Social housing lettings - Turnover	367,777	340,302	Note 2a
Social housing lettings – Other operating income	-	450	Note 2a
Subtotal: Total income from social housing lettings	367,777	340,752	Note 2b
Operating margin – Social housing lettings	20.4%	18.9%	

EBITDA MRI (RSH)

Earnings before interest, tax, depreciation and amortisation (major repairs included) is a standard measure used within the social housing sector to compare the level of earnings from operations, excluding the impact of adjustments which can be affected by accounting policy choices.

	2025 £000	2024 £000	
Operating surplus as defined by RSH	78,531	62,907	As above
Add: Depreciation of housing properties	55,130	53,422	Note 9
Add: Depreciation of other fixed assets	2,122	2,241	Note 9
Add: Amortisation of intangible fixed assets	4,879	3,618	Note 9
Add: Interest receivable	6,792	5,557	Note 7
Less: Amortised government grants	(9,551)	(9,235)	Note 2b
Less: Revenue grants	(1,745)	(589)	Note 2b
Less: Capitalised major repairs	(67,386)	(50,238)	Note 11
Add: Grant received in relation to capitalised major repairs	3,124	-	Note 22
EBITDA MRI	71,896	67,683	

Interest cover (RSH)

Interest cover shows how comfortably we are able to meet the interest repayments on our borrowings.

	2025 £000	2024 £000	
EBITDA MRI	71,896	67,683	As above
Divided by:			
Interest payable and financing costs	61,976	53,935	SOCI
Add: Interest capitalised on property development	5,819	7,768	Note 8
Subtotal: Gross interest payable	67,795	61,703	
Interest cover	106%	110%	

Return on capital employed (RSH)

This shows how efficiently we are using our resources to generate a financial return.

	2025 £000	2024 £000	
Operating surplus	87,597	71,943	SOCI
Add: Share of profit in joint ventures	2,296	2,163	SOCI
Less: Share of loss in associate	(38)	-	SOCI
Less: Reversal of impairment/(impairment) of loan to associate	71	(1,473)	SOCI
Subtotal: Surplus before interest and tax	89,926	72,633	
Divided by: Total assets less current liabilities	3,126,971	3,006,743	SOFP
Return on capital employed	2.9%	2.4%	

Social housing cost per unit (RSH)

This is a high-level measure of the amount it costs us on average to provide each social home that we manage.

	2025 £000	2024 £000	
Social housing lettings – Operating expenditure	292,694	276,363	Note 2a
Less: Depreciation of housing properties	(53,546)	(51,607)	Note 2b
Less: Reversal of impairment/(impairment) of housing properties	23	(1,189)	Note 2b
Less: Rent losses from bad debts	(3,153)	(3,439)	Note 2b
Add: Other social housing activities – Operating expenditure	66,572	62,134	Note 2a
Less: Shared ownership first tranche sales – Operating expenditure	(2,166)	(1,613)	Note 2a
Add: Capitalised works	67,386	50,238	Note 11
Subtotal: Social housing costs	367,810	330,887	
Divided by: Total social housing units	52,559	51,953	Note 4
Social housing cost per unit	6,998	6,369	

Independent Auditor's Report to the Members of Home Group Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Home Group Limited (the 'association') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2025 and of the group's and the association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements which comprise:

- the group and association statement of comprehensive income;
- the group and association statement of financial position;
- the group and association statement of changes in reserves;
- the group cash flow statement; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. 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 group and the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: <i>Impairment of properties under construction (including work in progress.)</i>
Materiality	The materiality that we used for the group financial statements was £5.05m which was determined on the basis of 1% of turnover.
Scoping	Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of misstatement at the group level. We performed audits of the entire financial information of three components (which included the association), and audits of specific account balances in two other components.
Significant changes in our approach	There have been no significant changes in our approach in the current period.

4. 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.

Our evaluation of the Board's assessment of the group's and association's ability to continue to adopt the going concern basis of accounting included:

- assessing the cash flow forecasts, sensitivity analysis performed by the Board, and supporting five-year business plans, including consideration of current macroeconomic conditions;
- assessing accuracy of forecasts by comparing actual performance against budget in the current and previous financial year;
- gained an understanding of the new facilities agreed in the year through examination of the contractual documents;
- evaluating the financing facilities and borrowings, including historic and forecast compliance with relevant covenants;
- evaluating the impact of the current regulatory judgements published by the Regulator for Social Housing; and
- assessing the appropriateness of the group's going concern disclosures in the financial statements.

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 group's and 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impairment of properties under construction (including work in progress)

Key audit matter description	The group has a significant development programme which includes social housing, shared ownership properties and mixed tenure schemes. The total cost of the assets in the scope of this key audit matter (as shown in Notes 11 and 15) are: • Housing properties under construction £88.0m (2024: £149.4m) • Shared ownership properties under construction £84.1m (2024: £56.8m) • Shared ownership properties work in progress £6.4m (2024: £15.8m) • Outright sales properties work in progress £16.8m (2024: £53.1m) As set out in Note 1, on an annual basis management carries out a review for indicators of impairment of housing properties in line with the Statement of Recommended Practice for registered social housing providers ('Housing SORP') and FRS102. This assessment is carried out on a scheme by scheme basis, and the considerations differ depending on the intended purpose of each scheme. In addition, management prepares detailed valuation models by scheme to assess whether there is an impairment. These models include assumptions used such as management costs, lifecycle costs, discount rate, rental yields and assumed values. We have identified a key audit matter in relation to the risk that impairment indicators may not be identified and the risk that assumptions used may be inaccurate, and therefore work in progress or housing properties under construction may be overstated as a result of understatement of the impairment charge. Details of the accounting policies are set out in Notes 1, 11 and 15
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls relating to the identification and assessment of impairment indicators over properties under construction (including work in progress). We evaluated the methodology used by the group and the association to identify impairments and assessed the reasonableness of this approach in line with the Statement of Recommended Practice for registered social housing providers ('Housing SORP') and FRS102. We evaluated the Board's assessment of potential impairment triggers using our experience of the group and wider sector. We involved our property valuation and financial instrument valuation specialists, to assist with the challenge of the assumptions used, such as management costs, lifecycle costs, discount rate, rental yields and assumed values, and calculations performed by the Board to produce the valuations used in the impairment review. We compared a sample of key information used in the impairment calculations, such as forecast costs and sales valuations, with published information sources to test the reasonableness of management's assumptions.
Key observations	Based on our work performed, we are satisfied that the carrying value of properties under construction (including work in progress) is fairly stated. We have raised recommendations to management to improve certain controls in this area.

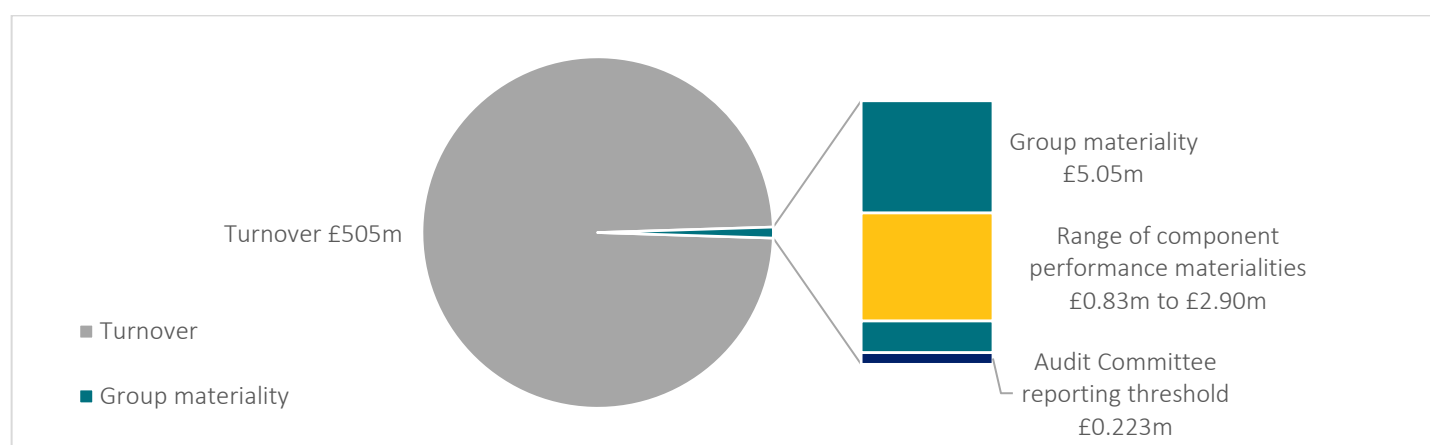
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Association financial statements
Materiality	£5.05m (2024: £4.94m)	£4.46m (2024: £4.16m)
Basis for determining materiality	1% of turnover (2024: Approximately 1% of turnover)	1% of turnover (2024: Approximately 1% of turnover)
Rationale for the benchmark applied	We used turnover as the benchmark for determining materiality as this reflects the underlying performance of the business and is a key metric for users of the financial statements.	



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Association financial statements
Performance materiality	65% (2024: 65%) of group materiality	65% (2024: 65%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - our risk assessment, including our assessment of the group's overall control environment; and - the number of corrected and uncorrected misstatements identified in the previous year's audit.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.22m (2024: £0.25m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risk of material misstatement at the group level. The group audit including audit of the consolidation, the association, and the subsidiaries in scope, is performed by the group audit engagement team.

Components were identified at the legal entity level, and are all based in the UK. We performed audits of the entire financial information of three legal entities (which included the association) and audits of specific account balances in two other legal entities. Component performance materialities ranged from £0.83m to £2.90m (2024: £0.74m to £2.70m) and were adapted to suit the requirements to perform statutory audits where applicable. Analytical procedures were performed on residual balances in order to assess whether there were any further risks of material misstatement. Our audit procedures covered 99.6% of the group's turnover (2024: 99.5%), and 99.9% of the group's total net assets (2024: 98.6%).

7.2. Our consideration of the control environment

We have obtained an understanding of the relevant controls related to the financial reporting process that address the risk of material misstatement. We have tested and relied on the relevant controls across the group around journal entries. As part of our work we have involved our IT specialists to test the general IT controls of Oracle EBS, Linux OS, Last Pass and the Windows Active Directory.

7.3. Our consideration of climate-related risks

Management has considered climate change risks as part of their risk assessment process when considering the principal risks and uncertainties facing the group as explained in their Business Environment section of their Annual Report on pages 9-12. We have:

- completed risk assessment procedures, including assessing whether the risks identified by the Board are complete and consistent with our understanding of the group; and
- read the climate risk disclosures in the Business Environment section of the Annual Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report.

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.

9. Responsibilities of Board

As explained more fully in the Statement of Board's responsibilities in respect of the Board's report and the financial statements, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board 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 is responsible for assessing the group's and 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 group or the association or to cease operations, or have no realistic alternative but to do so.

10. 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.

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

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

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.

11.1. Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the Board and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, property valuations, financial instrument valuation, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: impairment of properties under construction (including work in progress). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the 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 addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's compliance with regulatory standards set by the Regulator of Social Housing.

11.2. Audit response to risks identified

As a result of performing the above, we identified impairment of properties under construction (including work in progress) as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

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

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

We have nothing to report in respect of these matters.

13. Other matters which we are required to address

13.1. Auditor tenure

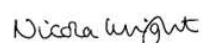
Following the recommendation of the Audit Committee, we were appointed by the Board in September 2020 to audit the financial statements for the year ending 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is five years, covering the years ended 31 March 2021 to 31 March 2025.

13.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

14. 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.



Nicola Wright (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
18 August 2025

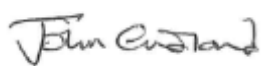
Statement of Comprehensive Income for the year ended 31 March 2025

	Notes	GROUP		ASSOCIATION	
		2025	2024	2025	2024
		£000	£000	£000	£000
Turnover	2	505,436	493,189	446,150	419,123
Other operating income	2	-	450	-	450
Cost of sales	2	(56,183)	(79,664)	(31,309)	(34,823)
Operating expenditure	2	(370,722)	(351,068)	(348,174)	(329,717)
Surplus on disposal of housing properties	3	9,066	9,036	8,965	9,041
Operating surplus		87,597	71,943	75,632	64,074
Share of profit in joint ventures	14	2,296	2,163	-	-
Share of loss in associates	14	(38)	-	-	-
Reversal of impairment / (impairment) of loan to associate	14	71	(1,473)	-	-
Interest receivable	7	6,792	5,557	2,517	2,394
Interest payable and financing costs	8	(61,976)	(55,014)	(57,806)	(52,328)
Gift aid receipt		-	-	7,893	10,590
Surplus before taxation	9	34,742	23,176	28,236	24,730
Taxation	10	(566)	354	(31)	20
Surplus for the year		34,176	23,530	28,205	24,750
Actuarial gain / (loss) relating to pension schemes	24	1,635	(1,867)	1,635	(1,867)
Total comprehensive income for the year		35,811	21,663	29,840	22,883

All activities are continuing.

The notes on pages 47 to 86 form part of the financial statements.

The financial statements on pages 43 to 86 were approved by the Board on 31 July 2025 and were signed on its behalf by:



J Cridland, CBE
Home Group Chairman



C Vallis
Senior Independent Member



A Woods
Company Secretary

Statement of Financial Position as at 31 March 2025

	Notes	GROUP		ASSOCIATION	
		2025 £000	2024 £000	2025 £000	2024 £000
Fixed assets					
Housing properties	11	3,004,876	2,869,388	2,714,482	2,600,762
Other fixed assets	12	14,468	13,296	14,468	13,296
Intangible fixed assets	13	17,313	17,683	17,313	17,683
Investment in subsidiaries	14	-	-	115,805	114,098
Investment in joint ventures	14	38,309	41,527	-	-
Investment in associates	14	30,500	31,517	-	-
Other investments	14	7,610	7,377	6,990	6,953
Homebuy loans receivable		645	645	645	645
Pension asset	24	27,476	24,424	27,476	24,424
		3,141,197	3,005,857	2,897,179	2,777,861
Current assets					
Properties held for sale	15	53,812	80,781	30,538	38,123
Debtors	16	47,132	34,148	42,588	34,742
Restricted cash and cash equivalents	17	4,707	-	4,707	-
Cash and cash equivalents		56,864	44,778	37,348	36,525
		162,515	159,707	115,181	109,390
Creditors: amounts falling due within one year	18	(176,741)	(158,821)	(182,437)	(154,348)
Net current (liabilities) / assets		(14,226)	886	(67,256)	(44,958)
Total assets less current liabilities		3,126,971	3,006,743	2,829,923	2,732,903
Creditors: amount falling due after more than one year	19	(2,286,424)	(2,202,000)	(2,134,056)	(2,066,869)
Net assets		840,547	804,743	695,867	666,034
Capital and reserves					
Non-equity share capital	25	-	-	-	-
Restricted reserve		817	835	817	835
Income and expenditure reserve		839,730	803,908	695,050	665,199
Total capital and reserves		840,547	804,743	695,867	666,034

The notes on pages 47 to 86 form part of the financial statements.

The financial statements on pages 3 to 86 were approved by the Board on 31 July 2025 and were signed on its behalf by:



J Cridland, CBE
Home Group Chairman



C Vallis
Senior Independent Member



A Woods
Company Secretary

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

GROUP	Income and expenditure reserve £000	Restricted reserve £000	Total reserves £000
As at 1 April 2023	782,245	849	783,094
Total comprehensive income for the year	21,663	-	21,663
Movement in restricted income	-	(14)	(14)
As at 31 March 2024	803,908	835	804,743
Total comprehensive income for the year	35,811	-	35,811
Transfer from income and expenditure reserve	11	(11)	-
Movement in restricted income	-	(7)	(7)
As at 31 March 2025	839,730	817	840,547

ASSOCIATION	Income and expenditure reserve £000	Restricted reserve £000	Total reserves £000
As at 1 April 2023	642,316	849	643,165
Total comprehensive income for the year	22,883	-	22,883
Movement in restricted income	-	(14)	(14)
As at 31 March 2024	665,199	835	666,034
Total comprehensive income for the year	29,840	-	29,840
Transfer from income and expenditure reserve	11	(11)	-
Movement in restricted income	-	(7)	(7)
As at 31 March 2025	695,050	817	695,867

The notes on pages 47 to 86 form part of the financial statements.

Group Cash Flow Statement for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Net cash inflow from operating activities	26	161,124	154,882
Cash flow from investing activities			
Purchase of housing properties, other fixed assets and intangible assets		(200,338)	(200,727)
Investment in joint ventures		(16,634)	(20,682)
Repayments from joint ventures		18,550	16,207
Distributions received from joint ventures		6,500	4,000
Investment in associates		(3,850)	(2,145)
Repayments from associates		5,865	3,700
Additions to other investments		(492)	(224)
Disposals of other investments		259	363
Net proceeds from sale of housing properties		21,661	19,080
Capital grants received		19,228	2,441
Capital grants repaid		-	(369)
Interest received		1,723	1,029
Net cash outflow from investing activities		(147,528)	(177,327)
Cash flow from financing activities			
Interest paid		(60,039)	(52,954)
New secured loans		93,000	95,500
Repayment of borrowings		(29,764)	(23,717)
Movement in deposits		-	172
Net cash inflow from financing activities		3,197	19,001
Net change in cash and cash equivalents		16,793	(3,444)
Cash and cash equivalents at the beginning of the year		44,778	48,222
Cash and cash equivalents at the end of the year		61,571	44,778

Cash balances of £4,707,000 (2024: £nil) were restricted as at 31 March 2025 (see note 17).

The notes on pages 47 to 86 form part of the financial statements.

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with UK Accounting FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ('FRS 102'), the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Statement of Recommended Practice for registered social housing providers Update 2018 ('SORP 2018').

Compliance with the SORP 2018 requires departure from the requirements of 'FRS 102, section 19 'Business Combinations and Goodwill', in relation to negative goodwill and an explanation of the result of the departure is given in the 'Negative goodwill' policy below.

The presentation currency of these financial statements is British pound sterling. All amounts in the financial statements have been rounded to the nearest £1,000, unless otherwise specified.

As a public benefit entity, Home Group has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. No cash flow statement has been presented for the parent (Association) because advantage has been taken of the disclosure exemption available in FRS 102.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, and the Housing and Regeneration Act 2008. The financial statements are prepared on the historical cost basis of accounting. There are no material differences between the surplus before taxation and the surplus for the current or prior year and their historical cost equivalents.

A summary of the more important Group accounting policies is set out below, together with an explanation of where they have not been applied consistently.

Going concern

As set out below the Board has a reasonable expectation that the Group and the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months after the date on which the report and financial statements are signed. For this reason, the Group and Association continue to adopt the going concern basis in the financial statements.

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report and the Report of the Board. Our reported surplus before tax of £34.7 million was ahead of our 2025 budget (£33.4 million), driven by careful cost management and our ability to react to external pressures by implementing mitigating actions. At the balance sheet date the amount of cash and undrawn committed facilities available to the Group was £281.0 million, with a further £230 million in the process of being secured.

The most significant external factor that has impacted us during the year has been the continuation of a challenging external environment with high inflation and interest rates which put pressure on our financial position. Ensuring we have sufficient liquidity is considered as one of the business's principal risks, as discussed on pages 10-11. The impact this has had on our financial performance and position is detailed on pages 16-18 in our financial review.

The above is reflected in our overall group performance for the year.

Looking forwards

As part of our 2026 budget and business planning process we have undertaken detailed forecasting covering the next five financial years, as well as a long term 30-year forecast. Both show the group, and the individual entities within it, to be growing and building on their current financial strength.

When looking at the short term, to the period to 31 March 2027 we expect group liquidity to remain robust so that at no time do we have less than 24 months of cash and facilities available to us. Our forecasts also show that we anticipate remaining inside the parameters of our loan covenants at all times and we do not anticipate any breaches occurring.

Stress testing

We stress test our financial forecasts to understand the risks they face and the impact of them transpiring. We also model the impact of the mitigations we have identified to address these events if they occur. We are currently operating in a challenging economic environment and this risk has been reflected in our stress testing.

1. Principal accounting policies (continued)

The detailed stress testing our financial forecasts have been subjected to include:

- Property market crash
- Economic downturn – high inflation and continued cost of living crisis
- Regulatory breach combined with lack of Government support
- Perfect storm (combination of all stress tests)

We always stress test our business plan to identify what would 'break' it. This is an important step in making sure our plans are robust and the Regulator expects to see this. The scenarios above combine multiple stresses, however the only scenario that leads to a breach of loan covenants is the perfect storm scenario. However in all scenarios we are unable to continue to operate within the facilities assumed in our business plan and breach our internal liquidity rule. Our work shows that we would be able to implement mitigations in all scenarios so that we continue to operate within facility limits and covenants are adhered to, including a reduction or pause of our development programme and the reduction of a number of operational budget lines.

Basis of consolidation

The Group Statement of Comprehensive Income (SOCl) and Statement of Financial Position (SOFP) consolidate the results and financial position of the Association and its subsidiary undertakings, joint ventures and associates. Details of the subsidiary undertakings, joint ventures and associates are included in Note 14 to the financial statements. Intra-group turnover, surpluses and balances are eliminated fully on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries and on transfers of engagements represents the excess of the fair value of identifiable assets over the fair value of consideration given. Where negative goodwill arises on the acquisition of a business as a part of a commercial transaction it is classified as a negative asset and amortised over the life of the asset acquired. Where negative goodwill arises through an acquisition which is in substance a gift of a business (a non-exchange transaction) the fair value of the gifted assets and liabilities is recognised as a gain or loss in the income and expenditure reserve in the year of the transaction.

The outlined treatment is in accordance with the SORP 2018 but not in accordance with section 19 of FRS 102 which requires that negative goodwill is shown as a negative asset on the SOFP. The Board is of the opinion that the treatment required by FRS 102 would not present a true and fair view of the Group's net assets because the substance of each transaction is a transfer of a business for no consideration rather than a purchase in the conventional manner. If the negative goodwill on all previous acquisitions (primarily Warden Housing Association Ltd, Stonham Housing Association Ltd, and Cleghorn Housing Association Ltd in the 1990s) had been treated as a negative asset as required by FRS 102 then the Group's net assets would have been reduced by £86.1 million (2024: £86.7 million).

Turnover

Rental income is recognised on a straight line basis, in accordance with the terms of the tenancy agreement, on an accrual basis. Revenue arising from the sale of property is recognised on legal completion. Revenue from contracts for support services is recognised in line with the contractual terms when the services are rendered. Revenue from shared ownership sales is recognised on the legal completion of the first tranche disposal. Revenue from government grants is recognised in line with the government grants accounting policy.

Care and support services

Income in respect of contracts for care and support services received is accounted for as care and support services in the turnover in Note 2 to the financial statements. The related costs of delivering these services are matched against this income.

1. Principal accounting policies (continued)

Housing properties

Housing properties are stated at cost less accumulated depreciation and impairment. Housing properties in the course of construction are stated at cost and are transferred into housing properties and depreciated from the date of practical completion of the scheme. The cost of a property comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Directly attributable costs include the employment costs of development, finance and legal colleagues, and surveyors arising directly from the construction or acquisition of the property, together with other incremental costs which would have been avoided only if the property had not been constructed or acquired. Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. The capitalisation rate is the weighted average of the rates applicable to general borrowings that are outstanding during the period.

Housing properties are split under component accounting between their land, structure costs and a specific set of major components which require periodic replacement. Refurbishment, replacement or addition to such components is capitalised if it brings future economic benefits such as increasing future rents, extends the useful economic life or reduces future maintenance costs. Costs are depreciated on a straight line basis over the estimated useful economic life of components as follows:

Component	Estimated useful economic life (years)
Property structure	50 - 100
Roof	40 - 55
Insulated render	35
Heating systems	30
Windows	30
Bathroom	25 - 30
Electrical	25 - 30
Solar panels	25
Doors (including fire doors)	20 - 25
Kitchen	15 - 20
Boiler	15
External boundaries	15
Lift	15
Specialist equipment	5 - 15
Land	Not depreciated

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation is charged on a straight line basis to write off the cost less any estimated residual value over the expected useful economic lives of the assets.

Asset type	Estimated useful economic life (years)
Freehold offices and long leasehold offices	40 or over the life of the lease
Improvements to short leasehold properties	Over the life of the lease
Plant, machinery and fixtures	4 - 8
Motor vehicles	4
Computer equipment	3 - 5
Leased equipment	Over the life of the lease

Intangible assets – software

Intangible assets that are acquired are stated at cost less accumulated amortisation and less accumulated impairment losses. The useful life of software is usually between three to five years and amortisation is charged on a straight line basis over the useful life of the asset. The annual amortisation charge is included within operating expenditure in the SOCI. Specific intangible assets may be assigned longer useful lives. Specific lives will be in line with the Information Service team's "roadmap" which outlines the lifecycle of the software.

Inventories

Inventories comprise materials and supplies used in the delivery of maintenance services. These are expensed to the income and expenditure account in the period in which they are purchased. Due to the immaterial value of inventory held at the reporting date, no inventory balance is recognised on the balance sheet.

1. Principal accounting policies (continued)

Government grants

Government grants include grants receivable from Homes England, Greater London Authority, the Scottish Housing Regulator, 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 and, where applicable, its individual components (excluding land) 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 that the funds will be received. Grants due/received in advance from government organisations are included as current assets/liabilities.

Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the SOFP 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 income and expenditure.

Other grants

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 is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is included in current liabilities.

Impairment

Reviews for indicators of impairment of housing properties are carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the SOCI. An impairment is recognised where the carrying amount of an income generating unit exceeds its recoverable amount being the higher of its fair value less costs to sell and its value in use, or where there is a material change to a development programme or scheme, for example when there is a change in the planned use of the properties or a change in the way the properties are to be managed, or a material increase in development costs as a result of contamination, change in government policy, or a change in demand for a property that is considered irreversible.

Disposals of housing properties

Where properties built for sale are disposed of during the year the disposal proceeds are included in turnover and the attributable costs included in cost of sales. Where properties previously rented out to customers are disposed of, the surplus on disposal is included surplus on disposal of housing properties.

Where a component is replaced or restored, the old component is written off to the SOCI, to avoid double counting, and the new component is capitalised. Charges arising from the early replacement of a component are reflected as part of the overall depreciation charge.

Social Housing Grant (SHG) relating to a disposed property is either recycled or repaid. This includes previously amortised grant.

Properties for sale

Completed properties for outright sale and properties under construction are valued at the lower of cost and net realisable value.

Shared ownership

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and on disposal the first tranche sale proceeds are shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset. Any grant attributable to shared ownership assets is wholly attributed to the element retained and held in liabilities. Subsequent tranches sold ('staircasing') are accounted for as disposals of housing properties, as noted above.

1. Principal accounting policies (continued)

Subsidiaries

The consolidated financial statements include the financial statements of the Association and its subsidiary undertakings made up to 31 March 2025. A subsidiary is an entity that is controlled by the parent (the Association). The results of subsidiary undertakings are included in the consolidated SOCI from the date that control commences until the date that control ceases. Control is established when the Association has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Joint ventures and associates

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Associates are all entities over which the Group has significant influence but not control. Investments in joint ventures and associates are accounted for by the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition. If the Group's share of losses exceeds the carrying amount of its investment, the Group discontinues recognising its share of further losses. Additional losses are recognised as a provision only to the extent that the Group has a legal or constructive obligation to make payments on behalf of the joint venture or associates. The Group only resumes recognising its share of profits after they equal the share of losses not recognised. Loans to joint ventures and associates are included in fixed asset investments as they are intended to be held on a long-term basis.

Other investments

Other fixed asset and current asset investments are stated at market value.

Gift aid

Profits from non-charitable subsidiaries might be distributed to Home Group in a tax-efficient manner as a donation which is eligible for corporation tax relief under the gift aid rules, provided it is made during the relevant reporting period or during the following nine months. An expected gift aid payment shall not be accrued unless a legal obligation to make the payment exists at the reporting date. A board decision to make a gift aid payment to a parent charity, that has been taken prior to the reporting date, is not sufficient to create a legal obligation.

Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are not subject to a significant risk of changes in value.

Index-linked loans

Index-linked loans are shown at the amount borrowed net of any principal repayments plus indexation less issue costs. Indexation represents the amount of uplift of the borrowing by reference to movements in the retail prices index and is charged to the SOCI annually.

Loan issue costs

Issue costs of long term loan finance are deducted from the proceeds of the loan and accordingly reduce the amount at which the loan is initially recorded and are charged to the SOCI at a constant rate on the carrying amount over the term of the loan. Redemption costs are charged when incurred.

Leaseholders' building funds

Charges which are made to leaseholders for future major repairs are held in designated interest-bearing bank accounts with a corresponding creditor disclosed on the SOFP under creditors due within one year.

Supported housing managed by agencies

Social Housing Grant and revenue grant claimed by the Group as owner of its supported housing schemes and the related expenditure are included in the SOFP and SOCI of the Group. The treatment of other income and expenditure in respect of these schemes depends on whether the Group carries the financial risk. Where the Group carries the financial risk, all the scheme's income and expenditure is included in the SOCI within Note 2 to the financial statements. Where an agency carries the financial risk, the SOCI includes only that income and expenditure which relates solely to the Group. Other income and expenditure of schemes in this category is excluded from the SOCI.

1. Principal accounting policies (continued)

Pension costs

The Group operates three main defined benefit pension schemes. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in the fair value of the assets and liabilities are recognised in the accounting periods in which they arise. The operating costs, finance costs and expected return on assets, and any other changes in the fair value of assets and liabilities are recognised in the SOCI.

The Group also operates its own defined contribution scheme. The contributions paid into this scheme are charged to the SOCI as incurred.

Taxation

The tax expense for the period comprises current and deferred tax. Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Timing differences are differences between the Group's taxable surpluses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable, and therefore recognised, only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted. Deferred tax balances are not discounted.

Value Added Tax (VAT)

The Group is partially exempt from VAT. A small proportion of VAT is reclaimed but because of the small amounts involved, expenditure is shown gross and the VAT recovered is included in sundry income.

Homebuy

The Group operated this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of Social Housing Grant (SHG). On redemption:

- The SHG is recycled,
- The SHG is written off, if a loss occurs,
- The Group keeps any surplus.

Homebuy loans are treated as concessionary loans and are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated Homebuy grant from Homes England is recognised as deferred income until the loan is redeemed.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Financial instruments

All financial instruments meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 and are accounted for under the amortised historic cost model.

Restricted reserves

Services within Home Group's care and supported services are empowered to raise funds at a local level for the future benefit of that service. Funds collected and relevant expenditure incurred are recorded in the SOCI in the period with net movement transferred between the income and expenditure reserve and the restricted reserve at the end of each year.

1. Principal accounting policies (continued)

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The judgements and estimates which have the most significant impact on amounts recognised in the financial statements are set out below.

Significant management judgements

Carrying value of completed housing properties and stock

Judgement is exercised in determining the carrying value of completed housing properties and properties held for sale in line with the accounting policies.

The value of a property may be impaired if it's not providing the social benefit for which it is held and is therefore unable to fulfil its service potential. The Group has conducted a review of the financial performance and future prospects of its full portfolio of existing rented housing properties to assess whether there has been a trigger event for an impairment review. Indicators of impairment used as part of the review were: a fall in market values, a significant change in our operating environment, change in market interest rates, evidence of obsolescence in our stock, a change in how we use our stock, or a deterioration in asset performance. Specifically, we have considered whether properties are planned to be sold, demolished or earmarked for regeneration, whether properties have been vacated pending major works, or whether they have been void for an extended period of time.

When indicators for impairment exist, we compare our carrying values against the sector standard valuation of Existing Use Value for Social Housing (EUV-SH). This is the value at which we would expect to transfer properties to another registered provider. Where the carrying value of identified properties is higher than EUV-SH, the properties have been impaired by the difference and the cost has been taken to the SOCI. It is a standard valuation method and as such is not considered to cause significant uncertainty.

Impairment charges and reversals identified are included in the SOCI and are set out in Notes 9 and 11 of the financial statements.

Investment in joint ventures and associates

For loans to joint ventures and associates, the Group has reviewed future projections for joint ventures to assess the likely recoverability of loans at the balance sheet date.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

Carrying value of housing properties and stock under construction

When reviewing our housing properties and stock under construction for indications of impairment, we make a number of estimates. For the purpose of our reviews we consider each development scheme an individual cash generating unit (CGU).

For housing properties under construction (i.e. those affordable homes we're building to retain) we calculate whether the scheme's anticipated costs to build (current carrying value plus expected future costs) is higher than its recoverable amount and impair it if it is. We initially calculate value in use which takes into account costs incurred to date and forecast future cash flows including those generated from rental income. If this value in use is lower than the carrying value, we then compare the scheme's carrying value to its EUV-SH which we obtain from an independent valuer. Any impairment expense is the difference between the total anticipated costs to build and the higher of value in use and EUV-SH, with the impairment being restricted to the carrying value. The following sensitivity analysis has been carried out:

Uncertainty	Impact
Future costs	For our active developments we have considered a number of cost increase scenarios. A 3% uplift in 2025/26 costs across all active sites would lead to a £2.5 million increase in the carrying value of housing properties; a 5% uplift would mean a £4.2 million increase; and a 10% uplift a £8.4 million increase. The majority of our contracts, however, are fixed price and we would not expect (and have not experienced) significant deviations from agreed terms.

1. Principal accounting policies (continued)

For properties held for sale, a scheme under development is impaired if its anticipated costs to build (current carrying value plus expected future costs) are higher than its selling price less costs to sell, with the impairment provision being restricted to the current carrying value. We calculate anticipated costs to build for each scheme by taking into account costs incurred to date, estimated costs to complete and future grant receipts. Future grants are either based upon formal agreements held with grant providers or anticipated based on communications held with the provider and could be subject to change.

The two key estimations made by management are future costs and sales values. As part of our development appraisal process, we subject these estimations to sensitivity analysis, and have summarised the impact in the following table:

Uncertainty	Impact
Future costs	For our active developments we have considered a number of cost increase scenarios. A 3% uplift in 2024/25 costs across all active sites would lead to a £0.3 million increase in the carrying value of stock; a 5% uplift would mean a £0.5 million increase; and a 10% uplift a £1.1 million increase. The majority of our contracts, however, are fixed price and we would not expect (and have not experienced) significant deviations from agreed terms.
Sales values	In the event of a significant property market event we have considered the impact of a 20 to 25% reduction in sales prices. In this scenario we would expect to record an impairment of approximately £2.2 million in 2025/26.

Impairment charges and reversals identified are included in the SOCI and are set out in Notes 9 and 11 of the financial statements.

Defined benefit pension liabilities

The cost of defined benefit pension scheme benefits and the liability for benefits at the balance sheet date are determined using actuarial valuations. The actuarial valuation is based upon assumptions including discount rates, inflation, future salary increases and future pension increases. The valuation also reflects assumptions about future mortality rates. Variation in these assumptions may significantly impact the cost of defined benefit pension scheme benefits and the liability for benefit accrued at the balance sheet date. The overall net surplus across all defined benefit pension schemes as at 31 March 2025 was £27.5 million. Key areas of estimation uncertainty are the discount rate applied in the calculations, the inflation rate used, and the average life expectancy. These are considered below:

Uncertainty	Impact
Discount rate	A +/- 0.25% change in the discount rate would change defined benefit scheme obligations by +/- 3% (-/+£5.4m)
Inflation rate	A +/- 0.25% change in inflation linked assumptions would change the obligation by between +3% and -2% (+£5.4m / -£3.6m)
Life expectancy	An increase in average life expectancy by one year would increase liabilities by 3% (£5.4m)

2a. Turnover, cost of sales, operating expenditure and operating surplus / (deficit)

	Note	Turnover	Other operating income	Cost of sales	Operating expenditure	Operating surplus / (deficit)
		£000	£000	£000	£000	£000
GROUP – YEAR ENDED 31 MARCH 2025						
Income and expenditure from social housing lettings	2b	367,777	-	-	(292,694)	75,083
Other social housing activities						
Care and support services		49,268	-	-	(46,744)	2,524
Shared ownership first tranche sales		29,098	-	(23,087)	(2,166)	3,845
Community investment		-	-	-	(3,903)	(3,918)
Development and marketing		916	-	-	(5,994)	(5,078)
Surplus on sale of social housing properties	3	-	-	-	-	9,066
Reversal of impairment of properties held for sale		-	-	-	11	11
Housing partnership		6,743	-	-	(4,767)	1,976
Other social housing		1,386	-	-	(3,009)	(1,608)
		87,411	-	(23,087)	(66,572)	6,818
Non-social housing activities						
Properties developed for outright sale		37,900	-	(33,096)	(1,040)	3,764
Impairment of properties held for sale		-	-	-	(2,293)	(2,293)
Mid-market rent - lettings		6,919	-	-	(3,072)	3,847
Leasehold and commercial rent		4,437	-	-	(2,884)	1,553
Other non-social housing		992	-	-	(2,167)	(1,175)
		50,248	-	(33,096)	(11,456)	5,696
Total		505,436	-	(56,183)	(370,722)	87,597

GROUP – YEAR ENDED 31 MARCH 2024

Income and expenditure from social housing lettings	2b	340,302	450	-	(276,363)	64,389
Other social housing activities						
Care and support services		47,719	-	-	(44,550)	3,169
Shared ownership first tranche sales		15,962	-	(12,522)	(1,613)	1,827
Community investment		-	-	-	(4,220)	(4,220)
Development and marketing		318	-	-	(3,493)	(3,175)
Surplus on sale of social housing properties	3	-	-	-	-	9,036
Impairment of properties held for sale		-	-	-	(210)	(210)
Housing partnership		6,704	-	-	(5,204)	1,500
Other social housing		1,031	-	-	(2,844)	(1,813)
		71,734	-	(12,522)	(62,134)	6,114
Non-social housing activities						
Properties developed for outright sale		71,640	-	(67,142)	(1,571)	2,927
Impairment of properties held for sale		-	-	-	(272)	(272)
Mid-market rent - lettings		5,090	-	-	(2,929)	2,161
Leasehold and commercial rent		3,666	-	-	(3,214)	452
Other non-social housing		757	-	-	(4,585)	(3,828)
		81,153	-	(67,142)	(12,571)	1,440
Total		493,189	450	(79,664)	(351,068)	71,943

There are no individually material amounts in Other.

2a. Turnover, cost of sales, operating expenditure and operating surplus / (deficit) (continued)

	Note	Turnover	Other operating income	Cost of sales	Operating expenditure	Operating surplus / (deficit)
		£000	£000	£000	£000	£000
ASSOCIATION – YEAR ENDED 31 MARCH 2025						
Income and expenditure from social housing lettings	2b	341,900	-	-	(276,158)	65,742
Other social housing activities						
Care and support services		49,268	-	-	(46,744)	2,524
Shared ownership first tranche sales		29,098	-	(23,087)	(2,166)	3,845
Community investment		-	-	-	(3,821)	(3,836)
Development and marketing		835	-	-	(5,949)	(5,114)
Surplus on sale of social housing properties	3	-	-	-	-	8,965
Reversal of impairment of properties held for sale		-	-	-	11	11
Housing partnership		6,743	-	-	(4,767)	1,976
Other social housing		3,896	-	-	(3,009)	900
		89,840	-	(23,087)	(66,445)	9,271
Non-social housing activities						
Properties developed for outright sale		7,599	-	(8,222)	(132)	(755)
Reversal of impairment of properties held for sale		-	-	-	241	241
Mid-market rent - lettings		965	-	-	(687)	278
Leasehold and commercial rent		4,253	-	-	(2,834)	1,419
Other non-social housing		1,593	-	-	(2,159)	(566)
		14,410	-	(8,222)	(5,571)	617
Total		446,150	-	(31,309)	(348,174)	75,632

ASSOCIATION – YEAR ENDED 31 MARCH 2024

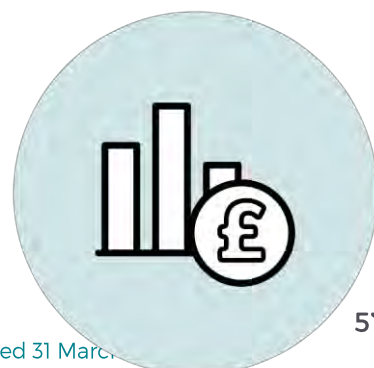
Income and expenditure from social housing lettings	2b	317,043	450	-	(259,371)	58,122
Other social housing activities						
Care and support services		47,719	-	-	(44,550)	3,169
Shared ownership first tranche sales		15,200	-	(11,760)	(1,612)	1,828
Community investment		-	-	-	(4,079)	(4,079)
Development and marketing		139	-	-	(3,324)	(3,185)
Surplus on sale of social housing properties	3	-	-	-	-	9,041
Reversal of impairment of properties held for sale		-	-	-	18	18
Housing partnership		6,704	-	-	(5,204)	1,500
Other social housing		3,195	-	-	(2,847)	348
		72,957	-	(11,760)	(61,598)	8,640
Non-social housing activities						
Properties developed for outright sale		22,796	-	(23,063)	(331)	(598)
Impairment of properties held for sale		-	-	-	(126)	(126)
Mid-market rent - lettings		906	-	-	(625)	281
Leasehold and commercial rent		3,513	-	-	(3,102)	411
Other non-social housing		1,908	-	-	(4,564)	(2,656)
		29,123	-	(23,063)	(8,748)	(2,688)
Total		419,123	450	(34,823)	(329,717)	64,074

There are no individually material amounts in Other.

2b. Income and expenditure from social housing lettings

GROUP	General needs housing and accommodation	Supported housing and housing for older people	Shared ownership	2025 Total	2024 Total
	£000	£000	£000	£000	£000
Income					
Rent receivable net of identifiable service charges	258,403	25,694	15,931	300,028	272,107
Service charges income	14,229	35,484	2,173	51,886	53,865
Net rents receivable	272,632	61,178	18,104	351,914	325,972
Amortised government grants	7,284	1,585	682	9,551	9,235
Revenue grants	1,695	50	-	1,745	589
Other income	1,870	1,361	1,336	4,567	4,956
Total income from social housing lettings	283,481	64,174	20,122	367,777	340,752
Expenditure					
Service charge costs	(16,164)	(29,641)	(2,552)	(48,357)	(46,340)
Management	(61,949)	(10,437)	(4,820)	(77,206)	(71,071)
Routine maintenance	(59,562)	(4,856)	(174)	(64,592)	(54,814)
Planned maintenance	(28,305)	(4,175)	(73)	(32,553)	(30,411)
Major repairs expenditure	(7,682)	(2,257)	(226)	(10,165)	(13,986)
Rent losses from bad debts	(2,232)	(917)	(4)	(3,153)	(3,439)
Property lease charges	(1,925)	(1,059)	(150)	(3,134)	(3,500)
Depreciation of housing properties	(47,109)	(4,237)	(2,200)	(53,546)	(51,607)
Reversal of impairment / (impairment) of housing properties	(363)	-	386	23	(1,189)
Other costs	(10)	(1)	-	(11)	(6)
Total expenditure on social housing lettings	(225,301)	(57,580)	(9,813)	(292,694)	(276,363)
Operating surplus on social housing lettings	58,180	6,594	10,309	75,083	64,389
Rent losses from voids	4,263	2,268	29	6,560	9,477

Total income from social housing lettings included an amount of £450,000 in 2024 within other income which is disclosed as other operating income in Note 2a and the SOCI. This related to a settlement in relation to breach of contract by a maintenance contractor.



2b. Income and expenditure from social housing lettings (continued)

ASSOCIATION	General needs housing accommodation	Supported housing and housing for older people	Shared ownership	2025 Total	2024 Total
	£000	£000	£000	£000	£000
Income					
Rent receivable net of identifiable service charges	234,296	25,694	15,850	275,840	250,557
Service charges income	12,512	35,484	2,172	50,168	52,226
Net rents receivable	246,808	61,178	18,022	326,008	302,783
Amortised government grants	7,818	1,585	676	10,079	9,790
Revenue grants	1,479	50	-	1,529	31
Other income	1,586	1,362	1,336	4,284	4,889
Total income from social housing lettings	257,691	64,175	20,034	341,900	317,493
Expenditure					
Service charge costs	(14,222)	(29,640)	(2,467)	(46,329)	(44,645)
Management	(56,930)	(10,284)	(4,776)	(71,990)	(65,761)
Routine maintenance	(57,541)	(4,856)	(174)	(62,571)	(53,238)
Planned maintenance	(26,130)	(4,175)	(73)	(30,378)	(28,729)
Major repairs expenditure	(6,740)	(2,257)	(226)	(9,223)	(13,071)
Rent losses from bad debts	(1,889)	(917)	(4)	(2,810)	(3,165)
Property lease charges	(1,842)	(1,059)	(149)	(3,050)	(3,405)
Depreciation of housing properties	(43,375)	(4,237)	(2,193)	(49,805)	(47,461)
Reversal of impairment / (impairment) of housing properties	(417)	-	426	9	110
Other costs	(10)	(1)	-	(11)	(6)
Total expenditure on social housing lettings	(209,096)	(57,426)	(9,636)	(276,158)	(259,371)
Operating surplus on social housing lettings	48,595	6,749	10,398	65,742	58,122
Rent losses from voids	4,086	2,268	29	6,383	9,314

Total income from social housing lettings includes an amount of £450,000 in 2024 within other income which is disclosed as other operating income in Note 2a and the SOCI. This relates to a settlement in relation to breach of contract by a maintenance contractor.

3. Surplus on disposal of properties

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Social housing properties				
Sales proceeds	24,284	19,147	24,029	19,050
Cost of sales	(9,810)	(4,643)	(9,656)	(4,541)
Capital grant recycled	(5,408)	(5,468)	(5,408)	(5,468)
Total	9,066	9,036	8,965	9,041

4. Housing stock

GROUP	At 1 April 2024	New units developed or acquired	Units sold or demolished	Other movements	At 31 March 2025
General needs – social					
Owned and managed	34,518	136	(35)	(16)	34,603
Owned but not managed	-	-	-	4	4
Managed but not owned	1	-	-	-	1
General needs – affordable					
Owned and managed	7,506	314	(7)	(2)	7,811
Managed but not owned	1	-	-	-	1
General needs – intermediate					
Owned and managed	87	-	-	-	87
Total general needs units	42,113	450	(42)	(14)	42,507
Housing for older people – social					
Owned and managed	1,544	1	-	-	1,545
Housing for older people – affordable					
Owned and managed	455	-	-	-	455
Total housing for older people units	1,999	1	-	-	2,000
Supported housing – social					
Owned and managed	3,099	12	(116)	(21)	2,974
Owned but not managed	764	-	(35)	2	731
Managed but not owned	147	-	(18)	19	148
Supported housing – affordable					
Owned and managed	109	2	-	(1)	110
Total supported housing units	4,119	14	(169)	(1)	3,963
Low cost home ownership					
Owned and managed	3,455	339	(34)	(59)	3,701
Owned but not managed	43	84	-	(4)	123
Managed but not owned	42	12	-	25	79
Total low cost home ownership units	3,540	435	(34)	(38)	3,903
Other social housing					
Owned and managed	102	5	(6)	5	106
Owned but not managed	72	-	-	-	72
Managed but not owned	8	-	-	-	8
Total other social housing	182	5	(6)	5	186
Total social housing					
Owned and managed	50,875	809	(198)	(94)	51,392
Owned but not managed	879	84	(35)	2	930
Managed but not owned	199	12	(18)	44	237
Total social housing	51,953	905	(251)	(48)	52,559
Leasehold units					
Market and mid-market rent units	4,142	12	(17)	18	4,155
Total non-social housing	745	3	(2)	-	746
Total non-social housing	4,887	15	(19)	18	4,901
Total social and non-social housing	56,840	920	(270)	(30)	57,460

Other movements mainly represent changes in tenure, ownership or management.

4. Housing stock (continued)

ASSOCIATION	At 1 April 2024	New units developed or acquired	Units sold or demolished	Other movements	At 31 March 2025
General needs – social					
Owned and managed	30,331	23	(35)	(16)	30,303
Owned but not managed	-	-	-	4	4
Managed but not owned	1	-	-	-	1
General needs – affordable					
Owned and managed	7,506	314	(7)	(2)	7,811
Managed but not owned	1	-	-	-	1
General needs – intermediate					
Owned and managed	87	-	-	-	87
Total general needs units	37,926	337	(42)	(14)	38,207
Housing for older people – social					
Owned and managed	1,544	1	-	-	1,545
Housing for older people – affordable					
Owned and managed	455	-	-	-	455
Total housing for older people units	1,999	1	-	-	2,000
Supported housing – social					
Owned and managed	3,099	11	(116)	(21)	2,973
Owned but not managed	764	-	(35)	2	731
Managed but not owned	147	-	(18)	19	148
Supported housing – affordable					
Owned and managed	109	2	-	(1)	110
Total supported housing units	4,119	13	(169)	(1)	3,962
Low cost home ownership					
Owned and managed	3,434	339	(34)	(59)	3,680
Owned but not managed	43	84	-	(4)	123
Managed but not owned	42	12	-	25	79
Total low cost home ownership units	3,519	435	(34)	(38)	3,882
Other social housing					
Owned and managed	102	5	(6)	5	106
Owned but not managed	72	-	-	-	72
Managed but not owned	8	-	-	-	8
Total other social housing	182	5	(6)	5	186
Total social housing					
Owned and managed	46,667	695	(198)	(94)	47,070
Owned but not managed	879	84	(35)	2	930
Managed but not owned	199	12	(18)	44	237
Total social housing	47,745	791	(251)	(48)	48,237
Leasehold units					
Market and mid-market rent units	4,142	11	(17)	18	4,154
Total non-social housing	745	3	(2)	-	746
Total non-social housing	4,887	14	(19)	18	4,900
Total social and non-social housing	52,632	805	(270)	(30)	53,137

Other movements mainly represent changes in tenure, ownership or management.

5. Emoluments of the Board, directors and senior colleagues

Analysis of non-executive Board members' emoluments

	2025 £000	2024 £000
R Bradley (until 16 September 2024)	6	13
P Charnock (from 19 March 2025)	-	-
J Cridland	28	28
L Cullen	13	13
D Cumberland	12	12
S Deacon	13	13
K Gillespie	13	13
Z Hingston	12	12
L Joisce (from 11 November 2023)	13	7
M Madden (until 1 November 2023)	-	7
I Mudie	12	12
C Vallis	15	15
B Walsh	12	12
	149	157

During the year there were no benefits, other than wages and salaries, payable to non-executive board members.

Analysis of directors' emoluments (key management personnel)

The following disclosure relates to colleagues who are key management personnel as defined in the Accounting Direction for Private Registered Providers of Social Housing 2022. This consists of the executive directors.

	2025 £000	2024 £000
Emoluments paid to the directors (including pension contributions and benefits in kind)	1,376	1,309
Emoluments paid to the highest paid director (excluding pension contributions)	301	272

	Remuneration £000	Benefits £000	Pension contributions £000	2025 Total £000	2024 Total £000
R M Byrne (until 30 June 2024)	54	1	6	61	232
W Gardner	193	8	14	215	193
M G Henderson	292	9	24	325	294
N Hussain	183	8	13	204	194
H Meehan	208	6	16	230	205
K Still (from 5 September 2024 until 31 January 2025)	135	2	3	140	-
P Walker	183	6	11	200	191
Total	1,248	40	87	1,375	1,309

Remuneration represents payments receivable for employment in the period and includes salary and performance related bonus in 2024. The bonus will no longer be awarded from 2025 onwards.

The members of the Executive, who were in post at the year end, excluding the Chief Executive, are ordinary members of the defined contribution section of the Home Group pension scheme. No enhanced or special terms apply. From 1 April 2016 the Chief Executive received a monthly payment in lieu of the pension contributions to which he would otherwise be entitled as an ordinary member of the scheme. This is disclosed within the pension contributions above.

5. Emoluments of the Board, directors and senior colleagues (continued)

The full time equivalent number of colleagues (including directors) whose remuneration payable in the year (including compensation for loss of office, performance-related bonus, expense allowances and pension contributions) fell above £60,000 was:

	2025 Number	2024 Number
£60,000 - £70,000	99	64
£70,001 - £80,000	60	47
£80,001 - £90,000	25	21
£90,001 - £100,000	12	10
£100,001 - £110,000	6	8
£110,001 - £120,000	7	6
£120,001 - £130,000	7	5
£130,001 - £140,000	4	-
£140,001 - £150,000	4	1
£150,001 - £160,000	2	2
£160,001 - £170,000	1	1
£170,001 - £180,000	-	1
£190,001 - £200,000	-	3
£200,001 - £210,000	2	1
£210,001 - £220,000	1	-
£220,001 - £230,000	1	-
£230,001 - £240,000	-	1
£290,001 - £300,000	-	1
£320,001 - £330,000	1	-

6. Employee information

The average number of persons (including directors) employed during the year (expressed as full time equivalents) was:

	GROUP		ASSOCIATION	
	2025 Number	2024 Number	2025 Number	2024 Number
Office colleagues	1,801	1,709	1,730	1,637
Wardens, caretakers, care workers and cleaners	1,309	1,361	1,309	1,361
Maintenance	350	205	320	168
	3,460	3,275	3,359	3,166

	GROUP		ASSOCIATION	
	2025 £000	2024 £000	2025 £000	2024 £000
Employee costs (for the above persons):				
Wages and salaries	120,107	104,092	115,796	99,662
Social security costs	11,162	9,487	10,710	9,048
Other pension costs	5,842	5,431	5,634	5,240
	137,111	119,010	132,140	113,950

In addition to the employee costs above, there were £7,146,000 (2024: £8,164,000) in Group, and £7,112,000 (2024: £8,150,000) in Association for temporary staff employed through an agency. These costs are included within operating expenditure in the SOCI.

7. Interest receivable

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Interest receivable from other Group companies	-	-	291	355
Interest receivable from bank and building society deposits	1,618	1,011	947	942
Interest income on defined benefit pension schemes	1,202	1,079	1,202	1,079
Interest receivable from joint ventures and associates	3,895	3,449	-	-
Other interest receivable	77	18	77	18
	6,792	5,557	2,517	2,394

8. Interest payable and financing costs

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Interest payable to other Group companies	-	-	473	205
Interest payable on bank loans and overdrafts	30,986	26,032	27,807	23,279
Interest payable on other loans	36,809	36,750	34,825	34,815
	67,795	62,782	63,105	58,299
Less: Interest capitalised on housing property development	(5,819)	(7,768)	(5,299)	(5,971)
	61,976	55,014	57,806	52,328
Average rate applicable to capitalised interest	4.2%	4.0%	4.1%	4.0%

Included within interest payable and financing costs are amounts for indexation and deferred interest totalling £6,933,727 (2024: £6,452,356).

9. Surplus on ordinary activities before taxation

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Surplus on ordinary activities before taxation is stated after charging / (crediting):				
Depreciation:				
- Housing properties	55,130	53,422	50,243	48,188
- Other fixed assets	2,122	2,241	2,122	2,241
Amortisation of intangible assets	4,879	3,618	4,879	3,618
(Reversal of impairment) / impairment:				
- Housing properties	(23)	1,189	(9)	(110)
- Fixed asset investment	(71)	1,473	-	-
- Properties held for sale	2,282	481	(252)	108
Grant amortisation	(10,260)	(9,763)	(10,474)	(10,186)
External auditor's remuneration for audit services	415	366	330	290
Operating lease rentals	6,484	6,310	6,372	6,195

The fixed asset investment impairment reversal of £71,000 in 2025 (2024: £1,473,000 impairment) relates to HGDL's loan to an associate, Evolution Morpeth LLP.

The external auditor's remuneration for audit services is payable to two auditors - £399,000 (2024: £350,000) is payable to the Group auditors and £16,000 (2024: £16,000) is payable in respect of subsidiary audits. No remuneration (2024: nil) was paid to the external auditor for other assurance services.

10. Taxation

	GROUP		ASSOCIATION	
	2025 £000	2024 £000	2025 £000	2024 £000
Current tax				
UK corporation tax	2,261	1,689	31	31
Adjustments in respect of prior years' UK corporation tax	(1,689)	(2,104)	-	(51)
Total current tax	572	(415)	31	(20)
Deferred tax				
Current period	(6)	61	-	-
Total deferred tax	(6)	61	-	-
Tax on surplus on ordinary activities	566	(354)	31	(20)

The Group and Association's current tax charges for the period are lower (2024: lower) than the standard rate of corporation tax in the UK (2025: 25%, 2024: 25%). The differences are explained below:

Total tax reconciliation	GROUP		ASSOCIATION	
	2025 £000	2024 £000	2025 £000	2024 £000
Surplus on ordinary activities before taxation	34,742	23,176	28,236	24,730
Current UK Corporation tax on above at 25% (2024: 25%)	8,686	5,794	7,059	6,183
Effects of:				
Expenses not deductible for tax purposes	(18)	393	-	-
Consolidation adjustment not deductible	46	243	-	-
Gift aid income not taxable	1,973	2,648	(1,973)	(2,648)
Impact of surplus gift aid payment	(182)	-	-	-
Surplus exempt from tax due to charitable exemptions	(8,402)	(7,256)	(5,055)	(3,504)
Adjustments to tax charge in respect of previous periods	(1,689)	(2,104)	-	(51)
Other permanent differences	178	(50)	-	-
Difference between current and deferred tax rates on profits of joint ventures and associates to be taxed in future years	(55)	(350)	-	-
Unrecognised deferred tax movement	29	328	-	-
Total tax charge	566	(354)	31	(20)

The UK corporation tax rate of 25% was substantively enacted on 10 June 2021. The deferred tax asset has therefore been recognised at 25% as at 31 March 2025 (2024: 25%).



11. Housing properties

GROUP

	Completed housing properties £000	Housing properties under construction £000	Completed shared ownership housing properties £000	Shared ownership housing properties under construction £000	Total £000
Cost					
At 1 April 2024	3,014,530	149,442	326,024	56,813	3,546,809
Additions	229	83,500	-	43,631	127,360
Capitalised interest	-	2,847	-	1,937	4,784
Capitalised works	67,386	-	-	-	67,386
Transfer to completed schemes	147,816	(147,816)	18,247	(18,247)	-
Disposals	(15,394)	-	(2,644)	-	(18,038)
At 31 March 2025	3,214,567	87,973	341,627	84,134	3,728,301
Depreciation					
At 1 April 2024	654,213	3,990	17,028	2,190	677,421
Charge for year	52,755	-	2,375	-	55,130
Impairment charge / (reversal)	346	(1,448)	(386)	(1,660)	(3,148)
Eliminated in respect of disposals	(5,747)	-	(231)	-	(5,978)
At 31 March 2025	701,567	2,542	18,786	530	723,425
Net book value at 31 March 2025	2,513,000	85,431	322,841	83,604	3,004,876
Net book value at 31 March 2024	2,360,317	145,452	308,996	54,623	2,869,388

Total accumulated impairment at 31 March 2025 is £11,397,870 (2024: £14,663,144).

	2025 £000	2024 £000
Accumulated impairment at 1 April	14,663	13,474
Impairment (reversal) / charge	(23)	1,189
Transfer to Properties Held for Sale (note 15)	(3,125)	-
Eliminated in respect of disposals	(117)	-
Accumulated impairment at 31 March	11,398	14,663

Completed housing properties have been impaired where indicators exist that the carrying value is less than the EUV-SH and mainly relate to properties which are void or have been ear-marked for demolition. Housing properties under construction have been impaired due to the impact of rising costs due to inflation and the wider economy. The total number of housing units impaired during the year is 181.

The impairment reversal in the year has arisen following a re-assessment of future spend, updated valuations and revised developments plans on certain schemes. The total number of housing units with an impairment reversal during the year is 47.

	2025 £000	2024 £000
Completed housing properties, at net book value, comprise:		
Freeholds	2,730,901	2,610,855
Long leaseholds	104,900	58,412
Short leaseholds	40	46
	2,835,841	2,669,313
Works to existing properties in the year:		
Components capitalised	67,386	50,238
Amounts charged to expenditure in respect of major and planned repairs	42,718	44,397
	110,104	94,635

11. Housing properties (continued)

ASSOCIATION

	Completed housing properties £000	Housing properties under construction £000	Completed shared ownership housing properties £000	Shared ownership housing properties under construction £000	Total £000
Cost					
At 1 April 2024	2,782,676	89,221	326,632	49,502	3,248,031
Additions	229	62,028	-	45,270	107,527
Capitalised interest	-	2,327	-	1,937	4,264
Capitalised works	64,069	-	-	-	64,069
Transfer to completed schemes	81,509	(81,509)	18,200	(18,200)	-
Disposals	(15,240)	-	(2,644)	-	(17,884)
At 31 March 2025	2,913,243	72,067	342,188	78,509	3,406,007
Depreciation					
At 1 April 2024	627,333	2,524	16,881	531	647,269
Charge for year	47,875	-	2,368	-	50,243
Impairment charge / (reversal)	360	17	(386)	-	(9)
Eliminated in respect of disposals	(5,747)	-	(231)	-	(5,978)
At 31 March 2025	669,821	2,541	18,632	531	691,525
Net book value at 31 March 2025	2,243,422	69,526	323,556	77,978	2,714,482
Net book value at 31 March 2024	2,155,343	86,697	309,751	48,971	2,600,762

Total accumulated impairment at 31 March 2025 is £11,229,370 (2024: £11,355,883).

	2025 £000	2024 £000
Accumulated impairment at 1 April	11,356	11,466
Impairment reversal	(9)	(110)
Eliminated in respect of disposals	(118)	-
Accumulated impairment at 31 March	11,229	11,356

	2025 £000	2024 £000
Completed housing properties, at net book value, comprise:		
Freeholds	2,456,934	2,401,448
Long leaseholds	110,004	63,600
Short leaseholds	40	46
	2,566,978	2,465,094

Works to existing properties in the year:		
Components capitalised	64,069	48,111
Amounts charged to expenditure in respect of major and planned repairs	39,601	41,800
	103,640	89,911

12. Other fixed assets

	Freehold and long leasehold office accommodation £000	Improvements to short leasehold office accommodation £000	Plant, machinery, fixtures and vehicles £000	Computer equipment and leased equipment £000	Total £000
GROUP					
Cost					
At 1 April 2024	2,706	12,750	1,918	60,854	78,228
Additions	-	79	1,423	1,792	3,294
At 31 March 2025	2,706	12,829	3,341	62,646	81,522
Depreciation					
At 1 April 2024	1,301	4,418	1,577	57,636	64,932
Charge for year	91	880	130	1,021	2,122
At 31 March 2025	1,392	5,298	1,707	58,657	67,054
Net book value at 31 March 2025	1,314	7,531	1,634	3,989	14,468
Net book value at 31 March 2024	1,405	8,332	341	3,218	13,296

ASSOCIATION

Cost					
At 1 April 2024	2,706	12,750	1,831	60,852	78,139
Additions	-	79	1,423	1,792	3,294
At 31 March 2025	2,706	12,829	3,254	62,644	81,433
Depreciation					
At 1 April 2024	1,301	4,418	1,490	57,634	64,843
Charge for year	91	880	130	1,021	2,122
At 31 March 2025	1,392	5,298	1,620	58,655	66,965
Net book value at 31 March 2025	1,314	7,531	1,634	3,989	14,468
Net book value at 31 March 2024	1,405	8,332	341	3,218	13,296

13. Intangible fixed assets

GROUP AND ASSOCIATION

	Software £000
Cost	
At 1 April 2024	44,921
Additions	4,509
At 31 March 2025	49,430
Amortisation	
At 1 April 2024	27,238
Charge for year	4,879
At 31 March 2025	32,117
Net book value at 31 March 2025	17,313
Net book value at 31 March 2024	17,683

Amortisation of intangible assets is shown within operating expenditure in the SOCI.

14. Fixed asset investments

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Shares in Group undertakings				
At 1 April	-	-	108,848	108,848
Issued in the year	-	-	-	-
At 31 March	-	-	108,848	108,848
Loans to Group undertakings				
At 1 April	-	-	5,250	8,100
Additions	-	-	12,567	10,245
Repayments	-	-	(10,860)	(13,095)
At 31 March	-	-	6,957	5,250
Interests in joint ventures				
At 1 April	13,845	15,674	-	-
Share of results	2,296	2,171	-	-
Distributions received	(6,500)	(4,000)	-	-
At 31 March	9,641	13,845	-	-
Interest in associates				
At 1 April	18,044	18,044	-	-
Share of results	(38)	-	-	-
At 31 March	18,006	18,044	-	-
Loans to joint ventures				
At 1 April	27,682	20,931	-	-
Additions	19,536	22,958	-	-
Repayments	(18,550)	(16,207)	-	-
At 31 March	28,668	27,682	-	-
Loans to associates				
At 1 April	13,473	15,328	-	-
Additions	4,815	3,318	-	-
Repayments	(5,865)	(3,700)	-	-
Reversal of impairment / (impairment)	71	(1,473)	-	-
At 31 March	12,494	13,473	-	-
Other investments				
At 1 April	7,377	7,516	6,953	7,079
Additions	492	224	267	210
Disposals	(259)	(363)	(230)	(336)
At 31 March	7,610	7,377	6,990	6,953
Total fixed asset investments	76,419	80,421	122,795	121,051

The reversal of impairment of the loan to associates (2025: £71,000, 2024: £1,473,000 impairment charge) relates to the impairment of HGDL's loan to Evolution Morpeth LLP.

Other investments include Affordable Housing Finance Liquidity Reserve Funds investment and equity share loans in Association, and an HGDL investment in Ptarmigan Land Projects Limited.

14. Fixed asset investments (continued)

Shares in Group undertakings

At 31 March 2025 the Association controlled the following organisations, the results of each of which are consolidated in these financial statements in accordance with the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969:

Subsidiary name	Country of registration	Registered Social Landlord	Share capital held by HGL	Basis of control
Home in Scotland Limited	Scotland	Yes	£1	Joint arrangement deed
Home Group Repairs Partnership Limited	England	No	£10,701,000*	100% share ownership
Home Group Developments Limited	England	No	£104,000,002	100% share ownership
North Housing Limited	England	No	£0.90	100% share ownership

*Total share capital of £10,701,000 was written down by £5,853,000 in 2020/21 and is now valued at £4,848,000.

The following dormant companies are also members of the Group:

Subsidiary name	Country of registration	Registered Social Landlord	Share capital held by HGL	Basis of control
Home Housing Limited	England	No	£1	100% share ownership
Stonham Limited	England	No	£1	100% share ownership
Navigation Point Nominee Limited	England	No	£1	100% share ownership
North Eastern Housing Limited	England	No	£0.90	100% share ownership
Copeland Homes Limited	England	No	£1	100% share ownership
PGL (Twelve) Limited	England	No	£1	100% share ownership

Registered addresses of subsidiaries:

- Home in Scotland Limited – Pavilion 6, 321 Springhill Parkway, Glasgow Business Park, Baillieston, Glasgow, G69 6GA
- All others – One Strawberry Lane, Newcastle upon Tyne, Tyne and Wear, NE1 4BX

Interests in joint ventures and associates

The Group, through its subsidiaries HGDL and NHL, holds an interest in the following joint ventures and associates:

Joint venture name	Country of registration	Principal activity	Percentage held
Evolution Gateshead Developments LLP	England	Property development	50%
Gateshead Regeneration LLP	England	Property development	25% (held indirectly)
Evolution Newhall LLP	England	Property development	50%
Evolution (Shinfield) LLP	England	Property development	50%
Evolution (Saffron Walden) LLP	England	Property development	50%
Linden (Northstowe) LLP	England	Property development	50%
Linden (Mowbray View 2) LLP	England	Property development	50%
Linden (Manse Farm) LLP	England	Property development	50%
Home Hill LLP	England	Property development	50%
Sadler Woods LLP	England	Property development	50%

Associate name	Country of registration	Principal activity	Percentage held
Evolution Morpeth LLP	England	Property development	50%
Ptarmigan Planning 4 Limited	England	Property development	46.2%
CT UK Residential Real Estate Limited (formerly known as BMO UK Residential Real Estate Limited)	England	Property development	22.8%

HGDL owns a minority interest (which may vary between 33% and 49% depending on other shareholdings) in Ptarmigan Planning 4 Limited, which was established for land promotion and development activities. Ptarmigan Planning 4 Limited has four wholly owned subsidiaries; Ptarmigan Berinsfield Limited, Ptarmigan Birchington Limited, Ptarmigan Thatcham Limited, and Ptarmigan Radley Limited.

14. Fixed asset investments (continued)

Registered addresses of joint ventures and associates:

- Home Hill LLP – The Power House, Gunpowder Mill, Powdermill Lane, Waltham Abbey, Essex, EN9 1BN
- Sadler Woods LLP – Story House, Lords Way, Kingmoor Business Park, Carlisle, CA6 4SL
- Ptarmigan Planning 4 Limited – 2 Frederic Mews, London, SW1X 8EQ
- CT UK Residential Real Estate Limited – C/O Aztec Financial Services Solent Business Park, Forum 4, Parkway South, Whitely, Fareham, Hampshire, PO15 7AD
- All others – 11 Tower View – Kings Hill, West Maling, Kent, ME19 4UY

The Group results include a profit from interests in joint ventures of £2,296,000 (2024: £2,163,000) and £38,000 loss from interests in associates (2024: £nil).

15. Properties held for sale

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Shared ownership properties:				
- Completed	9,165	1,410	9,145	1,410
- Work in progress	6,363	15,816	5,274	14,909
Outright sale properties:				
- Completed	21,472	10,440	16,114	2,774
- Work in progress	16,812	53,115	5	19,030
	53,812	80,781	30,538	38,123

The total value of properties held for sale is stated net of impairment charges, as follows:

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Accumulated impairment at 1 April	3,110	2,628	804	696
Impairment charge / (reversal)	2,265	482	(271)	108
Transfer from Housing Properties (note 11)	3,125	-	-	-
Accumulated impairment at 31 March	8,500	3,110	533	804

16. Debtors

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Amounts falling due within one year:				
Rental and service charges receivable	22,433	21,674	20,490	19,729
Less: Provision for bad debts	(8,403)	(9,490)	(7,511)	(8,571)
Net rental debtors	14,030	12,184	12,979	11,158
Prepayments	6,646	4,706	6,609	6,431
Accrued income	6,548	5,018	5,792	4,819
Corporation tax debtor	1,437	750	21	-
Other amounts due from Group undertakings	-	-	2,477	2,150
Leasehold debtors	2,939	2,801	2,732	2,584
Taxation debtors	73	80	-	-
Other debtors	15,459	8,609	11,978	7,600
	47,132	34,148	42,588	34,742
Loans to employees included in other debtors	74	114	74	114

16. Debtors (continued)

Loans to employees are made in four circumstances:

- Car loans: made in accordance with the policy of providing assistance to colleagues to purchase cars where the use of a car is required by their duties. Interest is charged at a flat rate of 5%.
- Season ticket loans: the Group provides assistance to colleagues to purchase season tickets for travel to work. No interest is charged.
- Salary sacrifice arrangements: opportunity for colleagues to fund learning, a bicycle or IT equipment costs from their salary.
- Colleague support fund: colleagues can request a short-term loan to help them manage their finances. No interest is charged, and it is repaid through their salary over six months.

17. Restricted cash and cash equivalents

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Escrow bank account	4,707	-	4,707	-

As referenced in note 24, £4.7 million (2024: nil) is held in an escrow bank account and will be payable to the Home Group Pension and Life Assurance (HGPLAS) scheme in certain circumstances as defined in the escrow agreement.

18. Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Housing loans from third parties	23,205	27,007	21,205	24,845
Trade creditors	20,728	15,501	18,799	13,565
Social Housing Grant in advance	4	-	-	-
Deferred capital grant	10,764	10,332	10,796	10,748
Taxation and social security	408	554	110	227
Accruals	50,386	45,244	47,297	41,468
Accrued interest payable	7,976	8,750	7,004	7,771
Deferred income	18,416	12,148	17,539	11,417
Other amounts due to Group undertakings	-	-	25,368	13,747
Leasehold creditors	27,059	24,242	27,059	24,242
Retentions	8,431	8,081	3,709	2,497
Other creditors	9,364	6,962	3,551	3,821
	176,741	158,821	182,437	154,348

The increase in trade creditors, accruals and deferred income was driven by increased costs and the timing of payments around year-end. The increase in 'other amounts due to Group undertakings' was due to the timing of the year-end intercompany account settlement.

Other movements in debtors and creditors are discussed in the Financial Review on pages 16-18.

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

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Housing loans from third parties	795,622	727,481	688,177	623,602
Discounted bonds	529,676	522,671	529,676	522,671
Deferred capital grant	956,223	947,536	911,300	916,284
Recycled Capital Grant Fund	4,258	3,667	4,258	3,667
Homebuy grant	645	645	645	645
	2,286,424	2,202,000	2,134,056	2,066,869

20. Debt analysis

GROUP AND ASSOCIATION

	2025	2024
	£000	£000
Discounted bonds		
Issued:		
8.75% guaranteed loan stock 2037	100,000	100,000
3.125% guaranteed loan stock 2043	350,000	350,000
Zero coupon loan stock 2027	94,450	94,450
In issue at 31 March	544,450	544,450
Less: Deferred interest and issue costs:		
At 1 April	21,779	28,138
Charged to SOCI	(7,005)	(6,359)
At 31 March	14,774	21,779
Net value at 31 March	529,676	522,671
Market value at 31 March	412,562	426,181

Housing loans and discounted bonds

The premium on issuance of the 2043 loan stock is being amortised to the SOCI on a straight-line interest basis over the remaining life of the bond. The outstanding premium as at 31 March 2025 was £7.6 million (2024: £8.0 million).

The Group housing loans and discounted bonds are stated net of unamortised issue costs of £8.4 million (2024: £6.3 million). The Association housing loans and discounted bonds are stated net of unamortised issue costs of £7.8 million (2024: £5.8 million).

Housing loans are secured by specific charges on housing properties, bank and building society deposits and other fixed and current asset investments. The amounts charged as security for loans are:

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£	£	£	£
Net book value of housing properties	905,547,454	977,844,915	761,154,909	817,023,690
Fixed asset investments	5,145,204	4,878,561	4,525,311	4,453,985

Most housing loans held by the Group have covenants attached to them, in particular around gearing limitations and a requirement to maintain a minimum level of interest cover.

20. Debt analysis (continued)

Maturity of borrowings

The maturity profile of the carrying amount of the Group's and Association's borrowings as at 31 March 2025 was as follows:

	Less than 1 year £000	Due in 1-2 years £000	Due in 2-5 years £000	Due in over 5 years £000	Total £000
GROUP					
Discounted bonds	-	-	77,188	452,488	529,676
Housing loans					
- fixed	6,998	19,313	146,198	283,625	456,134
- floating	16,207	4,023	136,759	205,704	362,693
At 31 March 2025	23,205	23,336	360,145	941,817	1,348,503

ASSOCIATION

Discounted bonds	-	-	77,188	452,488	529,676
Housing loans					
- fixed	4,998	17,313	140,198	204,072	366,581
- floating	16,207	4,023	136,759	185,812	342,801
At 31 March 2025	21,205	21,336	354,145	842,372	1,239,058

The maturity profile of the carrying amount of the Group's and Association's borrowings as at 31 March 2024 was as follows:

	Less than 1 year £000	Due in 1-2 years £000	Due in 2-5 years £000	Due in over 5 years £000	Total £000
GROUP					
Discounted bonds	-	-	94,448	428,223	522,671
Housing loans					
- fixed	4,363	6,035	147,772	269,211	427,381
- floating	20,800	57,039	59,091	188,333	325,263
- index-linked	1,844	-	-	-	1,844
At 31 March 2024	27,007	63,074	301,311	885,767	1,277,159

ASSOCIATION

Discounted bonds	-	-	94,448	428,223	522,671
Housing loans					
- fixed	4,202	6,035	146,172	215,387	371,796
- floating	18,800	20,112	54,691	181,205	274,808
- index-linked	1,843	-	-	-	1,843
At 31 March 2024	24,845	26,147	295,311	824,815	1,171,118

Terms of repayment

At 31 March 2025 the Group had £1,348.5 million loans drawn:

- £529.7 million relates to the Association's three loan stock issues which mature as bullet repayments in 2027, 2037 and 2043.
- £231.9 million is from a syndicate of four lenders led by Royal Bank of Scotland. The loans are repaid annually in April each year in accordance with an agreed repayment profile.
- The remaining £586.9 million are bilateral loan facilities from various banks, building societies and sector-specific funders that are repaid in a variety of ways either over the term of the loan or as a bullet repayment on maturity. These loan payments are due at various future dates ranging from one to 20 years.

20. Debt analysis (continued)

Undrawn, committed facilities

The Group and the Association had the following undrawn, committed floating rate borrowing facilities available at 31 March:

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Expiring within one year	50,000	-	50,000	-
Expiring between one and two years	-	55,000	-	50,000
Expiring between two and five years	226,000	259,000	226,000	259,000
Expiring in more than five years	5,000	-	5,000	-
	281,000	314,000	281,000	309,000

These facilities have been arranged to help finance future business development. All facilities incur commitment fees at market rates.

Interest rate risk profile of borrowings

Group and Association borrowings comprise:

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Fixed rate borrowings	985,811	950,052	896,258	894,467
Floating rate borrowings	362,692	327,107	342,800	276,651
	1,348,503	1,277,159	1,239,058	1,171,118

All of the Group's and Association's 'Creditors: amounts falling due within one year' (other than housing loans) are excluded from the analysis as they are short term in nature and are not subject to interest rate risk. Fixed rate borrowings include the zero-coupon loan stocks to reflect the deferred interest charges.

Group fixed rate borrowings bear a weighted average interest rate of 4.81% (2024: 4.77%), Association 4.88% (2024: 4.84%) and are fixed for a weighted average period of 13 years (2024: 14 years), Association 13 years (2024: 14 years). Interest rates on Group fixed rate borrowings range between 0% and 11.42% (2024: 0% to 11.42%) and Association fixed rate borrowings range between 2.89% and 11.42% (2024: 2.89% to 11.42%).

Floating rate borrowings bear interest rates based either on SONIA plus Credit Adjustment Spread or on a fixed coupon rate applied to debt balances, which change with movements in the retail price index.

The effective interest rates of borrowings are:

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	%	%	%	%
Discounted bonds	5.2	5.2	5.2	5.2
Housing loans				
- fixed	4.3	4.3	4.4	4.4
- floating	5.1	5.7	5.1	5.6
- index linked	-	5.5	-	5.5

21. Financial instruments

Interest rate risk

Exposure to fluctuating interest rates is managed by fixing debt to maintain the level of long-term fixed interest rate funding between a minimum and maximum proportion of total debt. At present the policy is to aim to maintain between 65% and 80% of borrowing in long-term fixed interest rate funding, allowing flexibility to move outside of this range, in either direction, on a temporary basis. This policy reflects and matches the long-term nature of our asset base and the rental income streams arising from it. The remaining debt is held at floating rates. At the year-end 73.1% (2024: 74.4%) of the Group's borrowing was in the form of long-term fixed interest rate debt.

It is estimated that each quarter point increase in interest rates would increase interest costs by £917,000 per annum based on the variable rate debt held at 31 March 2025.

The rules of Home Group allow the use of derivatives. The ability to use stand-alone derivatives increases the options available to us in managing interest rate risk. They cannot be used for speculative purposes. The Group currently has no derivative instruments in place.

Credit risk

Home Group's policy is to minimise borrowings and surplus funds. Any investments are only made with highly rated counterparties on the Board approved list and limited to a maximum authorised amount subject to counterparty classification.

Liquidity risk and future borrowings

As at 31 March 2025, Home Group had £281.0 million (2024: £314.0 million) committed and undrawn facilities, all of which were immediately available for drawdown. In addition to this, Home Group had £230.0m committed and undrawn facilities, currently being secured. The Group continues to have a large pool of unencumbered properties (2025: £2,099.3 million, 2024: £1,891.5 million) available as security for future borrowings to support its growth strategy.

Financial assets measured at amortised cost	GROUP		ASSOCIATION	
	2025 £000	2024 £000	2025 £000	2024 £000
Fixed asset investments:				
- Loans to Group undertakings	-	-	6,957	5,250
- Loans to joint ventures	28,668	23,748	-	-
- Loans to associates	12,494	13,473	-	-
	41,162	37,221	6,957	5,250
Other financial assets:				
- Short term debtors	40,486	29,442	35,979	28,311
- Restricted cash and cash equivalents	4,707	-	4,707	-
- Cash and cash equivalents	56,864	44,778	37,348	36,525
	102,057	74,220	78,034	64,836
Total financial assets	143,219	111,441	84,991	70,086

Short term debtors comprise net rental debtors, accrued income, amounts due from Group undertakings, leasehold debtors, taxation debtors and other debtors.

Loan facilities provided to Group undertakings comprise:

- £15 million loan facility to HGDL with a term of five years maturing in June 2026
- £10 million 364 day loan facility to HGDL maturing in June 2026
- £10 million loan facility to Home Scotland maturing in May 2030
- £20 million loan facility to Home Scotland maturing June 2028

As at 31 March 2025, HGDL had drawn nothing (2024: nothing) and Home Scotland had drawn £6.96 million (2024: £5.25 million) from the Association. The loan facilities attract interest charged at SONIA plus Credit Adjustment Spread and margin.

21. Financial instruments (continued)

Financial liabilities measured at amortised cost

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Borrowings:				
Discounted bonds	529,676	522,671	529,676	522,671
Housing loans				
- fixed	456,134	427,381	366,581	371,796
- floating	362,693	325,263	342,801	274,808
- index-linked	-	1,844	-	1,843
Total borrowings	1,348,503	1,277,159	1,239,058	1,171,118
Other short-term liabilities	123,944	109,491	132,787	107,822
Total financial liabilities	1,472,447	1,386,650	1,371,845	1,278,940

Other short-term liabilities comprise trade creditors, accruals, other amounts due to Group undertakings, leasehold creditors, retentions and other creditors. The Recycled Capital Grant Fund is excluded from the above figures as they do not meet the definition of a financial liability. Terms and conditions of the above financial liabilities are included in Note 20.

22. Deferred capital grant

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
At 1 April	957,868	915,781	927,032	896,144
Grant received in the year – new build development	21,128	56,075	7,379	45,299
Grant received in the year – major repairs	3,124	-	3,032	-
Released to income in the year	(10,260)	(9,763)	(10,474)	(10,186)
Disposals	(4,873)	(4,225)	(4,873)	(4,225)
At 31 March	966,987	957,868	922,096	927,032
Amount due to be released within one year	10,764	10,332	10,796	10,748
Amount due to be released in more than one year	956,223	947,536	911,300	916,284
	966,987	957,868	922,096	927,032

The total accumulated government grant and financial assistance received or receivable at 31 March:

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
	£000	£000	£000	£000
Held as deferred capital grant	966,987	957,868	922,096	927,032
Recognised as income in the SOCI	169,827	161,260	206,350	197,569
Grant within cost on properties at fair values at acquisition	237,452	237,452	-	-
	1,374,266	1,356,580	1,128,446	1,124,601

23. Analysis of Recycled Capital Grant Fund

GROUP AND ASSOCIATION	2025 £000	2024 £000
At 1 April	3,667	17,026
Inputs:		
- Grants recycled	5,408	5,468
- Interest accrued	211	446
Recycling:		
- New build	(5,028)	(18,904)
Repayment of grant to Greater London Authority	-	(369)
At 31 March	4,258	3,667
Amounts three years or older where repayment to Homes England / Greater London Authority may be required	-	-

24. Pension obligations

The Group participates in three major funded pension schemes as detailed below. The amounts recognised within the statement of comprehensive income in relation to all pension schemes for the year ended 31 March 2025 was £1,124,000 (2024: £1,062,000) in respect of current service costs and expenses within operating expenditure and a credit of £1,202,000 (2024: £1,079,000 credit) within interest. The aggregate surplus across the three defined benefit pension arrangements is £27.5 million (2024: £24.4 million surplus).

During the year, Home Group performed a consultation to close the existing defined benefit pension schemes to future accrual. In February 2025, all participants enrolled onto Home Group's defined benefit pension schemes had agreed to withdraw their participation, effective on 31 May 2025, and to be enrolled onto the Home Group Pension and Life Assurance Defined Contribution Scheme, effective on 1 June 2025.

Home Group Pension and Life Assurance Scheme (HGPLAS)

The Group operates the HGPLAS, a UK registered trust-based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The trustees are responsible for running the scheme in accordance with the scheme's trust deed and rules, which sets out their powers. The trustees of the scheme are required to act in the best interests of the beneficiaries of the scheme.

There are three categories of pension scheme members:

- Active members: currently in pensionable service.
- Deferred members: have left pensionable service and are yet to retire; and
- Pensioner members: in receipt of pension from the scheme.

The trustees are required to carry out an actuarial valuation every three years. The most recent actuarial valuation of the scheme was performed by the scheme actuary for the trustees as at 31 March 2023. This valuation revealed a funding surplus of £1.6 million. Following this, the Group agreed to pay annual contributions of at least 25.0% pa of members' pensionable salaries each year to meet the cost of future service accrual and death in service premiums. In addition, the Group will pay £0.4m pa to cover administration expenses.

As the scheme was in surplus as at 31 March 2023, the trustees agreed that no recovery plan contributions were required from the Group from 1 April 2024. However, as part of the strategy to continue to strengthen the scheme's funding level, the Group has agreed to pay contributions into an escrow bank account. The Group has agreed to pay at least £1,283,812 into an escrow bank account by 31 July 2024, followed by £427,937 each month from August 2024 to April 2025. This escrow bank account is not a scheme asset but will be payable to the scheme in certain circumstances as defined in the escrow agreement. This fund is held as restricted cash on the SOFP.

The Group therefore expects to pay £0.7m to the scheme during the accounting year beginning 1 April 2025.

24. Pension obligations (continued)

The Pensions Trust (TPT)

The Group operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. An actuarial valuation is being carried out as at 30 September 2024 and the preliminary results of this have been updated to 31 March 2025 by a qualified actuary, independent of the scheme's sponsoring employer.

The latest completed actuarial valuation as at 30 September 2021 showed a surplus of £1,549,000. The Group agreed with the trustee that it will pay contributions in respect of the cost of accruing benefits. The Group has also agreed to pay £138,552 per annum (payable monthly), increasing at each 1 April by 3% per annum starting on 1 April 2024, in respect of scheme expenses. This includes an allowance for the Pension Protection Fund levy.

Cumbria Local Government Pension Scheme (CLGPS)

In 2004 Copeland Borough Council transferred its housing stock to Home Group Limited. As part of the transaction, Home Group Limited accepted the pension liability for all employees who transferred under the Transfer of Undertakings Protected Employment (TUPE) regulations. As a consequence, Home Group Limited is a participating employer in the CLGPS which provides benefits based on final pensionable pay. The scheme is closed to new members from the Group.

The valuation used for defined benefit pension disclosures has been based on the most recent actuarial valuation at 31 March 2022. This has been updated by Mercer Limited to take account of the requirements of section 28 of FRS 102 in order to assess the liabilities of the scheme at 31 March 2025. Scheme assets are stated at their market value at 31 March 2025.

Scheme disclosures for the year ended 31 March 2025

Assumptions

The post-retirement mortality assumptions used to value the benefit obligation are as follows:

	HGPLAS	TPT	CLGPS
Males	100% S3PMA_All CMI_2023 [1.25%]	107% of S4PXA CMI_2023 [1.5%]	104% of SAPS 4 CMI_2023 [1.5%]
Females	100% S3PFA_Middle CMI_2023 [1.25%]	107% of S4PXA CMI_2023 [1.25%]	97% of SAPS 4 middle CMI_2023 [1.5%]

The assumed life expectations (in years) on retirement at age 65 are:

	HGPLAS	TPT	CLGPS
Males:			
Member aged 65 (current life expectancy)	21.4	21.2	21.5
Member aged 45 (life expectancy at 65)	22.7	22.8	22.8
Females:			
Member aged 65 (current life expectancy)	23.4	23.5	24
Member aged 45 (life expectancy at 65)	24.9	24.9	25.7

The financial assumptions used to calculate the defined benefit section liabilities under FRS 102 are:

	HGPLAS	TPT	CLGPS
Discount rate	5.8%	5.8%	5.8%
Retail Price Index inflation	3.1%	3.1%	N/A
Consumer Price Index inflation	2.8%	2.8%	2.7%
Rate of increase of pensions in deferment	2.8%	3.1%	2.8%
Rate of increase of pensions in payment	3.1%	2.7%	2.8%
Salary increases	3.1%	3.1%	4.2%

24. Pension obligations (continued)

	HGPLAS 2025 £000	TPT 2025 £000	CLGPS 2025 £000	Total 2025 £000
Amounts recognised in the SOCI				
Current service cost	(195)	(26)	(31)	(252)
Expenses	(660)	(211)	(1)	(872)
Amounts charged to operating expenditure	(855)	(237)	(32)	(1,124)
Interest income	7,227	2,676	1,399	11,302
Interest expense	(6,037)	(2,632)	(862)	(9,531)
Interest on effect of asset ceiling	-	(44)	(525)	(569)
Amounts credited to interest	1,190	-	12	1,202
Actuarial losses on scheme assets	(12,297)	(5,390)	(738)	(18,425)
Actuarial gains on scheme liabilities	13,938	4,640	2,026	20,604
Effects of changes in the amount of surplus that is not recoverable – gain / (loss)	-	773	(1,317)	(544)
Actuarial gains / (losses) recognised in other comprehensive income	1,641	23	(29)	1,635
Amounts recognised in the SOFP				
Present value of funded obligations	(112,122)	(50,495)	(15,979)	(178,596)
Fair value of scheme assets	139,385	50,673	28,748	218,806
Effect of asset ceiling	-	(178)	(12,556)	(12,734)
Surplus	27,263	-	213	27,476
Opening scheme liabilities	(126,293)	(55,117)	(18,033)	(199,443)
Current service cost	(195)	(26)	(31)	(252)
Interest cost	(6,037)	(2,632)	(862)	(9,531)
Contributions by employees	(98)	(12)	(10)	(120)
Actuarial gains	13,938	4,640	2,026	20,604
Benefits paid	6,563	2,652	931	10,146
Closing scheme liabilities	(112,122)	(50,495)	(15,979)	(178,596)
Opening fair value of scheme assets	150,456	56,024	29,008	235,488
Employer contributions	1,124	214	1	1,339
Interest income	7,227	2,676	1,399	11,302
Contributions by employees	98	12	10	120
Actuarial losses	(12,297)	(5,390)	(738)	(18,425)
Benefits paid	(6,563)	(2,652)	(931)	(10,146)
Expenses	(660)	(211)	(1)	(872)
Closing fair value of scheme assets	139,385	50,673	28,748	218,806
Actual return on scheme assets	(5,070)	(2,714)	661	(7,123)
Analysis of scheme assets				
Equities and property	13.3%	14.1%	42.4%	
Bonds and gilts	72.1%	18.5%	14.5%	
Other	13.7%	65.9%	41.6%	
Cash	0.9%	1.5%	1.5%	

24. Pension obligations (continued)

Scheme disclosures for the year ended 31 March 2024

Assumptions

The post-retirement mortality assumptions used to value the benefit obligation are as follows:

	HGPLAS	TPT	CLGPS
Males	100% S3PMA_All CMI_2022 [1.25%]	110% of S3PXA CMI_2022 [1.5%]	102% of SAPS 3 CMI_2022 [1.5%]
Females	100% S3PFA_Middle CMI_2022 [1.25%]	110% of S3PXA CMI_2022 [1.25%]	96% of SAPS 3 middle CMI_2022 [1.5%]

The assumed life expectations (in years) on retirement at age 65 are:

	HGPLAS	TPT	CLGPS
Males:			
Member aged 65 (current life expectancy)	21.5	21.2	21.5
Member aged 45 (life expectancy at 65)	22.7	22.8	22.8
Females:			
Member aged 65 (current life expectancy)	23.4	23.7	23.9
Member aged 45 (life expectancy at 65)	24.8	25.1	25.7

The financial assumptions used to calculate the defined benefit section liabilities under FRS 102 are:

	HGPLAS	TPT	CLGPS
Discount rate	4.9%	4.9%	4.9%
Retail Price Index inflation	3.2%	3.2%	N/A
Consumer Price Index inflation	2.8%	2.8%	2.7%
Rate of increase of pensions in deferment	2.8%	3.2%	2.8%
Rate of increase of pensions in payment	3.2%	2.8%	2.8%
Salary increases	3.2%	3.2%	4.2%

	HGPLAS 2024 £000	TPT 2024 £000	CLGPS 2024 £000	Total 2024 £000
Amounts recognised in the SOCI				
Current service cost	(233)	(92)	(30)	(355)
Expenses	(526)	(180)	(1)	(707)
Amounts charged to operating expenditure	(759)	(272)	(31)	(1,062)
Interest income	6,819	2,747	1,340	10,906
Interest expense	(5,989)	(2,585)	(866)	(9,440)
Interest on effect of asset ceiling	-	(162)	(225)	(387)
Amounts (charged) / credited to interest payable and financing costs	830	-	249	1,079
Actuarial losses on scheme assets	(1,259)	(4,025)	786	(4,498)
Actuarial gains on scheme liabilities	4,455	1,306	76	5,837
Effects of changes in the amount of surplus that is not recoverable – gain	-	2,683	(5,889)	(3,206)
Actuarial gains recognised in other comprehensive income	3,196	(36)	(5,027)	(1,867)

24. Pension obligations (continued)

	HGPLAS	TPT	CLGPS	Total
	2024	2024	2024	2024
	£000	£000	£000	£000
Amounts recognised in the SOFP				
Present value of funded obligations	(126,293)	(55,117)	(18,033)	(199,443)
Fair value of scheme assets	150,456	56,024	29,008	235,488
Effect of asset ceiling	-	(907)	(10,714)	(11,621)
Surplus	24,163	-	261	24,424
Opening scheme liabilities	(130,013)	(56,153)	(18,124)	(204,290)
Current service cost	(233)	(92)	(30)	(355)
Interest cost	(5,989)	(2,585)	(866)	(9,440)
Contributions by employees	(111)	(28)	(10)	(149)
Actuarial gains	4,455	1,306	76	5,837
Benefits paid	5,598	2,435	921	8,954
Closing scheme liabilities	(126,293)	(55,117)	(18,033)	(199,443)
Opening fair value of scheme assets	145,265	59,581	27,794	232,640
Employer contributions	5,644	308	-	5,952
Interest income	6,819	2,747	1,340	10,906
Contributions by employees	111	28	10	149
Actuarial losses	(1,259)	(4,025)	786	(4,498)
Benefits paid	(5,598)	(2,435)	(921)	(8,954)
Expenses	(526)	(180)	(1)	(707)
Closing fair value of scheme assets	150,456	56,024	29,008	235,488
Actual return on scheme assets	5,560	(1,278)	2,126	6,408
Analysis of scheme assets				
Equities and property	12.0%	14.3%	45.1%	
Bonds and gilts	86.0%	11.2%	13.3%	
Other	0.1%	67.8%	40.1%	
Cash	1.9%	6.7%	1.5%	

Other defined benefit pension schemes

In addition to the three defined benefit schemes disclosed above, the Group participates in a number of other multi-employer defined benefit pension schemes, where it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers. Accordingly, the charge to the income and expenditure account for the period represents the employer contribution payable. As the schemes are not material, detailed disclosures in respect of the schemes are not provided.

However, as a result of changes in pension scheme regulation, there is a potential debt on the employer that could be levied by the trustees of any defined benefit scheme. The debt is due in the event of the employer ceasing to participate in the scheme or the scheme winding up. The debt for a scheme as a whole is calculated by comparing the liabilities for the scheme (calculated on a buyout basis) with the assets of the scheme. If the liabilities exceed the assets, then there is a buyout debt.

The leaving employer's share of the buyout debt is the proportion of the scheme's liability attributable to employment with the leaving employer compared to the total amount of the scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total scheme liabilities, scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy out market. The amounts of debt can therefore be volatile over time.

24. Pension obligations (continued)

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and other relating to the validity of certain historical pension changes. This judgement was appealed in 2024 and on 24 July 2024, it was confirmed that the earlier ruling by the Court was still applicable. On 5 June 2025, the UK Government announced it will introduce legislation relating to issues arising from this case and, as a result, there will be no impact on the pension schemes Home Group participates in.

25. Non-equity share capital

Each non-executive member of the Board holds one share of £1 in the Association. As at 31 March 2025, there were nine non-executive board members who each held a share in the Association.

Allotted, authorised, issued and fully paid:	£
At 1 April 2024	10
Issued during the year	-
Surrendered during the year	(1)
At 31 March 2025	9

The shares issued and surrendered during the year correlate to movement in non-executive board members during the year. Shares in Home Group Limited carry no rights to dividend and no rights of redemption, nor do they entitle the shareholding member to a distribution on winding up or dissolution. In a general meeting, every shareholding member present is entitled to one vote on a show of hands. On a poll every shareholding member present in person or by proxy is entitled to one vote.

26. Reconciliation of surplus to net cash inflow from operational activities

	2025 £000	2024 £000
Surplus for the year	34,176	23,530
Adjustments for:		
Taxation	566	(354)
Depreciation of housing properties	55,130	53,422
Depreciation of other fixed assets	2,122	2,241
Amortisation of intangible fixed assets	4,879	3,618
Impairment of housing properties	2,259	1,670
(Reversal of impairment) / impairment of loan to associate	(71)	1,473
Decrease in properties held for sale	22,597	43,099
(Increase) / decrease in debtors	(12,297)	6,483
Increase / (decrease) in trade and other creditors	19,660	(5,381)
Surplus on disposal of housing properties	(9,066)	(9,036)
Pension costs less contributions payable	(215)	(4,890)
Share of profit before tax in joint ventures	(2,296)	(2,163)
Share of loss before tax in associate	38	-
Adjustments for investing or financing activities:		
Government grants utilised in the year	(10,260)	(9,763)
Interest payable	61,976	55,014
Interest receivable	(6,792)	(5,557)
Corporation tax paid	(1,282)	1,476
Net cash inflow from operating activities	161,124	154,882

27. Analysis of changes in net debt

GROUP	At 1 April 2024 £000	Cash flows £000	Other non-cash changes £000	At 31 March 2025 £000
Restricted cash and cash equivalents	-	4,707	-	4,707
Cash and cash equivalents	44,778	12,086	-	56,864
Debt due within one year:				
- Housing loans from third parties	(27,007)	27,070	(23,268)	(23,205)
Debt due after one year:				
- Housing loans from third parties	(727,481)	(90,305)	22,164	(795,622)
- Discounted bonds	(522,671)	-	(7,005)	(529,676)
Total net debt	(1,232,381)	(46,501)	(8,109)	(1,286,932)

28. Reconciliation of net cash flow to movement in net debt

GROUP	2025 £000	2024 £000
Increase / (decrease) in cash in the period	16,793	(3,444)
Cash inflow from increase in debt	(63,235)	(71,782)
Change in net debt resulting from cash flows	(46,442)	(75,226)
Non-cash changes	(8,109)	(7,033)
Movement in net debt in the period	(54,551)	(82,259)
Opening net debt	(1,232,381)	(1,150,122)
Closing net debt	(1,286,932)	(1,232,381)

29. Capital commitments

	GROUP		ASSOCIATION	
	2025 £000	2024 £000	2025 £000	2024 £000
Capital expenditure that has been contracted for but not provided for in the financial statements	283,818	358,375	261,917	315,687
Capital expenditure that has been authorised by the Board but has not yet been contracted for	155,823	135,388	122,881	109,313

The Group expects to fund these commitments, and the costs associated with future growth of the business through a combination of cash flows from operating activities, grants, proceeds from the sale of housing properties, proceeds from the sale of properties developed for outright and shared ownership sale and further borrowings.

The above commitments, that have been contracted for but not provided, include on-costs required to manage effective delivery of the contracts of: Group: £28.6 million (2024: £22.8 million) and Association: £24.4 million (2024: £19.4 million).

At 31 March 2025, the Group had £281.0 million (2024: £314.0 million) committed and undrawn facilities all of which were immediately available for drawing. Further information on these facilities and future borrowings is provided in the Strategic Report.

30. Financial commitments

	GROUP		ASSOCIATION	
	2025	2024	2025	2024
At the year end the total contractual payments under non-cancellable operating leases were as follows:	£000	£000	£000	£000
Less than one year	4,223	5,083	4,223	5,050
Between one and five years	8,269	6,809	8,269	6,809
More than five years	41,649	41,101	41,649	41,101
	54,141	52,993	54,141	52,960

The Association has entered into a number of operating leases for assets which are used by other Group members. The lease cost is borne by the appropriate Group members within their income and expenditure account. However, as the leases are entered into by the Association, they have been included within the above note.

31. Related party transactions

Group

Transactions between fellow subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

During the year the Group entered into the following related party transactions with its jointly controlled entities and associates:

	2025	2024
	£000	£000
Invoiced to jointly controlled entities and associates in respect of interest charges	3,866	3,451
Purchase of housing property from jointly controlled entities and associates	22,949	12,314
Amounts owed from jointly controlled entities and associates at the year-end	41,162	37,221

Association

The Association recharged its subsidiaries for centrally provided services on a basis which reflects the time and cost of the services provided (2025: £3,168,000, 2024: £3,181,000).

There are management agreements in place under which subsidiaries manage some properties on behalf of the Association. The management fees due under these agreements are £132,000 (2024: £138,000).

The Association has purchased housing properties from HCDL based on the construction cost plus a margin (2025: £22,742,000, 2024: £32,627,000).

Intergroup borrowings attract interest at either a fixed rate or interest which is variable and is based on SONIA, plus a margin. Details of the related party transactions due to intergroup borrowings are detailed below:

	2025	2024
	£000	£000
Interest payable by subsidiaries on borrowings from the Association	291	355
Interest payable by the Association on borrowings from subsidiaries	473	205
Amounts owed to subsidiaries	25,368	13,747
Amounts owed from subsidiaries	9,434	7,400
Investment in subsidiaries	108,848	108,848

The Home Group Board includes two customer representatives. All transactions in respect of customer board members have been carried out at arm's length and under normal commercial terms. Details of the remuneration of board members are included in Note 5. During the year the Association entered into the following related party transactions with its customer board members:

	2025	2024
	£	£
Charges to customer board members in respect of rent and service charges	8,156	7,745
Amounts owed to customer board members at the year-end	8	-
Amounts owed from customer board members at the year-end	1,834	2,356

32. Operating segments

As a Public Interest Entity, Home Group is required to provide segmental analysis in line with International Financial Reporting Standard 8 'Operating Segments'. This requires operating segments to be identified based upon the Group's internal reporting to the Chief Operating Decision Maker (CODM) which forms the basis on which the CODM makes decisions about resources to be allocated to segments and assess their performance. The Group's CODM is the Board.

During the year ended 31 March 2025, the Group had four operating segments. These operating segments undertake different activities and services, which are managed separately. The Group's operating segments are outlined below.

- **Customers & Communities** – this includes the Group's general needs rental business in England and Scotland, the management of homes previously sold as shared ownership and leasehold, and the Group's supported housing and the provision of care and support services in England.
- **Maintenance & Building Safety** – this is a cost centre which includes the group's repairs and maintenance activities, both in-house and outsourced. Also within this segment are costs relating to building safety including survey works and the minor and major follow-on works arising from them.
- **Development & Asset** – this includes the development of affordable housing and the development and subsequent sale of shared ownership homes and homes developed for sale on the private market, and sales of our existing housing properties. It also includes management of our housing properties and other fixed assets (e.g. offices). It includes the activity of Home Group Developments and North Housing.
- **Care** – this includes the design and development of integrated health and care services, and delivery of registered care contracts.

These operating segments are supported by the Support Functions business unit, which includes the delivery of support services including assurance, compliance and risk, communications, marketing, strategy, finance and procurement, human resources, information systems, legal services and governance.

The Board reviews the internal management accounts at each meeting. The Board does not review any balance sheet measures by segment, only for the Group as a whole, so these have not been reported.

The tables which follow set out the income and expenditure account of the Group's operating segments. The title "Other" has been included to reconcile the segments to the figures reviewed by the Board and is made up of the Group consolidation adjustments and the Support Functions business unit. The key operating performance measure of profit or loss used by the Board in terms of segmental analysis is surplus before tax.

Income and expenditure account – year ended 31 March 2025

	Customers & Communities £000	Maintenance & Building Safety £000	Development & Asset £000	Care £000	Other £000	Group £000
Income	398,131	1,259	5,025	19,168	1,365	424,948
Employment costs	(64,187)	(27,954)	(7,092)	(19,101)	(17,929)	(136,263)
Maintenance costs	(396)	(66,960)	(595)	(31)	(113)	(68,095)
Building safety works	(9)	(8,963)	(29)	-	-	(9,001)
Other operating expenditure	(51,145)	(9,531)	(13,192)	(836)	(15,052)	(89,756)
Operating expenditure	(115,737)	(113,408)	(20,908)	(19,968)	(33,094)	(303,115)
Operating contribution	282,394	(112,149)	(15,883)	(800)	(31,729)	121,833
New build property sales	-	-	10,809	-	-	10,809
Existing property sales	(1)	-	9,220	(153)	-	9,066
Share of profit from JVs & associates	-	-	2,329	-	-	2,329
EBITDA	282,393	(112,149)	6,475	(953)	(31,729)	144,037
Grant amortisation	-	-	-	-	10,260	10,260
Depreciation & impairment	(44)	(57)	(2,132)	(998)	(61,140)	(64,371)
Interest	-	-	(185)	-	(54,999)	(55,184)
Surplus before tax	282,349	(112,206)	4,158	(1,951)	(137,608)	34,742

32. Operating segments (continued)

Income and expenditure account – year ended 31 March 2024

	Customers & Communities £000	Maintenance & Building Safety £000	Development & Asset £000	Care £000	Other £000	Group £000
Income	369,029	1,755	2,678	18,079	1,077	392,618
Employment costs	(60,248)	(18,525)	(6,438)	(18,905)	(15,885)	(120,001)
Maintenance costs	(591)	(70,505)	(638)	(2)	90	(71,646)
Building safety works	(6)	(12,241)	(1)	-	422	(11,826)
Other operating expenditure	(48,473)	(6,307)	(12,133)	(624)	(15,451)	(82,988)
Operating expenditure	(109,318)	(107,578)	(19,210)	(19,531)	(30,824)	(286,461)
Operating contribution	259,711	(105,823)	(16,532)	(1,452)	(29,747)	106,157
New build property sales	-	-	10,286	-	(2,348)	7,938
Existing property sales	(1)	-	9,037	-	-	9,036
Share of profit from JVs & associates	-	-	690	-	-	690
EBITDA	259,710	(105,823)	3,481	(1,452)	(32,095)	123,821
Grant amortisation	-	-	-	-	9,763	9,763
Depreciation & impairment	(49)	(17)	(1,960)	-	(58,925)	(60,951)
Interest	8	-	18	-	(49,483)	(49,457)
Surplus before tax	259,669	(105,840)	1,539	(1,452)	(130,740)	23,176

Segmental revenue and expenditure are all derived from UK customers and suppliers.

Reconciliation to SOCI

	2025 £000	2024 £000
Turnover and other operating income (SOCI)	505,436	493,639
Less: Grant amortisation	(10,260)	(9,763)
Less: New build sales proceeds	(66,992)	(87,602)
Add: Bad debts	(3,307)	(2,183)
Add: Reversal of impairment / (impairment) of loan to associate	71	(1,473)
Income (segmental analysis)	424,948	392,618
Cost of sales (SOCI)	(56,183)	(79,664)
Add: New build sales proceeds	66,992	87,602
New build property sales (segmental analysis)	10,809	7,938
Operating expenditure (SOCI)	(370,722)	(351,068)
Less: Depreciation and impairment	64,300	62,424
Less: Bad debts	3,307	2,183
Operating expenditure (segmental analysis)	(303,115)	(286,461)
Depreciation and impairment (Note 9)	(64,300)	(62,424)
Less: (Reversal of impairment) / impairment of loan to associate	(71)	1,473
Depreciation and impairment (segmental analysis)	(64,371)	(60,951)