

Onward

Onward Build Limited

**Annual Report and Financial Statements for the year
ended 31 March 2025**

Companies House registration number 10665852

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BOARD AND ADVISORS

Members of the Board

Dena Burgher (Chair)
Alexander Livingstone
Diana Hampson
Karl Tupling
Danielle James

Company Secretary

Sara Byrne

Principal Banker

NatWest Group PLC
1 Hardman Boulevard,
Manchester, M3 3AQ

Principal Solicitors

Devonshires Solicitors LLP
Park House, Park Square West, Leeds, LS1
2PW

Trowers & Hamlins LLP
55 Princess Street, Manchester M2 4EW

External Auditor

RSM UK Audit LLP
Landmark, St Peter's Square, 1 Oxford Street,
Manchester, M1 4PB

Internal Auditor

Beever and Struthers
One Express, 1 George Leigh Street,
Ancoats, Manchester, M4 5DL

STRATEGIC REPORT

Introduction

The Board presents its strategic report, containing the operating and financial review for the year ended 31 March 2025.

Overview and background

Onward Group Limited ("the Group") set up Onward Build Limited ("the Company") as a development subsidiary in March 2019. Prior to joining the Group, the Company was dormant. Its purpose is to develop new affordable and open market homes and provide development services to the Group.

Legal structure

Onward Build Limited is a Company registered at Companies House with registration number 10665852. The Company is a wholly owned subsidiary of Onward Homes Limited, which in turn is a wholly owned subsidiary of Onward Group Limited.

Financial review

In February 2023, the main contractor of the Basford East (Phase 1 & 2) and Helsby development schemes went into administration. This resulted in significant financial uncertainty and time delays which triggered an impairment review. Following the review an impairment was recognised in FY22/23 across both schemes. A procurement exercise was carried out to secure replacement main contractors for each site. The Helsby scheme was back on-site in June 2024 and works also commenced on the Basford site in December 2024. Both schemes are now progressing as planned. Both sites have been reassessed for potential impairment based on the new contracts and no further impairment has been identified.

The Company is reporting a deficit before tax for the year of £1.2m (2024: £2.3m). This relates mainly to interest costs during the year from intra-group loans. The Company ended the year with a cash balance of £2.0m (2024: £2.5m). Properties for sale and work in progress have increased from £33.9m in FY23/24 to £44.0m in FY24/25 due to the recommencement at the Basford and Helsby development sites. Intercompany on-lending has also increased from £52.7m in FY23/24 to £59.8m in FY24/25 to partially fund the works carried out during the year.

Operating review

The principal activity of the Company in the year was development. During the year 106 social housing units under development have been transferred to Onward Homes as part of the golden brick arrangement. This has generated sales proceeds in the Company of £11.8m (2024: nil).

Principal risks and uncertainties

The Board has identified the following key risks that it considers a potential threat to the achievement of our strategic objectives:

Risk	Mitigation
<u>Onward Build is unable to manage costs of key development schemes and operate within the financial plan.</u>	We assess costs as part of the scheme design process to ensure that schemes meet our approved financial hurdle rates and are financially viable.
Cost inflation within the construction sector remains an area of risk albeit that we are seeing this levelling off; however, prices remain inflated.	We utilise links with key purchasing consortia and established procurement frameworks to secure effective rates at tender.
	During the build phase we monitor costs closely and have a robust process to ensure any additional costs are formally appraised.

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Risk	Mitigation
<u>Contractor Liquidation</u> The risk of contractors doing into liquidation during the build process is a risk inherent in the construction industry.	Following the liquidation of Lane End and the resulting delays at our Basford and Helsby sites we have reviewed our contractor strategy. Our revised approach is to work with larger national contractors to effectively manage this risk. In addition, we monitor the financial health of the organisations we work with prior to contract and on an ongoing basis during the contract period.
<u>Scheme Delays</u> Schemes are not delivered on time due to contractor issues, planning delays or delays in the construction process.	We are aware of the impact of scheme delays on our business and factor planning delays into our project timeline in addition to monitoring the progress of development schemes on a regular basis.

Strategic report

The strategic report including the operating and financial review was approved by the Board on 29th August 2025 and signed on the 12th September on its behalf by:



Sara Byrne

Company Secretary

Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

DIRECTOR'S REPORT

The Board presents the Onward Build Limited Annual Report (the 'Annual Report') and the audited financial statements for the year ended 31 March 2025.

Principal activities

The Company's principal activities are development of new homes and provision of development agency services to the Group.

Board members and Executive Directors

Board members of the Company are detailed on page 2.

The Board members are drawn from a wide background bringing together professional, commercial and other experiences. Board members are remunerated for their services to the Group and are permitted to claim expenses incurred in the performance of their duties.

Statement of compliance

The Board report and financial statements have been prepared in accordance with applicable reporting standards and legislation.

Health and safety

Health and Safety is an integral part of the proper management of all the undertakings over which the Company has control. The Company promotes safe practices and continuous improvement through our engagement with contractors.

Corporate Governance

The Company is governed by a Board who delegate day-to-day operational control as appropriate. The Board meets to consider key risks and approve the accounts. As a subsidiary of the Onward Group, the Company delegates responsibilities to committees as follows:

- Audit & Risk - oversight of audit and risk matters for the Group.
- Treasury & Finance – oversight and scrutiny of Group finance, performance and treasury strategy.
- Property & Development - oversight of portfolio management, landlord compliance and the development programme with some delegations to approve development schemes and land purchases.
- Governance & People – makes recommendations to the Common Board on nomination and remuneration matters.

Corporate social responsibility

Our corporate plan defines the commitment we have made as a socially responsible organisation. We act as enablers, supporting people and communities to fulfil their aspirations and potential by giving them choice, control and responsibility.

As an organisation we work in partnership with our stakeholders, doing more together, by sharing knowledge, coordinating resources and focusing on what will give our communities the best outcome.

Onward provides Directors and Officers liability insurance to cover claims made against individuals acting in their capacity as Directors or officers. No claims were made in FY24/25 or FY23/24.

Disclosure of information to auditor

So far as each of the Directors of the Company is aware, at the time this report is approved:

- There is no relevant information which the Company's auditor is unaware of
- The Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTOR'S REPORT (continued)

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal control

The Board acknowledges its ultimate responsibility for ensuring that the Company has in place a system of internal control and risk management that is appropriate to the various business environments in which it operates and for the review of the effectiveness of that system during the year.

The Audit and Risk Committee is responsible to the Onward Board for monitoring this system and reporting on its effectiveness.

Internal controls are designed to identify and manage, rather than eliminate, risks which may prevent an organisation from achieving its objectives.

The system of internal control is designed to manage risk and give reasonable rather than absolute assurance with respect to:

- The achievement of key business objectives and expected outcomes.
- The preparation and reliability of financial and operational information used within the organisation and for publication.
- The maintenance of proper accounting and management records.
- The safeguarding of assets against unauthorised use or disposition.

Internal assurance activities

The process followed to identify, evaluate and manage significant risks faced by the Company is ongoing and has been in place during the past financial year and up to the date of the annual report and financial statements.

Internal audit assurance

Internal controls are subject to regular independent review by Beever and Struthers, our internal audit partners, who provide assurance on the operation of the control framework and the management of risk. The internal audit plan was approved by the Audit and Risk Committee and the plan is regularly reviewed during the year to ensure it continues to reflect our risk environment.

The Audit and Risk Committee oversees the work of the internal auditor and is responsible for monitoring that actions identified as a result of internal audit findings are implemented in a timely fashion

External audit assurance

The work of the external auditor provides some independent assurance over the adequacy of the internal control environment. The Company receives a management letter from the external auditor which identifies any internal control weaknesses. The Board itself, and through the activities of the Audit and Risk Committee, has reviewed the outcome of external audit work and the external audit management letter.

DIRECTOR'S REPORT (continued)

Statement of internal control (continued)

Fraud

There is a zero tolerance approach to fraud and a number of policies are in place to support fraud prevention. In addition, fraud risk registers are maintained and the controls tested to ensure controls established to prevent and detect fraud are operating effectively.

Review of risk management and governance arrangements

The Company has an effective risk management framework. Our risk management framework is an established methodology that supports the identification, assessment, management and reporting of the risks facing our organisation.

Conclusion

The Board acknowledges that its responsibility applies to the full range of risks and controls across all Company activities.

The Board has considered the effectiveness of the system of internal control in place in the year ended 31 March 2025. The Board considers that systems of internal control, governance and risk management arrangements are working effectively.

Going concern

The Company is reporting a deficit before tax for the year of £1.2m (2024: £2.3m). This primarily relates to interest payable on inter-group loans.

The Company has in place debt facilities of £69.0m (2024: £64.0m), of which £10.1m is undrawn (2024: £12.8m) and cash and cash equivalents of £2.0m (2024: £2.5m). The inter-group loan was assessed in both FY23/24 and FY24/25 for potential credit risk following the impairment of the Company's assets. As the loans do not fall due for several years and are being serviced in accordance with their terms we do not believe there is a credit risk.

Despite these challenges the Board believes that, whilst some uncertainty exists, this does not pose a material risk that would cast doubt on the Company's ability to continue as a going concern.

On this basis, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Independent auditor

RSM UK Audit LLP were appointed as auditors in the year.

The Directors' Report, including the financial statements, was approved by the Board on 29th August 2025 and signed on the 12th September on its behalf by:



Sara Byrne

Company Secretary

Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONWARD BUILD LIMITED

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its loss for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT (continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety including the Health & Safety at Work Act 1974. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with the Health and Safety Executive.

The audit engagement team identified the risk of management override of controls and the Cut-Off and Completeness of property sales as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. For revenue we have examined samples of transactions around the year end to confirm these have been recorded in the correct period and tracing cash receipts in the year to confirm that these have been recorded in income in the year.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Guest

John Guest (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Ninth Floor

Landmark

1 Oxford Street

Manchester

M1 4PB

18/09/25

Onward Build Limited

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the year ended 31 March 2025

		2025	2024
	Notes	£'000	£'000
Turnover		11,801	-
Cost of sales		(11,712)	-
Operating costs		(84)	(10)
Operating profit/(loss)		5	(10)
Interest receivable and similar income	6	31	46
Interest payable and similar charges	7	(1,273)	(2,291)
Loss on ordinary activities before taxation		(1,237)	(2,255)
Taxation on loss on ordinary activities	8	-	-
(Loss) for the year after taxation		(1,237)	(2,255)
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(1,237)	(2,255)

The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income.

Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Total reserves £'000
Balance at 31 March 2023	-	(6,009)	(6,009)
Loss for the year	-	(2,255)	(2,255)
Balance at 31 March 2024	-	(8,264)	(8,264)
Total comprehensive loss for the period			
Loss for the year	-	(1,237)	(1,237)
Balance at 31 March 2025	-	(9,501)	(9,501)

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS (continued)

Statement of Financial Position as at 31 March 2025

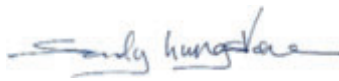
	Notes	2025 £'000	2024 (restated) £'000
Tangible fixed assets			
Investment properties	9, 21	8,007	8,007
Current assets			
Properties for sale and work in progress	10	44,030	33,875
Debtors due within one year	11	102	1,242
Cash and cash equivalents		1,980	2,535
		46,112	37,652
Creditors: amounts falling due within one year	12	(3,777)	(1,255)
Net current assets		42,335	36,397
Total assets less current liabilities		50,342	44,404
Creditors: amounts falling due after one year	13	(59,843)	(52,668)
Total net liabilities		(9,501)	(8,264)
Capital and reserves			
Non-equity share capital	15	-	-
Revenue reserves		(9,501)	(8,264)
Total capital and reserves		(9,501)	(8,264)

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 29th August 2025 and signed on the 12th September on its behalf by:



Dena Burgher
Chair



Alexander Livingstone
Director



Sara Byrne
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Onward Build Limited is registered under the Companies Act 2006, registration number 10665852. The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

Onward Build Limited is a trading subsidiary of Onward Homes Limited, a charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority, registration number of 17186R.

2. Accounting policies

a) Basis of accounting

The financial statements of the Company are prepared in accordance with Financial Reporting Standard 102 – the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling (£) and have been rounded to the nearest £1,000 unless stated otherwise.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.8; and
- The requirements of section 33 Key Management Personnel Compensation 33.6.

The Company's ultimate parent undertaking is Onward Group Limited. This information is included in the consolidated financial statements of Onward Group Limited as at 31 March 2025 and these statements may be obtained from Renaissance Court, 2 Christie Way, Didsbury, Manchester, M21 7QY.

b) Measurement convention

The financial statements are prepared on the historical cost basis.

c) Going concern

The Company is reporting a deficit before tax for the year of £1.2m (2024: £2.3m). This primarily relates to interest payable on inter-group loans. The Company has in place debt facilities of £69.0m (2024: £64.0m), of which £10.1m is undrawn (2024: £12.8m) and cash and cash equivalents of £2.0m (2024: £2.5m). The inter-group loan was assessed in both FY23/24 and FY24/25 for potential credit risk following the impairment of the Company's assets. As the loans do not fall due for several years and are being serviced in accordance with their terms we do not believe there is a credit risk.

Despite these challenges the Board believes that, whilst some uncertainty exists, this does not pose a material risk that would cast doubt on the Company's ability to continue as a going concern.

On this basis, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

d) Judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on the amounts recognised in the financial statements.

Impairment: A non-financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

At each reporting date, management consider whether there is evidence of impairment by first assessing whether any impairment indicators have been triggered. If so, then impairment is then considered and calculated.

A non-financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a non-financial asset measured at amortised cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

For non-financial instruments measured at cost less impairment an impairment is calculated as the difference between the carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the statement of comprehensive income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Costs to complete: The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the recoverability of property developed for outright sale and/or land held for sale can then be determined. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.

Recoverability of the cost of properties developed for outright sale: Properties developed for outright sale are held at the lower of costs of developing the unit or at the estimate of fair value less cost to sell. Fair value less cost to sell is only used when the Company cannot fully recover through sales the cost of developing the units or when there is impairment of the property. The difference between the costs of the development and the estimated fair value less cost to sell are accounted as part of the cost of sales. The estimated fair value is based on the market price the Company will generate from the properties and the costs to sell are the estimated transaction costs of completing the sales.

The Board considers that there are no key sources of estimation or uncertainty that will significantly impact on the carrying value of assets and liabilities within the next financial year.

e) Basic financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. These include bank loans. Onward Build does not have any financial instruments which fall into the non-basic financial instrument category.

NOTES TO THE FINANCIAL STATEMENTS (continued)

e) Basic financial instruments (continued)

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. After initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

f) Interest

Interest payable and similar charges include interest payable and finance charges on liabilities recognised in the statement of comprehensive income using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of housing properties that take a substantial time to be prepared for use are capitalised as part of the cost of that asset. Other interest receivable and similar income includes interest receivable on funds invested.

g) Taxation

The tax charge for the year is based on the loss for the year end and includes current tax on any taxable losses for the year and deferred taxation.

Current tax is the expected tax payable or receivable on the taxable income or deficit for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

h) Other tangible fixed assets

Other tangible fixed assets include those assets with a continued economic benefit to the group.

Depreciation is provided on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

i) Value added tax

The Company is VAT registered and is not part of the Onward Group Limited VAT Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

j) Properties held for sale and work in progress

Shared ownership first tranche sales and property under construction are valued at the lower of cost and estimated selling price less cost to complete and sell. Cost comprises materials, direct labour and direct development overheads. Estimated sales price is stated after allowing for all further costs of completion and disposal.

k) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income in the period that they arise. Rental income from investment property is accounted for as described in the turnover accounting policy

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Operating loss

Operating loss is stated after charging:

Auditor's remuneration (excluding VAT):
In their capacity as auditors

2025 £'000	2024 £'000
15	-

Audit fees and fees to the auditors for other services were paid by Onward Group Limited in the year and recharged via group charges to all subsidiaries.

4. Board members

No remuneration was paid to the Directors on the Board in their capacity as Directors of the Company.

5. Employee information

Onward Build Ltd does not have any employees but is supported by staff from Onward Homes Ltd. Staffing costs are recharged to Onward Build Ltd based on 1% of works and 1% of the land purchased with a 4% mark up. These costs are capitalised in line with the accounting policy. There are no full-time equivalent staff whose remuneration (including salaries, benefits in kind, pension contributions paid by the employer and any termination payments) exceeded £60k.

6. Interest receivable and similar income

	2025 £'000	2024 £'000
Bank interest receivable	31	46
	31	46

7. Interest payable and similar charges

	2025 £'000	2024 £'000
Intra-group loan interest	2,893	2,234
Non utilisation fees	46	57
	2,939	2,291
Capitalised interest	(1,666)	-
	1,273	2,291

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Taxation

	2025 £'000	2024 £'000
UK corporation tax		
Current tax charge for the year	-	-
Adjustment in respect of previous years	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment in respect of previous years	-	-
Effect on tax change on opening balance	-	-
	-	-
Total tax loss/(credit) on loss on ordinary activities	-	-

All amounts of taxation are recognised in the statement of comprehensive income.

Factors affecting the tax charge for the period

The current rate of tax for the year is the same as the standard rate of corporation tax in the UK of 25% (2024:25%). The differences are explained below:

	2025 £'000	2024 £'000
Loss on ordinary activities before taxation	(1,237)	(2,255)
Current tax at standard corporation tax rate	(309)	(564)
Expenses not deductible for tax purposes	318	573
Adjustments in respect of prior periods – deferred tax	-	-
Group relief surrendered	22	9
Deferred tax not recognised	(31)	(18)
Tax rate differences on deferred tax	-	-
Total tax charge/(recovery) on loss on ordinary activities	-	-

As of 31 March 2025, the main rate of corporation tax in the UK was 25% (2024: 25%).

Deferred taxation

The movement in the year is as follows:	2025 £'000	2024 £'000
Net tax (asset) at start of the year	-	-
Difference between accumulated depreciation and capital allowances	-	-
Unused tax losses	-	-
Deferred tax charges in statement of comprehensive income	-	-
Other short-term timing differences	-	-
Net tax (asset) at end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Taxation (continued)

No further deferred tax asset has been recognised in the accounts. At the rate of 25%, the additional deferred tax asset, if recognised, would amount to £1,049,000 (2024: £1,080,000 restated from £591,000 due to changes under corporate interest restriction).

9. Investment properties

	2025 £'000	2024 (restated) £'000
Land	8,007	8,007
	8,007	8,007

Please note the prior year figure has been restated to reclassify the Land as an Investment Property from other Fixed Assets.

Valuation of the land was carried out by external valuers, Cushman & Wakefield, to obtain a reasonable assessment of the fair value of the land. This was determined to be immaterially different to the carrying amount.

10. Properties for sale and work in progress

	2025 £'000	2024 £'000
Development under construction	47,563	45,415
Impairment of development under construction	(3,533)	(3,533)
Land transferred to Other Fixed Assets	-	(8,007)
	44,030	33,875

11. Debtors due within one year

	2025 £'000	2024 £'000
Other taxation and social security	14	1,242
Trade Debtors	19	-
Amount owed by related parties	68	-
Prepayments and sundry debtors	1	-
	102	1,242

During FY23/24 Onward Build claimed back £1,200k VAT from the purchase of land which was received in FY24/25.

12. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Loans from related parties	31	22
Trade creditors	675	668
Accruals and deferred income	2,784	497
Amounts owed to related parties	287	68

NOTES TO THE FINANCIAL STATEMENTS (continued)

3,777	1,255
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Amounts owed to related parties are due on demand and interest free.

13. Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Loans from related parties	58,891	52,191
Capital creditors and retentions	952	477
	59,843	52,668

The inter-group loans held become repayable on the 10th anniversary of the development for which the fund were intended. The interest rates are set at Group WACC +2%.

14. Financial instruments

	2025 £'000	2024 £'000
The carrying amounts of the financial assets and liabilities include:		
Financial assets measured at transaction price adjusted for transaction costs (historic cost):		
Trade receivables (note 11)	19	-
Other receivables (note 11)	83	1,242
Cash and cash equivalents	1,980	2,535
Total financial assets	2,082	3,777
Financial liabilities measured at transaction price adjusted for transaction cost (historic cost):		
Loan payable (note 12 & 13)	58,922	52,213
Trade creditors (note 12)	675	668
Other creditors (note 12 & 13)	4,023	542
Total financial liabilities	63,620	53,423

15. Non-equity share capital

	2025 £	2024 £
Shares of £1 each fully paid and issued:		
At start of the year	100	100
At end of the year	100	100

This note is shown in £s rather than £'000s

16. Transactions with related parties

There are no related party transactions during the year, with the exception of transactions with wholly owned members of the group. Onward Build Ltd has opted to take the disclosure exemption under the requirements of section 33 Related Party Disclosures paragraph 33.8 of FRS102 and as such do not need to report of these transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Capital commitments

	2025 £'000	2024 £'000
Capital expenditure contracted for but not provided for in the financial statements general balance	47,521	94,253
Capital expenditure authorised by the Board but not yet contracted for general balance	77,855	33,499
	125,376	127,752

Capital expenditure commitments are funded through future grant funding of £24,815,197 with £33,592,051 provided by internal funding and £66,968,125 through sales income.

18. Contingent liabilities

There were no contingent liabilities as at 31 March 2025 (2024: £nil).

19. Ultimate parent Company and parent Company of larger group

The Company's immediate parent Company is Onward Homes Limited (17186R) a charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. The Company's ultimate parent undertaking and controlling party is Onward Group Limited (31216R), a Registered Provider of social housing. This is the smallest and largest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from its registered office: Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

20. Post balance sheet events

There were no significant post balance sheet events requiring adjustment to the financial statements.

21. Prior year adjustment

	2024 £'000	Adjustment £'000	2024 Restated £'000
Other fixed assets	8,007	(8,007)	-
Investment Properties	-	8,007	8,007

The prior year has been restated in respect of land that is being held for capital appreciation rather than for development or own use, which previously was classified in error as other tangible fixed assets rather than as investment property. The impact of the adjustment is detailed above. There is no impact on the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows or Total Fixed Assets resulting from this adjustment.