Celebrating 90 years in 2025

home group

Building homes, independence and aspirations

Reports and Financial Statements
for the year ended 31 March 2026




Home Group customers enjoying their
Home Group 90th birthday celebration

Contents

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

The year at a glance

2025/26 Highlights

Financial performance

Surplus before tax:
£38.4m

Operating surplus:
£91.4m

S&P Credit rating

A – Stable outlook

Regulator of social housing ratings

G1 – Governance
V2 – Viability

Home Group customers and colleagues enjoying their Home Group 90th birthday celebration.

Delivering for our customers and communities

Overall Customer satisfaction (TSM):
72.9%

Customer satisfaction with repairs service (TSM):
70.2%

Financial inclusion team: benefited customers by
£8.3m

Providing the right homes in the right places

Investment in existing homes:
£173.0m

New homes delivered:
1,066
including 818 affordable homes

Sustainability:
75.5%
of homes are EPC C and above

Evolving our model of care and support

11,300
supported customers

Supported customer satisfaction:
86.6%

100%
CQC schemes rated good or outstanding

Creating a vibrant customer focused organisation

Colleagues:
78%
of colleagues say Home Group is a great place to work (Great Place to Work survey)

Customer interactions via digital channels:
68%

Further detail and prior year comparitives can be found in the Strategic Performance and value for money section on page 34.

Chairman's introduction

It is a pleasure to introduce the annual report and financial statements for the year ended 31 March 2026. We have delivered another year of strong performance, in a challenging operating environment for the sector, with rising costs, increasing regulatory expectations and continued need to invest in new and existing homes and services.

John Cridland, CBE
Chairman, Home Group

Our surplus increased from £34.7 million to £38.4 million and we delivered 1,066 new homes, including 818 affordable homes. We invested £173 million in improving and maintaining our customers' homes, reflecting our continued focus on quality, safety and sustainability, including improving the energy efficiency of our stock.

We have continued to improve our services for the benefit of our customers. We saw that reflected in the results from our Tenant Satisfaction Measures, where our customers' overall satisfaction rose from 68.2% to 72.9%, which is above the sector average. Within the TSM criteria set, we have driven up performance in repairs, repairs time taken, keeping customers informed and listening to customers, among others.

We supported 11,300 customers with a range of physical and mental health needs, while 100% of our CQC services were rated good or outstanding.

The formula for this success remains the same - a clear strategy that we are committed to, a resilient and agile business plan and having passionate and committed colleagues across the organisation. Our performance is also strengthened by close collaboration with partners across government, local authorities, development partners and our supply chain.

I am proud of what we have all achieved this year. Delivering for our customers and communities remains central to our strategy and it is reassuring that a large proportion of our 125,000 customers feel we are delivering on our Customer Promise. That said, we know there is more to do.

Investment in safe, good-quality homes and reliable services is also key to our approach. While progress has been made, we remain focused on improving the quality of our homes, the consistency of our services and the experience of our customers. We also welcome the introduction of Awaab's Law, which reinforces our commitment to tackling hazards such as damp and mould, and ensuring every customer lives in a safe and healthy home.

We have strengthened our customer engagement through the establishment of a national customer committee and are also developing regional customer oversight arrangements. We have refined how we use customer data and sentiment, to gain greater insight into what customers truly think about our services, so that we can reshape them based on what our customers tell us they want.

Take a moment to explore our online timeline and see how Home Group's story has grown – with you at the heart of it.

Scan the QR code to visit our timeline.

In 2025, we celebrated 90 years as a housing association. Starting from our roots in Newcastle in 1935, we have grown into a national housing organisation with over 57,000 homes in England and Scotland.

We have grown significantly over the last two decades and that, in no small part, is down to our Chief Executive, Mark Henderson. Under his stewardship, Home Group's mission to build homes, independence and aspirations has expanded, bringing benefits to the organisation, our customers and our communities.

“We thank Mark for his amazing dedication over the past 18 years, as our CEO and look forward to Helen leading the next chapter in our story.

Late last year, Mark informed us that he planned to retire in 2026. I want to place on record my personal thanks, the Board's thanks and those of colleagues across Home Group for his amazing dedication over the past 18 years.

Identifying a right successor was a significant responsibility for the Board and following a rigorous and competitive process, we appointed our current Chief Financial Officer, Helen Meehan, as Chief Executive. The Board and I are looking forward to Helen leading the next chapter in Home Group's story.

As we move forward, a key element of our success is the willingness to make difficult strategic decisions.

In 2022, at the start of our five-year strategic plan, we committed to significant investment and resource to support the NHS' 'transforming care' programme.

Whilst we made strong early progress, structural challenges have made the long-term viability of our care model increasingly uncertain. These challenges include ongoing underfunding within adult social care, significant workforce pressures, and an imbalance of risk within commissioning arrangements. As a result, the Board and Executive have taken the difficult decision to cease investment in new care services and to gradually exit CQC-regulated activity over time.

It's not a decision we took lightly, but Home Group has been operating successfully for 90 years because it is able to make decisions like these. We continue to be committed to our supported services which are part of our DNA, and we will manage this transition carefully, doing what's right for our customers, colleagues and the continued longevity of this excellent organisation.

Mark Henderson,
Chief Executive, Home Group

Looking ahead, the Board will remain focused on ensuring Home Group is well governed, financially resilient and able to take sound long-term decisions. Our priorities are improving customer experience, investing in the quality and safety of our homes and supporting a smooth leadership transition. We welcome the greater certainty over long-term rent policy and rent convergence, as these provide a stronger and more predictable foundation for investment. We have submitted a bid to be a Strategic Partner and access grant funding through the new Social and Affordable Homes Programme (SAHP), which will support the delivery of new homes at pace. Combined with sustained demand for our homes and services, this positions Home Group to continue to strengthen its resilience and deliver long-term value for our customers and communities.

John Cridland, CBE
Chairman, Home Group

Strategic report

Strategic overview

At a glance

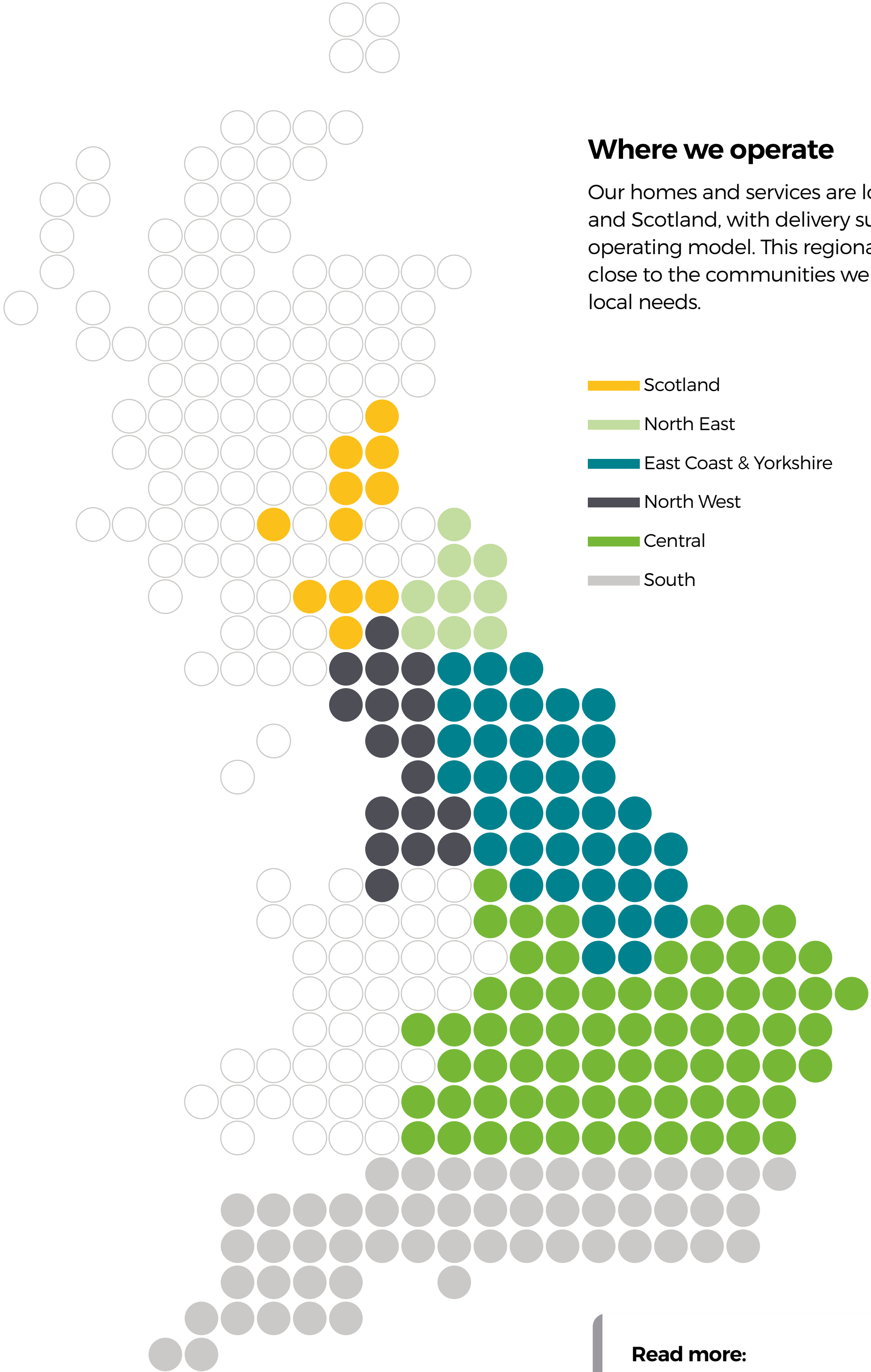
- **Who we are:** Home Group is a large national social enterprise, with charitable status, providing housing and supported housing services across the UK.
- **Our Mission:** Building homes, independence and aspirations
- **What we do:** We provide affordable rented homes, develop new homes (including affordable and homes for sale) and deliver integrated care and support services.

Principal activities

- **Affordable rented accommodation:** providing social, affordable, shared ownership and supported homes to 125,000 people housed across more than 57,000 properties.
- **Care and support:** delivering integrated health, care and support services for customers who need more than a home (11,300 customers supported in the year).
- **Development:** developing new homes for social and affordable rent and affordable home ownership, and developing a proportion of homes for outright sale, with profits reinvested in the business.

Strategic goals

- **Delivering for our customers and communities:** getting the basics right consistently, strengthening our approach to customer safety and anti-social behaviour, and increasing meaningful customer influence.
- **Providing the right homes in the right place:** providing safe, good quality and affordable homes in mixed tenure communities, investing in our target footprint and improving sustainability and decarbonisation performance.
- **Evolving our model of care and support:** designing and growing care and support services to help vulnerable people achieve greater independent living, working closely with partners and commissioners.
- **Creating a vibrant, customer-focused organisation:** investing in colleagues through 'growing our own', strengthening skills and progression routes, and continuing to build an inclusive, data-informed organisation.



Where we operate

Our homes and services are located across England and Scotland, with delivery supported by a six-region operating model. This regional structure helps us stay close to the communities we serve and respond to local needs.

Read more:

The detailed discussion of how we delivered against each goal is set out in the Strategic review section of the Strategic report.

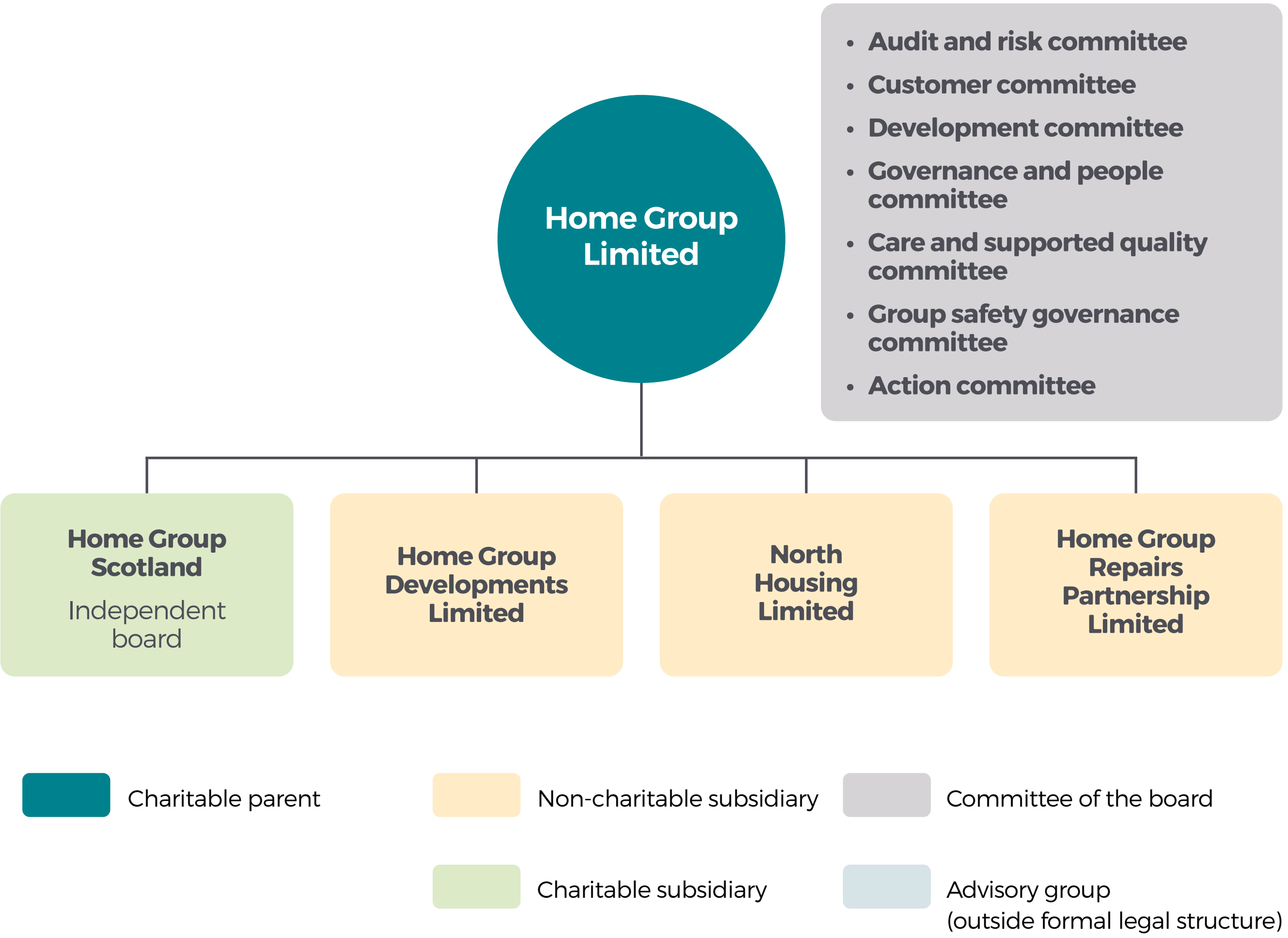
Group structure

Home Group Limited (HGL), 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.

HGL has a charitable registered housing association subsidiary, Home Group Scotland (HGS), registered with the Scottish Housing Regulator as a Registered Social Landlord, undertaking Home Group's business in Scotland.

HGL also has three trading subsidiaries,

- **Home Group Developments Limited (HGDL),** 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 in developing residential property. Details of joint ventures and associates are set out in Note 14 to the financial statements.
- **Home Group Repairs Partnership Limited (HGRP)**, a private non-charitable company which remains trading due to the interest it receives on its investments.



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 model

Home Group is not-for-profit and any surplus is reinvested back into the business. 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. We need to remain financially viable and be 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.

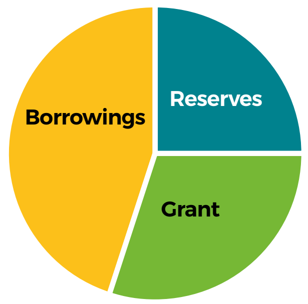
Value is generated through the business streams below, and through the following key resources and relationships.

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

Business activity:	**Renting homes**	**Development**	**Care and support services**
	This includes supported and care housing and shared ownership as well as our core general needs homes.	We build new homes for rent and shared ownership and develop some homes for outright sale.	We provide care and support services to customers living in our supported housing.
		Homes for rent / Homes for sale	
Main income stream:	• Rent and service charges	• Sales income	• Contract income
Main costs:	• Repairs and maintenance • Housing management	• Build costs • Sales and marketing costs	• Staff costs for the delivery of care and support

• Surplus: Where income exceeds costs, we generate a surplus. We reinvest our surplus in:

- Improving our existing homes
- Improving the services we offer to our customers
- Developing new affordable homes



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

Environmental, Social and Governance

Environmental, Social and Governance (ESG) matters are embedded within our strategy and operating model and are fundamental to the delivery of our purpose as a registered provider of social housing. Our key areas of focus include environmental sustainability and energy efficiency, customer safety and wellbeing, social value, and strong governance and ethical leadership.

We have developed our first Environmental Sustainability Strategy, which will take effect from the 2026/27 financial year. The strategy builds on our ISO 14001 environmental accreditation and is structured around seven themes: housing decarbonisation and affordable warmth; sustainable development; sustainable supply chains; sustainable offices and operations; clean travel; biodiversity and open spaces; and reducing waste and water demand. Together, these themes provide a framework for embedding environmental sustainability across the organisation.

We have adopted the Sustainability Reporting Standard for Social Housing (SRS), a voluntary framework comprising 44 criteria across ESG matters that enables housing providers to report in a more consistent and comparable way. The environmental criteria within the SRS are aligned to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We expect our partners and suppliers to share our commitment to sustainability. As we progress towards net zero, our supply chain will play an important role in helping us reduce the environmental impact of our activities. Our sustainable procurement policy is reviewed regularly to support continuous improvement. Consistent with our social purpose, we also consider social value in procurement decisions for goods and services.

We publish a separate ESG Report, which sets out in more detail our approach, targets and performance across environmental, social and governance matters. This report complements the disclosures within the Strategic Report and is available on our website.

Read more:

More details and our ESG reports can be found here.

Strategic review

The 2025/26 financial year is the fourth year of our five-year strategy. 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.

Our strategy has four strategic goals and 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 34.

Delivering for our customers and communities

Evolving our model of care and support

Providing the right homes in the right places

Creating a vibrant, customer-focused organisation

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 in their homes.

Beyond this, we will build a great customer experience through strong engagement and effective communication. We will create new opportunities to collaborate with more customers and enable them to have greater influence over their homes and communities.

Getting the basics right locally

During 2025/26, we continued to embed the regionalised structure to better support the communities we serve. We have six regional areas supported by asset and maintenance teams directly aligned to each area, with three Direct Labour Organisations (DLOs), providing more flexibility and control over our maintenance operations. This model is driving improved customer outcomes with our overall customer satisfaction increasing to 72.9% from 68.2%, with increases in every region.

One of our priorities over the last year was to deliver a high performing and efficient repairs and maintenance service. We have seen improvements in this area, whilst also implementing regulatory requirements in relation to Awaab's Law, with an increase in the percentage of repairs completed within SLA and the number of repairs completed right first time. Customer satisfaction with the repairs service has increased to 70.2% (2025: 65.6%).

Safer homes, stronger neighbourhoods

Providing safe homes and secure neighbourhoods remains central to our Customer Promise. During the year, we strengthened our approach to customer safety, complaints and anti-social behaviour, recognising the importance of these services to customers' day-to-day experience. This contributed to improved customer confidence, with 87.4% of customers satisfied that their home is safe, up from 84.8% in the prior year.

The introduction of Awaab's Law in October 2025 reinforced the importance of timely action where damp, mould and other hazards pose a risk to customers. We responded by improving case management, risk assessment, escalation and survey timescales, supported by new processes in our Salesforce platform. At the same time, we continued to improve complaints handling, embedding stronger systems, reporting and accountability. As a result, stage 1 complaints responded to within timescales increased to 91.4%, compared with 64.2% in the prior year. We are also using complaint insight more systematically to identify root causes and drive wider service improvements.

We remain committed to preventing and tackling anti-social behaviour wherever possible, supported by clear procedures, risk-based case management and partnership working. While we know there is more to do, our regional model is helping us build a more responsive, locally accountable service, with continued focus on safety, neighbourhoods, repairs and customer experience.

Tenant Satisfaction Measures (TSMs)

We are now in the third year of reporting on Tenant Satisfaction Measures (TSMs) and achieved our targets on all of the TSM measures chosen to represent our strategic outcomes. We use TSM insight to identify opportunities for continuous improvement and to inform regional service plans. Further detail on our Value for Money (VFM) and TSM metrics are included in the Strategic Performance and Value for Money section on page 40.

Customer voice and influence

During the year, we approved our Customer Influence Strategy, strengthening how customers can influence decisions about their homes, services and communities. We also established a national Customer Committee, which will be supported by regional oversight groups. This will enhance our engagement and collaboration with customers to ensure their voices are heard at all levels throughout the organisation. The Customer Committee, along with customer representation on the Board and feedback provided through customer engagement, ensures our overall performance is regularly challenged, with insight reported to governance forums.

A colleague handbook has also been launched for every colleague working with our customers, providing guidance and information, ensuring our customers get the right support.

We remain committed to helping customers sustain their tenancies and build financial resilience. Our Financial Inclusion Team provides tailored one-to-one support to customers experiencing financial difficulty, helping them maximise income, reduce costs and access the benefits and support available to them. Support is delivered remotely and in person, enabling us to respond flexibly to a wide range of needs, including customers requiring more intensive help due to vulnerability. We are also enhancing our offer through Lightning Reach, a platform that connects people in financial hardship with multiple sources of support through a single portal. This partnership supports our shared commitment to helping customers access timely, dignified support and build financial resilience.

During the year, the Financial Inclusion Team received referrals from over 4,750 customers. They helped over 1,400 customers to increase their household income by an average of £4,990 per year and also helped secure a total lump sum amount of almost £1.3 million.

TSM: Overall customer satisfaction	TSM: Repairs service satisfaction	Financial inclusion customer benefit
72.9%	**70.2%**	**£8.3m**

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.

We will invest in our existing properties, ensuring safe and decent homes for customers. This will include investing 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.

Development of new homes

We are a strategic development partner with Homes England and work closely with the Greater London Authority and the Scottish Government, all of which provide grant funding to help us build affordable homes. During the year, we also developed and submitted a substantial bid to the Social and Affordable Homes Programme (SAHP), reflecting our continued ambition to deliver more affordable homes in our target growth areas and respond to housing need over the coming years. We also fund our development through long-term borrowings, either through bank loans or the issue of corporate bonds.

During the year, we delivered 1,066 homes across England and Scotland, including 818 affordable homes, across a mix of house types and tenures to reflect local needs. Customer satisfaction on our new build homes is now at 91%.

Of the 818 new additions in the year, 119 were built to an EPC A rating and 699 to an EPC B rating, bringing total delivery of new build homes rated EPC B or above to 3,109 since the start of our strategy on 1 April 2022.

We continued to work with housebuilders to access Section 106 homes where they meet our quality standards, customer needs and are located in our target areas as part of our Right Homes, Right Place strategy. Our development programme remains focused on delivering safe, good quality and affordable homes in places where we can create a stronger long-term presence and make a meaningful difference to local communities.

Sustainability remains a key priority in the design and delivery of our new homes. We are responding to the Government's Future Homes Standard for new homes, which is designed to improve energy efficiency and reduce carbon emissions, by installing renewable heating systems where practicable and by developing and connecting to heat networks where appropriate. This supports cleaner, more resilient heating solutions and helps ensure our homes are fit for the future.

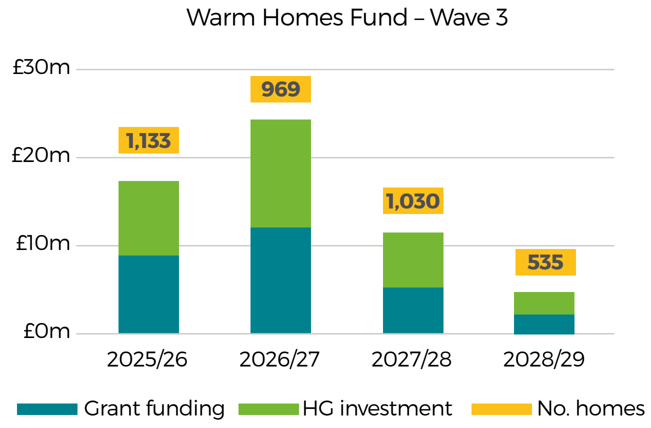
We also consider wider environmental resilience in the design of new developments. Flood risk and overheating are key design considerations, and we aim to adopt the most effective design standards and mitigation measures. Where possible, we also seek to maximise wider benefits through our developments, including the use of sustainable urban drainage systems that can support biodiversity and contribute to a stronger sense of place for our customers and communities.

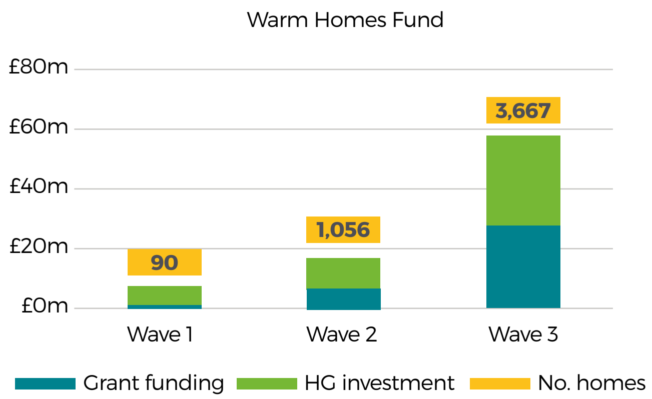
Investment in existing homes

We continue to invest in our existing homes through our planned programme and achieved our highest ever completion rates during the year. £67.0 million was invested in capital works with a further £48.7 million spent on planned and major revenue works and £57.3 million on routine works.

Improving energy efficiency to make customers' homes warmer and more affordable remains a priority. We aim for all existing homes to achieve EPC C by 2030 (and EPC B by 2032 in Scotland), supported by a roadmap to net zero by 2045 (Scotland) and 2050 (England).

We have been successful in securing funding from the Government's Warm Homes Fund/Social Housing Decarbonisation Fund (SHDF), with grant funding totalling £36.3m alongside £46.3m of our own investment across the three waves. Waves 1 and 2 are now complete, with Wave 3 continuing to 2028/29.





We also completed our first retrofit programme in Scotland, part-funded by the Scottish Government's Social Housing Net Zero Heat Fund, upgrading 14 homes in Dundee to EPC B standard.

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

As at 31 March 2026, the average energy efficiency rating (SAP) of our homes was 72.8. (2025: 73.3). The reduction is due to a change in the calculation methodology, following the integration of the data into a new system.

Investment in existing homes	Investment in new homes	Sustainability: % homes rated EPC C or above
£173.0m	**£170.5m**	**75.5%**

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 housing services in the community, working closely with partners and commissioners.

We want to design supported housing services that are sustainable for the long term, enabling our customers to live more independent lives.

Supported housing services

Supporting vulnerable people to achieve greater independence remains at the heart of our mission. We are committed to delivering supported housing services that meet immediate needs while remaining resilient, adaptable and sustainable over the long term.

Our approach focuses on enabling customers to build the skills, confidence, and resilience needed for independent living. Through personalised support plans, partnership working, and a strong emphasis on early intervention and prevention, we aim to reduce long-term dependency on services while improving outcomes for individuals.

To support this, we continue to invest in our people, systems and partnerships, ensuring services are efficient, responsive and joined up. Safe, fit-for-purpose and energy-efficient homes also remain a key part of our offer, supporting customer wellbeing while contributing to long-term sustainability.

During the year, we provided supported services to 11,300 customers. Of those customers surveyed during the year, an average improvement in mental wellbeing of 27% was reported along with a 24% improvement in quality of life. It is estimated that achieving these outcomes, during their stay with us, has generated approximately £6 million of social value, equating to an estimated average of £24,000 per customer surveyed.

Supported Housing (Regulatory Oversight) Act

The Supported Housing (Regulatory Oversight) Act (SHROA) is now in force, with key operational requirements expected to be implemented through forthcoming regulations. The Act marks a significant step change in the way supported housing is governed, bringing increased scrutiny, clearer standards, and a stronger emphasis on quality, value, and accountability across the sector. We recognise that this legislation presents both a challenge and an opportunity. It challenges providers to demonstrate consistently high standards of service delivery, transparency, and outcomes. At the same time, it provides an opportunity to strengthen our offer, reinforce trust with stakeholders, and clearly evidence the positive impact of our services.

In preparation, we are taking a proactive and structured approach to ensure we are fully aligned with emerging regulatory requirements. This includes:

- Strengthening Quality and Standards
- Enhancing Governance and Oversight
- Improving Data, Insight, and Outcomes Reporting
- Reviewing Our Service Models
- Building Capability and Awareness
- Engaging with Partners and Commissioners

The Act reinforces our commitment to delivering services that are safe, effective, and genuinely supportive of independent living. It provides a framework through which we can demonstrate our impact and ensure that our supported housing provision remains sustainable, credible, and fit for the future.

Regulated care services

Over the past decade, we have developed and delivered a range of regulated care services alongside our supported housing offer, including complex care and community wellbeing provision. During this period, we have supported over 450 customers through a team of more than 400 colleagues, achieving consistently strong outcomes. All services are rated good or outstanding, reflecting our focus on care quality, strong customer and stakeholder feedback, and a demonstrable positive impact on customers' quality of life.

However, the operating environment for regulated care has become increasingly challenging, with sector-wide funding pressures, rising costs, workforce constraints and an uncertain commissioning and funding environment alongside broader external factors, limiting growth and long-term sustainability.

The Board has taken the difficult but necessary decision to exit from the provision of regulated care activity. This will be a gradual transition over the coming years, ensuring continuity of service and prioritising the wellbeing of both customers and colleagues. We will work closely with commissioners and partners to deliver a managed transition. While this represents a significant and carefully considered shift, it enables us to focus our resources on our core housing and supported housing services, positioning the organisation for long-term resilience and continued delivery of high-quality outcomes.

Supported customer satisfaction	Customers supported	% CQC schemes rated good or outstanding
86.6%	11,300	100%

Case study: Supported housing services
Hope Haven

Demand for mental health support continues to grow, with many individuals facing not only acute mental health needs but also underlying challenges such as isolation, financial exclusion and housing instability.

In areas such as Whitehaven and across Copeland, these pressures are particularly pronounced, and traditional models, often centred on hospital admission, do not always deliver sustainable outcomes for individuals or communities.

The NHS' 10 Year Plan set out an ambition to provide more care within communities through accessible local services. As part of this, NHS England piloted a roll-out of several 24/7 neighbourhood mental health centres, delivered through a partnership-based approach. Hope Haven is one of these and by bringing together health services, housing expertise and wider community organisations in a single, accessible location, individuals can access emotional, practical and housing-related support without referral or navigating multiple services.

As a key partner, Home Group contributes its expertise in supported housing, providing advice on housing, finances and daily living, alongside a small number of short-term 'step up/step down' flats. These offer a safe, stabilising environment for individuals who may otherwise face hospital admission, or who require additional support when transitioning back into the community following inpatient care.

Since opening in summer 2025, Hope Haven has supported a wide range of individuals with complex and interrelated needs. The opening of the dedicated hub on King Street in early 2026 has further improved accessibility, with 231 visits recorded in its first 10 days.

By integrating services in a single location and providing an alternative to hospital-based care, Hope Haven is helping to improve outcomes, reduce pressure on acute services and enable people to receive support closer to home.

Early impact

Reduction in mental health ward admissions

20%

Reduction in Home Crisis Team caseload

30%

Reduction in Community Treatment Team referrals

15%

Reduction in calls to 111 (MH option 2)

30%

Reduction in emergency department presentations

15%

Creating a vibrant, customer-focused organisation

We want a great culture that attracts, retains and develops our colleagues to succeed. This includes being an exemplar in equality, diversity, inclusion and belonging, constantly assessing ourselves against best practice.

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

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

Attracting, developing and retaining talent

We aim to attract, develop and retain talented people through an inclusive approach to recruitment and career development. As a Disability Confident and Mindful Employer, we support colleagues to build meaningful careers. Our 'Grow our own' approach continues to strengthen internal progression, with 34% of job offers made to existing colleagues. We also work with partners to widen access to employment, including DFN Project Search's supported internship programme for young people with disabilities, where 100% of the second cohort achieved a positive outcome (employment or further training).

Leadership and colleague voice

We invest in leadership development through our Leading with Purpose programme to support strong performance and inclusive leadership across the organisation.

We encourage open dialogue with colleagues and use feedback to shape priorities and improve the colleague experience. Colleague networks and forums provide additional routes for involvement and allyship. Our 'Living Our Values' programme supports new starters and new managers to understand and embed our culture.

Great Place to Work

Our annual colleague survey, delivered by Great Place to Work in November 2025, placed us 17th in the UK (super large organisations), with 78% of colleagues agreeing that Home Group is a great place to work.

Apprenticeships

On 31 March 2026, our apprenticeship programme supported 83 apprentices (2025: 71), including 19 apprenticeships for Home Group customers who may face barriers to work. Of those completing an apprenticeship, 28 moved into a permanent role with Home Group, supporting a strong talent pipeline.

We also offer colleague apprenticeships to help existing colleagues build new skills and qualifications.

Supporting colleague wellbeing

We support colleagues' physical and mental health through a refreshed wellbeing plan built around four pillars: mental and emotional health, physical wellbeing, financial wellbeing and organisational wellbeing. This is backed by a broad offer including a wellbeing hub, flexible working, an Employee Assistance Programme, Occupational Health, mental health first aiders, workplace adjustments, colleague networks, peer support groups, self-help resources, wellbeing planning tools, a health cash plan and wider financial wellbeing support.

We also recognise the ongoing cost-of-living pressures facing colleagues and continue to provide support through pay and benefits. In November 2025 we made a mutual award payment and have committed to do so again in 2026. We also remain a Living Wage Foundation employer, with eligible colleagues receiving a 6.75% pay increase in April 2026. Alongside this, we provide financial wellbeing support and a wider benefits package to help colleagues manage day-to-day costs and plan for the future. This support is valued by colleagues, reflected in a 6% increase in Great Place to Work survey scores relating to financial wellbeing support.

Colleague wellbeing remains a priority, and we continue to invest in resources, awareness activity and workplace adjustments to support good mental health and help colleagues thrive at work.

Equality, Diversity, Inclusion and Belonging (EDI&B)

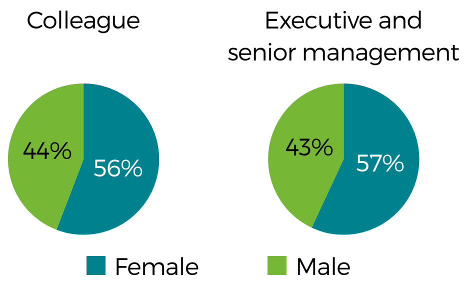
We want our workforce to reflect the customers we serve and the communities in which we work. Our commitment to EDI&B supports our strategy by creating an inclusive culture where colleagues can thrive and ensure allyship is part of who we are.

We obtained the National Equality Standard in 2024 and are also proud members of the Housing Diversity Network (HDN) with gold membership; working towards achieving full accreditation.

We monitor workforce diversity and inclusion through a range of measures, including gender representation, pay gap reporting and colleague feedback.

Gender

Our colleague gender ratios are as follows:



We were ranked 8th in Great Place to Work's Best Workplaces for Women (UK), our highest ranking to date in the sector.

Since April 2024 our gender pay gap has reduced by a 1.26%. For context, the Office for National Statistics reported the UK gender pay gap for 2025 as 13.1%, compared with Home Group's 2026 mean gap of 9.23% (see table below).

Gender pay gap	2026 £m	2025 £m
Home Group:		
Mean	8.4	7.6
Median	8.0	9.2
Office of National Statistics (ONS)	12.8	13.1

Multi-cultural LGB+ and disability

Multi-cultural, LGB+ and disability	2026 %	2025 %	Target %
Multicultural	21.8	21.6	15.0
LGB+	6.2	6.5	6.0
Disability	10.5	4.8	6.0

We continue to track representation across multicultural, LGB+ and disability characteristics and continue to set aspirational targets.

Recruitment, retention, progression and awareness

Our internal development routes ('Grow our own') support retention and progression. Of colleagues who progressed through Grow our own, 5. 5% identified as LGB+, 4.3% declared a disability, 48.3% of grow our own job moves were by women and 15.6% identified as multicultural.

We continue to strengthen our employer offer and recruitment approach to attract talent from under-represented groups.

Great Place to Work feedback indicates strong perceptions of fairness across protected characteristics (88–95%). 88% of colleagues said their manager role-models EDI&B and 89% said colleagues take action to support it.

Great Place to Work Overall score
78%

Customer Interactions via digital channels
68%

Strengthening digital and data capability

We are committed to further investment in data and technology solutions. During the year, we recruited a Head of Data to strengthen our governance in this area, and our Data Strategy is being reviewed to ensure it is still fit for purpose.

Progress was made as we continued to develop our Salesforce platform as a key part of our move towards a more modern, joined-up customer relationship management system, improving how we manage customer interactions, casework and service performance. Over the year, Salesforce was used to support the migration of complaints handling, Awaab's Law compliance and initial anti-social behaviour case management, providing better visibility, stronger audit trails and improved oversight of actions and timescales.

This has helped improve efficiency, customer service and regulatory compliance, most notably in complaints handling, where performance improved significantly during the year. Alongside this, we have continued to build colleague capability through dedicated training, guidance and support, helping embed Salesforce more consistently into day-to-day ways of working and strengthening the data and insight available to support better decision-making.

We also continued to explore the benefits of artificial intelligence, including a controlled roll-out of Microsoft Copilot licences to selected colleagues and teams. Supported by guidance on safe and responsible use, this has helped colleagues test practical use cases such as drafting, summarising information and streamlining routine activity. We will continue to develop our approach carefully, ensuring appropriate governance, data protection and human oversight are maintained.

Financial review

The operating environment for the UK housing sector remained challenging during 2025/26. Inflationary pressures remained above long-term norms and, while interest rates eased from prior peaks, financing and supply chain costs continued to place pressure on the cost base.

At the same time, the labour market remained tight in key operational areas, particularly in supported housing and care-related services, contributing to ongoing recruitment and retention challenges and higher employment costs.

We also continue to face a more demanding regulatory landscape, with continued emphasis on consumer standards, building safety and the implementation of new requirements such as Awaab's Law. These changes, alongside sustained demand for repairs, maintenance and investment in existing homes, increased operating pressures across the business.

Despite these challenges, we managed costs effectively and increased operating surplus to £91.4 million (2025: £87.6 million), supported by disciplined financial management and growth in rental income within the permitted rent framework.

Financial performance

Surplus before tax is a key measure we use to track our financial performance. We achieved a surplus before tax for the year of £38.4 million (2025: £34.7 million). Significant movements are discussed further below.

Summary statement of comprehensive income	2026 £m	2025 £m
Turnover	498.5	505.4
Cost of sales	(32.5)	(56.2)
Operating expenditure	(389.8)	(370.7)
Surplus on disposal of housing properties	15.2	9.1
Operating surplus	**91.4**	**87.6**
Share of profit in joint ventures and associates	2.6	2.3
Net finance costs	(55.6)	(55.2)
Surplus before tax	**38.4**	**34.7**

Turnover

Overall, group turnover has decreased by 1.4% to £498.5 million. Turnover from social housing lettings increased by 4.3%, during the year, despite a 2.7% rent increase from 1 April 2025. This was due to an additional £4.0 million rental income arising from our new development homes. Offsetting the higher rental income is a £21.5 million (56.8%) decline in turnover on properties developed for outright sale and a £3.4 million (11.6%) reduction of in shared ownership first tranche sales driven in part by the end of the grant programme reducing the number of shared ownership homes available for sale. This follows the strategic decision in recent years to reduce exposure to direct private sale and pivoting the focus to joint ventures and developing affordable housing for our portfolio.

Cost of sales

The reduction in cost of sales reflects the lower volume of properties developed for outright sale, as per our strategic development plans.

Operating expenditure

Our operating costs have increased by 5.2%.

Operating costs associated with social housing activities have increased by 4.4% and reflect costs associated with our growing rental portfolio.

Operating costs associated with our care and support services have increased by 14.6% whilst income has remained static. This is mainly a reflection of the challenging labour market for clinical care staff resulting in employment costs being at a premium due to the use of agency workers.

Surplus on disposal of housing properties

The surplus from sale of our existing housing properties increased by £6.1 million (67.0%) with approximately half the increase driven by increased Right to Buy (RTB)/ Right to Aquire (RTA) sales to our customers and half due to voluntary disposals as we actively manage our assets to ensure we provide the right homes in the right places.

Share of profit in joint ventures and associates

Our profit share on joint ventures, excluding the impact of loan impairments, fell by £0.5 million, During the year we recognised an impairment reversal of £0.8 million (2025: £0.1 million reversal) due to improved forecast position.

Net finance costs

Net finance costs increased by £0.4 million (0.7%). This was due to an increase in interest payable on our variable rate borrowings as these increased during the year.

Financial strength

The Group's balance sheet remains strong, with net assets increasing by £48.3 million during the year. Gearing remains low, at 42.5% (2025: 42.8%). Significant movements in the balance sheet are discussed further below.

Summary statement of financial position	2026 £m	2025 £m
Housing properties	3,165.3	3,004.9
Other fixed assets and investments	143.5	136.3
Properties held for sale	27.0	53.8
Cash and cash equivalents (inc. restricted cash)	63.8	61.6
Debtors	32.0	47.1
Total assets	3,431.6	3,303.7
Borrowings (bonds and third-party loans)	(1,407.8)	(1,348.5)
Grant	(979.1)	(967.0)
Other liabilities	(155.9)	(147.7)
Total liabilities	(2,542.8)	(2,463.2)
Net assets	**888.8**	**840.5**

Housing properties

The net book value of our housing properties increased by 5.3% during the year as we continue to invest in our customers' homes. We spent £164.8 million developing new affordable homes and spent a further £67.0 million on improvements to our existing homes.

Properties held for sale

Properties held for sale (which includes work in progress on developments) decreased by £26.8 million during the year. This reflects the fact that our development pipeline focuses on delivery of homes for rent and shared ownership.

There were 105 (2025: 143) completed properties held for sale at the year-end.

Cash and cash equivalents

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

Debtors

Debtors reduced by £15.1 million, due to reduced balances within accrued income (£3.5 million) and other debtors (£9.1 million). These variances reflect timing of cash receipts relating to our development and investment activities, such as grant receipts in respect of our Social Housing Decarbonisation (SHDF) funding and receipts from our joint ventures and associates. Operational debtor balances are subject to less fluctuations, and net rental debtors have reduced by £0.6 million reflecting improvements in our income collection and arrears management.

Borrowings

Our largest liability remains borrowings (bonds and third party loans). Borrowings increased by £59.3 million, as discussed in the cash flow review on the following page.

Deferred capital grant

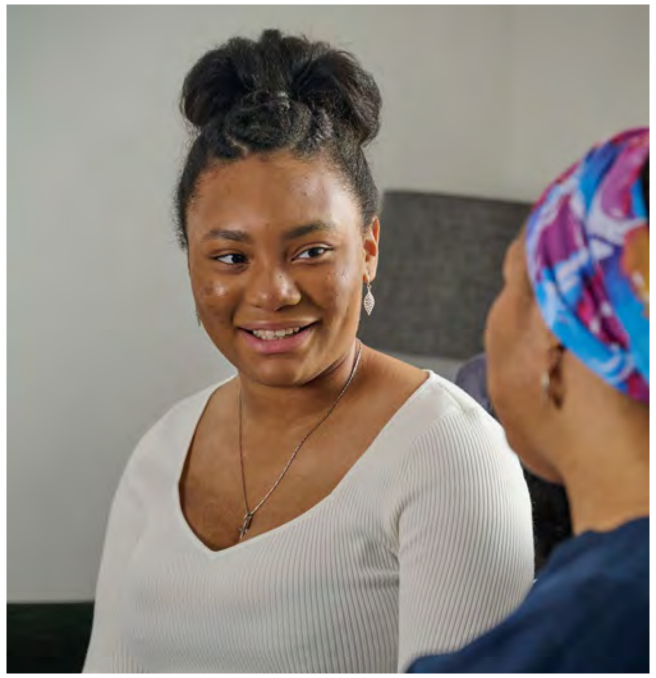
Deferred capital grant increased by £12.1 million during the year as we received additional grant to fund our development of affordable housing, partially offset by amortisation.

Other liabilities

Other liabilities increased by £8.2 million, largely due to an increase in the recycled capital grant fund. This was driven by our asset management programme, including the disposal of properties outside our target footprint and the recycling of grant associated with longer-term void properties. These decisions support our focus on providing the right homes in the right places and enable grant to be redeployed in line with our future investment priorities.

Financial resilience

Financial resilience remains a key priority for the Group. The Board regularly reviews long-term financial forecasts, liquidity requirements, funding arrangements and financial risks to ensure the Group remains well placed to deliver its strategy. Following a detailed review of the Group's business plan and stress-testing of a range of severe but plausible scenarios, the Board is satisfied that Home Group has sufficient resources to continue operating and meeting its obligations as they fall due. The financial statements have therefore been prepared on a going concern basis. Further detail can be found on pages 73-74.



Cash flows

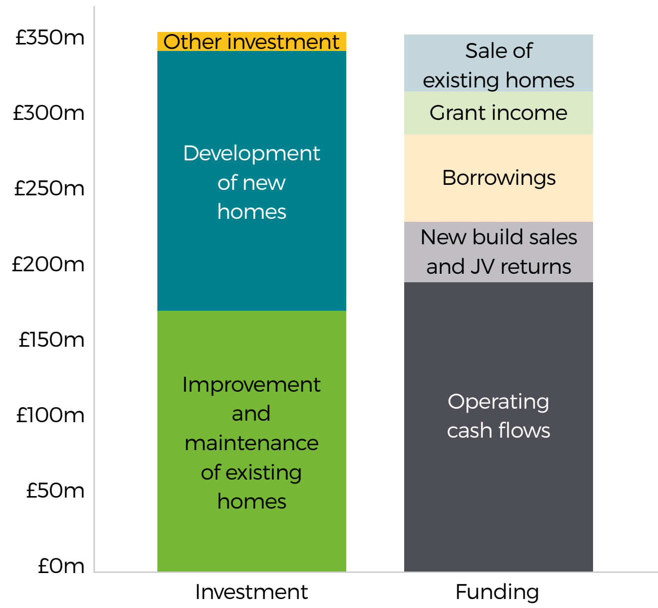
Cash inflows and outflows for the year are detailed in the Group Cash Flow Statement on page 72.

Cash generated from our operating activities provides the foundation for our investment in homes and services and demonstrates the underlying cash strength of the business. During the year we generated £190.8 million ((2025: £161.1 million) in cash from our operating activities.

We reinvested significantly in the year, with cash investment focused on developing new affordable homes and improving the quality, safety and energy efficiency of our existing homes. Along with the cash generated from operating activities, this investment is also funded by returns from our new build sales and joint ventures, borrowings, grant income and sales of our existing homes. Our net investment cash outflows were £179.1 million (2025: £147.5 million), whilst our financing cash outflows were £9.4 million (2025: inflow £3.2 million).

Overall, cash and cash equivalents, excluding restricted cash, increased by £2.2 million. As at 31 March 2026, the amount held in restricted cash was £5.1 million (2025: £4.7 million) (see note 17).

How investment has been funded



Capital structure and treasury policies

As at 31 March 2026, the Group has committed borrowing facilities of £1.8 billion (2025: £1.6 billion) of which £1.4 billion is drawn (2025: £1.3 billion). Our borrowings are provided through a mix of discounted bonds and housing loans, giving us access to long-term funding to support investment in our development programme and existing properties in line with our strategic plans.

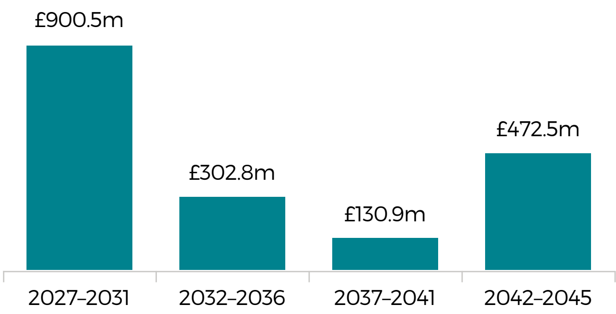
As at 31 March 2026 we have £387.0 million of undrawn facilities (2025: £281.0 million plus an additional £230.0 million in the process of being secured).

Our housing loans are secured by charges against specific properties, bank and building society deposits and other fixed and current asset investments. 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. Our policy is to aim to maintain between 65% and 80% of borrowing in long-term fixed interest rate funding. At the year-end 75.6% (2025: 73.1%) 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, and are forecast to continue to be met.

As at 31 March 2026, the Group has maintained a Standard & Poor's credit rating of A- and the outlook for the Group is deemed stable.

Taxation – our contribution to the UK tax system

As a responsible taxpayer, we meet our 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.

Tax payable	2026 £m	2025 £m
Irrecoverable VAT	31.4	30.7
Employer's national insurance	14.1	10.4
Corporation tax	0.1	0.6
Stamp duty land tax	0.0	0.2
Total	**45.6**	**41.9**

As most of our income is exempt from VAT, we are unable to recover the majority of the VAT we pay on purchases. As a result, we paid £31.4 million (2025: £30.7 million) in irrecoverable input VAT this year.

Our contribution in relation to employer's national insurance has increased by £3.7 million this year due to the increased rate of 15% (from 13.8%) along with the reduction in the secondary threshold from £9,100 to £5,000. Both changes became effective from 1 April 2025.

As social housing activity is charitable in nature, the Group does not pay corporation tax on many of its activities. Profits from outright property sales are subject to corporation tax. The Group recognised a credit in relation to corporation tax in 2026. During the year HGDL made a gift aid payment to HGL of £9.6 million (2025: £7.9 million), reducing the Group's corporation tax liability for 2026 by £2.4 million (2025: £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 £nil (2025: £0.2 million) in relation to land acquired by HGDL which will be used to build new homes.

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

Some of our performance measures 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 58.

Our performance on our key performance measures, 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, comparing ourselves to the median average within our peer group.

In our peer group, we include all registered providers which have total social stock of over 20,000 homes with supported housing making up over 3.5% of this. This gives us a peer group of 13 large providers. Unless otherwise noted, benchmarks are from this peer group and for the year ended 31 March 2025, as 2026 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 40-42, Some of these are considered to be key measures of how we are delivering against our strategy, and these are included in more detail within our performance summary on the following pages.

How have we acted on improvement plans?

For the year ended 31 March 2026, we had three improvement plans in place for repairs satisfaction, complaints, and operating margin.

Repairs satisfaction

We have seen an improvement in satisfaction with the overall repairs service, achieving 70.2% satisfaction against our target of 67%. Increasing the number of repairs which are completed right first time, and within timescales, has been a key focus this year, to improve the customer experience.

We have acted on the improvement plan actions as follows:

- **Improve communication with customers on expected completion times and appointments:** We are embedding more consistent, proactive communication standards to ensure customers receive clear and timely updates throughout the repair journey.
- **Improve performance and efficiency of the Home Group Repairs Service (HGRS) to improve customer satisfaction:** HGRS continues to outperform contractors on repairs completed, delivering 88.5% of repairs within timescales (2025: 81.3%).
- **Proactively managing external contractors where they are not performing in line with expectations:** Performance has improved across all contracts.
- **Improve management of complaints relating to repairs and maintenance:** Improved reporting of complaints has improved visibility and ownership, with a more regional focus improving collaboration across teams and outcomes for customers.

Complaints

We have seen a significant improvement in compliance with complaints timescales (which covers both the acknowledgement of the complaint, and providing a response to the customer) following operational improvements and the introduction of a new system for complaints management. This improvement has been seen across all complaint types, although we reference the TSM for LCRA Stage 1 complaints so we can benchmark the result.

We have acted on the improvement plan actions as follows:

- **Improve visibility and ownership of complaints through enhanced reporting:** System improvements have improved reporting capabilities. Regional review allows for better cross-team collaboration to accelerate decisions on complex cases, improving outcomes for customers.
- **Thematic reviews of complaints to identify improvements that can be made to reduce complaint numbers going forwards:** Board receive regular updates on complaints themes, including regional and contractor trends. In the last year, analysis has identified recurring root causes of insufficient initial investigation, poor communication, delays in completing works, and ineffective contractor management. Where improvements are identified we incorporate them into our continuous improvement programme to reduce repeat complaints and restore customer confidence.
- **Embed quality assurance and reporting to map, track and monitor performance:** Investment in systems has allowed for more consistent logging and monitoring of complaints cases, resulting in significant improvement in meeting timescales across the year. We can also now record lessons learned against each complaints case so we can use this data to identify themes and trends to drive improvements.

Operating margin

We met targets on both operating margin – overall, and operating margin – social housing lettings. Overall operating margin is largely impacted by social housing lettings, which represents nearly 70% of the business. However, we also saw strong performance beyond what had been budgeted in new build property sales. This area of the business, together with care and support services, delivers a lower margin compared to social housing lettings, which is why our overall operating margin is always lower than social housing lettings margin.

We have acted on the improvement plan actions as follows:

- **Targeted improvement actions in place to improve underlying margin in specific operating segments:** We have seen improvements in both our Rented and Supported segments in 2026. During the year, the Board made the difficult decision to transition away from delivering regulated care, financial sustainability being one of the reasons for this. We would have seen an increase in overall operating margin compared to the previous year if not for the financial impact of this decision.
- **Regional reporting has evolved:** More detailed regional analysis has allowed financial performance and improvement actions to be monitored with an increased regional focus.

Performance summary for the year ended 31 March 2026

Value for Money measures	2026 Target	2026 Result	2025 Result	Target met?	Benchmark
The Regulator of Social Housing's VfM metrics					
Social housing reinvestment	6.4%	7.5%	6.6%	Yes	Above average
New supply – Social	1.3%	1.3%	1.6%	Yes	Above average
New supply - Non-social	0.1%	0.1%	0.3%	Yes	Above average
Gearing	40-50%	42.5%	42.8%	Yes	Above average
Operating margin – Overall	15.2%	15.3%	15.5%	Yes	Below average
Operating margin – Social housing lettings	20.3%	20.4%	20.4%	Yes	Below average
Interest cover	110%	109%	106%	No	Above average
Return on capital employed (ROCE)	3.1%	2.9%	2.9%	No	Above average
Social housing cost per unit	£7,228	£7,189	£6,998	Yes	Below average
Strategic goal: Delivering for our customers and communities					
TSM: Satisfaction that home is safe	82%	87.4%	84.8%	Yes	Above average
TSM: Satisfaction with repairs	67%	70.2%	65.6%	Yes	Above average
TSM: We treat customers fairly and with respect	77%	80.4%	79.8%	Yes	Above average
TSM: Positive contribution to neighbourhoods	63%	67.0%	63.4%	Yes	Above average
TSM: Stage 1 complaints responded to within timescales	85%	91.4%	64.2%	Yes	Above average
Strategic goal: Providing the right homes in the right places					
Homes achieving EPC C or above (overall)	73.0%	75.5%	71.8%	Yes	n/a
Homes achieving EPC C or above (existing portfolio)	72.3%	74.5%	71.4%	Yes	n/a
Strategic goal: Evolving our model of care and support					
CQC schemes rated 'good' or 'outstanding'	100%	100%	100%	Yes	n/a
Average improvement in mental wellbeing outcomes	31%	27%	46%	No	n/a
Average improvement in quality of life outcomes	34%	24%	37%	No	n/a
Strategic goal: Creating a vibrant, customer focused organisation					
Colleagues agreeing that Home Group is a great place to work	80%	78%	80%	No	Above average*
Digital interactions	70%	68%	69%	No	Above average*

* Benchmark information is taken from the following sources: 2025 Great Place to Work rankings; 2026 Housemark trend for customer contact received via digital channels for large housing associations.

How have we performed in the year?

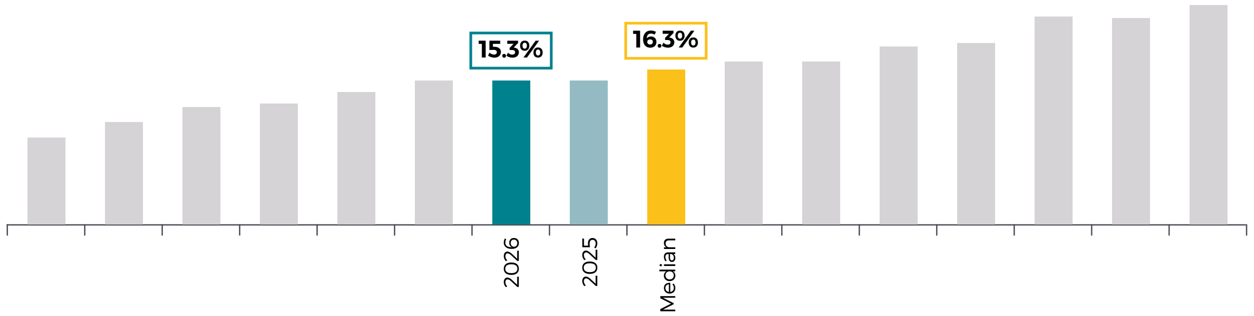
We consider whether or not we met our target, and the reasons for this, when determining whether or not improvement plans should be put in place. We met targets on the majority of our VfM measures, although did not achieve our targets on the measures set out below. We do not consider formal improvement plans to be necessary in any of these areas.

- **Interest cover:** Interest cover fell marginally below our target for the year due to slightly higher spending than initially planned on capitalised repairs.
- **Return on capital employed (ROCE):** Our target included a stretch target for surplus on sale of social housing properties, which we did not fully meet, resulting in overall ROCE falling slightly below target. We dispose of social housing properties which are low demand or costly to maintain, fall outside our target footprint, or are no longer suitable to use for supported services. Proceeds from these sales can be reinvested into other homes, and efficiencies achieved through stock rationalisation will drive future improvement in ROCE.
- **Average improvement in outcomes:** We measure the average improvement in either mental wellbeing or quality or life reported by customers in our supported services during their time with us. Although not meeting target, these scores still represent a good result. Customers included in the quality of life measure this year had reported a higher score at the point they moved into our service. This leaves less room for improvement, although the average score on leaving remained at a similar level to that reported in the previous year.
- **Colleagues agreeing that Home Group is a great place to work:** We set a target of achieving at least 80% at the start of the strategy period, and this was the first year that we fell below this. Although a decrease is disappointing, 78% still represents a high score which benchmarks well against other employers, both in and outside of the sector.
- **Digital interactions:** We set a target at the start of the strategy period of achieving 70% of customer contacts being digital. We are now close to achieving this target without a concerted effort to redirect customers away from traditional channels. This is important for ensuring we offer contact options that are accessible and inclusive for all customers.

How do we compare to our peer group?

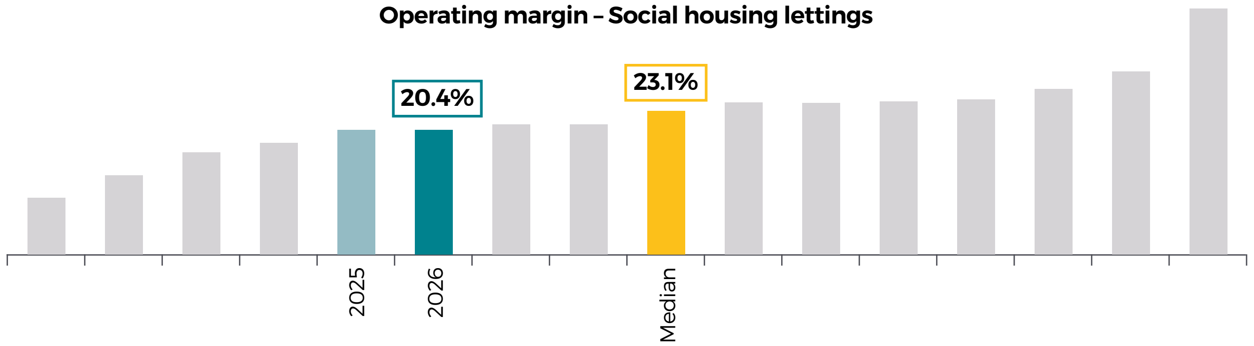
We outperform the peer group average on the majority of measures, and do not fall into the bottom quartile on any. The charts below show how we compare within our peer group of 13 large providers where we fall below the median average.

Operating margin – Overall



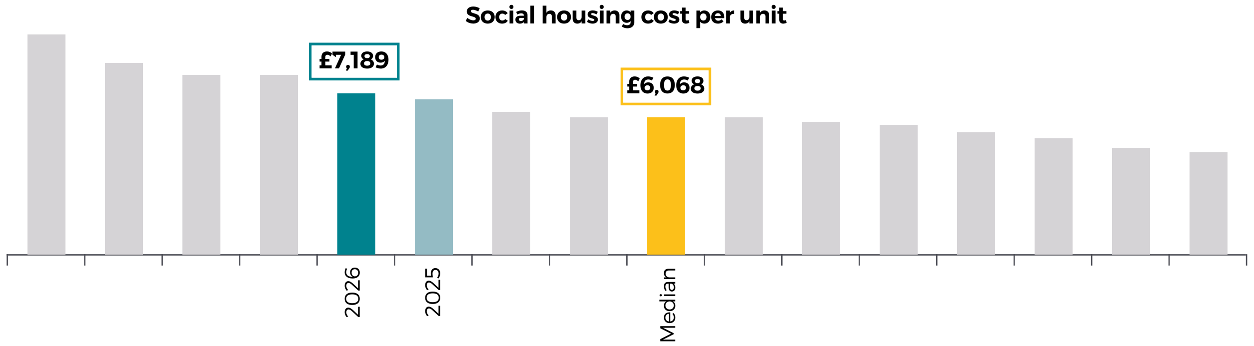
Our overall operating margin is impacted to some extent by the mix of activities we carry out. We have a higher proportion of both supported housing and new build sales than the average within our peer group. Both of these activities deliver lower margins that our core general needs social housing lettings.

Operating margin – Social housing lettings



Social housing lettings represents nearly 70% of the business. It is impacted by us having a higher proportion of supported housing than the average in our peer group, but we also perform slightly below average on general needs operating margin.

Social housing cost per unit



Cost per unit continues to benchmark as third quartile in our peer group. It is higher costs on supported housing (and regulated care) that is driving the increasing gap between us and the peer group average. The average cost per unit for supported housing is higher than that for general needs, and varies considerably depending on the level of support.

We are also above average on capitalised repairs cost per unit, although this reflects the investment decisions we make in order to make improvements to customers' homes. These costs also include retrofit costs associated with energy efficiency improvements.

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 have seen significant improvement in complaints performance and repairs satisfaction, and no longer consider an improvement plan to be necessary in these areas.

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. We are pleased to have seen improvements in the majority of our customer satisfaction scores, demonstrating that the changes we are making to the delivery of our services are having a visible impact for customers. 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 the formal improvement plan that we have in place on operating margin. Although we have seen continued improvement in recent years and met our targets for the year; maintaining a strong financial position remains a priority. Progress on the improvement plan will be monitored throughout the year.

Our targets for the upcoming financial year are set out below.

The Regulator of Social Housing's VfM metrics	2027 Target
Social housing reinvestment	9.0%
New supply – Social	1.4%
New supply – Non-social	0.1%
Gearing	40-50%
Operating margin – Overall	16.4%
Operating margin - Social housing lettings	21.4%
Interest cover	110%
Return on capital employed (ROCE)	3.1%
Social housing cost per unit	£7,752

Strategic measures	2027 Target
TSM: Satisfaction that home is safe	84%
TSM: Satisfaction with repairs	73%
TSM: We treat customers fairly and with respect	81%
TSM: Positive contribution to neighbourhoods	68%
Homes achieving EPC C or above (overall)	76.0%
Homes achieving EPC C or above (existing portfolio)	73.7%
CQC schemes rated 'good' or 'outstanding'	100%
Average improvement in mental wellbeing outcomes	31%
Average improvement in quality of life outcomes	34%
Colleagues agreeing that Home Group is a great place to work	80%
Digital interactions	70%

Performance on the Tenant Satisfaction Measures

This is the third 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	
	2026	2025	2026	2025
Customers who are satisfied with the overall service from Home Group	72.9%	68.2%	48.8%	46.5%

Keeping properties in good repair

Tenant Satisfaction Measure	Rented and Supported	
	2026	2025
Customers who are satisfied with the overall repairs service	70.2%	65.6%
Customers who are satisfied with the time taken to complete their most recent repair	66.4%	61.3%
Customers who are satisfied that their home is well maintained	73.1%	69.4%
Proportion of homes that do not meet the Decent Homes Standard	0.3%	0.1%
Proportion of emergency repairs completed within our target timescales	95.6%	95.2%
Proportion of non-emergency repairs completed within our target timescales	85.2%	75.3%

Maintaining building safety

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2026	2025	2026	2025
Customers who are satisfied their home is safe	87.4%	84.8%	83.0%	77.3%

Tenant Satisfaction Measure	Overall	
	2026	2025
Proportion of homes with all required gas safety checks carried out	99.6%	99.9%
Proportion of homes with all required fire risk assessments carried out	98.7%	98.9%
Proportion of homes with all required asbestos management surveys carried out	99.7%	100.0%
Proportion of homes with all required legionella risk assessments carried out	97.3%	92.6%
Proportion of homes with all required passenger lift safety checks carried out	97.8%	87.8%
Proportion of homes with all required electrical safety checks carried out*	99.8%	99.6%

*This measure is not included in TSMs until 2027, but we have included it here for completeness.

Respectful and helpful engagement

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2026	2025	2026	2025
Customers who are satisfied that Home Group listens to their views and acts upon them	66.3%	61.9%	41.5%	34.6%
Customers who are satisfied that Home Group keeps them informed about things that matter to them	72.7%	68.4%	60.4%	62.2%
Customers who are satisfied that Home Group treats them fairly and with respect	80.4%	79.8%	62.0%	63.4%

Effective handling of complaints

Tenant Satisfaction Measure	Rented and Supported		Shared Ownership	
	2026	2025	2026	2025
Customers who are satisfied with Home Group's approach to complaints handling	31.2%	32.4%	15.4%	25.0%
Number of stage 1 complaints received per 1,000 homes	51.0	68.4	50.8	47.9
Proportion of stage 1 complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	91.4%	64.2%	91.5%	61.5%
Number of stage 2 complaints received per 1,000 homes	18.5	12.3	12.3	14.2
Proportion of stage 2 complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	91.3%	53.2%	82.9%	61.1%

Responsible neighbourhood management

Tenant Satisfaction Measure	Rented and Supported 2026	Rented and Supported 2025	Shared Ownership 2026	Shared Ownership 2025
Customers who are satisfied with Home Group keeping communal areas clean and well maintained	65.2%	63.3%	49.8%	50.0%
Customers who are satisfied that Home Group makes a positive contribution to the neighbourhood	67.0%	63.4%	44.0%	46.2%
Customers who are satisfied with Home Group's approach to handling anti-social behaviour	58.4%	56.6%	37.0%	47.0%

Tenant Satisfaction Measure	Overall 2026	Overall 2025
Number of anti-social behaviour cases opened per 1,000 homes	39.9	43.5
Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes	0.8	1.2

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

Risk management

Risk management framework

Risk events which may prevent Home Group from achieving the strategic objectives outlined in our corporate strategy are regularly reviewed by the Executive team, Audit and Risk Committee (ARC) and the Board. Deep dives into relevant risks are also shared with other committees such as Development, Group Safety and Governance and People to provide further assurance that risks are being effectively managed.

All risks are identified, evaluated, monitored and reported in line with our Risk Management Framework which is approved by Board. Principal risks which can be either strategic or operational that are presenting the greatest threat or opportunity to Home Group are reported to each ARC and twice a year to the HGL Board.

Risks are scored at three points; inherent, residual and target and assessed as being either low, medium, high or critical based on their likelihood and potential impact should they occur. Controls and actions are in place to manage principal risks which are reviewed on a regular basis. Each risks residual score (the score allocated once controls have been introduced) is considered in association with the appetite allocated to the risk category. This allows us to determine whether the risk is sitting inside or is exceeding the Group's appetite. When a risk is exceeding appetite further mitigation measures will be introduced to control the risk further.

In addition, Home Group adheres to the three lines of defence model to provide assurance that controls are appropriate and are operating effectively. The Group's Strategic Risk Register highlights the three lines of defence for each risk, providing ARC and individual committees with an opportunity to request further assurance via additional enhanced lines of defence or deep dives.

Risk appetite

Home Group takes a balanced approach to financial, environmental sustainability, wider community risks including leading and influencing political debate, along with continuity of service risks. We are averse to legal and regulatory, health and safety, clinical care, digital and technology risks and are open to risks of a commercial nature. The Group's Risk Appetite Statement was reviewed in January 2026 by the Board.

Risk scoring matrix

	M	H	H	C	C
	M	M	H	C	C
Likelihood	L	M	M	H	C
	L	H	M	H	H
	L	L	L	M	H

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

Strategic risks

A summary of our current strategic risks is provided below, including their residual scores:

Risk title	How we manage and mitigate the risk	Residual score
A lack of available cash, causes us to pause investment, resulting in us being unable to meet our strategic ambitions	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. We carry out intense stress testing, including perfect storm to break the business so that we understand what these risks are and manage robustly to protect our financial viability to deliver the plan. We have a balanced approach in evaluating investment options that enable us to deliver our strategy. We will seize the risk taken on by our development activities to ensure that they do not endanger our core social rented business.	Low
Home Group could be the target of a cyber-attack which takes our systems offline preventing us from providing basic customer service for a period of time	We do not engage in activity which compromises the security of our core systems or data. We maintain ISO27001 accreditation and regularly review our data management and security controls by subjecting our systems to penetration testing. There are robust contingency and recovery plans in place and in recognition that our colleagues are our first line of defence, we run regular awareness campaigns relating to cyber security. Cyber security training has been made mandatory across the Group. We have also established 24-hour Security Operations Centre (SOC) to ensure that we can react and respond to any incident immediately.	High
Fragmented data, undocumented processes and poor record keeping, means we can't readily rely upon or trust our data, leading to performance issues and poor decision making	To provide and deliver appropriate, effective and efficient services to our customers we cannot allow opportunities for this risk to occur. We have taken steps to protect and enhance the resilience of our strategically important data and systems to provide control and ensure we have a single version of the truth. This continues to be a key priority for investment.	High
Gaps in resource, competency, accountability or customer insight leads to a failure to deliver good customer experience	Our employer of choice offer builds on our reputation as a Great Place to Work (being the highest ranked housing association in the UK's Best Workplace Super Large Category) and target's social purpose in resourcing and attracting colleagues. Our continued focus on 'grow your own' talent includes identifying skills gaps and providing development opportunities for existing colleagues. We will balance the risk of service disruption with the opportunity to improve service where we feel the potential benefits are worth pursuing. We will assess service offers to ensure that we can deliver on commitments to our customers and safeguard our reputation. We are open to innovation that will benefit our customers and will consider opportunities within commercial and financial parameters.	Medium

Risk title	How we manage and mitigate the risk	Residual score
Resident, colleague or contractor safety compromised by failure to comply with health and safety and safeguarding requirements	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 and updated. We are risk averse to breaching health and safety standards, non-compliance with fire and building safety regulations/ legislation, safety standards within our customers' homes and any other relevant orders or legislation. Our Health, Safety and Governance Committee scrutinise policy and practice across the organisation and regularly analyse incidents to identify opportunities for improvement.	High
Failure to deliver a viable development investment programme that meets the needs of customers now and in the future	We evaluate opportunities on a case-by-case basis. We may pursue individual riskier opportunities where these have the benefit of increased returns. Similarly, we will accept lower returns on some opportunities where the risk is lower. We have clear thresholds in place and Board maintain high visibility of our golden rules. We recognise the value of JVs and will seek to share risk which we feel is right in the current time.	Low
Failure to manage and maintain existing housing stock in line with customer expectations and regulatory requirements	Our responsive repairs service, planned investment programme, cyclical compliance programme and adherence to key legislation such as Awaab's Law allows us to maintain our existing housing stock in line with customer expectations and regulatory requirements. We are risk averse in relation to legal and regulatory compliance. If non-compliance occurs, we will manage it aggressively to ensure we return to a compliant position as soon as is practicable.	Medium
Failure to proactively respond to an ageing housing stock profile leads to unviable, obsolete properties that fail to meet expectations	Our Asset Management Strategy and Stock Condition Programme ensures that we understand the condition of our homes and the investment required to keep them in a good condition. This is also essential to ensure the long-term viability of the Group and ensuring our customers live in safe and well-maintained homes. We are risk averse where the trust of our customers and stakeholders may be damaged.	Medium

Risk title	How we manage and mitigate the risk	Residual score
We fail to provide safe, compliant and high-quality care 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 of improvement. The Group's decision to exit the care market will not detract from our intention to provide high quality care across our CQC regulated services. We are risk averse when it comes to the safety of our customers and to breaching CQC standards. We will continue to recruit and work with experts to maintain and strengthens our approach.	Medium
We fail to provide viable supported housing and (unregulated) care services that meet regulatory requirements and the needs of our customers	Supporting people to live with more independence is core to our mission. Over the last 12 months we have taken steps to understand how we can continue to grow and strengthen our supported and unregulated care services to ensure they remain viable. We are risk averse to breaching health and safety standards, non-compliance with fire and building safety regulations/ legislation, safety standards within our customers' homes and any other relevant orders or legislation. Our Health, Safety and Governance Committee scrutinise policy and practice across the organisation and regularly analyse incidents to identify opportunities for improvement.	Medium
Our culture, skills and leadership fail to support us to deliver our organisational priorities	Our employer of choice offer builds on our reputation as a Great Place to Work and target's social purpose in resourcing and attracting colleagues. We conduct regular bench marking and have an enhanced wellbeing offer to support colleagues which we continuously review to ensure we make Home Group a healthy place to work. Our continued focus on 'grow your own' talent includes identifying skills gaps and providing development opportunities for existing colleagues. We are risk averse where the trust of our customers and stakeholders may be damaged.	Medium

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
30 July 2026

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.

This year, the Board introduced the Customer Committee constituted entirely of customers from each region we serve.

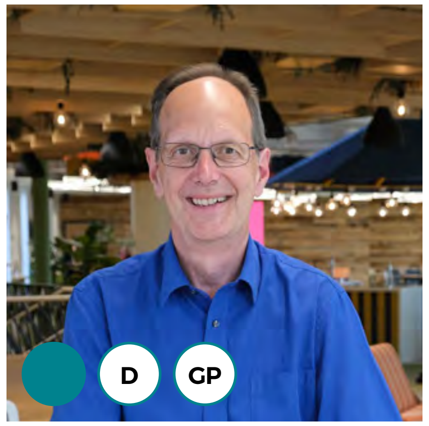
The Board	• Responsible for the overall direction of Home Group's business. • Essential functions include the setting of strategy and monitoring of progress in achieving that strategy, the definition of values and objectives, approving policies, plans and budgets, and monitoring performance of the business 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 and Risk Committee	• Oversees financial reporting and Home Group's risk and control framework, internal and external audit arrangements, internal control systems and information governance. The Committee's role includes oversight of the work undertaken throughout Home Group by Home Group's risk, compliance and assurance services teams, to advise the Board on the extent to which there is an appropriate culture of control throughout Home Group • Reviews and recommends 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.
Care and Supported Quality Committee	• Gives the Board assurance on the quality and safety of care for customers and its remit covers quality assurance, governance and internal monitoring, organisational policies and procedures, safety and excellence in customer care, learning to improve practice, and compliance with professional standards. • 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 and considers and debates development approvals to make recommendations to the Board. • 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. • Responsible for non-executive and executive recruitment and succession planning, and for making policy recommendations on board member evaluation and non-executive appraisal. • 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.
Group Safety Governance Committee	• Provides a strategic steer into the Group's Health and Safety Strategy and the Building and Fire Safety Strategy overseeing progress against these. • Reviews and recommends to the Board the approval of the Health and Safety Policy. • Advises the Board on the extent to which there is an appropriate culture of H&S, Building and Fire Safety and statutory compliance throughout Home Group.
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.
Customer Committee	• This customer-led committee provides oversight on the Group's approach to customer service, customer influence and customer satisfaction including reviewing actions and outcomes. • Receive performance reports and self-assessments of compliance with the Regulator for Social Housings Consumer Standards and recommend signoff by the Board. • Oversight of complaints handling ensuring the requirements of the Housing Ombudsman Complaint Handling Code and the SPSO Complaint Handling Procedures are met.

The Board

(as of 30 July 2026)

Committee membership key

Chair
Member
E&B Executive member and Board member
AR Audit & Risk Committee
CSQ Care and Supported Quality Committee
D Development Committee
GP Governance and People Committee
GSG Group Safety Governance Committee
CC Customer Committee



John Cridland
Chair

Mark Henderson
Chief Executive Officer

Helen Meehan
Chief Financial Officer

Will Gardner
Executive Director of Development and Investment

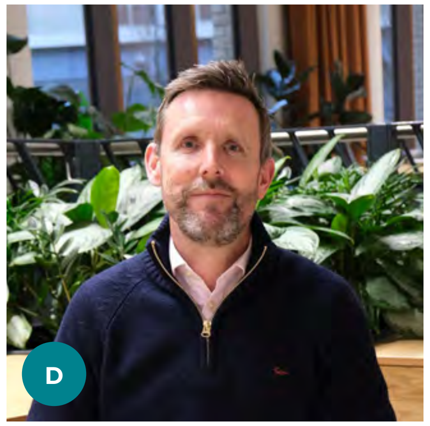
Executive members

Whilst the Board is responsible for the Group's overall policy and strategy, day-to-day management is delegated to the Group Chief Executive and the executive directors. The Executive team is responsible for leading delivery of the Group's strategy and business plan, managing day-to-day operations, maintaining an effective control environment and supporting the Board and its Committees through timely reporting and management information.

Nusheen Hussain
Executive Director, Customers and Communities

Paul Walker
Executive Director of Repairs and Maintenance

Linda Cullen
Group Safety Governance Committee Chair and Senior Independent Member



Duncan Cumberland
Development Committee Chair

Susan Deacon
Home Group Scotland Chair

Ian Drummond
Board Member

Zoe Hingston
Governance and People Committee Chair

Lara Joisce
Audit and Risk Committee Chair

Miriam Landy
Board Member

Kwabena Osei
Customer Committee Chair

Brian Walsh
Care and Supported Quality Committee Chair

Changes within the Board

Indra Mundie and Chris Vallis resigned during the financial year and Ken Gillespie resigned post year-end. Ian Drummond was appointed to the Board after the year-end.

Membership of the Board and Committees, along with attendance at meetings, during the financial year is set out on page 52.

Home Group Board and Committee member attendance

Name	Home Group Board		Committee: Audit & Risk		Committee: Care & Support		Committee: Develop-ment		Committee: Govern-ance & People		Committee: Group Safety		Committee: Customer	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Non-executives														
John Cridland	6	5					6	4	4	4				
Linda Cullen # ^	6	5			4	4					4	4		
Duncan Cumberland ^	6	6					6	5						
Susan Deacon **	6	5							4	4				
Ken Gillespie	6	5	1	1			6	6			2	2		
Zoe Hingston ^	6	6							4	4				
Lara Joisce ^	6	4	3	3										
Miriam Landy	4	4											1	1
Kwabena Osei ^	4	4											1	1
Chris Vallis	3	3			1	1			2	2				
Brian Walsh ^	6	5			4	4								
Independent Committee Members														
Andre Bothma													1	1
Nicola Botsh													1	1
Alice Collins													1	1
Paul Charnock			3	3										
Alexandra Dakers													1	1
Ian Drummond							5	4						
Allie Ferryhough-Saville													1	1
Gavin MacKenzie *			3	3										
Gerry Mulholland											4	4		
Liz Skelton											4	4		
Beauty Tshuma													1	1
June Wylie *											4	3		
Executives														
Mark Henderson	6	6												
Helen Meehan	6	6												

A = maximum number of meetings that could have been attended
B = number of meetings attended
= Current Board or Committee Chair
* Member of Home Group Scotland Board
** Chair of Home Group Scotland Board
^ Board or Committee Chair
# Senior Independent Member

- Linda Cullen was appointed Senior Independent Member on 25 September 2025
- Duncan Cumberland was appointed Chair of Development Committee on 25 September 2025 attending 2 meetings as member and 3 as Chair
- Ken Gillespie resigned as Chair of Development Committee on 24 September 2025 attending 3 meetings as member and 3 meetings as Chair
- Zoe Hingston was appointed Chair of Governance and People Committee on 25 September 2025 attending 2 meetings as member and 2 meetings as Chair
- Miriam Landy was appointed as Board Member on 01 October 2025
- Kwabena Osei was appointed as Board Member on 01 October 2025, and appointed Chair of the Customer Committee Chair on 20 November 2025
- Chris Vallis resigned from Home Board and assigned committees on 25 September 2025.

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 December 2025. This grade continues to reflect 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 appraisal of the Chair is conducted by the Senior Independent Member.

A process is in place for independent committee members, who do not sit on the Home Group Board, to be appraised by the chair of the respective committee. Performance appraisal of the Executive team members is conducted within the framework of Home Group's performance appraisal process.

A review of non-executive board member remuneration was conducted in 2025, resulting in 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 (2025: 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 56. Board member and Committee member attendance at meetings during the year ended 31 March 2026 is shown in the table on page 52.

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 and Risk Committee is responsible for ensuring we have reporting mechanisms in place and monitors 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).

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.

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.

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 2025 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.

Key elements of the internal control framework include:

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

The Audit and Risk 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 and Risk Committee has subsequently reported its findings to the Board in its Annual Report.

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" *FRS 102.*

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.

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.

John Cridland

J Cridland, CBE
Home Group Chairman
30 July 2026

Board

John Cridland, CBE
Home Group Chairman

Linda Cullen
Group Safety Governance Committee [formerly the Health and Safety Governance Committee] Chair; Senior Independent Member

Duncan Cumberland
Development Committee Chair
(appointed as chair 25 September 2025)

Susan Deacon, CBE
Home Group Scotland Chair

Ian Drummond
(Appointed 9 June 2026)

Ken Gillespie
(Resigned 8 June 2026)
Development Committee Chair
(resigned as chair 24 September 2025)

Mark Henderson

Zoe Hingston
Governance and People Committee Chair
(appointed as chair 25 September 2025)

Lara Joisce
Audit and Risk Committee Chair

Miriam Landy
(Appointed 01 October 2025)

Helen Meehan

Indra Mudie
(Resigned 30 May 2025)

Kwabena Osei
(Appointed 01 October 2025)
Customer Committee Chair
(appointed as chair 20 November 2025)

Chris Vallis
(Resigned 25 September 2025)

Brian Walsh
Care and Supported Quality Committee [formerly the Clinical Governance Committee] Chair

Executive team (key management personnel)

Mark Henderson
Chief Executive

Helen Meehan
Chief Financial Officer

Will Gardner
Executive Director – Development and Investment

Nusheen Hussain
Executive Director – Customer and Communities

Paul Walker
Executive Director – Repairs and Maintenance

Group secretary

Austin Woods

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

Financial statements

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.

	2026 £000	2025 £000	
Routine maintenance	57,320	64,592	Note 2b
Add: Planned maintenance	35,793	32,553	Note 2b
Add: Major repairs expenditure	12,914	10,165	Note 2b
Add: Capitalised works	66,993	67,386	Note 11
Subtotal: Planned maintenance and improvement works	115,700	110,104	
Amount spent on improving and maintaining customers' homes	173,020	174,696	

Amount spent on delivering new homes

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

	2026 £000	2025 £000	
Additions to housing properties	164,756	127,360	Note 11
Add:			
Properties held for sale – closing balance	27,044	53,812	Note 15
Add: Cost of sales	32,520	56,183	SOCI
Less: Properties held for sale – opening balance	(53,812)	(80,781)	Note 15
Subtotal: Additions to properties held for sale	5,752	29,214	
Amount spent on delivering new homes	170,508	156,574	

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.

	2026 £000	2025 £000	
Additions to housing properties	164,756	127,360	Note 11
Add: Capitalised interest	5,855	4,784	Note 11
Add: Capitalised works	66,993	67,386	Note 11
Subtotal: Housing properties reinvestment	237,604	199,530	
Divided by: Housing properties – Net book value	3,165,298	3,004,876	Note 11
Social housing reinvestment	7.5%	6.6%	

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.

	2026 £000	2025 £000	
Housing loans from third parties (due within one year)	23,336	23,205	Note 18
Add: Housing loans from third parties (due after more than one year)	847,063	795,622	Note 19
Add: Discounted bonds	537,396	529,676	Note 19
Less: Restricted cash and cash equivalents	(5,135)	(4,707)	SOFP
Less: Cash and cash equivalents	(58,681)	(56,864)	SOFP
Subtotal: Net debt	1,343,979	1,286,932	
Divided by: Housing properties – Net book value	3,165,298	3,004,876	Note 11
Gearing	42.5%	42.8%	

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.

	2026 £000	2025 £000	
Operating surplus	91,406	87,597	Note 2a
Less: Surplus on sale of social housing properties	(15,186)	(9,066)	Note 2a
Subtotal: Operating surplus as defined by RSH	76,220	78,531	
Divided by:			
Turnover	498,505	505,436	Note 2a
Operating margin – Overall	15.3%	15.5%	

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.

	2026 £000	2025 £000	
Social housing lettings - Operating surplus	78,136	75,083	Note 2a
Divided by:			
Social housing lettings - Turnover	383,718	367,777	Note 2a
Operating margin – Social housing lettings	20.4%	20.4%	

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.

	2026 £000	2025 £000	
Operating surplus as defined by RSH	76,220	78,531	As above
Add: Depreciation of housing properties	59,271	55,130	Note 9
Add: Depreciation of other fixed assets	2,141	2,122	Note 9
Add: Amortisation of intangible fixed assets	6,223	4,879	Note 9
Add: Interest receivable	6,770	6,792	Note 7
Less: Amortised government grants	(11,097)	(9,551)	Note 2b
Less: Revenue grants	(4,073)	(1,745)	Note 2b
Less: Capitalised major repairs	(66,993)	(67,386)	Note 11
Add: Grant received in relation to capitalised major repairs	6,899	3,124	Note 23
EBITDA MRI	75,361	71,896	

Interest cover (RSH)

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

	2026 £000	2025 £000	
EBITDA MRI	75,361	71,896	As above
Divided by:			
Interest payable and financing costs	62,420	61,976	SOCI
Add: Interest capitalised on property development	6,690	5,819	Note 8
Subtotal: Gross interest payable	69,110	67,795	
Interest cover	109%	106%	

Return on capital employed (RSH)

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

	2026 £000	2025 £000	
Operating surplus	91,406	87,597	SOCI
Add: Share of profit in joint ventures	1,789	2,296	SOCI
Less: Share of loss in associate	-	(38)	SOCI
Less: Reversal of impairment of loan to associate	829	71	SOCI
Subtotal: Surplus before interest and tax	94,024	89,926	
Divided by: Total assets less current liabilities	3,258,417	3,126,971	SOFP
Return on capital employed	2.9%	2.9%	

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.

	2026 £000	2025 £000	
Social housing lettings – Operating expenditure	305,582	292,694	Note 2a
Less: Depreciation of housing properties	(56,971)	(53,546)	Note 2b
Less: (Impairment)/reversal of impairment of housing properties	(2,326)	23	Note 2b
Less: Rent losses from bad debts	(2,232)	(3,153)	Note 2b
Add: Other social housing activities – Operating expenditure	70,474	66,572	Note 2a
Less: Shared ownership first tranche sales – Operating expenditure	(1,859)	(2,166)	Note 2a
Add: Capitalised works	66,993	67,386	Note 11
Subtotal: Social housing costs	379,661	367,810	
Divided by: Total social housing units	52,811	52,559	Note 4
Social housing cost per unit	7,189	6,998	

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 2026 and of the group's and the association's surplus 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 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 33.

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 matters that we identified in the current year were: • *Completeness of impairment of property under construction and work in progress.*
Materiality	The materiality that we used for the group audit in the current year was £5.0m 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;
- assessing the refinancing options, evaluating future bond repayments and their progress with other options;
- 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 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 property under construction and 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 £136.2m (2025: £88.0m) • Shared ownership properties under construction £90.3m (2025: £84.1m) • Shared ownership properties work in progress £9.1m (2025: £6.4m) • Outright sales properties work in progress £0.8m (2025: £16.8m) 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. Significant judgement is exercised in identifying impairment indicators and in determining the impairment of property under construction and work in progress. Therefore, we identified this area as a key audit matter. 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 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 valuation specialists, to assist with the assessment 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.

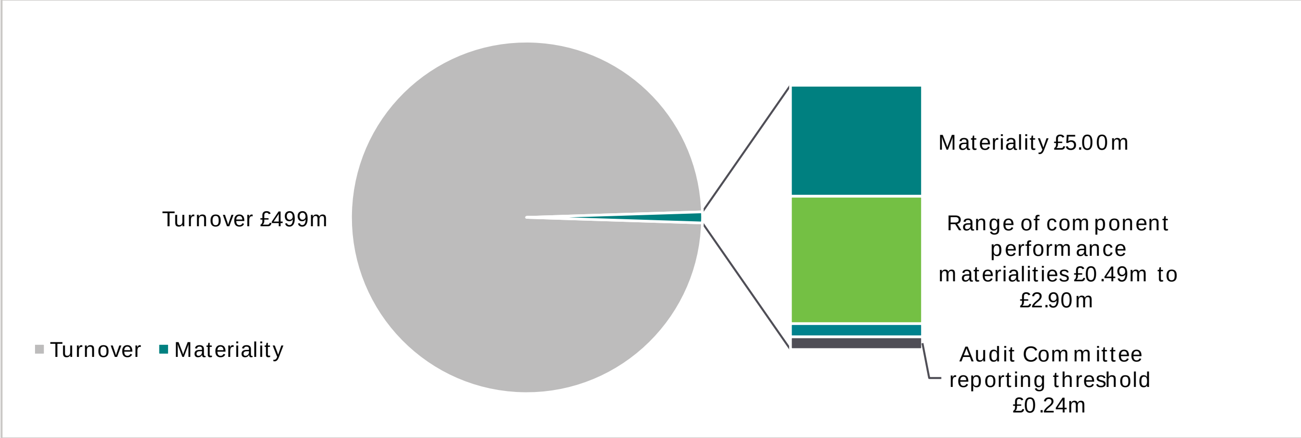
6. Our application of materiality

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	£5.00m (2025: £5.05m)	£4.30m (2025: £4.46m)
Basis for determining materiality	1% of turnover (2025: 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% (2025: 65%) of group materiality	65% (2025: 65%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. our risk assessment, including our assessment of the group's overall control environment; and b. the number of corrected and uncorrected misstatements identified in the previous year's audit.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that for the group we would report to the Committee all audit differences in excess of £0.24m (2025: £0.25m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk 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 components 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 £0.49m to £2.90m (2025: £0.83m to £2.90m) 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 98.6% of the group's turnover (2025: 99.6%), and 99.9% of the group's total net assets (2025: 99.9%).

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. With involvement of our IT specialists we have tested 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 page 14. 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 the Board

As explained more fully in the Statement of Board's responsibilities, 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 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 and Risk 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:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - 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 valuation, 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: completeness of impairment of properties under construction and 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 completeness of impairment of properties under construction and 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 and Risk 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 no 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 and Risk 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. Following a competitive tender process, we were re-appointed on 8 May 2025 as auditor for the period ending 31 March 2026 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ended 31 March 2021 to 31 March 2026.

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

Our audit opinion is consistent with the additional report to the Audit and Risk 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.

Michael Jeffrey

Michael Jeffrey (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
12 August 2026

Statement of Comprehensive Income for the year ended 31 March 2026

	Notes	GROUP 2026 £000	GROUP 2025 £000	ASSOCIATION 2026 £000	ASSOCIATION 2025 £000
Turnover	2	**498,505**	505,436	**451,036**	446,150
Cost of sales	2	**(32,520)**	(56,183)	**(20,170)**	(31,309)
Operating expenditure	2	**(389,765)**	(370,722)	**(369,284)**	(348,174)
Surplus on disposal of housing properties	3	**15,186**	9,066	**14,982**	8,965
Operating surplus		**91,406**	87,597	**76,564**	75,632
Share of profit in joint ventures	14	**1,789**	2,296	**-**	-
Share of loss in associates	14	**-**	(38)	**-**	-
Reversal of impairment of loan to associate	14	**829**	71	**-**	-
Interest receivable	7	**6,770**	6,792	**2,837**	2,517
Interest payable and financing costs	8	**(62,420)**	(61,976)	**(58,840)**	(57,806)
Gift aid receipt		**-**	-	**9,578**	7,893
Surplus before taxation	9	**38,374**	34,742	**30,139**	28,236
Taxation	10	**(147)**	(566)	**(30)**	(31)
Surplus for the year		**38,227**	34,176	**30,109**	28,205
Actuarial gain relating to pension schemes	24	**9,702**	1,635	**9,702**	1,635
Total comprehensive income for the year		**47,929**	35,811	**39,811**	29,840

All activities are continuing.

The notes on pages 73 to 118 form part of the financial statements.

The financial statements on pages 69 to 118 were approved by the Board on 30 July 2026 and were signed on its behalf by:

J Cridland, CBE
Home Group Chairman

L Cullen
Senior Independent Member

A Woods
Company Secretary

Statement of Financial Position as at 31 March 2026

	Notes	GROUP 2026 £000	GROUP 2025 £000	ASSOCIATION 2026 £000	ASSOCIATION 2025 £000
Fixed assets					
Housing properties	11	**3,165,298**	3,004,876	**2,849,262**	2,714,482
Other fixed assets	12	**15,139**	14,468	**15,139**	14,468
Intangible fixed assets	13	**15,132**	17,313	**15,132**	17,313
Investment in subsidiaries	14	**-**	-	**117,157**	115,805
Investment in joint ventures	14	**49,487**	38,309	**-**	-
Investment in associates	14	**28,846**	30,500	**-**	-
Other investments	14	**7,028**	7,610	**6,611**	6,990
Homebuy loans receivable		**682**	645	**682**	645
Pension asset	24	**27,142**	27,476	**27,142**	27,476
		3,308,754	3,141,197	**3,031,125**	2,897,179
Current assets					
Properties held for sale	15	**27,044**	53,812	**17,136**	30,538
Debtors	16	**32,018**	47,132	**27,884**	42,588
Restricted cash and cash equivalents	17	**5,135**	4,707	**5,135**	4,707
Cash and cash equivalents		**58,681**	56,864	**38,594**	37,348
		122,878	162,515	**88,749**	115,181
Creditors: amounts falling due within one year	18	**(171,986)**	(176,741)	**(174,863)**	(182,437)
Current provisions	20	**(1,229)**	-	**(1,229)**	-
Net current (liabilities) / assets		**(50,337)**	(14,226)	**(87,343)**	(67,256)
Total assets less current liabilities		**3,258,417**	3,126,971	**2,943,782**	2,829,923
Creditors: amount falling due after more than one year	19	**(2,364,280)**	(2,286,424)	**(2,202,443)**	(2,134,056)
Non-current provisions	20	**(5,356)**	-	**(5,356)**	-
Net assets		**888,781**	840,547	**735,983**	695,867
Capital and reserves					
Non-equity share capital	26	**-**	-	**-**	-
Restricted reserve		**1,118**	817	**1,118**	817
Income and expenditure reserve		**887,663**	839,730	**734,865**	695,050
Total capital and reserves		**888,781**	840,547	**735,983**	695,867

The notes on pages 73 to 118 form part of the financial statements.

The financial statements on pages 69 to 118 were approved by the Board on 30 July 2026 and were signed on its behalf by:

J Cridland, CBE
Home Group Chairman

L Cullen
Senior Independent Member

A Woods
Company Secretary

Statement of Changes in Reserves for the year ended 31 March 2026

GROUP	Income and expenditure reserve £000	Restricted reserve £000	Total reserves £000
As at 1 April 2024	803,908	835	804,743
Total comprehensive income for the year	35,811	-	35,811
Transfer to income and expenditure reserve	11	(11)	-
Movement in restricted income	-	(7)	(7)
As at 31 March 2025	839,730	817	840,547
Total comprehensive income for the year	47,929	-	47,929
Transfer to income and expenditure reserve	4	(4)	-
Movement in restricted income	-	305	305
As at 31 March 2026	**887,663**	**1,118**	**888,781**

ASSOCIATION	Income and expenditure reserve £000	Restricted reserve £000	Total reserves £000
As at 1 April 2024	665,199	835	666,034
Total comprehensive income for the year	29,840	-	29,840
Transfer to income and expenditure reserve	11	(11)	-
Movement in restricted income	-	(7)	(7)
As at 31 March 2025	695,050	817	695,867
Total comprehensive income for the year	39,811	-	39,811
Transfer to income and expenditure reserve	4	(4)	-
Movement in restricted income	-	305	305
As at 31 March 2026	**734,865**	**1,118**	**735,983**

The notes on pages 73 to 118 form part of the financial statements.

Group Cash Flow Statement for the year ended 31 March 2026

	Notes	2026 £000	2025 £000
Net cash inflow from operating activities	27	190,762	161,124
Cash flow from investing activities			
Purchase of housing properties, other fixed assets and intangible assets		(239,323)	(200,338)
Investment in joint ventures		(31,093)	(16,634)
Repayments from joint ventures		21,543	18,550
Distributions received from joint ventures		3,250	6,500
Investment in associates		(5,590)	(3,850)
Repayments from associates		8,828	5,865
Additions to other investments		(251)	(492)
Disposals of other investments		833	259
Net proceeds from sale of housing properties		32,812	21,661
Capital grants received		28,517	19,228
Interest received		1,348	1,723
Net cash outflow from investing activities		(179,126)	(147,528)
Cash flow from financing activities			
Interest paid		(59,300)	(60,039)
New secured loans		118,000	93,000
Repayment of borrowings		(68,091)	(29,764)
Net cash (outflow) / inflow from financing activities		(9,391)	3,197
Net change in cash and cash equivalents		2,245	16,793
Cash and cash equivalents at the beginning of the year		61,571	44,778
Cash and cash equivalents at the end of the year		63,816	61,571

Cash balances of £5,135,000 (2025: £4,707,000) were restricted as at 31 March 2026 (see note 17).

The notes on pages 73 to 118 form part of the financial statements.

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, Financial Reporting Standard 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.

New accounting standards issued but not yet effective

The Financial Reporting Council has issued amendments to FRS 102, as part of the Periodic Review 2024. In addition, a revised Statement of Recommended Practice (SORP) for Registered Social Housing Providers (2026) has been developed to align with these changes. These revised standards are effective for accounting periods beginning on or after 1 January 2026 and will be adopted by the Group in its financial statements for the year ending 31 March 2027. The Group has not early adopted these amendments.

The key areas of change include:

- revised requirements for revenue recognition, including enhanced guidance on the identification of performance obligations and the timing of income recognition; and
- changes to lease accounting, including the recognition of right-of-use assets and associated lease liabilities for certain arrangements.

On adoption, the Group expects to apply the amendments using a modified retrospective approach, recognising the cumulative effect of initially applying the revised standards as an adjustment to opening reserves at 1 April 2026. Comparative information for the prior year will not be restated. Additional transition disclosures, including reconciliations of equity and financial performance, will be provided in the financial statements for the year ending 31 March 2027.

The Group has commenced an assessment of the impact of these amendments, including detailed reviews of revenue streams, lease arrangements and related systems and processes. At the date of approval of these financial statements, the assessment of the financial impact remains in progress. Accordingly, it is not yet practicable to reliably quantify the effect of adopting the revised standards.

Further quantitative information will be disclosed in the Group's financial statements for the year ending 31 March 2027.

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 from the date of approval of the financial statements. For this reason, the Group and Association continue to adopt the going concern basis in the financial statements.

1. Principal accounting policies (continued)

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 £38.4 million was ahead of our 2026 budget (£37.7 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 undrawn committed facilities available to the Group was £387 million.

The Group continued to operate in a challenging external environment during the year, including inflationary pressures on costs, an elevated interest rate environment and wider economic uncertainty. These factors were considered in assessing the Group's financial performance, liquidity and future business planning. Maintaining sufficient liquidity remains one of the Group's principal risks, as discussed on pages 43–46, and the impact on the Group's financial performance and position is set out in the financial review on pages 28–31.

Looking forwards

As part of our 2027 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 indicate that the Group and the individual entities within it remain financially viable over the forecast period.

When looking at the five-year period covered in our business plan, forecast liquidity remains strong throughout the assessment period. Our forecasts also show that we always anticipate remaining inside the parameters of our loan covenants 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 continue to operate in a challenging economic environment and this risk has been reflected in our stress testing.

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

- Economic downturn
- Property market crash
- Regulatory breach
- Operational challenges
- 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 combined we would breach our internal liquidity rule based on the facilities assumed in our business plan. 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 (SOCI) 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.

1. Principal accounting policies (continued)

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 £85.7 million (2025: £86.1 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. The related costs of delivering these services are matched against this income.

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

1. Principal accounting policies (continued)

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.

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.

1. Principal accounting policies (continued)

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.

Subsidiaries

The consolidated financial statements include the financial statements of the Association and its subsidiary undertakings made up to 31 March 2026. 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.

1. Principal accounting policies (continued)

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.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, expected future cashflows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The expense relating to any provision is presented in the SOCI. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

The Group provides for property dilapidations, where appropriate, based on the future expected repair costs required to restore them to the specified condition at the end of the respective lease terms where it is considered a reliable estimate can be made.

The Group limits its exposure to the cost of property, employer and public liability claims through insurance policies issued by third parties. These provide individual claim cover, subject to excess limits. A provision is recognised for the estimated cost to settle claims for incidents occurring prior to the balance sheet date.

Pension costs

The Group operated three main defined benefit pension schemes, but these closed to future accrual during 2025/26. The operating costs of providing retirement benefits to participating employees were recognised in the accounting periods in which the benefits were earned. The related finance costs, the expected return on assets and any other changes in the fair value of the assets and liabilities were recognised in the accounting periods in which they arose. The operating costs, finance costs and expected return on assets, and any other changes in the fair value of assets and liabilities were 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.

1. Principal accounting policies (continued)

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 2026/27 costs across all active sites would lead to a £3.0 million increase in the carrying value of housing properties; a 5% uplift would mean a £5.0 million increase; and a 10% uplift a £10.0 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 2026/27 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 £0.6 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 £3.2 million in 2026/27.

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 2026 was £27.4 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 -/+ 2.9% (-/+£4.7m)
Inflation rate	A +/- 0.25% change in inflation linked assumptions would change the obligation by between +2.7% and -2.0% (+£4.4m / -£3.2m)
Life expectancy	An increase in average life expectancy by one year would increase liabilities by 3.0% (£4.9m)

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

	Note	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
GROUP – YEAR ENDED 31 MARCH 2026		£000	£000	£000	£000
Income and expenditure from social housing lettings	2b	383,718	-	(305,582)	78,136
Other social housing activities					
Care and support services		49,620	-	(53,603)	(3,983)
Shared ownership first tranche sales		25,711	(20,121)	(1,859)	3,731
Community investment		-	-	(1,703)	(1,703)
Development and marketing		66	-	(6,599)	(6,533)
Surplus on sale of social housing properties	3	-	-	-	15,186
Impairment of properties held for sale		-	-	(17)	(17)
Housing partnership		6,425	-	(4,944)	1,481
Other social housing		761	-	(1,749)	(988)
		82,583	(20,121)	(70,474)	7,174
Non-social housing activities					
Properties developed for outright sale		16,387	(12,399)	(602)	3,386
Impairment of properties held for sale		-	-	(568)	(568)
Mid-market rent - lettings		7,432	-	(3,922)	3,510
Leasehold and commercial rent		7,752	-	(6,359)	1,393
Other non-social housing		633	-	(2,258)	(1,625)
		32,204	(12,399)	(13,709)	6,096
Total		498,505	(32,520)	(389,765)	91,406

	Note	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
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)	(3,903)
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)	(1,623)
		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

There are no individually material amounts in Other.

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

	Note	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
ASSOCIATION – YEAR ENDED 31 MARCH 2026		£000	£000	£000	£000
Income and expenditure from social housing lettings	2b	356,289	-	(289,561)	66,728
Other social housing activities					
Care and support services		49,620	-	(53,503)	(3,883)
Shared ownership first tranche sales		25,711	(20,170)	(1,859)	3,682
Community investment		-	-	(1,670)	(1,670)
Development and marketing		18	-	(6,455)	(6,437)
Surplus on sale of social housing properties	3	-	-	-	14,982
Impairment of properties held for sale		-	-	(17)	(17)
Housing partnership		6,425	-	(4,903)	1,522
Other social housing		3,437	-	(1,749)	1,688
		85,211	(20,170)	(70,156)	9,867
Non-social housing activities					
Impairment of properties held for sale		-	-	(568)	(568)
Mid-market rent - lettings		1,079	-	(500)	579
Leasehold and commercial rent		7,540	-	(6,257)	1,283
Other non-social housing		917	-	(2,242)	(1,325)
		9,536	-	(9,567)	(31)
Total		451,036	(20,170)	(369,284)	76,564

	Note	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
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)	(3,821)
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)	887
		89,840	(23,087)	(66,445)	9,273
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

There are no individually material amounts in Other.

2b. Income and expenditure from social housing lettings

GROUP	General needs housing accommodation	Supported housing and housing for older people	Shared ownership	**2026 Total**	2025 Total
	£000	£000	£000	**£000**	£000
Income					
Rent receivable net of identifiable service charges	267,836	26,042	18,286	**312,164**	**300,028**
Service charges income	14,209	36,567	2,362	**53,138**	**51,886**
Net rents receivable	282,045	62,609	20,648	**365,302**	**351,914**
Amortised government grants	8,000	2,399	698	**11,097**	**9,551**
Revenue grants	4,073	-	-	**4,073**	**1,745**
Other income	902	2,008	336	**3,246**	**4,567**
Total income from social housing lettings	295,020	67,016	21,682	**383,718**	**367,777**
Expenditure					
Service charge costs	(13,976)	(25,494)	(2,431)	**(41,901)**	**(48,357)**
Management	(76,749)	(14,310)	(4,228)	**(95,287)**	**(77,206)**
Routine maintenance	(51,245)	(5,676)	(399)	**(57,320)**	**(64,592)**
Planned maintenance	(31,941)	(3,610)	(242)	**(35,793)**	**(32,553)**
Major repairs expenditure	(10,813)	(1,837)	(264)	**(12,914)**	**(10,165)**
Rent losses from bad debts	(1,463)	(744)	(25)	**(2,232)**	**(3,153)**
Property lease charges	(21)	(774)	(10)	**(805)**	**(3,134)**
Depreciation of housing properties	(48,589)	(5,801)	(2,581)	**(56,971)**	**(53,546)**
(Impairment) / reversal of impairment of housing properties	(2,326)	-	-	**(2,326)**	**23**
Other costs	(18)	(14)	(1)	**(33)**	**(11)**
Total expenditure on social housing lettings	(237,141)	(58,260)	(10,181)	**(305,582)**	**(292,694)**
Operating surplus on social housing lettings	**57,879**	**8,756**	**11,501**	**78,136**	**75,083**
Rent losses from voids	3,940	1,887	38	**5,865**	**6,560**

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

ASSOCIATION	General needs housing accommodation	Supported housing and housing for older people	Shared ownership	**2026 Total**	2025 Total
	£000	£000	£000	**£000**	£000
Income					
Rent receivable net of identifiable service charges	242,379	26,042	18,202	**286,623**	**275,840**
Service charges income	12,293	36,567	2,361	**51,221**	**50,168**
Net rents receivable	254,672	62,609	20,563	**337,844**	**326,008**
Amortised government grants	8,344	2,399	692	**11,435**	**10,079**
Revenue grants	3,720	-	-	**3,720**	**1,529**
Other income	946	2,008	336	**3,290**	**4,284**
Total income from social housing lettings	267,682	67,016	21,591	**356,289**	**341,900**
Expenditure					
Service charge costs	(12,036)	(25,492)	(2,427)	**(39,955)**	**(46,329)**
Management	(74,783)	(14,074)	(4,150)	**(93,007)**	**(71,990)**
Routine maintenance	(46,666)	(5,676)	(398)	**(52,740)**	**(62,571)**
Planned maintenance	(29,967)	(3,610)	(242)	**(33,819)**	**(30,378)**
Major repairs expenditure	(10,451)	(1,837)	(264)	**(12,552)**	**(9,223)**
Rent losses from bad debts	(1,256)	(744)	(25)	**(2,025)**	**(2,810)**
Property lease charges	(21)	(774)	(10)	**(805)**	**(3,050)**
Depreciation of housing properties	(43,932)	(5,801)	(2,574)	**(52,307)**	**(49,805)**
(Impairment) / reversal of impairment of housing properties	(2,326)	-	-	**(2,326)**	**9**
Other costs	(10)	(14)	(1)	**(25)**	**(11)**
Total expenditure on social housing lettings	(221,448)	(58,022)	(10,091)	**(289,561)**	**(276,158)**
Operating surplus on social housing lettings	**46,234**	**8,994**	**11,500**	**66,728**	**65,742**
Rent losses from voids	3,788	1,887	38	**5,713**	**6,383**

3. Surplus on disposal of properties

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Social housing properties				
Sales proceeds	**36,128**	24,284	**35,859**	24,029
Cost of sales	**(12,183)**	(9,810)	**(12,118)**	(9,656)
Capital grant recycled	**(8,759)**	(5,408)	**(8,759)**	(5,408)
Total	**15,186**	9,066	**14,982**	8,965

4. Housing stock

GROUP	At 1 April 2025	New units developed or acquired	Units sold or demolished	Other movements	At 31 March 2026
General needs – social					
Owned and managed	34,603	189	(239)	(1)	34,552
Owned but not managed	4	-	-	(4)	-
Managed but not owned	1	1	-	8	10
General needs – affordable					
Owned and managed	7,811	312	(23)	1	8,101
Owned but not managed	-	6	-	-	6
Managed but not owned	1	14	-	(1)	14
General needs – intermediate					
Owned and managed	87	-	-	(2)	85
Total general needs units	42,507	522	(262)	1	42,768
Housing for older people – social					
Owned and managed	1,545	-	-	(20)	1,525
Housing for older people – affordable					
Owned and managed	455	-	-	(2)	453
Total housing for older people units	2,000	-		(22)	1,978
Supported housing – social					
Owned and managed	2,974	-	(43)	71	3,002
Owned but not managed	731	-	(61)	(15)	655
Managed but not owned	148	-	(29)	(30)	89
Supported housing – affordable					
Owned and managed	110	-	-	(1)	109
Total supported housing units	3,963	-	(133)	25	3,855
Low cost home ownership					
Owned and managed	3,701	106	(43)	(79)	3,685
Owned but not managed	123	119	(1)	51	292
Managed but not owned	79	-	(1)	5	83
Total low cost home ownership units	3,903	225	(45)	(23)	4,060
Other social housing					
Owned and managed	106	3	(8)	(24)	77
Owned but not managed	72	-	-	1	73
Managed but not owned	8	-	-	(8)	-
Total other social housing	186	3	(8)	(31)	150
Total social housing					
Owned and managed	51,392	610	(356)	(57)	51,589
Owned but not managed	930	125	(62)	33	1,026
Managed but not owned	237	15	(30)	(26)	196
Total social housing	52,559	750	(448)	(50)	52,811
Leasehold units	4,155	55	(7)	29	4,232
Market and mid-market rent units	746	14	(4)	4	760
Total non-social housing	4,901	69	(11)	33	4,992
Total social and non-social housing	57,460	819	(459)	(17)	57,803

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

4. Housing stock (continued)

ASSOCIATION	At 1 April 2025	New units developed or acquired	Units sold or demolished	Other movements	At 31 March 2026
General needs – social					
Owned and managed	30,303	31	(199)	3	30,138
Owned but not managed	4	-	-	(4)	-
Managed but not owned	1	1	-	8	10
General needs – affordable					
Owned and managed	7,811	312	(23)	1	8,101
Owned but not managed	-	6	-	-	6
Managed but not owned	1	14	-	(1)	14
General needs - intermediate					
Owned and managed	87	-	-	(2)	85
Total general needs units	38,207	364	(222)	5	38,354
Housing for older people – social					
Owned and managed	1,545	-	-	(20)	1,525
Housing for older people – affordable					
Owned and managed	455	-	-	(2)	453
Total housing for older people units	2,000	-	-	(22)	1,978
Supported housing – social					
Owned and managed	2,973	-	(43)	72	3,002
Owned but not managed	731	-	(61)	(15)	655
Managed but not owned	148	-	(29)	(30)	89
Supported housing – affordable					
Owned and managed	110	-	-	(1)	109
Total supported housing units	3,962	-	(133)	26	3,855
Low cost home ownership					
Owned and managed	3,680	106	(43)	(79)	3,664
Owned but not managed	123	119	(1)	51	292
Managed but not owned	79	-	(1)	5	83
Total low cost home ownership units	3,882	225	(45)	(23)	4,039
Other social housing					
Owned and managed	106	3	(8)	(24)	77
Owned but not managed	72	-	-	1	73
Managed but not owned	8	-	-	(8)	-
Total other social housing	186	3	(8)	(31)	150
Total social housing					
Owned and managed	47,070	452	(316)	(52)	47,154
Owned but not managed	930	125	(62)	33	1,026
Managed but not owned	237	15	(30)	(26)	196
Total social housing	48,237	592	(408)	(45)	48,376
Leasehold units	4,154	55	(7)	30	4,232
Market and mid-market rent units	746	14	(4)	4	760
Total non-social housing	4,900	69	(11)	34	4,992
Total social and non-social housing	53,137	661	(419)	(11)	53,368

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

	2026 £000	2025 £000
R Bradley (until 16 September 2024)	-	6
J Cridland	30	28
L Cullen	15	13
D Cumberland	13	12
S Deacon	14	13
K Gillespie	13	13
Z Hingston	13	12
L Joisce	14	13
M Landy (from 1 October 2025)	7	-
I Mudie (until 30 May 2025)	2	12
K Osei (from 1 October 2025)	7	-
C Vallis (until 25 September 2025)	8	15
B Walsh	14	12
	150	149

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.

	2026 £000	2025 £000
Emoluments paid to the directors (including pension contributions and benefits in kind)	1,212	1,376
Emoluments paid to the highest paid director (excluding pension contributions)	308	301

	Remuneration £000	Benefits £000	Pension contributions £000	2026 Total £000	2025 Total £000
R M Byrne (until 30 June 2024)	-	-	-	-	61
W Gardner	207	8	15	230	215
M G Henderson	298	10	24	332	325
N Hussain	187	8	16	211	204
H Meehan	212	7	15	234	230
K Still (from 5 September 2024 until 31 January 2025)	-	-	-	-	140
P Walker	187	6	12	205	200
Total	1,091	39	82	1,212	1,375

Remuneration represents payments receivable for employment in the period and includes salary only. A performance related bonus was no longer 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:

	2026 Number	2025 Number
£60,000 - £70,000	101	99
£70,001 - £80,000	65	60
£80,001 - £90,000	31	25
£90,001 - £100,000	9	12
£100,001 - £110,000	12	6
£110,001 - £120,000	7	7
£120,001 - £130,000	4	7
£130,001 - £140,000	7	4
£140,001 - £150,000	3	4
£150,001 - £160,000	4	2
£160,001 - £170,000	1	1
£200,001 - £210,000	2	2
£210,001 - £220,000	1	1
£220,001 - £230,000	1	1
£230,001 - £240,000	1	-
£320,001 - £330,000	-	1
£330,001 - £340,000	1	-

6. Employee information

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

	GROUP		ASSOCIATION	
	2026 Number	2025 Number	2026 Number	2025 Number
Office colleagues	1,814	1,801	1,754	1,730
Wardens, caretakers, care workers and cleaners	1,236	1,309	1,236	1,309
Maintenance	358	350	358	320
	3,408	3,460	3,348	3,359

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
Employee costs (for the above persons):	£000	£000	£000	£000
Wages and salaries	124,005	120,107	121,450	115,796
Social security costs	15,108	11,162	14,792	10,710
Other pension costs	6,672	5,842	6,529	5,634
	145,785	137,111	142,771	132,140

The amount that has been recognised as an expense for defined contribution plans is £5,568,000 (2025: £4,718,000) in Group, and £5,425,000 (2025: £4,510,000) in Association.

In addition to the employee costs above, there were £7,445,000 (2025: £7,146,000) in Group, and £7,445,000 (2025: £7,112,000) in Association for temporary staff employed through an agency. These costs are included within operating expenditure in the SOCI.

7. Interest receivable

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Interest receivable from other Group companies	**-**	-	**367**	291
Interest receivable from bank and building society deposits	**1,336**	1,618	**880**	947
Interest income on defined benefit pension schemes	**1,578**	1,202	**1,578**	1,202
Interest receivable from joint ventures and associates	**3,844**	3,895	**-**	-
Other interest receivable	**12**	77	**12**	77
	6,770	6,792	**2,837**	2,517

8. Interest payable and financing costs

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Interest payable to other Group companies	**-**	-	**833**	473
Interest payable on bank loans and overdrafts	**31,765**	30,986	**28,899**	27,807
Interest payable on other loans	**37,345**	36,809	**35,316**	34,825
	69,110	67,795	**65,048**	63,105
Less: Interest capitalised on housing property development	**(6,690)**	(5,819)	**(6,208)**	(5,299)
	62,420	61,976	**58,840**	57,806
Average rate applicable to capitalised interest	**3.9%**	4.2%	**3.9%**	4.1%

Included within interest payable and financing costs are amounts for indexation and deferred interest totalling £7,578,353 (2025: £6,933,727).

9. Surplus on ordinary activities before taxation

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Surplus on ordinary activities before taxation is stated after charging / (crediting):				
Depreciation:				
- Housing properties	**59,271**	55,130	**52,952**	50,243
- Other fixed assets	**2,141**	2,122	**2,141**	2,122
Amortisation of intangible assets	**6,233**	4,879	**6,233**	4,879
Impairment / (reversal of impairment):				
- Housing properties	**2,375**	(23)	**2,303**	(9)
- Fixed asset investment	**(829)**	(71)	**-**	-
- Properties held for sale	**585**	2,282	**585**	(252)
Grant amortisation	**(11,776)**	(10,260)	**(11,797)**	(10,474)
External auditor's remuneration for audit services	**434**	415	**348**	330
Operating lease rentals	**6,529**	6,484	**6,428**	6,372

The fixed asset investment impairment reversal of £829,000 in 2026 (2025: £71,000 impairment reversal) relates to HGDL's loan to an associate, Evolution Morpeth LLP.

The external auditor's remuneration for audit services is payable to two auditors - £420,000 (2025: £399,000) is payable to the Group auditors and £14,000 (2025: £16,000) is payable in respect of subsidiary audits. No remuneration (2025: nil) was paid to the external auditor for other assurance services.

10. Taxation

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Current tax				
UK corporation tax	**2,605**	2,261	**30**	31
Adjustments in respect of prior years' UK corporation tax	**(2,243)**	(1,689)	**-**	-
Total current tax	**362**	572	**30**	31
Deferred tax				
Current period	**(215)**	(6)	**-**	-
Total deferred tax	**(215)**	(6)	**-**	-
Tax on surplus on ordinary activities	**147**	566	**30**	31

The Group and Association's current tax charges for the period are lower (2025: lower) than the standard rate of corporation tax in the UK (2026: 25%, 2025: 25%). The differences are explained below:

Total tax reconciliation	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Surplus on ordinary activities before taxation	**38,374**	34,742	**30,139**	28,236
Current UK Corporation tax on above at 25% (2025: 25%)	**9,594**	8,686	**7,535**	7,059
Effects of:				
Expenses not deductible for tax purposes	**(207)**	(18)	**-**	-
Consolidation adjustment not deductible	**(98)**	46	**-**	-
Gift aid income not taxable	**2,395**	1,973	**(2,395)**	(1,973)
Impact of surplus gift aid payment	**(92)**	(182)	**-**	-
Surplus exempt from tax due to charitable exemptions	**(9,452)**	(8,402)	**(5,110)**	(5,055)
Adjustments to tax charge in respect of previous periods	**(2,243)**	(1,689)	**-**	-
Other permanent differences	**497**	178	**-**	-
Difference between current and deferred tax rates on profits of joint ventures and associates to be taxed in future years	**(239)**	(55)	**-**	-
Unrecognised deferred tax movement	**(8)**	29	**-**	-
Total tax charge	**147**	566	**30**	31

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 2026 (2025: 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 2025	3,214,567	87,973	341,627	84,134	3,728,301
Additions	698	127,428	-	36,630	164,756
Capitalised interest	-	3,780	-	2,075	5,855
Capitalised works	66,993	-	-	-	66,993
Transfer to completed schemes	82,949	(82,949)	32,578	(32,578)	-
Disposals	(14,035)	-	(6,484)	-	(20,519)
At 31 March 2026	**3,351,172**	**136,232**	**367,721**	**90,261**	**3,945,386**
Depreciation					
At 1 April 2025	701,567	2,542	18,786	530	723,425
Charge for year	55,728	-	3,543	-	59,271
Impairment charge	2,375	-	-	-	2,375
Eliminated in respect of disposals	(4,510)	-	(473)	-	(4,983)
At 31 March 2026	**755,160**	**2,542**	**21,856**	**530**	**780,088**
Net book value at 31 March 2026	**2,596,012**	**133,690**	**345,865**	**89,731**	**3,165,298**
Net book value at 31 March 2025	2,513,000	85,431	322,841	83,604	3,004,876

Total accumulated impairment at 31 March 2026 is £13,164,099 (2025: £11,397,870).

	2026 £000	2025 £000
Accumulated impairment at 1 April	**11,398**	14,663
Impairment charge / (reversal)	**2,375**	(23)
Transfer to properties held for sale (note 15)	**-**	(3,125)
Eliminated in respect of disposals	**(609)**	(117)
Accumulated impairment at 31 March	**13,164**	11,398

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 changing circumstance in relation to the viability of specific schemes and relate to a handful of schemes only. The total number of housing units impaired during the year is 100 (2025: 181).
The impairment reversal in the year has arisen following a re-assessment of future spend, updated valuations and revised development plans on certain schemes. The total number of housing units with an impairment reversal during the year is 164 (2025: 47).

	2026 £000	2025 £000
Completed housing properties, at net book value, comprise:		
Freeholds	**2,824,708**	2,730,901
Long leaseholds	**117,101**	104,900
Short leaseholds	**68**	40
	2,941,877	2,835,841
Works to existing properties in the year:		
Components capitalised	**66,993**	67,386
Amounts charged to expenditure in respect of major and planned repairs	**48,707**	42,718
	115,700	110,104

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 2025	2,913,243	72,067	342,188	78,509	3,406,007
Additions	537	100,096	-	37,232	137,865
Capitalised interest	-	3,298	-	2,075	5,373
Capitalised works	62,268	-	-	-	62,268
Transfer to completed schemes	44,691	(44,691)	32,626	(32,626)	-
Disposals	(13,917)	-	(6,484)	-	(20,401)
At 31 March 2026	**3,006,822**	**130,770**	**368,330**	**85,190**	**3,591,112**
Depreciation					
At 1 April 2025	669,821	2,541	18,632	531	691,525
Charge for year	49,416	-	3,536	-	52,952
Impairment charge	2,303	-	-	-	2,303
Eliminated in respect of disposals	(4,457)	-	(473)	-	(4,930)
At 31 March 2026	**717,083**	**2,541**	**21,695**	**531**	**741,850**
Net book value at 31 March 2026	**2,289,739**	**128,229**	**346,635**	**84,659**	**2,849,262**
Net book value at 31 March 2025	2,243,422	69,526	323,556	77,978	2,714,482

Total accumulated impairment at 31 March 2026 is £12,923,338 (2025: £11,229,370).

	2026 £000	2025 £000
Accumulated impairment at 1 April	**11,229**	11,356
Impairment charge / (reversal)	**2,303**	(9)
Eliminated in respect of disposals	**(609)**	(118)
Accumulated impairment at 31 March	**12,923**	11,229

	2026 £000	2025 £000
Completed housing properties, at net book value, comprise:		
Freeholds	**2,514,172**	2,456,934
Long leaseholds	**122,134**	110,004
Short leaseholds	**68**	40
	2,636,374	2,566,978
Works to existing properties in the year:		
Components capitalised	**62,268**	64,069
Amounts charged to expenditure in respect of major and planned repairs	**46,371**	39,601
	108,639	103,670

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 2025	2,706	12,829	3,341	62,646	81,522
Additions	117	263	986	1,525	2,891
Disposals	(168)	(4)	(31)	(5)	(208)
At 31 March 2026	**2,655**	**13,088**	**4,296**	**64,166**	**84,205**
Depreciation					
At 1 April 2025	1,392	5,298	1,707	58,657	67,054
Charge for year	87	950	125	979	2,141
Eliminated in respect of disposals	(101)	(1)	(27)	-	(129)
At 31 March 2026	**1,378**	**6,247**	**1,805**	**59,636**	**69,066**
Net book value at 31 March 2026	**1,277**	**6,841**	**2,491**	**4,530**	**15,139**
Net book value at 31 March 2025	1,314	7,531	1,634	3,989	14,468
ASSOCIATION					
Cost					
At 1 April 2025	2,706	12,829	3,254	62,644	81,433
Additions	117	263	986	1,525	2,891
Disposals	(168)	(4)	(31)	(5)	(208)
At 31 March 2026	**2,655**	**13,088**	**4,209**	**64,164**	**84,116**
Depreciation					
At 1 April 2025	1,392	5,298	1,620	58,655	66,965
Charge for year	87	950	125	979	2,141
Eliminated in respect of disposals	(101)	(1)	(27)	-	(129)
At 31 March 2026	**1,378**	**6,247**	**1,718**	**59,634**	**68,977**
Net book value at 31 March 2026	**1,277**	**6,841**	**2,491**	**4,530**	**15,139**
Net book value at 31 March 2025	1,314	7,531	1,634	3,989	14,468

13. Intangible fixed assets

GROUP AND ASSOCIATION	Software £000
Cost	
At 1 April 2025	49,430
Additions	4,052
At 31 March 2026	**53,482**
Amortisation	
At 1 April 2025	32,117
Charge for year	6,233
At 31 March 2026	**38,350**
Net book value at 31 March 2026	**15,132**
Net book value at 31 March 2025	17,313

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

14. Fixed asset investments

	GROUP		ASSOCIATION	
	2026	2025	2026	2025
	£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	-	-	6,957	5,250
Additions	-	-	8,302	12,567
Repayments	-	-	(6,950)	(10,860)
At 31 March	-	-	8,309	6,957
Interests in joint ventures				
At 1 April	9,641	13,845	-	-
Share of results	1,639	2,296	-	-
Distributions received	(3,100)	(6,500)	-	-
At 31 March	8,180	9,641	-	-
Interest in associates				
At 1 April	18,006	18,044	-	-
Share of results	-	(38)	-	-
At 31 March	18,006	18,006	-	-
Loans to joint ventures				
At 1 April	28,668	27,682	-	-
Additions	34,182	19,536	-	-
Repayments	(21,543)	(18,550)	-	-
At 31 March	41,307	28,668	-	-
Loans to associates				
At 1 April	12,494	13,473	-	-
Additions	6,345	4,815	-	-
Repayments	(8,828)	(5,865)	-	-
Reversal of impairment	829	71	-	-
At 31 March	10,840	12,494	-	-
Other investments				
At 1 April	7,610	7,377	6,990	6,953
Additions	251	492	227	267
Disposals	(833)	(259)	(606)	(230)
At 31 March	7,028	7,610	6,611	6,990
Total fixed asset investments	85,361	76,419	123,768	122,795

The reversal of impairment of the loan to associates (2026: £829,000, 2025: £71,000) 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 2026 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 Group Scotland	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 Group Scotland – 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:

Name	Country of registration	Principal activity	Percentage held
Joint ventures:			
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%
Cow Dyke Farm Harrogate LLP	England	Property development	50%
HGSB (Alexander Lane Shenfield) LLP	England	Property development	50%
HGSB (Meadway Cuffley) LLP	England	Property development	50%
HGSB (The Paddocks Ongar) LLP	England	Property development	50%
Associates:			
Evolution Morpeth LLP	England	Property development	50%
Ptarmigan Planning 4 Limited	England	Property development	46.3%
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 five wholly owned subsidiaries; Ptarmigan Berinsfield Limited, Ptarmigan Birchington Limited, Ptarmigan Thatcham Limited, Ptarmigan Radley Limited and Project CXIII 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
- Cow Dyke Farm Harrogate LLP - C/O Miller 2 Centro Place, Pride Park, Derby, United Kingdom, DE24 8RF
- The three HGSB LLPs - Stonebond House, 132 - 136 New London Road, Chelmsford, United Kingdom, CM2 0RG
- 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 £1,789,000 (2025: £2,296,000) and nothing from interests in associates (2025: £38,000 loss).

15. Properties held for sale

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Shared ownership properties:				
- Completed	**2,328**	9,165	**2,328**	9,145
- Work in progress	**9,101**	6,363	**8,456**	5,274
Outright sale properties:				
- Completed	**14,802**	21,472	**6,352**	16,114
- Work in progress	**813**	16,812	**-**	5
	27,044	53,812	**17,136**	30,538

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

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Accumulated impairment at 1 April	**8,500**	3,110	**533**	804
Impairment charge / (reversal)	**585**	2,265	**585**	(271)
Eliminated in respect of disposals	**(6,612)**	-	**(173)**	-
Transfer from housing properties (note 11)	**-**	3,125	**-**	-
Accumulated impairment at 31 March	**2,473**	8,500	**945**	533

16. Debtors

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Amounts falling due within one year:				
Rental and service charges receivable	**20,990**	22,433	**18,896**	20,490
Less: Provision for bad debts	**(7,571)**	(8,403)	**(6,694)**	(7,511)
Net rental debtors	**13,419**	14,030	**12,202**	12,979
Prepayments	**7,197**	6,646	**7,159**	6,609
Accrued income	**3,142**	6,548	**3,066**	5,792
Corporation tax debtor	**53**	1,437	**-**	21
Other amounts due from Group undertakings	**-**	-	**63**	2,477
Leasehold debtors	**1,652**	2,939	**1,512**	2,732
Taxation debtors	**143**	73	**-**	-
Other debtors	**6,412**	15,459	**3,882**	11,978
	32,018	47,132	**27,884**	42,588
Loans to employees included in other debtors	**66**	74	**66**	74

The decrease in other debtors was driven by the timing of invoices and receipts around the current and prior year-end, for non-rental income.

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	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Escrow bank account	**5,135**	4,707	**5,135**	4,707

As referenced in note 24, £5.1 million (2025: £4.7 million) 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	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Housing loans from third parties	**23,336**	23,205	**21,336**	21,205
Trade creditors	**18,009**	20,728	**13,113**	18,799
Social Housing Grant in advance	**-**	4	**-**	-
Deferred capital grant	**11,204**	10,764	**11,070**	10,796
Taxation and social security	**3,253**	408	**3,141**	110
Accruals	**48,414**	50,386	**44,785**	47,297
Accrued interest payable	**7,630**	7,976	**6,636**	7,004
Deferred income	**15,377**	18,416	**14,506**	17,539
Other amounts due to Group undertakings	**-**	-	**24,306**	25,368
Leasehold creditors	**28,541**	27,059	**28,541**	27,059
Retentions	**7,491**	8,431	**3,674**	3,709
Other creditors	**8,731**	9,364	**3,755**	3,551
	171,986	176,741	**174,863**	182,437

Movements in debtors and creditors are discussed in the Financial Review on page 30.

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

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Housing loans from third parties	**847,063**	795,622	**740,881**	688,177
Discounted bonds	**537,396**	529,676	**537,396**	529,676
Deferred capital grant	**967,934**	956,223	**912,279**	911,300
Recycled Capital Grant Fund	**11,205**	4,258	**11,205**	4,258
Homebuy grant	**682**	645	**682**	645
	2,364,280	2,286,424	**2,202,443**	2,134,056

20. Provisions

GROUP AND ASSOCIATION

	£000
At 1 April 2025	-
Transferred from accruals	3,544
Provided	5,789
Utilised	(1,214)
Released	(1,534)
At 31 March 2026	**6,585**
Current	1,229
Non-current	5,356
	6,585

Provisions were previously held within accruals in creditors: amounts falling due within one year but have been transferred to a separate provisions line during the current year. As the total amounts are not material, a prior year restatement is not deemed to be required.

The main provisions held are in relation to dilapidations, uninsured claims and provision for costs in relation to the exit from the regulated Care business.

Uninsured claims provision represents the cost to settle insurance claims for incidents occurring before the balance sheet date, based on an assessment of the expected settlement. Claims primarily relate to property and employer's liability and public liability claims. Dilapidation provisions relate to leasehold properties and offices, where there is a requirement in the lease for the buildings to be returned to the original condition.

21. Debt analysis

GROUP AND ASSOCIATION	2026	2025
	£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	14,773	21,779
Charged to SOCI	(7,719)	(7,005)
At 31 March	7,054	14,774
Net value at 31 March	537,396	529,676
Market value at 31 March	435,643	412,562

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 2026 was £7.2 million (2025: £7.6 million).

The Group housing loans and discounted bonds are stated net of unamortised issue costs of £8.1 million (2025: £8.4 million). The Association housing loans and discounted bonds are stated net of unamortised issue costs of £7.6 million (2025: £7.8 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	
	2026	2025	2026	2025
	£	£	£	£
Net book value of housing properties	952,685,059	905,547,454	812,129,719	761,154,909
Fixed asset investments	4,718,864	5,145,204	4,301,614	4,525,311

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.

21. 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 2026 was as follows:

	Less than 1 year	Due in 1-2 years	Due in 2-5 years	Due in over 5 years	Total
	£000	£000	£000	£000	£000
GROUP					
Discounted bonds	-	84,966	-	452,430	537,396
Housing loans					
- fixed	7,086	54,029	141,055	324,789	526,959
- floating	16,250	(27,145)	274,501	79,834	343,440
At 31 March 2026	**23,336**	**111,850**	**415,556**	**857,053**	**1,407,795**
ASSOCIATION					
Discounted bonds	-	84,966	-	452,430	537,396
Housing loans					
- fixed	5,086	52,029	95,186	286,338	438,639
- floating	16,250	(27,145)	254,580	79,893	323,578
At 31 March 2026	**21,336**	**109,850**	**349,766**	**818,661**	**1,299,613**

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	Due in 1-2 years	Due in 2-5 years	Due in over 5 years	Total
	£000	£000	£000	£000	£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**

Terms of repayment

At 31 March 2026 the Group had £1,407.8 million loans drawn:

- £537.4 million relates to the Association's three loan stock issues which mature as bullet repayments in 2027, 2037 and 2043.
- £215.7 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 £654.7 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 19 years.

21. 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	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Expiring within one year	**-**	50,000	**-**	50,000
Expiring between one and two years	**-**	-	**-**	-
Expiring between two and five years	**337,000**	226,000	**337,000**	226,000
Expiring in more than five years	**50,000**	5,000	**50,000**	5,000
	387,000	281,000	**387,000**	281,000

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	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Fixed rate borrowings	**1,064,355**	985,811	**976,035**	896,258
Floating rate borrowings	**343,440**	362,692	**323,578**	342,800
	1,407,795	1,348,503	**1,299,613**	1,239,058

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 4.80% (2025: 4.81%), Association 4.86% (2025: 4.88%) and are fixed for a weighted average period of 11 years (2025: 13 years), Association 12 years (2025: 13 years). Interest rates on Group fixed rate borrowings range between 1.7% and 11.42% (2025: 0% to 11.42%) and Association fixed rate borrowings range between 2.89% and 11.42% (2025: 2.89% to 11.42%).

Floating rate borrowings bear interest rates based either on SONIA (some) plus Credit Adjustment Spread or on a fixed coupon rate applied to debt balances.

The effective interest rates of borrowings are:	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	%	%	**%**	%
Discounted bonds	**5.3**	5.2	**5.3**	5.2
Housing loans				
- fixed	**4.3**	4.3	**4.3**	4.4
- floating	**4.5**	5.1	**4.5**	5.1

22. 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 75.6% (2025: 73.1%) 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 £867,000 per annum based on the variable rate debt held at 31 March 2026.

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 2026, Home Group had £387.0 million (2025: £281.0 million) committed and undrawn facilities, all of which were immediately available for drawdown. There are no facilities currently being secured (2025: £230.0 million committed and undrawn). The Group continues to have a large pool of unencumbered properties (2026: £2,212.6 million, 2025: £2,099.3 million) available as security for future borrowings to support its growth strategy.

Financial assets measured at amortised cost	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Fixed asset investments:				
- Loans to Group undertakings	**-**	-	**8,309**	6,957
- Loans to joint ventures	**41,307**	28,668	**-**	-
- Loans to associates	**10,840**	12,494	**-**	-
	52,147	41,162	**8,309**	6,957
Other financial assets:				
- Short term debtors	**24,821**	40,486	**20,725**	35,979
- Restricted cash and cash equivalents	**5,135**	4,707	**5,135**	4,707
- Cash and cash equivalents	**58,681**	56,864	**38,594**	37,348
	88,637	102,057	**64,454**	78,034
Total financial assets	**140,784**	143,219	**72,763**	84,991

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 at 31 March 2026 comprise:
- £15 million loan facility to HGDL with a term of five years maturing in June 2026 (renewed to June 2027 post year-end)
- £10 million 364 day loan facility to HGDL maturing in June 2026 (renewed to June 2031 post year-end)
- £10 million loan facility to Home Group Scotland maturing in May 2030
- £20 million loan facility to Home Group Scotland maturing June 2028

As at 31 March 2026, HGDL had drawn nothing (2025: nothing) and Home Group Scotland had drawn £8.31 million (2025: £6.96 million) from the Association. The loan facilities attract interest charged at SONIA plus Credit Adjustment Spread and margin.

22. Financial instruments (continued)

Financial liabilities measured at amortised cost

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Borrowings:				
Discounted bonds	**537,396**	529,676	**537,396**	529,676
Housing loans				
- fixed	**526,959**	456,134	**438,639**	366,581
- floating	**343,440**	362,693	**323,578**	342,801
Total borrowings	**1,407,795**	1,348,503	**1,299,613**	1,239,058
Other short-term liabilities	**128,472**	123,944	**134,466**	132,787
Total financial liabilities	**1,536,267**	1,472,447	**1,434,079**	1,371,845

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 21.

23. Deferred capital grant

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
At 1 April	**966,987**	957,868	**922,096**	927,032
Grant received in the year – new build development	**23,697**	21,128	**12,828**	7,379
Grant received in the year – major repairs	**6,899**	3,124	**6,819**	3,032
Released to income in the year	**(11,776)**	(10,260)	**(11,797)**	(10,474)
Disposals	**(6,669)**	(4,873)	**(6,597)**	(4,873)
At 31 March	**979,138**	966,987	**923,349**	922,096
Amount due to be released within one year	**11,204**	10,764	**11,070**	10,796
Amount due to be released in more than one year	**967,934**	956,223	**912,279**	911,300
	979,138	966,987	**923,349**	922,096

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

	GROUP		ASSOCIATION	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Held as deferred capital grant	**979,138**	966,987	**923,349**	922,096
Recognised as income in the SOCI	**178,822**	169,827	**215,384**	206,350
Grant within cost on properties at fair values at acquisition	**237,452**	237,452	**-**	-
	1,395,412	1,374,266	**1,138,733**	1,128,446

24. Analysis of Recycled Capital Grant Fund

GROUP AND ASSOCIATION	**2026**	2025
	£000	£000
At 1 April	**4,258**	3,667
Inputs:		
- Grants recycled	**8,759**	5,408
- Interest accrued	**263**	211
Recycling:		
- New build	**(2,075)**	(5,028)
At 31 March	**11,205**	4,258
Amounts three years or older where repayment to Homes England / Greater London Authority may be required	**-**	-

25. Pension obligations

The Group participated in three major funded defined benefit pension schemes as detailed below. During the prior 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. An exit from the Cumbria Local Government Pension Scheme (CLGPS) subsequently took place, effective from 1 May 2025.

The Group continues to participate in the defined contribution section of the Home Group Pension and Life Assurance Scheme (HGPLAS).

The amounts recognised within the statement of comprehensive income in relation to all pension schemes for the year ended 31 March 2026 was £1,104,000 (2025: £1,124,000) in respect of current service costs and expenses within operating expenditure and a credit of £1,578,000 (2025: £1,202,000 credit) within interest. The aggregate surplus across the remaining two defined benefit pension arrangements is £27.1 million (2025: £27.5 million surplus across three schemes).

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 two categories of pension scheme members:
- 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. This valuation is used to determine the contributions that are required to be paid by the Group. The trustees are required to allow for a level of prudence when setting the assumptions used for the valuation. This means that the liabilities calculated will differ to those reported under FRS 102.

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 £0.4 million per annum 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. In addition, there is an escrow bank account – 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.

25. Pension obligations (continued)

In February 2025 all active members agreed to cease pensionable service, with effect from May 2025. Following this, contributions in respect of future service accrual have ceased. The Group therefore expects to pay £0.4 million to the scheme during the accounting year beginning 1 April 2026 to cover administrative expenses. The next triennial actuarial valuation of the scheme as at 31 March 2026 is currently underway. As part of this valuation, a new schedule of contributions will be agreed, if required. Therefore, the contributions required by the Group during the accounting year beginning 1 April 2026 may differ from those set out above.

The Pensions Trust (TPT)

The Group participated in a TPT defined benefit scheme in the UK, which is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The scheme closed to future accrual from 31 May 2025, with benefits no longer being linked to salary from that date. An actuarial valuation was carried out as at 30 September 2024 and the results of this have been updated to 31 March 2026 by a qualified actuary, independent of the scheme's sponsoring employer.

The latest actuarial valuation as at 30 September 2024 showed a deficit of £857,000. To remove the deficit, the Group agreed with the trustee to pay £250,000 per annum (payable monthly), from 1 April 2026 to 30 April 2027. In addition, the Group also agreed to pay £151,339 per annum in respect of scheme expenses (payable monthly), increasing by 3% each year with the first increase on 1 April 2027. 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 was a participating employer in the CLGPS which provided benefits based on final pensionable pay. The scheme was closed to new members from the Group.

The Group ceased participation in the CLGPS on 31 May 2025. The cessation of participation has been accounted for as a settlement under section 28 of FRS 102. The settlement value was determined by reference to the final value of the scheme liabilities assessed using termination assumptions, together with the market value of scheme assets at the settlement date. The valuation used for the defined benefit pension disclosures at the settlement date was based on the most recent actuarial valuation at 31 March 2025 and updated by Mercer Limited to take account of the requirements of section 28 of FRS 102. A settlement loss of £0.3m arising on exit from the scheme has been recognised in operating expenditure in the Statement of Comprehensive Income. Following cessation, the Group has no further participation in the CLGPS.

Scheme disclosures for the year ended 31 March 2026

Assumptions

Please note: Assumptions for HGPLAS and TPT are as 31 March 2026. The assumptions for CLGPS are as at the date of exit, 31 May 2025.

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

	HGPLAS	TPT	CLGPS
Males	100% S3PMA_All CMI_2025 [1.25%]	107% of S4PXA CMI_2025 [1.5%]	104% of SAPS 4 CMI_2023 [1.5%]
Females	100% S3PFA_Middle CMI_2025 [1.25%]	107% of S4PXA CMI_2025 [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)	21.9	21.7	21.5
Member aged 45 (life expectancy at 65)	23.2	23.3	22.8
Females:			
Member aged 65 (current life expectancy)	23.7	23.8	24
Member aged 45 (life expectancy at 65)	25.1	25.2	25.7

25. Pension obligations (continued)

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

	HGPLAS	TPT	CLGPS
Discount rate	6.1%	6.1%	5.8%
Retail Price Index inflation	3.3%	3.3%	N/A
Consumer Price Index inflation	2.9%	2.9%	2.5%
Rate of increase of pensions in deferment	2.9%	3.3%	2.6%
Rate of increase of pensions in payment	3.3%	2.8%	2.6%
Salary increases	N/A	N/A	4.0%

	HGPLAS 2026 £000	TPT 2026 £000	CLGPS 2026 £000	Total 2026 £000
Amounts recognised in the SOCI				
Current service cost	(20)	(4)	(4)	(28)
Expenses	(708)	(179)	-	(887)
Settlement on exit	-	-	(289)	(289)
Curtailments	100	-	-	100
Amounts charged to operating expenditure	**(628)**	**(183)**	**(293)**	**(1,104)**
Interest income	7,866	2,861	276	11,003
Interest expense	(6,290)	(2,851)	(153)	(9,294)
Interest on effect of asset ceiling	-	(10)	(121)	(131)
Amounts credited to interest	**1,576**	**-**	**2**	**1,578**
Actuarial gains / (losses) on scheme assets	77	(352)	(1,734)	(2,009)
Actuarial (losses) / gains on scheme liabilities	(1,584)	1,008	241	(335)
Effects of changes in the amount of surplus that is not recoverable – (loss) / gain	-	(631)	12,677	12,046
Actuarial (losses) / gains recognised in other comprehensive income	**(1,507)**	**25**	**11,184**	**9,702**
Amounts recognised in the SOFP				
Present value of funded obligations	(112,567)	(49,799)	-	(162,366)
Fair value of scheme assets	139,709	50,618	-	190,327
Effect of asset ceiling	-	(819)	-	(819)
Surplus	**27,142**	**-**	**-**	**27,142**
Opening scheme liabilities	(112,122)	(50,495)	(15,979)	(178,596)
Current service cost	(20)	(4)	(4)	(28)
Interest cost	(6,290)	(2,851)	(153)	(9,294)
Contributions by employees	(13)	(2)	(2)	(17)
Settlement gains	74	-	15,585	15,659
Actuarial (losses) / gains	(1,584)	1,008	241	(335)
Benefits paid	7,288	2,545	312	10,145
Curtailment gains	100	-	-	100
Closing scheme liabilities	**(112,567)**	**(49,799)**	**-**	**(162,366)**

25. Pension obligations (continued)

	HGPLAS	TPT	CLGPS	Total
	2026	2026	2026	2026
Amounts recognised in the SOFP	£000	£000	£000	£000
Opening fair value of scheme assets	139,385	50,673	28,748	218,806
Employer contributions	438	158	(11,106)	(10,510)
Interest income	7,866	2,861	276	11,003
Contributions by employees	13	2	2	17
Settlement losses	(74)	-	(15,874)	(15,948)
Actuarial gains / (losses)	77	(352)	(1,734)	(2,009)
Benefits paid	(7,288)	(2,545)	(312)	(10,145)
Expenses	(708)	(179)	-	(887)
Closing fair value of scheme assets	**139,709**	**50,618**	**-**	**190,327**
Actual return on scheme assets	**7,943**	**2,509**	**-**	**10,452**

	HGPLAS	TPT	CLGPS
	2026	2026	2026
Analysis of scheme assets			
Equities and property	14.7%	11.2%	N/A
Bonds and gilts	74.1%	21.9%	N/A
Other	10.1%	65.5%	N/A
Cash	1.1%	1.4%	N/A

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

25. Pension obligations (continued)

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%

	HGPLAS	TPT	CLGPS	Total
	2025	2025	2025	2025
Amounts recognised in the SOCI	£000	£000	£000	£000
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)**

25. Pension obligations (continued)

Amounts recognised in the SOFP	HGPLAS 2025 £000	TPT 2025 £000	CLGPS 2025 £000	Total 2025 £000
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%	

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.

Legal and regulatory developments affecting pension schemes

In June 2023, the UK High Court issued a ruling in the case of *Virgin Media Limited v NTL Pension Trustees II Limited and others*, relating to the validity of certain historical pension changes. The judgment was upheld by the Court of Appeal in July 2024. During 2025, the UK Government announced its intention to introduce legislation to address the issues arising from the judgment. Based on the information currently available, and following consideration of the schemes in which Home Group participates, the Group does not expect the case to have a material impact on the pension amounts recognised or disclosed in these financial statements.

26. Non-equity share capital

Each non-executive member of the Board holds one share of £1 in the Association. As at 31 March 2026, there were nine non-executive board members who each held a share in the Association.

Allotted, authorised, issued and fully paid:	£
At 1 April 2025	9
Issued during the year	2
Surrendered during the year	(2)
At 31 March 2026	**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.

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

	2026 £000	2025 £000
Surplus for the year	**38,227**	34,176
Adjustments for:		
Taxation	**147**	566
Depreciation of housing properties	**59,271**	55,130
Depreciation of other fixed assets	**2,141**	2,122
Amortisation of intangible fixed assets	**6,233**	4,879
Impairment of housing properties	**2,960**	2,259
Reversal of impairment of loan to associate	**(829)**	(71)
Decrease in properties held for sale	**27,018**	22,597
Decrease / (increase) in debtors	**13,730**	(12,297)
(Decrease) / increase in trade and other creditors	**(4,550)**	19,660
Increase in provisions	**6,585**	-
Surplus on disposal of housing properties	**(15,186)**	(9,066)
Loss on disposal of other fixed assets	**79**	-
Pension costs less contributions payable	**11,614**	(215)
Share of profit before tax in joint ventures	**(1,789)**	(2,296)
Share of loss before tax in associate	**-**	38
Adjustments for investing or financing activities:		
Government grants utilised in the year	**(11,776)**	(10,260)
Interest payable	**62,420**	61,976
Interest receivable	**(6,770)**	(6,792)
Corporation tax paid	**1,237**	(1,282)
Net cash inflow from operating activities	**190,762**	161,124

28. Analysis of changes in net debt

GROUP	At 1 April 2025 £000	Cash flows £000	Other non-cash changes £000	**At 31 March 2026 £000**
Restricted cash and cash equivalents	4,707	428	-	**5,135**
Cash and cash equivalents	56,864	1,817	-	**58,681**
Debt due within one year:				
- Housing loans from third parties	(23,205)	23,248	(23,379)	**(23,336)**
Debt due after one year:				
- Housing loans from third parties	(795,622)	(73,156)	21,715	**(847,063)**
- Discounted bonds	(529,676)	-	(7,720)	**(537,396)**
Total net debt	**(1,286,932)**	**(47,663)**	**(9,384)**	**(1,343,979)**

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

GROUP	**2026 £000**	2025 £000
Increase in cash in the period	**2,245**	16,793
Cash outflow from increase in debt	**(49,908)**	(63,235)
Change in net debt resulting from cash flows	**(47,663)**	(46,442)
Non-cash changes	**(9,384)**	(8,109)
Movement in net debt in the period	**(57,047)**	(54,551)
Opening net debt	**(1,286,932)**	(1,232,381)
Closing net debt	**(1,343,979)**	(1,286,932)

30. Capital commitments

	GROUP		ASSOCIATION	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Capital expenditure that has been contracted for but not provided for in the financial statements	**350,054**	283,818	**332,942**	261,917
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**202,200**	155,823	**146,921**	122,881

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: £36.6 million (2025: £28.6 million) and Association: £32.0 million (2025: £24.4 million).

At 31 March 2026, the Group had £387.0 million (2025: £281.0 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.

31. Financial commitments

	GROUP		ASSOCIATION	
At the year end the total contractual payments under non-cancellable operating leases were as follows:	**2026 £000**	2025 £000	**2026 £000**	2025 £000
Less than one year	**5,024**	4,223	**5,019**	4,223
Between one and five years	**7,809**	8,269	**7,809**	8,269
More than five years	**41,627**	41,649	**41,627**	41,649
	54,460	54,141	**54,455**	54,141

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.

32. 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:

	2026 £000	2025 £000
Invoiced to jointly controlled entities and associates in respect of interest charges	3,845	3,866
Purchase of housing property from jointly controlled entities and associates	27,347	22,949
Amounts owed from jointly controlled entities and associates at the year-end	52,147	41,162

Association

The Association recharged its subsidiaries for centrally provided services on a basis which reflects the time and cost of the services provided (2026: £2,960,000, 2025: £3,168,000).

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 £120,000 (2025: £132,000).

The Association has purchased housing properties from HGDL based on the construction cost plus a margin (2026: £4,161,000, 2025: £22,742,000).

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:

	2026 £000	2025 £000
Interest payable by subsidiaries on borrowings from the Association	367	291
Interest payable by the Association on borrowings from subsidiaries	833	473
Amounts owed to subsidiaries	24,274	25,368
Amounts owed from subsidiaries	8,372	9,434
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:

	2026 £	2025 £
Charges to customer board members in respect of rent and service charges	12,376	8,156
Amounts owed to customer board members at the year-end	4	8
Amounts owed from customer board members at the year-end	198	1,834

33. 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 2026, 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 2026

	Customers & Communities £000	Maintenance & Building Safety £000	Development & Asset £000	Care £000	Other £000	Group £000
Income	414,118	1,257	5,756	19,035	1,381	441,547
Employment costs	(66,681)	(31,127)	(7,870)	(20,232)	(19,878)	(145,788)
Maintenance costs	(705)	(65,631)	(4,270)	(17)	1,673	(68,950)
Building safety works	-	(10,153)	(4)	-	-	(10,157)
Other operating expenditure	(42,603)	(8,748)	(14,338)	(575)	(24,917)	(91,181)
Operating expenditure	(109,989)	(115,659)	(26,482)	(20,824)	(43,122)	(316,076)
Operating contribution	**304,129**	**(114,402)**	**(20,726)**	**(1,789)**	**(41,741)**	**125,471**
New build property sales	-	-	9,578	-	-	9,578
Existing property sales	-	-	16,185	(175)	(824)	15,186
Share of profit from JVs & associates	-	-	2,618	-	-	2,618
EBITDA	**304,129**	**(114,402)**	**7,655**	**(1,964)**	**(42,565)**	**152,853**
Grant amortisation	-	-	-	-	11,776	11,776
Depreciation & impairment	(20)	(319)	(1,787)	23	(68,502)	(70,605)
Interest	-	-	(252)	-	(55,398)	(55,650)
Surplus before tax	**304,109**	**(114,721)**	**5,616**	**(1,941)**	**(154,689)**	**38,374**

33. Operating segments (continued)

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**

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

Reconciliation to SOCI

	2026 £000	2025 £000
Turnover (SOCI)	**498,505**	505,436
Less: Grant amortisation	**(11,776)**	(10,260)
Less: New build sales proceeds	**(42,098)**	(66,992)
Add: Bad debts	**(3,913)**	(3,307)
Add: Reversal of impairment of loan to associate	**829**	71
Income (segmental analysis)	**441,547**	424,948
Cost of sales (SOCI)	**(32,520)**	(56,183)
Add: New build sales proceeds	**42,098**	66,992
New build property sales (segmental analysis)	**9,578**	10,809
Operating expenditure (SOCI)	**(389,765)**	(370,722)
Less: Depreciation and impairment	**69,776**	64,300
Less: Bad debts	**3,913**	3,307
Operating expenditure (segmental analysis)	**(316,076)**	(303,115)
Depreciation and impairment (Note 9)	**(69,776)**	(64,300)
Less: Reversal of impairment	**(829)**	(71)
Depreciation and impairment (segmental analysis)	**(70,605)**	(64,371)

Building homes, independence and aspirations

www.homegroup.org.uk

Home Group Limited
(Co-operative and Community Benefit Society No: 22981R
Regulator of Social Housing Registered No: L3076

Please contact the customer service centre if you would like this report in Braille, audio or large-print.

260415_8/2026