Onward Homes Limited

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

FCA Registration number 17186R

RSH Registration number LH0250

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Annual Report and Financial Statements

BOARD AND ADVISORS

Members of the Board

Non-Executive Directors

Tim Johnston (Chairman)

Rachel Barber (resigned 31 October 2024)

Dena Burgher

Katherine Jones

Kieran Keane

Tina Kokkinos

Karl Tupling

Diana Hampson

Executive Directors

Bronwen Rapley, Chief Executive

Danielle James, Executive Director (Finance) (appointed 1 April 2024)

Alexander Livingstone, Executive Director (Property)

Matthew Saye, Executive Director (Operations) (resigned 15 April 2025)

Company Secretary

Sara Byrne

Principal Banker

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

Principal Solicitors

Devonshires Solicitors LLP

3 South Brook Street, Aire Park, Leeds, LS10 1FR

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 the Strategic Report containing the operating and financial review for the year ended 31 March 2025.

Overview and background

Onward Homes Limited was formed in September 1965 as a Housing Association based in Merseyside. It is a subsidiary of Onward Group Limited (the “Group”). Over the years the Association has grown by developing homes and by acquiring homes from other Housing Associations. It now operates across the Northwest and fulfils its charitable objectives by offering a large portfolio of affordable rented homes for those in housing need, low cost home ownership products and associated services.

Onward (the “Group”) is one of the largest housing and regeneration organisations operating in the Northwest of England. Our vision and corporate objectives reflect the priorities, needs and aspirations of our customers.

Our Strategy

Our focus continues to be to adapt and evolve the business so that we continue to deliver our Corporate Plan that we have called ‘The Onward Difference’.

The Onward Difference is the positive difference we will make by enabling people and communities to be their best. Onward will do this by providing homes that our customers and tenants love, in places they are proud of and by working with partners to go beyond housing and invent new ways to do more.

We have defined the following objectives to support delivery of the Onward Difference:

1. **Enabling** – We aim to support people and communities to fulfil their aspirations and potential, by giving them choice, control and responsibility
2. **Technology** – We will use modern technology and better data to find new ways for our customers to have the best possible experience of living in our homes
3. **Environment** – We will become a leading environmentally friendly landlord, providing warm, safe and affordable housing
4. **Listening** – We will be a listening landlord, that leaves our customers delighted
5. **Colleagues** – We will be an employer people love working for and colleagues are proud of

As an organisation we have embedded our values which underpin our vision:

1. **Creative** in our approach and ambition
2. **Excellent** at delivering meaningful services
3. **Respectful** to our customer and each other

The focus of this financial year has been evolving our business so that we can continue to invest in our homes and services for our customers and create a solid foundation to deliver the Corporate Plan for 2025 to 2030.

We are doing this through the continuation of our Evolution programme with the focus on:

- **First Time Fix Maintenance** – continued in-sourcing of our reactive repairs and void service to maximise efficiency and customer service
- **Onward Environmental** – in-sourcing of estate services to maximise customer service
- **Systems for our Future** – facilitated by a new housing management system and rationalising the number of systems in use, using data to drive decisions and being open to the opportunities of AI and robotic process automation (RPA)
- **Target operating model** – aligning our resources to current conditions

Legal structure

Onward Homes Limited is a wholly owned subsidiary of Onward Group and is the largest and only charitable subsidiary in the Group owning around 30,000 social and affordable homes. Onward Homes delivers the majority of services to customers. Onward Homes holds an interest in joint venture S4B Limited which delivers the PFI contract for Manchester City Council in the Brunswick area of the city and delivers the housing management contract.

STRATEGIC REPORT (continued)

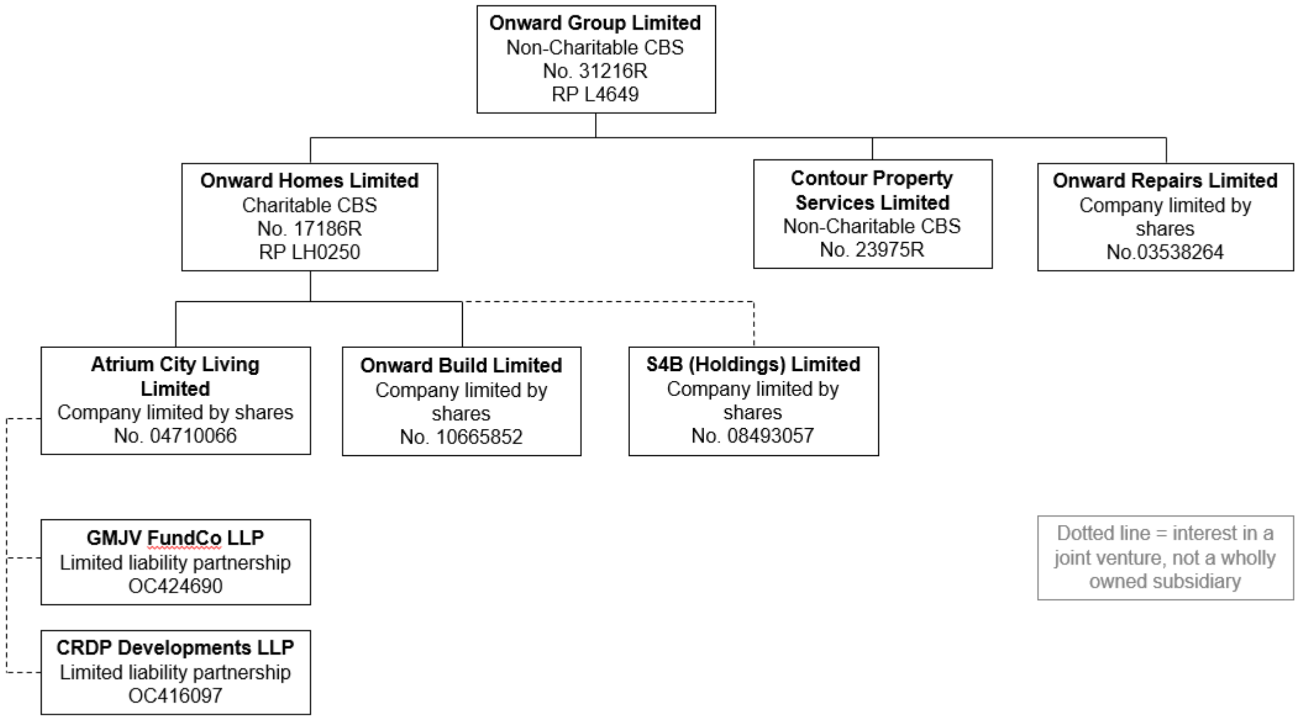
Legal structure (continued)

Atrium City Living Limited

A wholly owned subsidiary of Onward Homes Limited and acts as a delivery vehicle for development investment via Joint Venture partners. Atrium holds an investment with the Greater Manchester Joint Venture (GMJV).

Onward Build Limited

A wholly owned subsidiary of Onward Homes and is a development company which delivers development services to Onward Homes as well as building units for outright sale. Onward Build has been selected to deliver the Group's flagship development schemes at Basford East and Helsby. These schemes will deliver over 350 new homes for affordable rent, shared ownership and market sale.



The Group is governed by a common board which acts as the board for Onward Group and Onward Homes. It has responsibility for Group oversight and ensuring consistency of strategy, service and compliance.

Financial review

The 2025 financial performance reports a surplus before tax for the year of £14.2m (2024: £15.1m), 7.2% as a percentage of turnover (2024: 7.9%). Whilst underlying trading is strong, this has been a challenging year most notably due to cost pressures across disrepair, voids and repairs. Overall turnover increased to £197.7m in 2025 (2024: £189.8m). The operating surplus dropped slightly to £25.8m from £26.0m in the previous year. The balance sheet remains strong with an increasing net asset base due to development of properties and growing reserves from operational surpluses achieved. Reserves have increased from £411m to £429.4m.

For the 2025 financial year, average rent increase for the year of CPI+1% was applied which was based on September 2024 CPI of 6.7%. Price increases have continued to put pressure on the operating surplus but to a lesser degree than last year, resulting in an improved surplus before tax compared to 2024. The cost increases seen were primarily due to up-front and one-off costs relating to investments in the Evolution Programme and increased volume and demand for repairs.

We're refining our data which will allow us to gain insights that guide our long-term planning and focus investments where they'll have the most impact and enable us to target our resources more effectively and efficiently.

Financial review (continued)

We know that age of stock and EPC Energy Efficiency rating are directly correlated with:

- Overall repairs demand
- Volume of damp & mould cases
- Volume and cost of roof repairs cases
- Disrepair claims
- Customer satisfaction

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Our total combined spend on routine, major, and planned repairs rose by £4.5m this year, with Onward seeing a noticeable increase in demand of repairs and subsequent increase in volume with 94,131 repairs requests during the year, an increase of 17.1% from the previous year.

Total cash and short-term investments were £15.8m (2024: £14.4m). The movement in the cash position is a result of bank lending ahead of anticipated development spend.

Proceeds from sale of property totalled £6.5m due to a focus on strategic disposals through a portfolio management programme to ensure we are utilising our financial resources efficiently.

All surpluses achieved will be used to increase future investments in our homes, services and neighbourhoods.

Lender covenants are based on Onward Homes only as all external financing sits within the Association. The tightest lender covenant, EBITDA interest cover (which measures the extent to which the surplus covers interest payments) is 314% in 2025 (2024: 351%). Gearing (which measures the level of indebtedness using the value for money metrics definition) is 30.9% (2024: 25.0%). Gearing has increased during the year as an additional net £86m of revolving bank funding has been utilised to support the development programme. These ratios remain comfortably within the levels permitted by funders' loan agreements and contribute to the Moody's' A1 rating.

As part of the business plan process, Onward undertakes robust sensitivity and stress testing to understand the impact on covenants and other key financial metrics. These stress tests are set in conjunction with the Board to ensure that all possible scenarios are considered. The analysis shows that should any emergencies arise the Association has significant control over its expenditure to respond and mitigate any risk of a breach.

The key future metrics as per our business plan are shown below and show a steady increase over the next five years as we recognise the impact of the savings identified from the Evolution programme:

Finance Metrics	2025/26	2026/27	2027/28	2028/29	2029/30
Reinvestment %	**9.9%**	**9.0%**	**8.2%**	**7.8%**	**6.5%**
Gearing %	**28.5%**	**32.9%**	**35.3%**	**37.5%**	**36.5%**
EBITDA Only Interest Cover Ratio	**288.0%**	**364.0%**	**342.0%**	**316.0%**	**302.0%**
Operating Margin % SHL Only	**13.8%**	**18.0%**	**20.8%**	**20.6%**	**20.0%**
Operating Margin % Overall	**11.3%**	**13.5%**	**17.2%**	**16.5%**	**16.0%**
ROCE %	**1.9%**	**2.7%**	**3.0%**	**2.9%**	**3.2%**

Operating review

Overview

The Group's annual performance has remained relatively stable despite the challenges of increased demand and costs for services such as repairs, voids, disrepair and damp and mould. The cost of living also continues to be a challenge for our customers and there has been continued focus on controlling spend and maximising income in areas that are within our control through a 'running our business well' group.

Repairs continued with an upward demand trend with 94,131 repairs requests during the year, an increase of 17.1% from the previous year. The continued increase in demand was partially attributed to the increase in damp and mould and roofing works somewhat due to the age profile of our stock (14.1% of our stock was built before 1919). A new in-house damp and mould team has been established which will mitigate some external costs in the coming years.

Operating review (continued)

To meet some of these challenges, Onward's corporate plan is focussed on improving services to customers, improving efficiency by leveraging technology and implementing new ways of working and delivery models through the continuation of the Evolution program. This year we have seen the in-sourcing of both our environmental services and of the repairs service in Greater Manchester which has allowed us to exercise greater control over our service delivery amid rising external contractor costs and to achieve enhanced value for money for our customers through improved operational efficiency.

Onward saw a decrease in new disrepair cases in the year due to active case management aimed at improving customer service and mitigating escalation. We closed more cases compared to the previous year, completing 637 (2024: 439) which resulted in increased costs related to both disrepair work and legal expenses.

Onward also continues to invest in its development programme and have delivered 434 new homes this year and have spent £28.0m on maintaining and improving our existing homes which will directly benefit our customers. We are also actively managing our stock through a portfolio management project which reviews properties that require investment to understand the most appropriate action and potentially release funds to use in our future development plans where appropriate through strategic disposal.

We invested £10.4m to retrofit 376 of our homes to EPC C, supported by the Social Housing Decarbonisation Fund. Our goal is to achieve EPC C across all homes by 2030 and our business plan supports this.

Performance

The Board provides the following details in relation to its key housing management and maintenance performance. These reflect the subset of the indicators that the Executive Team and Board review to ensure the group is achieving its objectives and strategies.

Voids/Relets

Measure	2025	2024	2023	2022	2021
Void Loss %	2.67%	2.70%	2.26%	1.85%	2.36%
Average re-let (days)	47.9	75.5	48.5	63.2	59.6

One of the Group's key performance indicators is the amount of money lost when properties become void and days empty when properties cannot be immediately re-let to tenants in need of homes. The Group aims to re-let properties as soon as possible after the previous resident leaves. However, sometimes this may not be possible because the property may require redecoration, refurbishment or improvements.

This year, void levels improved slightly from 2.70% in the previous year to 2.67%, and average re-let days dropped to 47.9 from 75.5, driven by a business initiative to enhance end-to-end void management.

Our portfolio management programme continues to target wise investment by reviewing stock and selling non-viable properties over the next five years to support growth and manage risk. Long-term voids are also assessed for reinvestment potential or disposal, balancing financial and asset risks. This year, we disposed of 23 empty properties, compared to 32 in 2024.

Income collection and arrears

Measure	2025	2024	2023	2022	2021
Rent Collection %	99.9%	97.4%	99.2%	99.8%	100.3%
Arrears - current residents %	4.9%	5.2%	5.1%	5.0%	5.6%
Arrears - former residents %	1.8%	1.6%	1.6%	1.5%	1.5%
Arrears - Total %	6.7%	6.8%	6.7%	6.5%	7.1%

Operating review (continued)

Rent collected and the volume of arrears is a key indicator of our ability to deliver core business. Our overall rent collection performance has increased to 99.9% (2024: 97.4%) and overall arrears have reduced slightly in the year to 6.7% from 6.8% in the previous year.

New technology and automation have been implemented to enhance customer service and increase productivity. This year, the money advice team has assisted 1,335 customers with guidance and referrals as needed.

Our customers still face affordability challenges due to the cost of living crisis, high inflation, and rising energy prices affecting their incomes and we continue to support them as much as possible.

Repairs

The average number of responsive repairs per property was 3.27 (2024: 3.46) at a cost of £895 per property (2024: £784). 85.9% (2024: 77.4%) of responsive repairs were completed in the target time (target 90.0%).

The in-sourcing of the repairs service across the Lancashire and Greater Manchester regions has already delivered improvements in repairs completed within target time despite increased demand.

Measure	2025	2024	2023	2022	2021
Ave no. repairs per property	3.27	3.46	3.17	2.69	3.30
Repairs cost per property	£895	£784	£613	£613	£480

Development and reinvestment

Our investment commitment of £3.0m (£0.8m equity and £2.2m debt) in Hive Homes, which is a joint venture between ten Greater Manchester housing associations and the Greater Manchester Combined Authority, will deliver over 600 affordable homes for sale in Greater Manchester.

Onward are committed to building 5,000 new homes by 2030 and are on track to deliver this target. This year we delivered 434 new homes and remain committed to ensuring that we retain sufficient capacity to invest in new homes and our business plan supports this.

Onward Build is now in the process of developing 350 mixed tenure development schemes at sites in Basford and Helsby. Both schemes were paused during FY23/24 following the main contractor going into administration, but the Helsby scheme has now secured a new lead contractor, and the scheme returned on site in May 2024 and is now well underway. The Basford scheme have appointed a new lead contractor and phases 1 & 2 are back on site and no further indications of impairment have been identified.

Investing in and maintaining the standard of our existing homes remains our priority. Our Homes Standard will ensure that our customers' homes now, and in the future, will be maintained and improved to the standard they would expect. This year, we invested £28.2m in new kitchens, bathrooms, heating, re-roofing, windows and doors (2024: £31.6m). We are also continuing to retrofit our homes to meet the decarbonisation target requirement across all our homes by 2030.

Principal risk and uncertainty

An effective risk management framework supports the delivery of The Onward Difference and the objectives we have defined to support the delivery of our vision. Our risk management framework is an established methodology that supports the identification, assessment, management and reporting of the risks facing our organisation both at a strategic and operational level.

The Board has overall responsibility for risk management and for setting our risk appetite (the amount of risk we are willing to take to achieve our objectives). Board receives regular reports on the risks facing our business and considers risk at each meeting to ensure they have a comprehensive understanding of current and emerging risks.

The Board formally reviews our risk appetite each year to ensure that it reflects our organisation, our priorities and the challenges in our external environment. This is particularly important given the uncertainty in our operating environment and the wider macro-economic uncertainty which has impacted our customers, our business and the partners we work with.

Principal risk and uncertainty (continued)

The Audit & Risk Committee is responsible for the oversight of our risk management framework and for monitoring the effectiveness of our internal controls. Committee reports to Board at each meeting to ensure that Board has the assurance required with respect to our risk management, internal control and governance processes.

Internal Audit

Internal audit provide independent assurance with regards to the management of risk and operation of controls. During the year we worked with our internal audit partner, Beever and Struthers to establish an internal audit programme, aligned to our strategic risk register to provide assurance with regards to internal control systems, processes and the management of our key risks.

Key Risks

The Board has identified the following key risks that it considers a potential threat to the achievement of our strategic objectives. These have been considered in line with the Sector Risk Profile produced by the Regulator of Social Housing, the introduction of the revised Consumer Standards and the environment in which we are operating:

Risk	Mitigation
Business Plan Capacity Onward is financially robust, however, there is a risk that we are unable to deliver our business plan due to economic pressures, volatility in the macro-economic environment, the impact of increased legislation, our stock profile which drives costs and increases risk and environmental considerations which have resulted in unfunded liabilities.	We stress test our 30-year business plan using a range of scenarios on a regular basis to support planning and decision making. The scenarios cover a range of potential challenges, for example, increased costs, rent changes and a significant one-off cost which allow us to test potential break points in the plan and are set in conjunction with the Board In addition, the Board has set Golden Rules to ensure we remain financially resilient; these are reviewed regularly to ensure they remain relevant and are effective in holding us to account for our financial performance. We report these monthly and at the quarterly Treasury and Finance committee meeting. We have embedded a business planning process that supports our objectives and allows us to identify efficiencies.
Evolution and Change Businesses regularly need to reassess their operations to ensure they reflect the environment in which they operate and external challenges. We are on an evolution journey implementing several key initiatives to ensure that we can improve services to our customers and set our organisation for future success.	We have procured a new housing management system and are on a journey to implementation which will see a new system introduced in FY25/26, allied to this we have brought a number of key services 'in-house' to ensure we can directly influence service delivery in the key areas of repairs and grounds maintenance recognising the importance of these areas for our customers. This will enable us to have greater operational control over these services which will in turn bring more value for money and provide an improved service for our customers. We recognise that a period of change can be challenging for our colleagues and so we have established effective governance processes to monitor the delivery of our Evolution programme and the impact on our colleagues.
Complex and Volatile Political and Economic Environment The environment in which we operate remains challenging on a scale never seen in our sector, the pace and scale of legislative change allied to fiscal challenges, high demand from our customers, media focus and a new government increases the risk inherent in our decision making.	We keep a watching brief on the challenges we face and regularly horizon scan for emerging risks, engaging our Board in discussions to consider the potential impact on our business. We model the impact of these risks on our business plan and consider the effect on our wider organisation.

Risk and uncertainty (continued)

Risk	Mitigation
Property Condition and Portfolio (Damp and Mould, Disrepair, Complaints, Repairs Demand, Capital Works) Onward has a significant proportion of older properties within our portfolio which increases our risk in this area. Older properties drive repairs and maintenance costs, increase customer dissatisfaction and are more prone to damp and mould and claims relating to disrepair.	We have established a robust process to respond to reports of damp, mould and condensation. The process is embedded within our business, and we are regularly reviewing and refining these processes to ensure we keep our customers safe in their homes and are able to respond to changes in legislation in this area. We are reviewing our property portfolio to rebalance our asset risk and ensure our portfolio reflects the needs of our customer whilst ensuring that we are spending our finances wisely.
Quality of Service to Customers Providing a consistent quality service to our customers that considers equality and vulnerability and meets the requirements of the revised consumer standards is important to us. This is difficult to achieve in the current environment with increasing demand, fiscal challenges and external pressures.	We monitor the service we deliver to our customers using a range of performance indicators which are reported to management and Board each month. Areas of underperformance are discussed in detail and action plans established where needed. We regularly ask our customers how they think we are performing and review our service delivery as needed. In response to concerns raised by our customers we are continuing with our approach to bring key customer services in house in the areas of repairs and grounds maintenance. The changes we have made in this area to date have had a positive impact on the quality of services delivered to our customers.
Borrowing Capacity The financial impact of development, fire remediation works, the green agenda allied to legal and regulatory requirements relating to stock condition creates pressure on our funding plans. In addition, uncertainty in the macro-economic environment creates funding challenges with respect to interest rate volatility which impacts on our long-term plans.	We regularly review our cashflow and spending plans and work with treasury advisors to ensure our financing supports the delivery of our business plan. We stress test our 30-year business plan, using a range of potential scenarios to ensure we can withstand financial stressors without impacting our lending covenants. During FY25/26 we are reviewing our funding strategy utilising the expertise of our external Treasury Advisors as existing facilities reach term and we consider our options over the short, medium and long term in line with our Treasury Strategy.
Statutory Property Compliance Keeping our customers safe in their homes and ensuring we are delivering our statutory responsibilities is important to us.	We have established robust processes to ensure we are able to deliver our statutory responsibilities and keep our customers safe in their homes. We gain assurance using the expertise of our internal audit partners to provide assurance that processes are operating effectively and are embedded throughout our business.
Weight and Scale of Regulation As a sector we are facing into a shift in the regulatory landscape as we consider the potential impact of Decent Homes 2, Awaabs Law and proposed changes to Social Housing.	Whilst we do not yet know the specific details of each piece of emerging legislation, we have tested our process in key areas such as damp and mould and have stress tested our business plan to ensure we can manage the impact of increase legislation and improved standards.
People, Culture and Engagement We recognise that our people and the culture within our business are key to delivering our Corporate Plan and delivering a high-quality service to our customers.	We run regular organisation-wide training to embed our culture and support the delivery of the Onward Difference. In addition, we survey colleagues to assess the quality of our culture and how well this is embedded within our business. This remains an area of focus as we deliver our Evolution Programme, and the changes needed to ensure our organisation can respond to future challenges.

Risk and uncertainty (continued)

Risk	Mitigation
Failure to engage with customers at a strategic level Failure to evidence that we involve our customers in strategic decisions, that we listen to their views and that we use the information we hold about them to plan service delivery both strategically and on a day to day basis is a risk facing all housing providers as we seek to work with our customers to respond to their service needs and embed the requirements of the revised Consumer Regulations.	We have robust customer engagement mechanisms that are embedded within our business and provide customers with a range of opportunities to engage with us. In addition, we have a regular programme of engagement between the Board and our customers to allow our Board to hear directly from our customers about the issues that matter to them. We are committed to continuous improvement in this area and are working with external specialists and our engaged customers to review and refine our engagement and influencing arrangements.
Data Quality Housing Providers hold large volumes of data about our properties and our customers, there is a risk that data quality is not sufficient to meet the needs of our business and to allow us to deliver on our responsibilities with respect to knowing our customers, our properties and supporting service delivery.	We have commenced a project to ensure the accuracy of the data we hold about our customers and our properties; this will ensure that we transfer high quality data into our new housing management system, that we are able to meet the requirements of the Consumer Standards and that we can deliver high quality services that meet the needs of our customers.
Reputation Media interest in the sector continues and will likely increase as new legislation come into effect with the introduction of Awaabs Law and Decent Homes 2.	We work hard to 'get the basics right' and we have embedded a complaints service that complies with the Housing Ombudsman's Compliant Handling Code. We have a specialist team responding to reports of damp and mould, and we have reviewed the delivery of our repairs service to ensure that we have greater control over the service received by our customers. We continue to work hard to maintain the trust of our customers and our wider stakeholder group as we respond to the challenges in the external environment and respond to increased legislation.
Significant Cyber Security Incident The risk of a cyber-attack which results in data and systems being compromised and impacts on the ability to deliver services and results in the loss of personal and business data is ever present in our operating environment.	We have introduced market leading controls to manage cyber risks and constantly monitor the threat environment. We recognise that this environment is complex and fast changing and we work with an external specialist organisation to ensure we can keep pace with this increasingly challenging risk area. Maintaining services in the event of a cyber-attack has been an area of focus during 2024/25 as we have reviewed our business continuity arrangements across the business.

Treasury objectives and strategy

The Association's treasury activities are managed in line with Group's Treasury Management Policy and Treasury Strategy, both of which are reviewed annually. Both the Policy and Strategy are approved by the Treasury & Finance Committee and Board. The Treasury Strategy and Policy were last approved by the Treasury & Finance Committee in May 2025 and considers the following risks:

- Liquidity risk
- Counterparty credit risk
- Interest rate risk
- Legal and regulatory risk
- Operational risk

The Association regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities focuses on the risk implications for the Association.

It also acknowledges that effective treasury management supports the achievement of Group objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Treasury Policy stipulates that liquidity must be at least 18 months per the Board's golden rule. This must be supported by a 24-month forecast as a basis for effective treasury planning. Forecasts from the financial plan approved in June 2025 show that undrawn loan facilities are sufficient to finance group activities until 2028. Negotiations with lenders are underway to refinance and procure additional fixed rate debt to repay drawn revolving credit facilities (RCFs) by Autumn 2025 as per the approved Treasury Strategy.

Despite the fall in the Bank of England base rate this year, the cost of funding has remained consistently high throughout the year. We successfully mitigated most of this impact by having a significant proportion of fixed rate debt. The Treasury Policy stipulates that fixed and floating rate loan exposures must be managed within the following limits:

Debt type	Minimum	Maximum
Fixed Rate	**60%**	90%
Floating Rate	**10%**	40%

As of 31st March 2025, 66.2% (2024: 80.2%) of borrowing was fixed via a combination of fixed rate bank loans and fixed rate capital market funds. Banking and bond interest has increased year on year to £15.3m (2024: £13.3m) due to the drawing additional floating rate debt via RCFs to support the progression of the development programme.

As of 31st March 2025, the Association has borrowing facilities of £857.3m (2024: £865.9m) of which £458.3m has been drawn down (2024: £380.9m). The available facility includes £400m (2024: £400m) of revolving facilities of which £314m were undrawn as of 31st March 2025 (2024: £400m). The cash balance as of 31st March 2025 was £15.8m (2024: £14.4m) and has not fallen below the £10m group golden rule cash limit set by Board.

We are financed by a combination of retained reserves, long-term debt facilities and project-specific grants to part-fund the acquisition and development of new home and have the financial capacity to repay debt in accordance with the repayment profile of its debt facilities.

Compliance with lender financial covenants is monitored continuously and reported to the Treasury & Finance Committee on a quarterly basis. The report for March 2025 confirmed that the Association was compliant with all loan covenants, and that the approved financial plan demonstrates ongoing compliance with covenants and golden rules.

Treasury objectives and strategy (continued)

Loan agreements allow up to 8% of on-lending across the entities within the Onward Group. The on-lending percentage compares the total value of the on-lending against the historic cost of housing properties excluding properties under construction. The Board have set a golden rule for on-lending at 6.8% as an early warning indicator and as of 31 March 2025 on-lending was 4.4%. This allows for a an additional £35.7m of on-lending if required. There were no breaches of loan covenant or treasury policy golden rules.

Corporate Governance

The Group Board is responsible for the leadership of our business, for setting our strategy, monitoring the delivery of the Corporate Plan, holding Executive Directors responsible for the performance of the organisation and ensuring that adequate levels of resource are available to deliver our objectives.

The Board has delegated day-to-day management to a group of Executive Directors. The Executive Team is led by the Chief Executive and has responsibility for making decisions in relation to strategic issues and other issues with group-wide implications, overseeing regulation and monitoring financial viability. The Executive Team meets on a regular basis and recommends policy and strategy decisions to the Board.

During FY24/25 the Board held 6 formal meetings and 1 strategy day. Attendance of members was as follows.

Board Member	Attendance
Tim Johnston (Chair)	100%
Tina Kokkinos	86%
Kate Jones	100%
Kieran Keane	100%
Karl Tupling	100%
Rachel Barber (resigned 31 October 2024)	75%
Dena Burgher	100%
Diana Hampson	100%
Bronwen Rapley	100%
Danielle James	100%
Alexander Livingstone	100%
Matthew Saye	86%

Board Committees

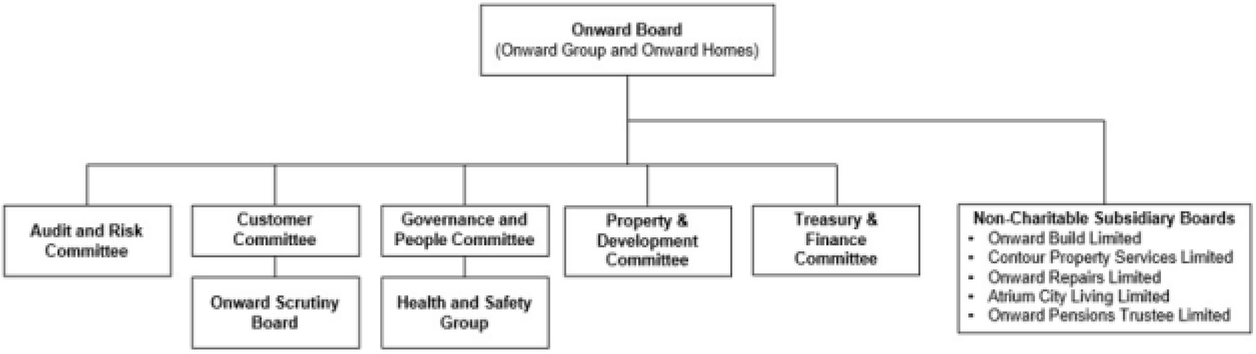
We operate the following committees to support the Board, providing detailed oversight of business operations. Each committee has responsibility delegated by the Board which is detailed in their terms of reference.

- 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 in addition to ensuring the Health and Safety of our colleagues and monitoring the impact of key people strategies.
- Customer – oversight of customer engagement and customer voice and the quality of services delivered to our customers. This Committee receives a report at each meeting from Scrutiny Board.

The Committees report to Board at each meeting, with the Committee Chair providing information about key decisions and discussion. In addition, meeting minutes are shared with the whole Board for information.

Corporate Governance (continued)

Committee Structure



Committee Membership as of 31 March 2025

Committee	Members
Treasury & Finance Committee	Tina Kokkinos (Committee Chair) Tim Johnston Kate Jones (left 1 November 2024) Kieran Keane (left 1 November 2024) Karl Tupling (joined 1 November 2024)
Audit & Risk Committee	Kieran Keane (Committee Chair) Diana Hampson Rachel Barber (left 1 November 2024) Kate Jones was (joined 1 November 2024)
Governance and People Committee	Kate Jones (Committee Chair) Dena Berger Tina Kokkinos Kieran Keane (joined 1 November 2024)
Property and Development Committee	Dena Berger (Committee Chair) Diana Hampson Karl Tupling
Customer Committee	Rachel Barber (Committee Chair) (left 1 November 2024) Karl Tupling (appointed as Committee Chair on 1 November 2024) Kate Jones Kieran Keane (joined 1 November 2024)

The Board regularly reviews committee membership as part of our succession arrangements to ensure a balance of skills and experience. In addition, each Board member, including the Chair receives a formal annual appraisal which supports their personal development.

Board member biographies, which includes information with regards to their skills and experience is available on the Onward website.

Diversity and Inclusion

Board members are appointed on merit based on their skills and experience with the skills matrix and business strategy informing the skills balance required on the Board with the objective being to establish a Board with a diverse mix of skills, experience and attributes to support the delivery of our Corporate Plan.

Corporate Governance (continued)

The diversity of the Board at the 31 March 2025 was as follows;

Diversity Strand	Board Composition
Gender	5 male 6 female
Ethnicity	10 British 1 British of Caribbean Descent

The Board is committed to diversity and continues to support the Insight Programme enabling people from underrepresented groups to shadow our Board meetings in preparation for their attaining a Board position.

Regulatory Compliance Statement
Each year we assess compliance with the Regulator of Social Housings Regulatory Standards, comprising the economic standards (Governance and Financial Viability, Rent and Value for Money Standards) and consumer standards (Safety and Quality, Transparency, Influence and Accountability, Neighbourhood and Community, and Tenancy Standards).

Social housing providers have been required to meet the updated Consumer Standards since 1 April 2024. We have a process in place to monitor compliance and have worked with customers to ensure our FY24/25 assessment is thorough and robust.

The Tenant Satisfaction Measures (TSMs) return, with survey data and management information has been collected in line with the technical guidance. External validation of our methodology and approach has been provided independently.

The Board is able to confirm that Onward is fully compliant with the regulatory standards, including the Governance and Financial Viability Standard.

Governance Compliance Statement
The Board has adopted the National Housing Federation Code of Governance 2020 and is committed to upholding the Code of Practice for Board Members. The Board meets frequently to determine policy and to monitor the performance of the group.

The Board has considered compliance with the Code and has confirmed compliance during FY24/25. To support this assessment a detailed review of evidence underpinning our assessment has been completed.

Value for money

The Association's approach to, and performance on, value for money is set out in the consolidated Group accounts for Onward Group Limited.

Strategic report

The strategic report including the operating and financial review was approved by the Board on 3rd September 2025 and signed on the 12th September on its behalf by:

Sara.E.Byrne

Sara Byrne
Company Secretary
Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

DIRECTOR'S REPORT

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

Principal activities

The Association's principal activity is the provision of general needs, sheltered and supported housing accommodation at affordable rents to those in housing need and providing low- cost home ownership. It is also engaged in improving the social, economic and environmental problems facing the neighbourhoods in which it operates.

These objectives are carried out for the public benefit as set out in the financial statements. The Board considers legal advice and Charity Commission guidance when determining the activities that the Association undertakes to deliver these objectives.

Board members and Executive Directors

The Board members of the Association are set out on page 2.
The Board members are drawn from a diverse background bringing together professional, commercial and other experiences. No remuneration was paid to the directors on the Board in their capacity as directors of the Association.

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 Association has control. The Association promotes safe practices and continuous improvement through a Health and Safety Group, and regional health and safety forums on which all parts of the association are represented. Onward Homes is committed to ensuring:

- The health, safety and welfare of all our customers, leaseholders, staff, contractors and third parties involved in the operations of the Association
- The safety of the general public who use or have access to premises or sites under its control
- The way in which it operates contributes to the wellbeing of the community at large.

Donations

The Association made charitable donations totalling £500 to Homeless International in the year (2024: £500 to Homeless International). No political donations were made during the year.

Employee involvement

The Board recognises that its employees are its greatest asset and that it cannot achieve its aims and objectives without their involvement and contribution and commitment.

We communicate and consult with colleagues through the following groups;

- The Colleague Forum which includes representation from throughout our business and considers key employee related policies, pay and benefits and is the formal body for communication between our colleagues, the Executive Team and Board.
- The Colleague Equity Forum which includes representation from across our business and ensures that are focussed on inclusion, that we embrace diversity and ensure equality for our colleagues.

Employee involvement (continued)

In addition, we have a number of communication channels supporting these formal groups including regular briefings, a colleague conference and an organisation wide intranet.

We are committed to developing a culture where equality and diversity is embedded and integral to what we do. We actively encourage our colleagues to bring their whole selves to work, and we have a Diversity and Inclusion Strategy which aims to achieve an inclusive culture that respects and values differences and eliminates discrimination.

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. We want to be a great landlord, and we also recognise the importance that good quality housing can have on people's lives and where they live.

As an organisation we work in partnership with customers, local government, public services and private business. Doing more together, by sharing knowledge, coordinating resources and focusing on what will give our customers the best outcome.

The difference we make we have called 'The Onward Difference' and our colleagues are committed to delivering this every day to our customers.

We have articulated our social impact aspirations in a strategy that will ensure that everyone who works at Onward prioritises making or supporting positive social change as an integral part of their work. We want this approach to harness untapped talent and creativity in the communities we serve and to transform the relationship we have with customers, colleagues and partners.

We are on a journey to deliver this aspiration and to date we have made a number of key changes within our organisation to deliver the strategy. 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 Board members is aware, at the time this report is approved:

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

Board members' responsibilities

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

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business

Board members' responsibilities (continued)

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The Board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of internal control

The Board acknowledges its ultimate responsibility for ensuring that the Group has in place a sound system of internal control and risk management and for the review of the effectiveness of that system during the year.

The Audit & Risk Committee is responsible for monitoring this system and reporting on its effectiveness to the Board. 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 performance information used within the organisation and for publication
- The maintenance of proper accounting and management records
- The safeguarding of assets against unauthorised use or disposal.

Our internal control and assurance arrangements include:

- A risk management framework which is embedded throughout our business and is regularly reviewed by management and Board. As part of this the Board has articulated the risk appetite of the organisation and regularly reviews this to ensure it remains relevant.
- A governance structure with clear delegation of authority from the Board, detailed within the Scheme of Delegation.
- A policy framework that aligns with our corporate objectives and provides a framework for our business to operate.
- A performance management framework that considers performance against a range of KPIs that are reported throughout the governance and management structure.
- Independent assurance arrangements, provided by our internal and external auditors in addition to a range of independent specialist assurance providers with reports to Board and Committee.
- Financial Controls that comprise detailed budget setting and performance monitoring, stress testing of our business plan and robust golden rules that are regularly reviewed by the Board.
- Resilience planning, we have established detailed winter planning arrangements to ensure we can respond to increased demand and the challenge of bad weather in addition to business continuity arrangements and disaster recovery plans.
- A meaningful customer engagement process that allows Onward to get the views of our customers on issues that matter to them and to triangulate their opinions with what we know from our performance management process.
- An increasing focus on data accuracy so we can be assured that the information we report is accurate and a sound basis for decision making.

Statement of internal control (continued)

Internal Audit

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

External Audit

The work of the external auditors RSM UK Audit LLP provides additional independent assurance over the adequacy of the internal control environment. The Group receives a management letter from the external auditor which details any internal control weaknesses identified during the year end audit. The Board itself, and through the activities of the Audit & Risk Committee has reviewed the outcome of external audit work for FY24/25 and the external audit management letter.

Fraud

Onward has a zero tolerance approach to fraud and has a number of policies 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.

Information with respect to frauds is reported to the Audit & Risk Committee. The Board is responsible for reporting material fraud to the Regulator of Social Housing; no frauds have occurred during the year. The Board has also established a Speak Up Policy which has been launched to the business and encourages colleagues to report any concerns or wrongdoings. Standards of conduct required from colleagues are detailed in the Code of Conduct.

Conclusion

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 governance, risk management and internal control arrangements are operating effectively.

Going concern

The Associations business activities, its current financial position, net current assets of £62.8m (2024: £61.7m) and factors likely to affect its future development are set out within the Strategic Report. The Association has in place long-term debt facilities of £857.3m (2024: £865.9m), of which £458.3m has been drawn down (2024: £380.9m) and cash and cash equivalents of £15.8m (2024: £14.4m). The available cash and funding is adequate to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association's long-term business plan shows that it can service its debt facilities whilst continuing to comply with lenders' covenants.

The surplus as a percentage of turnover is 7.2% (2024: 7.9%).

Whilst underlying trading is strong, this has been a challenging year for the Association most notably due to pressures across disrepair, voids and repairs. The Association applied an average rent increase for the year of CPI+1% which was based on a CPI of 6.7%. Price increases have continued to put pressure on the operating surplus but to a lesser degree than last year. The cost increases were primarily due to up-front and one-off costs relating to investments in the Evolution Programme and increased volume and demand for repairs. Surplus before tax has reduced slightly in the year £14.2m (2024: £15.1m) due to increased interest costs.

A 30-year business plan is produced annually to model future activity of the Association and Group as well as to test for strategic resilience as a result of changes in the economic and political environment. The Group has modelled several scenarios using multiple variants to test the resilience of the business plan.

Going concern (continued)

The Association is confident it can meet the requirements of any loan covenants and can put in place measures, if necessary, to address any unforeseen challenges if required. The Association has sufficient cash and undrawn facilities to cope with this impact.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

On this basis, the Board has a reasonable expectation that the Association 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.

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 3rd September 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 TO THE MEMBERS OF ONWARD HOMES LIMITED

Opinion

We have audited the financial statements of Onward Homes Limited (the 'Association') 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 Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities 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.

Summary of our audit approach

Key audit matters	• No key matters identified
Materiality	• Overall materiality: £13.60m (2024: £19.82m) • Performance materiality: £8.38m (2024: £13.88m) • Specific materiality £3.69m (2024: £3.01m) • Specific performance materiality £2.38m (2024: £2.11m)
Scope	• Full scope statutory audit. • Our audit procedures covered 100% of income, 100% of total assets and 100% of surplus for the year.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. 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.

No key audit matters have been identified

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Overall materiality	£13.60m (2024: £19.82m)
Specific materiality	£3.69m (2024: £3.01m)
Basis for determining overall materiality	3.2% of net assets
Rationale for benchmark applied	Lenders are interested in the level of housing stock and overall reserves position as their debt is secured on these assets. Further Registered Providers have social objectives therefore are unable to distribute surpluses therefore focus is unlikely to be on reported surplus/deficit.
Performance materiality	£8.38m (2024: £13.88m)
Specific performance materiality	£2.38m (2024: £2.11m)
Basis for determining performance materiality	65% of overall materiality (2024: 70%)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £644,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

The materiality benchmark applied by the predecessor auditor for the 31 March 2024 was total assets. We have reflected on the approach to materiality and concluded that for Registered Providers of Social Housing key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets and also the level of reserves, which reflects an organisations indebtedness.

Net assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and receivables that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements.

As a result, we applied a specific materiality calculated using adjusted operating surplus as the benchmark to these balances and transactions. Adjusted operating surplus is considered to be a key metric to use for this purpose due to the scrutiny it receives from lenders.

In addition, a lower percentage was applied to overall materiality to compute performance materiality reflecting the fact this was a first year audit for RSM UK Audit LLP.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our evaluation of the board's assessment of the Association's ability to continue to adopt the going concern basis of accounting included review of business plans, an assessment of the Associations cash flow forecast and consideration of compliance with loan covenants.

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

Other information

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- Proper books of account have not been kept by the association in accordance with section 75; or
- A satisfactory system of control over transactions has not been maintained by the association in accordance with section 75; or
- The income account and the balance sheet are not in agreement with the books of account of the association; or
- We have not obtained all the information and explanations

Responsibilities of Board

As explained more fully in the Board members' responsibilities set out on pages 16 to 17, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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 sector, including the legal and regulatory framework that the association operates in and how the association 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.

The most significant laws and regulations were determined as follows:

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

Legislation / Regulation	Additional audit procedures performed by the audit engagement team included:
FRS102	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance
Housing SORP 2018 update	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance
General Data Protection Regulations (GDPR)	Inquiry of management and those charged with governance whether the association is in compliance; Inspected any relevant correspondence.
Co-operative and Community Benefit Societies Act 2014	Inquiry of management and those charged with governance whether the association is in compliance; Inspected any relevant correspondence.
Housing and Regeneration Act 2008	Inquiry of management and those charged with governance whether the association is in compliance; Inspected any relevant correspondence.
Accounting Direction for Private Registered Providers of Social Housing 2022	Inquiry of management and those charged with governance whether the association is in compliance. Review of financial statements against the Accounting Direction requirements. Review of financial statement disclosures.
Health & Safety at Work Act 1974	Review of any Health & Safety reports during the year; Inquiries of personnel responsible for Health & Safety; Review of relevant Health & Safety accreditations; Searches of the HSE website.
Regulator of Social Housing Regulatory Standards (Economic & Consumer)	Inquiry of management and those charged with governance whether the association is in compliance; Review of RSH Narrative Regulatory Judgement published on www.gov.uk 27 November 2024. Inspected any relevant correspondence.
Tax compliance regulations	Inquiry of management and those charged with governance whether the Association is in compliance; Review of tax computations prepared over the course of the year.
Financial Services and Markets Act 2000	Inquiry of management and those charged with governance whether the Association is in compliance; Inspected any relevant correspondence.

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

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition – property sales (cut off & completeness)	Testing a sample of property sales around the year end date in order to assess whether they have been recorded in the appropriate period. Testing a sample of bank receipts through to property sale to ensure all appropriate revenue has been recorded.
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.

The engagement partner on the audit resulting in this independent auditor's report is John Guest.

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 association's members, as a body, in accordance with Part 7 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.

RSM UK Audit LLP
....
RSM UK Audit LLP,
Statutory Auditor
Chartered Accountants
Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Date 18/09/25..............................

FINANCIAL STATEMENTS (continued)

Statement of Comprehensive Income
for the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Turnover	3	**197,713**	189,822
Cost of sales	3	**(8,718)**	(10,377)
Operating costs	3	**(163,297)**	(154,666)
Gain on disposal of housing properties	6	**126**	1,197
Operating surplus		**25,824**	25,976
Share of operating profit in joint venture	37	**275**	-
(Loss) on disposal of other tangible fixed assets	10	**(134)**	(753)
(Loss) on disposal on investment properties	16	**-**	(42)
Interest receivable and similar income	11	**7,402**	7,020
Interest payable and similar charges	12	**(19,197)**	(17,133)
Surplus on ordinary activities before taxation		**14,170**	15,068
Taxation on (deficit)/surplus on ordinary activities	13	**-**	-
Surplus for the year after taxation		**14,170**	15,068
Other comprehensive income			
Actuarial gain/(loss) in respect of pension schemes	36	**4,321**	(1,745)
Other comprehensive surplus/(deficit) for the year		**4,321**	(1,745)
Total comprehensive income for the year		**18,491**	13,323

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.

The financial statements were approved by the Board on 3rd September 2025 and signed on the 12th September on its behalf by:

D M James

....

Tim Johnston — Chair

Danielle James — Director

Sara Byrne — Company Secretary

Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Total reserves £'000
Balance at 31 March 2023	**-**	**397,617**	**397,617**
Surplus for the period	-	15,068	**15,068**
Other comprehensive income Actuarial (loss) in respect of pension schemes	-	(1,745)	**(1,745)**
Balance at 31 March 2024	-	410,950	**410,950**
Surplus for the period	-	14,170	**14,170**
Other comprehensive income Actuarial (loss) in respect of pension schemes	-	4,321	**4,321**
Balance at 31 March 2025	-	429,441	**429,441**

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 31 March 2025

	Notes	2025 £'000	2024 £'000
Tangible fixed assets			
Housing properties	14	1,325,958	**1,236,030**
Investments including properties	15	23,084	**20,762**
Other tangible fixed assets	17	14,626	**14,402**
		1,363,668	**1,271,194**
Current assets			
Debtors due after one year	18	65,594	**58,764**
Properties for sale and work in progress	19	18,518	**11,825**
Debtors due within one year	20	23,058	**25,186**
Investments	21	50	**50**
Cash and cash equivalents		15,840	**14,374**
		123,070	**110,199**
Creditors: amounts falling due within one year	22	(60,275)	**(48,540)**
Net current assets		62,785	**61,659**
Total assets less current liabilities		1,426,066	**1,332,853**
Creditors: amounts falling due after one year	23	(989,730)	**(906,929)**
Provisions for liabilities and charges	29	(2,137)	**(2,113)**
Pension liabilities	30	(5,145)	**(12,861)**
		(997,012)	**(921,903)**
Total net assets		429,441	**410,950**
Capital and reserves			
Non-equity share capital	31	**-**	**-**
Revenue reserves		**429,441**	**410,950**
Total capital and reserves		**429,441**	**410,950**

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 3rd September 2025 and signed on the 12th September on its behalf by:

....	D M James	Sara E Byrne ....
Tim Johnston	Danielle James	Sara Byrne
Chair	Director	Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Onward Homes Limited (the "Association") is registered under the Housing Act 1996 with the Homes and Communities Agency, the regulator of Social Housing in England, as a Registered Provider of social housing (registration number of LH0250). The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

The Association is 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. The Association is a public benefit entity.

2. Accounting policies

a) Basis of accounting

The financial statements of the Association are prepared in accordance with Financial Reporting Standard 102 – the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are presented in sterling (£) and have been rounded to the nearest £1,000. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Association 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 33.7.

This information is included in the consolidated financial statements of Onward Group Limited as at 31 March 2025.

b) Measurement convention

The financial statements are prepared on the historical cost basis except where fair value accounting is required for investment properties.

c) Going concern

The Associations business activities, its current financial position, net current assets of £62.8m (2024: £61.7m) and factors likely to affect its future development are set out within the Strategic Report. The Association has in place long-term debt facilities of £857.3m (2024: £865.9m), of which £458.3m has been drawn down (2024: £380.9m) and cash and cash equivalents of £15.8m (2024: £14.4m). The available cash and funding is adequate to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association's long-term business plan shows that it can service its debt facilities whilst continuing to comply with lenders' covenants.

Whilst underlying trading is strong, this has been a challenging year for the Association, most notably due pressures across disrepair, voids and repairs. The Association applied an average rent increase for the year of CPI+1% which was based on a CPI of 6.7%. During the period, the Association has been subject to price increases exceeding this level, and as such has absorbed much of these additional costs. This has put some pressure on the operating surplus in 2025. The surplus as a percentage of turnover is 7.2% (2024: 7.9%).

2. Accounting policies (continued)

c) Going concern (continued)

A 30-year business plan is produced annually to model future activity of the Association and Group as well as to test for strategic resilience as a result of changes in the economic and political environment. The Group has modelled several scenarios using multiple variants to test the resilience of the business plan. The Association is confident it can meet the requirements of any loan covenants and can put in place measures, if necessary, to address any unforeseen challenges if required. The Association has sufficient cash and undrawn facilities to cope with this impact.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

On this basis, the Board has a reasonable expectation that the Association 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.

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.

Estimates and assumptions will, by definition, seldom equal the related actual results. These are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable based on the information available.

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

Impairment; In line with the impairment policy Onward undertakes a review of its assets taking into account void levels, strategic reviews of certain asset types and development programme to ascertain if any impairment is required. Full analysis and rationale will be provided to support any impairment decision, where appropriate.

Impairment risk continues to be a major feature in FY24/25. Costs to develop continue to rise and so it remains vital to assess whether impairment triggers are evident and if so, ascertain the level of impairment required based on best available information.

For Onward the particular areas considered were:

- Assets under construction, including Section 106 purchases;
- Completed development schemes;
- Assets/group of assets being considered under strategic reviews, such as sheltered schemes, geographical areas identified as needed operational change;
- Void analysis of units which shows high voids and/or hard to let units
- De-conversions where strategic decisions have been made to reclassify units to improve ability to let.
- Development schemes with cost overruns due to challenging economic conditions and increased cost of staffing and materials.
- The Preston blocks and the level of strategic voids held ahead of further regeneration plans.
- The rise in borrowing costs causing an increase in the cost to build.

2. Accounting policies (continued)

d) Judgement and estimates (continued)

Basic financial instruments: Onward Group has various borrowings, all of which have been assessed and categorised as basic. The assessment of certain loans and interest rates fixes as basic financial instruments require judgement. The Group does not undertake any stand-alone hedging and does not deal in derivatives.
Bonds have been classed as a "basic financial instrument" as they meet the criteria under Section 11.9 of FRS 102.

Management have considered how bond and loan discount on issue should be dealt with in the financial statements and determined that these should be written off over the life of bond (31 years) using the effective interest rate method.

Management have considered how bond and loan issue costs should be dealt with in the financial statements and determined that these should be written off over the life of the respective instruments in equal annual instalments (note 27).

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

Establishing the useful economic lives ("UEL") of components; The UEL of each component of our social benefit housing properties are reviewed at each reporting date and compared to actual performance to ensure the assumed lives remain appropriate. A review each year seeks to ensure that the UELs remaining terms and component splits are applied consistently. The professional opinion of the Assets team is sought based on their knowledge and experience.

Within the period new, more environmentally friendly products have been applied to our building practices. Their UELs have been assessed in line with accounting standards and an estimate has been made based on expectations of future events that are believed to be reasonable.

We do not believe that the UELs for the other components need changing and therefore remain the same (see note 17).

Investment property valuations; The Group reviews its properties' classification and where properties do not meet the criteria for social benefit these have been identified and classified as investment properties. These non-financial assets have been valued at fair value (note 15).

The valuation is based on either third-party valuation reports or an update to those reported based on market conditions. The valuation is most sensitive to assumptions on rental growth and the discount rate applied to those cash flows. Onward relies on the assumptions and estimates applied by the valuer in accordance with the RICS red book valuation standards in determining the market valuation.

Defined benefit obligations; the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the Group relies on the expert input of actuaries and accepts the estimations they use as reasonable.

Pension valuations will be affected by the impact of events on the stock markets, other asset valuations and changes to discount rates (note 36).

Leases; Categorising leases into finance leases or operating leases requires judgement. Management assess whether significant risk and rewards of ownership have transferred to the Group as lessor before determining categorisation. Management will assess each lease to determine where risk lies and report on this accordingly in the accounts (note 28).

2. Accounting policies (continued)

d) Judgement and estimates (continued)

Bad debt; A bad debt provision is held in the accounts to counter the risk of failure to recover current and former tenants rent and service charge arrears. A judgement is made based on the age of the debt whether it is likely to be recovered, despite actions by the neighbourhood teams. Therefore, based on previous practice and knowledge of debt recovery a provision is estimated. The policy also takes into account current year considerations, credit risk rates and any other condition that is present in the current period that was not present in the historic period. Bad debt provision for 2025 is £6,898k (2024: £5,851k)

Capitalisation of salaries: Within the capital cost of property, a proportion of development and investment team staff time has been included to recognise the time spent in managing and delivering the development and investment programmes. This cost is incurred as a result of the programmes and hence agreed to be capitalised. This has been continually reviewed throughout the year with changes made to reflect the current workloads and roles across the development and investment teams.

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, bonds and similar debt instruments.

Bonds are classed as a "basic financial liability" as they meet the criteria for "basic financial instruments" under Section 11.9 of FRS 102. They are initially recognised at the transaction price, including any discount on issue and transaction costs, and subsequently measured at amortised cost using the effective interest method. Coupons payable are also classed as "basic financial liabilities" and are recognised on the basis of the effective interest method, and are included in the finance costs, with any discount on issue and transaction costs being written off over the life of the bond.

The Group does not have any financial instruments which fall into the non-basic financial instrument category. The Group does not undertake any hedging activities and does not deal in derivatives.

Tenant arrears, trade and other debtors

Tenant arrears, trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. 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.

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. Subsequent to 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 and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2. Accounting policies (continued)

f) Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership, from properties developed for open market sales and amortisation of Social Housing Grant (SHG) under the accrual model.

Rental income is recognised on the execution of tenancy agreements and covers rent charged up to and including 31 March. Proceeds on sales are recognised on practical completions. Other income is recognised as receivable on the delivery of services provided.

g) Expenses

Cost of sales

Cost of sales represents the costs including capitalised interest and direct overheads incurred in the development of the properties, and marketing, and other incidental costs incurred in the sale of the properties.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

h) 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.

i) Taxation

The Group comprises charitable and non-charitable entities. Where activities may fall within the scope of the relevant tax regulations and may be subject to tax liability the entity provides for this where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax charge for the year is based on the profit for the year end and includes current tax on any taxable profits for the year and deferred taxation. 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 that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Accounting policies (continued)

j) Value added tax

The Group is VAT registered but a large proportion of its income, rent, is exempt from VAT giving rise to a partial exemption calculation. Therefore, the financial statements includes VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

k) Tangible fixed assets - housing properties

Tangible fixed assets – housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Shared ownership properties are split between current assets and fixed assets based on percentage of equity retained, less any provisions needed for impairment or depreciation. The first tranche proportion is classified as current asset and related sales proceeds included in turnover. The remaining element is classified as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

The capital cost of property includes a proportion of development and investment team staff time to recognise the time spent in managing and delivering the development and investment programmes. This cost is incurred as a result of the programmes and hence capitalised.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Freehold land is not depreciated. The estimated useful lives of assets which are separately identified are as follows:

Housing structure	100 years
Boundary walls and car hard-standings	50 years
Roofs	50 years
Fascia	40 years
Windows	30 years
Electrical installation	30 years
Bathrooms	30 years
External doors	30 years
Heating systems	30 years
External Wall insulation	30 years
Fire Compartmentation	30 Years
Kitchens	20 years
Boilers	15 years
Air source heat pumps	15 years
Adaptations	15 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Non-component works to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties within Onward Homes during the course of construction up to the date of completion of each scheme.

2. Accounting policies (continued)

Interest capitalised (continued)

Interest on borrowing costs within Onward Build is capitalised against properties held for sale and work in progress due to the design and build nature of the entity. Once the properties reach golden brick stage the assets will be sold to Onward Homes on an arm's length basis.

The interest capitalised is either on borrowings specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised.

Interest has been capitalised at an average rate that reflects the weighted average effective interest rate on the entity's borrowings required to finance housing property developments.

l) Social Housing Grant

Social Housing Grant (SHG) is initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the statement of comprehensive income as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

m) Other grants

These include grants from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate. Other grants which are received in advance of expenditure are included as a liability. Grants received from other organisations are accounted for in accordance with the performance method.

n) 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.

o) Shared equity investments

Investments in shared equity arrangements are stated at cost as concessionary loans. They are subsequently updated to reflect any impairment loss which would be recognised in the statement of comprehensive income and any accrued interest payable or receivable. At the present time there is no interest charge and the loans are repayable at the time the property is disposed of by the owner. Security is in the form of a second legal charge over the property.

p) Investment in joint ventures

Investments in joint ventures are stated at cost less any accumulated impairment losses.

Any distributions received from the investment will be recognised as income without regard to whether the distributions are from accumulated profits of the jointly controlled entity arising before or after the date of acquisition.

2. Accounting policies (continued)

q) 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.

r) Impairment

A 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.

A 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 financial asset measured at amortised cost is calculated as the difference between its fair value less cost to sell and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the group 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 indications 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.

s) Housing property sales

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme.

Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Properties sold through customers exercising their preserved right to buy or right to acquire, proceeds from the first tranche sales of shared ownership properties, subsequent tranche sales and properties sold that were developed or acquired for outright sale are included within turnover as part of normal operating activities. Non-housing asset sales are included within gain / (loss) on disposal of fixed assets.

2. Accounting policies (continued)

t) 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. The principal annual rates used for other assets are as follows:

Office premises	50 years
Office improvements	10 years
Furniture, fixtures and fittings	5 years
Equipment & machinery	5 years
Motor vehicles	4 years
IT and office equipment	3 years
Scheme equipment	Over expected life of component

u) Bad debt provisions

A bad debt provision is held against the risk of failure to recover current and former tenant rent and service charge arrears. The provision is calculated as at 31 March and any adjustment required is written off or back through the statement of comprehensive income.

The provision is calculated in line with the following aged debt:

• Current arrears aged 1-8 weeks	10%
• Current arrears aged 9-16 weeks	50%
• Current arrears aged 17-32 weeks	75%
• Current arrears aged 33+ weeks	90%
• Former arrears	100%
• Other debts (accounts receivable)	Case by case basis

v) Property managed by agents

Where the Group carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the statement of comprehensive income.

Where the agency carries the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Group.

w) Provisions

A provision is recognised in the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

The Group provides for public liability claims based on known cases and is measured at estimated cost of claim. It also provides for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The liability is measured at actual salary costs payable for the period.

x) Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

2. Accounting policies (continued)

y) Employee benefits (continued)

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plans and other long term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the group's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The group recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the statement of comprehensive income.

Re-measurement of the net defined benefit liability/asset is also recognised in the statement of comprehensive income.
The Group participates in two defined benefit plans as set out below:

- LGPS schemes –Greater Manchester Pension Fund
- Onward Pension Scheme – Onward Homes Limited

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

z) Basis of consolidation

The Group accounts consolidate the accounts of the Association and all it's subsidiaries at 31st March as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Onward Homes has taken advantage of the exemption under IFPRU 8 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of Onward Group Limited and it's subsidiary undertakings are included in the consolidated financial statements of the Association for year ended 31 March 2025. The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY. The financial statements present information about the Association as an individual entity and not as a group.

Onward Homes have taken advantage of the exemption available under FRS 102 paragraph 33.1A not to disclose transactions and compensation of key management personnel in its individual financial statements. Equivalent disclosures are provided in the consolidated financial statements of the group, in which the company is included.

3. Turnover, cost of sales, operating costs and operating surplus

	Turnover	Cost of sales	Operating costs	2025 Operating surplus	Turnover	Cost of sales	Operating costs	2024 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings								
General needs accommodation	**131,276**	**-**	**(108,743)**	**22,533**	122,475	-	(109,042)	13,433
Older persons housing	**26,134**	**-**	**(22,357)**	**3,777**	25,902	-	(18,221)	7,681
Supported housing	**17,534**	**-**	**(15,705)**	**1,829**	17,767	-	(14,113)	3,654
Low cost home ownership	**4,304**	**-**	**(3,479)**	**825**	3,771	-	(3,170)	601
	179,248	**-**	**(150,284)**	**28,964**	169,915	-	(144,546)	25,369
Other social housing activities								
Regeneration and development	**476**	**-**	**(4,684)**	**(4,208)**	1,297	-	(4,054)	(2,757)
Management services	**1,480**	**-**	**(1,775)**	**(295)**	1,398	-	-	1,398
Group payroll	**1,434**	**-**	**(1,434)**	**-**	1,529	-	(1,529)	-
Estate services	**-**	**-**	**(25)**	**(25)**	-	-	(773)	(773)
Shared Ownership first tranche sales	**9,365**	**(8,718)**	**(375)**	**272**	11,187	(10,377)	-	810
Other	**-**	**-**	**(45)**	**(45)**	-	-	(298)	(298)
	12,755	**(8,718)**	**(8,338)**	**(4,301)**	15,411	(10,377)	(6,654)	(1,620)
Total social housing activities	**192,003**	**(8,718)**	**(158,622)**	**24,663**	185,326	(10,377)	(151,200)	23,749
Non-social housing activities								
Market rent	**1,396**	**-**	**(1,232)**	**164**	1,296	-	(378)	918
Revaluation of investment properties	**1,617**	**-**	**-**	**1,617**	553	-	-	553
Commercial	**1,529**	**-**	**(1,194)**	**335**	1,227	-	(1,434)	(207)
Management Services	**87**	**-**	**(548)**	**(461)**	12	-	(257)	(245)
Leaseholders	**995**	**-**	**(1,511)**	**(516)**	1,371	-	(701)	670
Other	**86**	**-**	**(190)**	**(104)**	37	-	(696)	(659)
Total non-social housing activities	**5,710**	**-**	**(4,675)**	**1,035**	4,496	-	(3,466)	1,030
Total	**197,713**	**(8,718)**	**(163,297)**	**25,698**	189,822	(10,377)	(154,666)	24,779
(Surplus) on disposal of housing properties	**126**	**-**	**-**	**126**	1,197	-	-	1,197
Total	**197,839**	**(8,718)**	**(163,297)**	**25,824**	191,019	(10,377)	(154,666)	25,976

4. Income and expenditure from social housing lettings

	General needs accommodation £'000	Older persons housing £'000	Supported housing £'000	Low cost home ownership £'000	Total 2025 £'000	Total 2024 £'000
Income						
Rents receivable net of voids	120,863	18,201	11,906	3,590	**154,560**	141,437
Service charge income	5,842	7,319	5,117	408	**18,686**	21,851
Amortised government grants	4,299	595	511	283	**5,688**	6,289
Supporting people grants	-	1	-	-	**1**	2
Other income from social housing	272	17	-	22	**311**	336
Turnover from social housing lettings	**131,276**	**26,134**	**17,534**	**4,304**	**179,248**	169,915
Expenditure						
Management	(21,425)	(7,074)	(4,121)	(2,096)	**(34,716)**	(31,969)
Service charge costs	(7,941)	(5,850)	(4,941)	(356)	**(19,088)**	(20,917)
Routine maintenance	(41,319)	(2,550)	(2,001)	(80)	**(45,950)**	(44,590)
Planned maintenance	(17,118)	(4,285)	(2,763)	(177)	**(24,343)**	(21,154)
Major repairs expenditure	(901)	(134)	(100)	(126)	**(1,261)**	(1,324)
Rent losses from bad debts	(1,212)	(115)	(125)	(40)	**(1,492)**	(1,312)
Depreciation of housing properties	(18,596)	(2,349)	(1,562)	(590)	**(23,097)**	(23,027)
Other costs	(231)	-	(92)	(14)	**(337)**	(253)
Expenditure on social housing lettings	**(108,743)**	**(22,357)**	**(15,705)**	**(3,479)**	**(150,284)**	(144,546)
Operating surplus on social housing lettings	**22,533**	**3,777**	**1,829**	**825**	**28,964**	25,369
Void losses	**(1,622)**	**(307)**	**(1,309)**	-	**(3,238)**	(4,318)

5. Accommodation owned, managed and under development

	2025 Number	2024 Number
The number of properties in ownership at the year-end were:		
General needs accommodation (social rent)	**20,276**	20,262
General needs accommodation (affordable rent)	**2,597**	2,396
Older persons housing	**3,876**	3,886
Supported housing	**2,023**	1,648
Low-cost home ownership	**1,470**	1,391
	30,242	29,583
The number of properties in ownership but managed by others at the year-end were:		
General needs accommodation (social rent)	**2**	2
Supported housing	**287**	291
Low-cost home ownership	**17**	17
Total homes owned	**30,548**	29,893
Accommodation managed by other bodies	**(306)**	(310)
Accommodation managed for other bodies / owner occupiers	**783**	795
Leasehold	**1,071**	1,060
Total homes managed	**32,096**	31,438

	2025 Number	2024 Number
Non-social housing in ownership and management at the year-end:		
Market rent	**169**	169
	169	169

	2025 Number	2024 Number
The number of properties under development at the year-end were:		
General needs accommodation	**270**	648
Rent to buy home ownership	**248**	259
Supported housing	**-**	91
Low-cost home ownership	**259**	392
Open market sales	**-**	29
	777	1,419

6. Disposal of housing properties

	2025 £'000	2024 £'000
Disposal proceeds from property sales	**6,505**	6,876
Proceeds from land sales	**3**	1
	6,508	6,877
Carrying value of fixed assets from property sales	**(2,890)**	(2,449)
Costs on disposal	**(3,492)**	(3,231)
Gain/(Loss) on disposal of housing properties	**126**	1,197

	2025 Number	2024 Number
Analysis of housing property sales		
Preserved Right to Buy sales	**18**	24
Right to Acquire	**14**	13
Shared ownership staircasing	**11**	15
Other sales	**23**	32
	66	84

7. Operating surplus

Operating surplus is stated after charging:	2025 £'000	2024 £'000
Depreciation of housing properties (note 14)	**21,406**	23,160
Depreciation of other fixed assets (note 17)	**1,267**	1,133
Gain on disposal of housing properties (note 6)	**(126)**	(1,197)
(Gain)/Loss on disposal of other tangible fixed assets (note 10)	**(134)**	753
Amortisation of government grant (note 25)	**(5,821)**	(6,402)
Revaluation of investment properties (note 15)	**1,617**	553
Pension adjustments (note 30)	**(3,963)**	(4,451)
Operating lease receipts (note 28)	**(989)**	(959)
Operating lease payments (note 28)	**1,761**	1,314
Auditor's remuneration (excluding VAT): In their capacity as auditors	**176**	141
Additional work carried out by the company's auditors	**-**	12

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.

8. Board members

No remuneration was paid to the directors on the Board in their capacity as directors of the Association.

9. Employee information

	2025 Number	2024 Number
Average number of employees (including Executive Directors) expressed as full time equivalents (based on an average of 35 hours per week)	**931**	881

	2025 £'000	2024 £'000
Staff costs (for the above persons)		
Wages and salaries	**32,722**	30,126
Social security costs	**3,279**	2,963
Other pension costs	**4,068**	3,690
Severance payments	**235**	513
	40,304	37,292

Remuneration between	2025 Number	2024 Number
£60,000 and £69,999	**39**	**25**
£70,000 and £79,999	**7**	**13**
£80,000 and £89,999	**15**	**9**
£90,000 and £99,999	**8**	**7**
£100,000 and £109,999	**4**	**-**
£110,000 and £119,999	**2**	**2**
£120,000 and £129,999	**3**	**4**
£130,000 and £139,999	**3**	**2**
£140,000 and £149,999	**1**	**1**
£150,000 and £159,999	**-**	**3**
£160,000 and £169,999	**1**	**1**
£170,000 and £179,999	**-**	**-**
£180,000 and £189,999	**-**	**-**
£190,000 and £199,999	**2**	**-**
£200,000 and £209,999	**-**	**1**
£210,000 and £219,999	**-**	**-**
£220,000 and £229,999	**1**	**-**
£230,000 and £239,999	**-**	**-**
£240,000 and £249,999	**-**	**-**
£250,000 and £259,999	**-**	**-**
£260,000 and £269,999	**1**	**1**

Onward Homes have taken advantage of the exemption available under FRS 102 paragraph 33.1A not to disclose transactions and compensation of key management personnel in its individual financial statements. Equivalent disclosures are provided in the consolidated financial statements of the group, in which the company is included.

10. Disposal of other tangible fixed assets

	2025 £'000	2024 £'000
Disposal proceeds from other fixed assets	**124**	7
Carrying value of other fixed assets	**(258)**	(760)
(Loss) on disposal of other fixed assets	**(134)**	(753)

11. Interest receivable and similar income

	2025 £'000	2024 £'000
Bank and building society interest	**204**	564
Interest income on net deficit benefit plan assets	**3,714**	3,589
Intercompany interest receivable	**3,374**	2,637
Joint venture loan interest	**110**	230
	7,402	7,020

12. Interest payable and similar charges

	2025 £'000	2024 £'000
Interest payable on bank and building society loans	**9,433**	7,384
Interest payable on bond	**5,875**	5,875
Bond arrangement fee	**50**	49
Bond admin fee	**29**	17
Amortised loan arrangement fees	**359**	544
Loan administration fees	**32**	77
Loan security costs	**133**	159
Non utilisation fees	**1,591**	1,251
Interest expense on net defined benefit liabilities	**4,282**	4,290
	21,784	19,646
Capitalised interest	**(2,587)**	(2,513)
	19,197	17,133

Interest has been capitalised at 4.0% (2024: 4.0%) per annum

13. Taxation

	2025 £'000	2024 £'000
UK corporation tax		
Current tax charge for the year	-	-
Adjustment in respect of previous years	-	-
Total tax charge on surplus 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
(Deficit)/Surplus on ordinary activities before taxation	14,170	15,068
Current tax at standard corporation tax rate	**3,542**	3,767
Effects of tax-free income due to charitable activities	**(3,542)**	(3,767)
Expenses not deductible for tax purposes	-	-
Income not taxable for tax purposes	-	-
Adjustments in respect of prior periods	-	-
Total tax charge on surplus on ordinary activities	-	-

14. Housing properties

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed low-cost home ownership properties £'000	Low-cost home ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2024	**1,405,064**	**74,891**	**76,069**	**21,996**	**1,578,020**
Additions	43,071	42,957	-	48,667	134,695
Capitalised interest	-	1,237	-	1,350	2,587
Disposals	(11,706)	-	(467)	-	(12,173)
Component Write Offs	(9,250)	-	-	-	(9,250)
Transfer from/(to) stock	-	-	-	(14,678)	(14,678)
Transfer to abortive works	-	-	-	(157)	(157)
Transfer on completion	52,867	(52,867)	35,700	(35,700)	-
Transfers to held for sale	(3,118)	-	-	-	(3,118)
At 31 March 2025	**1,476,928**	**66,218**	**111,302**	**21,478**	**1,675,926**
Depreciation					
At 1 April 2024	**(332,663)**	**-**	**(4,880)**	**-**	**(337,543)**
Charge for the year	(20,799)	-	(607)	-	(21,406)
Disposals	3,193	-	101	-	3,294
Component write-offs	6,406	-	-	-	6,406
Transfers to held for sale	847	-	-	-	847
At 31 March 2025	**(343,016)**	**-**	**(5,386)**	**-**	**(348,402)**
Impairment					
At 1 April 2024	**(3,957)**	**-**	**(490)**	**-**	**(4,447)**
Charge for the year	-	-	-	-	-
Release on disposal	2,463	-	418		2,881
At 31 March 2025	**(1,494)**	**-**	**(72)**	**-**	**(1,566)**
Net Book Value					
At 1 April 2024	**1,068,444**	**74,891**	**70,699**	**21,996**	**1,236,030**
At 31 March 2025	**1,132,418**	**66,218**	**105,844**	**21,478**	**1,325,958**
Freehold	940,006	66,218	105,739	21,478	**1,133,441**
Long-leasehold	192,412	-	105	-	**192,517**
At 31 March 2025	**1,132,418**	**66,218**	**105,844**	**21,478**	**1,325,958**

14. Housing properties (continued)

Additions to housing properties in the year included improvement works to existing properties of £43,476,000 (2024: £32,585,000) and capitalised interest of £2,587,000 (2024: £2,513,000) at an average rate of 4.0% (2024: 4.0%). Expenditure on works to existing properties charged to the statement of comprehensive income totalled £70,475,000 (2024: £65,744,000).

15. Investments including properties

	Joint Venture Investments £'000	Investment in subsidiary undertaking £'000	Investment properties £'000	Total £'000
At 1 April 2024	**15**	**234**	**20,513**	**20,762**
Additions	**-**	-	705	**705**
Revaluation	**-**	-	1,617	**1,617**
At 31 March 2025	**15**	**234**	**22,835**	**23,084**

Onward Homes Limited invested £234,000 in Atrium City Living Limited in March 19 which comprised a further £50,000 £1 shares and the remaining £184,000 as working capital. To date, Onward Homes Limited holds a total of £50,001 in shares in Atrium City Living Limited, which is used as an investment vehicle for development investment. Atrium holds an investment in the Greater Manchester Joint Venture.

Full valuations of the properties were carried out in March 2025 by external valuers, Thomson Associates, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual. Their reports indicated that the market value of investment property and land was £22.8 million (2024: £20.5 million).

If the investment properties were shown at historic cost less depreciation the carrying value would be as follows:

	2025 £'000	2024 £'000
Historic costs	12,150	12,150
Accumulated depreciation	(2,403)	(2,171)
	9,747	**9,979**

Onward Homes Limited comprises the following entities, all registered in England.

Organisation	Status	Registration number	Principal activity	Share capital held £
Atrium City Living Limited	Private Limited Company (by shares)	4710066	Commercial property services	50,001
Onward Build Limited	Private Limited Company (by shares)	10665852	Development company	100

Atrium City Living Limited, and Onward Build Limited are not consolidated into the results of Onward Homes Limited as a full consolidation takes place at the ultimate parent undertaking level, Onward Group Limited.

16. Disposal of investment properties

	2025 £'000	2024 £'000
Net book value	-	(713)
Associated cost to sell	-	(2)
Sales proceeds	-	673
	-	**(42)**

17. Other tangible fixed assets

	Freehold land and buildings £'000	Scheme equipment £'000	Vehicles, fixtures and equipment £'000	Total £'000
Cost				
At 1 April 2024	**16,228**	**4,888**	**2,089**	**23,205**
Additions	50	791	650	1,491
Disposals	-	-	-	-
At 31 March 2025	**16,278**	**5,679**	**2,739**	**24,696**
Depreciation				
At 1 April 2024	**(5,298)**	**(2,065)**	**(1,440)**	**(8,803)**
Charge for the year	(712)	(222)	(333)	(1,267)
Disposals	-	-	-	-
At 31 March 2025	**(6,010)**	**(2,287)**	**(1,773)**	**(10,070)**
Net book value				
At 1 April 2024	**10,930**	**2,823**	**649**	**14,402**
At 31 March 2025	**10,268**	**3,392**	**966**	**14,626**

18. Debtors: amounts falling due after one year

	2025 £'000	2024 £'000
Loans to group entities	**65,594**	58,764
	65,594	58,764

19. Properties for sale and work in progress

	2025 £'000	2024 £'000
Properties under construction – low-cost home ownership	**15,724**	9,200
Completed properties	**1,263**	2,170
Assets held for disposal	**1,531**	455
	18,518	11,825

20. Debtors

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Rent and service charge arrears	**11,178**	11,719
Bad debt provision	**(6,898)**	(5,851)
	4,280	5,868
Trade debtors	**1,328**	1,443
Social Housing Grant and other grant receivable	**-**	2,114
Amounts owed by group entities (note 32)	**4,760**	8,452
Prepayments and sundry debtors	**9,434**	4,479
Loans to group entities	**975**	659
Loans to joint ventures	**2,281**	2,171
	23,058	25,186

21. Other Investments

	2025 £'000	2024 £'000
Investments in credit unions	**50**	50
	50	50

In FY14/15 OHL invested £50k in 50,000 £1 non-deferring interest bearing shares in both Central Liverpool Credit Union Limited (25,000 shares) and in Halton Credit Union Limited (25,000 shares). These are minority shareholdings.

22. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Bank and building society loans (note 24)	**12,476**	6,522
Other loans (note 24)	**856**	2,441
Bond discount (note 24)	**(244)**	(244)
Bond issue costs (note 24)	**(50)**	(50)
Issue costs (note 23)	**(362)**	(332)
	12,676	8,337
Trade creditors	**6,259**	1,410
Capital creditors and retentions	**1,373**	369
Rent and service charges received in advance	**7,157**	5,800
Other taxation and social security	**982**	852
Deferred Government Grant (note 25)	**6,158**	5,768
Recycled capital grant fund (note 26)	**1,364**	209
Accruals and deferred income	**23,891**	25,427
Other creditors	**415**	368
	60,275	48,540

23. Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Bank and building society loans (note 24)	**166,000**	91,387
Other loans (note 24)	**13,919**	15,541
Bond (note 24)	**265,000**	265,000
Bond Discount (note 24)	**(6,576)**	(6,819)
Bond issue costs (note 24)	**(1,340)**	(1,390)
Issue costs (note 24)	**(824)**	(1,069)
	436,179	362,650
Capital creditors and retentions	**1,821**	2,835
Recycled Capital Grant Fund (note 26)	**3,739**	3,661
Deferred Government Grant (note 25)	**543,592**	533,839
Other Creditors	**103**	-
Amounts owed to leaseholders	**4,296**	3,944
	989,730	906,929

24. Debt analysis

	2025 £'000	2024 £'000
Bank and Building Society loans	**178,476**	97,909
Other loans	**14,775**	17,982
Bond	**265,000**	265,000
Bond Discount	**(6,820)**	(7,063)
Bond issue costs	**(1,390)**	(1,440)
Issue costs	**(1,186)**	(1,401)
	448,855	370,987

All bank, building society and other loans are secured by charges either on the Association's housing properties or on the rental streams arising from properties. Loans are repayable in instalments with final dates up to 2038. The bond is repayable in one instalment due in 2053. As at 31 March 2025 interest rates chargeable on Bank & Building Society loans varied from 4.84% to 11.67%. The interest rate on the Bond was fixed at 2.13%

	2025 £'000	2024 £'000
Gross debt is repayable in instalments as follows:		
Within one year	**12,676**	8,963
Between one and two years	**11,497**	11,297
Between two and five years	**137,633**	54,534
After five years	**296,445**	306,097
	458,251	380,891

	Properties under charge	Amount drawn £'000	Valuation of units £'000
Loan charges	13,551	458,251	737,845

Bond analysis

	Principal amount of the Issued Bond £'000	Discount on Issue £'000	Bond Issue costs £'000	Amount due to bond holders £'000
At 31 March 2024	265,000	(7,063)	(1,440)	256,498
Amortisation of discount on issue and Bond issue costs during year	-	243	50	293
At 31 March 2025	265,000	(6,820)	(1,390)	256,791

On 25th March 2021, the Association issued a 32 year £350m bond ("Bond") at a re-offer yield of 2.215%. The initial offer to the market was for a principal amount of £215m (the "Principal Amount", the issued Bond) with a principal amount of £135m of bonds retained for later issue (the "Retained Bond"). A £50m tranche of the retained bonds were sold on 2nd February 2022. £2.9m of the proceeds were drawn down in February 2022 with the remaining proceeds drawn in June 2022.

24. Debt analysis (continued)

A coupon rate of 2.125% meant that the initial issued bond was priced at 97.945% (the "bond issue Price"), equivalent to a discount on issue of £4.4m (2.055%).

The net funds received were £210.6m (£97.945 per £100.00 issued). The £50m tranche of retained bonds were issued at a price of 93.42%, a discount of £3.3m. £2.9m was received in February 2022 with net funds outstanding of £43.8m. These were received in June 2023.

The discount on Issue and the Bond Issue costs will be amortised over the term of the Bond. Interest is payable by the Association to the bondholders at a rate of 2.125% six monthly in arrears on the Principal amount, starting in September 2021. The Principal amount is due for repayment on 25th March 2053.

25. Deferred Capital Grant (Financial Assistance)

	2025 £'000	2024 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant at start of the year	**539,607**	485,657
Grants allocated from RCGF	**208**	506
Grant received in the year	**31,422**	66,689
Grant Repaid	**(2,444)**	-
Grant transferred to other housing association	**(10,035)**	(5,020)
Grants in advance	**212**	197
Disposals	**(2,113)**	(1,213)
Transfer to properties held for sale	**(936)**	-
Recognised in the Statement of Comprehensive Income in the year – Income	**(350)**	(807)
Recognised in the Statement of Comprehensive Income in the year - Amortisation	**(5,821)**	(6,402)
At end of the year	**549,750**	539,607

Due within one year	**6,158**	5,768
Due after one year	**543,592**	533,839
	549,750	539,607

Amounts recognised in the statement of comprehensive income of £5,821,000 includes non-social housing grant of £131,000. Only the social housing grant of £5,688,000 is recognised in note 4.

26. Recycled Capital Grant Fund

	2025 £'000	2024 £'000
At start of the year	**3,870**	2,818
Grants recycled	**1,697**	1,456
Homebuy loans redeemed	**-**	99
Interest	**326**	3
Recycled to new build development	**(406)**	(506)
RTA discounts	**(384)**	-
At end of the year	**5,103**	3,870

Due within one year	**1,364**	209
Due after one year	**3,739**	3,661
	5,103	3,870
Amount three years or older where repayment may be required	**-**	-

27. Financial instruments

	2025 £'000	2024 (restated) £'000
Financial assets measured at transaction price adjusted for transaction costs (historic cost):		
Trade receivables (note 20)	**1,328**	1,443
Other receivables (note 20 & 18)	**86,937**	82,507
Cash and cash equivalents	**15,840**	14,374
Total financial assets	**104,105**	98,324
Financial liabilities measured at transaction price adjusted for transaction cost (historic cost):		
Loan payable (note 24)	**458,251**	380,891
Trade creditors (note 22)	**6,259**	1,410
Other creditors (note 22 & 23)	**41,905**	39,329
Total financial liabilities	**506,415**	421,640

Please note the prior year figure has been restated to exclude deferred government grant

The organisation's policy on treasury management, capital structures, cash flow and liquidity are set out on page 3 of the Strategic Report.

	2025 £'000	2024 £'000
The organisation's financial liabilities are sterling denominated. The interest rate profile of the organisation's financial liabilities (loans and finance leases) at 31 March was:		
Floating rate	**154,887**	75,408
Fixed rate	**303,364**	305,482
	458,251	380,890

28. Obligations under operating leases

The Association leases some of its land and buildings. Payments are accounted for in the month in which they are receivable. The future minimum lease receipts under non-cancellable operating leases are as follows:

	Land and buildings	
	2025 £'000	2024 £'000
Leases expiring:		
Within one year	**954**	927
In the second to fifth years	**3,618**	3,510
In more than five years	**1,927**	2,850
At end of the year	**6,499**	7,287

During the year £989,000 was recognised as income in the statement of comprehensive income in respect of operating leases receivable (2024: £959,000).

The Association holds some of its office equipment on operating leases and contract hires some of its motor vehicles. Payments are accounted for in the month in which they fall due. The future minimum lease payments under non-cancellable operating leases are as follows:

	Vehicles and equipment		Land and buildings	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Leases expiring:				
Within one year	**775**	338	**694**	694
In the second to fifth years	**736**	543	**1,826**	2,520
In more than five years	**-**	-	**1,042**	1,042
At end of the year	**1,511**	881	**3,562**	4,256

During the year £1,761,000 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2024: £1,314,000).

29. Provisions for liabilities

	2025 £'000	2024 £'000
Public liability insurance and disrepair claims:		
At start of the year	**2,113**	1,099
Additional provision in year	**603**	1,193
Transfer out of provisions	**(579)**	(179)
At end of the year	**2,137**	2,113

30. Pension liabilities

	2025 £'000	2024 £'000
At start of the year	**12,861**	15,624
Interest on pension liabilities	**568**	701
Transfers to reserves (actuarial gain in period)	**(4,321)**	1,745
Contributions in period	**(4,108)**	(4,735)
Administration expenses	**23**	236
Settlement gain	**-**	(758)
Current service costs in the period	**31**	48
Past service costs in the period	**91**	-
At end of the year	**5,145**	12,861

31. Non-equity share capital

	2025 £	2024 £
Shares of £1 each fully paid and issued:		
At start of the year	**9**	9
Shares issued in the year	**0**	1
Cancelled during the year	**(1)**	(1)
At end of the year	**8**	9

The Association's shares are not transferable or redeemable. Payments of dividends or other benefits are forbidden by the Association's rules and by the Housing Association Acts.

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

32. Transactions with related parties

During the year the Association transacted with Onward Group, its ultimate parent organisation and other subsidiaries as set out below. There are no guarantees given over and above the normal trading terms set out in the intra-group agreement. There are no provisions required for uncollectible balances and no bad debt expense is required.

	2025 £'000	2024 £'000
Recharge by related party		
Onward Group Limited	**564**	550
Atrium City Living Limited (non- regulated)	**715**	100
Onward Repairs Limited (non-regulated)	**386**	448
Contour Property Services (non-regulated)	**139**	826
Onward Build (non-regulated)	**3,003**	2,293
	4,807	4,217

32.Transactions with related parties (continued)

	2025 £'000	2024 £'000
Recharge by service		
Management services	**1,433**	1,524
Loan Interest	**3,374**	2,693
	4,807	4,217

Management services are non-salary related corporate recharges which include IT costs, human resources, finance costs, marketing and communication costs etc.

The Association received charges from:	2025 £'000	2024 £'000
Recharge from subsidiary		
Onward Group Limited	**5,276**	4,236
Onward Build Limited (non-regulated)	**11,712**	-
Onward Repairs Limited (non-regulated)	**16,367**	9,501
	33,355	13,737

Debtors falling due within one year (note 20)	2025 £'000	2024 £'000
Onward Group Limited	**3,475**	4,221
Onward Repairs Limited (non-regulated)	**1,264**	2,475
Contour Property Services Limited (non-regulated)	**752**	2,323
Onward Build Limited (non-regulated)	**238**	90
Atrium City Living Limited (non- regulated)	**7**	2
	5,735	9,111

Debtors falling due after more than one year (note 18)	2025 £'000	2024 £'000
Atrium City Living Limited (non-regulated)	**2,202**	2,073
Contour Property Services Limited (non-regulated)	**900**	900
Onward Build Limited (non-regulated)	**58,892**	52,191
Onward Repairs Limited (non-regulated)	**3,600**	3,600
	65,594	58,764

All transactions with related parties are provided and received at cost and are apportioned in accordance with an agreed group recharge methodology. The recharge methodology recharges costs mainly on the basis of time, headcount or service usage. Transactions with Atrium City Living Limited, and Onward Repairs Limited (non-regulated) are based on an agreed fee structure per unit for management and development or per property sale.

33. Capital commitments

	2025 £'000	2024 £'000
Capital expenditure contracted for but not provided for in the financial statements general balance	**100,818**	96,106
Capital expenditure authorised by the Board but not yet contracted for general balance	**53,637**	76,378

Capital expenditure commitments are funded through grant funding (Homes England Affordable Homes Programme) and recycled grant, £27,440,000 and cash from approved loan agreements, property sales and retained surpluses, £127,015,000.

34. Impairment

Under FRS102 the Association is required to perform impairment tests on its housing stock so that properties are not shown at an amount exceeding their recoverable amount. At the year-end a review of impairment indicators was carried out and reviewed by the Board. In total the Association approved net impairment provisions of £nil in the year (2024: £nil).

35. Contingent liabilities

The association had no contingent liabilities at 31st March 2025 (2024: £nil).

36. Pension costs

Summary

	OPP £'000	GMPF £'000	MPF £'000	Total £'000
At start of the year	13,568	(719)	12	12,861
Net interest on pension liabilities	578	(10)	0	568
Transfers to reserves (actuarial gain in period)	(4,037)	(284)	0	(4,321)
Contributions in period	(4,083)	(25)	0	(4,108)
Administration expenses	23	0	0	23
Current service costs in the period	0	31	0	31
Past service costs in the period	0	91	0	91
At end of the year	6,049	(916)	12	5,145

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

On 1 July 2023, Onward transferred its share of assets and liabilities in the Social Housing Pension Scheme (SHPS) multi-employer scheme to a defined benefit scheme sponsored by Onward, the Onward Pension Plan (OPP). There are no participating employers outside of the Onward Group.

Benefits in the OPP for transferring members are identical to SHPS. Onward closed the defined benefit section in SHPS on31 March 2016 and only operates a defined contribution scheme for future benefit contributions, the Onward Defined Contribution Pension Scheme run by Aviva.

The OPP is a trust-based defined benefit pension scheme. The Trustee is responsible for running the OPP in accordance with it's trust Deed and Rules, which sets out their powers. The Trustee of the OPP is required to act in the best interests of the beneficiaries of the OPP.

36. Pension costs (continued)

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

The OPP will pay any remaining administration expenses and all levies, including the PPF levy.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be late 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2025 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

The Board are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.
On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the entity being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation, the Board do not expect the valuation of the scheme liabilities to change.

(a). The Social Housing Pension Scheme

Analysis of the amount credited to other finance income	2025 £'000	2024 £'000
Expected return on pension assets	-	878
Interest on pension liabilities	-	(1,067)
Net Return	-	(189)

	2025 £'000	2024 £'000
Movement in (deficit) during the year		
Deficit in schemes at the start of the year	-	(16,184)
Contributions	-	953
Expected return on plan assets	-	(5,312)
Interest on pension liabilities	-	(189)
Administration expenses	-	(16)
Actuarial gain/(loss) in SCI	-	5,143
Discharge of orphan and retained liabilities in SHPS	-	758
Bulk transfer of scheme deficits to OPP	-	14,847
Deficit in scheme at end of the year	-	-

36. Pension costs (continued)

(a). The Social Housing Pension Scheme (continued)

Amount recognised in the Statement of Comprehensive Income	2025 £'000	2024 £'000
Actual return less expected return on pension scheme assets	-	(5,312)
Experienced gains/(losses) arising on the scheme liabilities.	-	5,418
Change in assumptions underlying the present value of scheme liabilities	-	(275)
Actuarial (loss) recognised in SCI	-	(169)

History of experienced surpluses and deficits	2025 £'000	2024 £'000
Difference between actual and expected returns on assets	-	(5,312)
% of scheme assets	-	(6.2%)
Experienced (losses)/gains on liabilities	-	5,418
% of scheme liabilities	-	(6.7)%
Total amount recognised in SCI	-	(275)
% of scheme liabilities	-	(0.3%)

	2025 £'000	2024 £'000
Reconciliation of assets		
Initial recognition of multi-employer defined benefit	-	72,871
Employer contributions	-	953
Benefits paid	-	(680)
Administration expenses	-	(16)
Interest Income	-	878
Expected return on plan assets	-	(5,312)
Remeasurement of assets	-	-
Discharge orphan & retained liabilities left in SHPS	-	(3,133)
Assets bulk transfer to OPP	-	(65,561)
Assets at end of year	-	-

	2025 £'000	2024 £'000
Reconciliation of liabilities		
Initial recognition of multi-employer defined benefit	-	89,055
Interest cost	-	1,067
Benefits paid	-	(680)
Actuarial (gain) / loss	-	(5,143)
Administration expenses	-	-
Discharge orphan & retained liabilities left in SHPS	-	(3,891)
Defined benefit obligation bulk transfer to OPP	-	(80,408)
Benefit obligation at end of year	-	-

36. Pension costs (continued)

(b). Onward Pension Plan

Assumptions	2025	2024
Inflation	2.80%	2.80%
Rate of discount on scheme	6.00%	5.00%
Rate of salary increase	3.80%	3.80%
Rate of increase of pensions	2.80%	2.80%
Life expectancy male non-pensioner	21.7	21.8
Life expectancy female non-pensioner	24.5	24.6
Life expectancy male pensioner	20.4	20.6
Life expectancy female pensioner	23.0	23.2

The OPP's membership data as at 30 June 2023 has been valued using assumptions as at 31 March 2025 by a qualified independent actuary.

The fair value of the schemes' assets at 31 March 2025, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

	2025 £'000	2024 £'000
Fair value of assets	**68,137**	72,298
Present value of liabilities	**(74,186)**	(85,866)
Deficit in the scheme	**(6,049)**	(13,568)

The market value of the assets of the scheme and the expected long term rates of return at 31 March were:

	2025 £'000	2024 £'000
Market value		
Insurance-Linked Securities	**-**	343
Property	**-**	581
Cash	**3,182**	1,386
Gilts	**26,312**	37,031
Equity Options	**6,819**	5,704
Gilt Swaps	**(1,822)**	578
Inflation Swaps	**(331)**	(226)
Interest Rate Swaps	**363**	658
Liquidity Fund	**-**	6,534
Strategic Income	**-**	5
Private Markets	**12,392**	-
Credit Fund	**21,222**	19,704
Total	**68,137**	72,298

36. Pension costs (continued)

(b). Onward Pension Plan (continued)

Analysis of the amount credited to other finance income	2025 £'000	2024 £'000
Expected return on pension assets	**3,621**	2,628
Interest on pension liabilities	**(4,199)**	(3,145)
Net Return	**(578)**	(517)

	2025 £'000	2024 £'000
Movement in (deficit) during the year		
Deficit in schemes at the start of the year	**(13,568)**	-
Scheme bulk transfer from SHPS	**-**	(14,847)
Contributions	**4,083**	3,747
Expected return on plan assets	**(8,025)**	2,135
Interest on pension liabilities	**(578)**	(517)
Administration expenses	**(23)**	(220)
Actuarial gain/(loss) in SCI	**12,062**	(3,866)
Deficit in scheme at end of the year	**(6,049)**	(13,568)

Amount recognised in the Statement of Comprehensive Income	2025 £'000	2024 £'000
Actual return less expected return on pension scheme assets	**(8,025)**	2,135
Experienced gains/(losses) arising on the scheme liabilities.	**2,256**	(2,119)
Change in assumptions underlying the present value of scheme liabilities	**9,806**	(1,747)
Actuarial (loss) recognised in SCI	**4,037**	(1,731)

The liabilities are compared, at the relevant accounting date, with the Scheme's total assets to calculate the company's net deficit or surplus.

History of experienced surpluses and deficits	2025 £'000	2024 £'000
Difference between actual and expected returns on assets	**(8,025)**	2,135
% of scheme assets	**(11.8%)**	2.5%
Experienced (losses)/gains on liabilities	**2,256**	(2,119)
% of scheme liabilities	**3.0%**	(2.5%)
Total amount recognised in SCI	**4,037**	(1,747)
% of scheme liabilities	**5.4%**	(2.0%)

36. Pension costs (continued)

(b). Onward Pension Plan (cont'd)

	2025 £'000	2024 £'000
Reconciliation of assets		
Initial recognition of multi-employer defined benefit	**72,298**	-
Assets bulk transfer from SHPS	**-**	65,561
Employer contributions	**4,083**	3,747
Benefits paid	**(3,817)**	(1,553)
Administration expenses	**(23)**	(220)
Interest Income	**3,621**	2,628
Expected return on plan assets	**(8,025)**	2,135
Assets at end of year	**68,137**	72,298

	2025 £'000	2024 £'000
Reconciliation of liabilities		
Initial recognition of multi-employer defined benefit	**85,866**	-
Defined benefit obligation bulk transfer from SHPS	**-**	80,408
Interest cost	**4,199**	3,145
Benefits paid	**(3,817)**	(1,553)
Actuarial (gain) / loss	**(12,062)**	3,866
Benefit obligation at end of year	**74,186**	85,866

The major assumptions used in this valuation for Greater Manchester Pension Fund is as follows.

Assumptions	2025	2024
Inflation	2.75%	2.75%
Rate of discount on scheme	5.80%	4.85%
Rate of salary increase	3.55%	3.55%
Rate of increase of pensions	2.75%	2.75%
Life expectancy male non-pensioner	21.8	21.9
Life expectancy female non-pensioner	25.6	25.6
Life expectancy male pensioner	20.0	20.1
Life expectancy female pensioner	23.3	23.3
Mortality assumptions (normal health)		
Basis	Vita curves CMI 2022 model	Vita curves CMI 2021 model
Non-retired members	CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a..
Retired members	CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

36. Pension costs (continued)

(c) Local Government Pension Scheme (continued)

The major assumptions used in this valuation for Merseyside Pension Fund is as follows. As of 2024 there are no pensioners in the fund.

	2025 £'000	2024 £'000
Fair value of assets	**2,006**	1,896
Present value of liabilities	**(1,563)**	(1,650)
Deficit in the scheme	**443**	246

The market value of the assets of the scheme and the expected long term rates of return at 31 March were as follows.

	2025 £'000	2024 £'000
Market value		
Equities	**1,264**	1,308
Government Bonds	**361**	284
Property	**180**	152
Cash/liquidity	**201**	152
Total	**2,006**	1,896

	2025 £'000	2024 £'000
Analysis of the amount charged to operating surplus		
Current service cost	**31**	48
Past service cost (including curtailments)	**91**	-
Total operating charge	**122**	48

	2025 £'000	2024 £'000
Analysis of the amount credited to other finance income		
Expected return on pension assets	**93**	83
Interest on pension liabilities	**(83)**	(78)
Net return	**10**	5

36. Pension costs (continued)

(c) Local Government Pension Scheme (continued)

	2025 £'000	2024 £'000
Movement in (deficit) during the year		
Deficit in schemes at start of the year	**707**	560
Movement in year:		
Current service cost	**(31)**	(48)
Past service Cost (including curtailments)	**(91)**	-
Contributions	**25**	35
Expected return on plan assets	**93**	83
Interest on pension liabilities	**(83)**	(78)
Actuarial gain / (loss) in SCI	**284**	155
Deficit in schemes at end of the year	**904**	707

	2025 £'000	2024 £'000
Amount recognised in the Statement of Comprehensive Income		
Actual return less expected return on pension scheme assets	(16)	47
Change in assumptions underlying the present value of scheme liabilities	300	108
Actuarial gain/(loss) recognised in SCI	**284**	155

	2025	2024
History of experienced surpluses and deficits		
Difference between actual and expected returns on assets (£'000)	**(16)**	47
% of scheme assets	**(0.80%)**	2.48%
Experienced (losses)/gains on liabilities (£'000)	**-**	-
% of scheme liabilities	**-**	-
Total amount recognised in SCI (£'000)	**284**	155
% of scheme liabilities	**18.30%**	9.39%

	2025 £'000	2024 £'000
Reconciliation of assets		
Assets at start of year	**704**	533
Employer contributions	**25**	35
Employee contributions	**13**	17
Benefits paid	**(5)**	(11)
Expected return on plan assets	**93**	83
Remeasurement of assets	**(16)**	47
Settlement on exit	**-**	-
Assets at end of year	**814**	704

36. Pension costs (continued)

(c) Local Government Pension Scheme (continued)

	2025 £'000	2024 £'000
Reconciliation of liabilities		
Benefit obligation start of year	**(4)**	(28)
Operating charge	**122**	48
Interest cost	**83**	78
Employee contributions	**13**	17
Benefits paid	**(5)**	(11)
Actuarial gain/(loss)	**(300)**	(108)
Benefit obligation at end of year	**(91)**	(4)

37. Share of operating profit/(loss) in joint venture

	2025 £'000	2024 £'000
Share of operating profit/(loss) in joint venture	**275**	-
	275	-

38. Post Balance Sheet Events

There are no post balance sheet events to report.