Onward

Annual Report and Accounts 2025-26

During the 2025/26 financial year, we have continued to make great strides in delivering the vision set out in our corporate plan, 'The Onward Difference'. The wider economic environment for the sector remains challenging and we continue to see high levels of demand for services. Despite this, we have demonstrated our ability to improve services for customers, evolve to make these more efficient and remain resilient by adopting a prudent financial approach.

This year, we have brought more services in-house which is enabling us to be more responsive and agile in how we work on behalf of our customers and communities. We have invested significantly in improvements to existing homes, delivered new homes to meet the needs of local people, and provided tailored financial support to customers to sustain their tenancies, which is reflected in our improving financial performance. Underpinned by our strong governance and financial ratings, we have solid foundations in place to make The Onward Difference in the years ahead. Across the next few pages, you'll read all about how we have delivered our corporate plan in the last twelve months.

My report cannot be complete without referring to the appointment of Sandy Livingstone as our new Chief Executive. Sandy was formerly our Executive Director of Growth and had extensive experience in various roles within Onward, in addition to his previous positions elsewhere in the housing sector. He was appointed by the Board after a rigorous selection process, led by myself and Kate Jones, Chair of Governance and People Committee. The selection process included a number of our customers and Carol Matthews CBE, former Chief Executive of national housing association, Riverside.

I am pleased to report that Sandy has started his role well, benefitting from the huge contribution to Onward by his predecessor Bronwen Rapley. Likewise, both Sandy and Bronwen benefitted in the year from an incredibly dedicated executive team and group of non-executive directors. Moreover, throughout all parts of Onward we have witnessed tremendous contributions and commitment from colleagues, and I offer my sincere thanks to all.

Tim Johnston,
Board Chair

Our commitment to customers and communities is our north star and we have listened and heard from them about what matters most. As outlined in this report, we are evolving our services to enable us to deliver efficiencies and target resources more effectively so that we can get the basics right. We have continued to take a balanced approach by delivering improvements in our homes and building the new homes our communities need.

In the last twelve months, the Government has made positive announcements for our sector and we stand ready to play our part in tackling the housing crisis. During the last financial year, we have invested £97million in our properties and retrofitted a further 364 homes to make these more energy efficient and easier to run. Over this period, we have built 355 homes and acquired a further 134 properties, helping even more people across the North West to find a place to call home.

The decisions that we are making now are about grasping the generational opportunity to build social housing again at pace and scale to boost the choice and supply of affordable homes in our communities.

Sandy Livingstone,
Chief Executive

OUR YEAR AT A GLANCE.

Built and acquired **489** affordable homes across the North West.

Supported **1,667** young people and jobseekers find new pathways into training and employment.

Delivered energy efficiency improvements to **364** homes, making these warmer and easier to run.

Carried out **5,800** upgrades in our customers' homes, including new doors, windows and kitchens.

Brought damp and mould services **in-house** from contractors to Onward Repairs.

Spent **£97million** on repairs, improvements and compliance work in our customers' homes.

Engaged with over **1,700** customers to shape and improve the services we provide.

Helped 3,922 customers access **£7.5million** in additional income through tailored support.

Making The Onward Difference

Our corporate plan sets out a clear vision for how we will improve the services, homes and neighbourhoods in our care, from investing in customers' homes and building more quality affordable housing to enabling our customers, communities and colleagues to thrive. This is what we call 'The Onward Difference'.

Over the next few pages, we set out some examples of the positive local impact we have made this year around five key themes: enabling, environment, listening, technology and colleagues.

ENABLING.

From helping local people take their first step onto the property ladder to support finding new career paths and financial help and guidance, we are enabling our communities to build brighter futures one opportunity at a time.

In 2025/26, we delivered 355 new affordable homes across the North West. These include a mix of 99 affordable rent, 28 social rent, 91 rent to buy and 137 shared ownership homes to reflect the different needs of our communities. One example of this is our Foxfield Park development in Moreton, Merseyside, where James and Katie have been able to purchase their first home through shared ownership.

> "We still can't quite believe it's ours. It's already been cheaper for us to live here than it was in our privately rented house. We've got solar panels that bring the electricity bills down. It holds the heat really well and the lights are low energy, so it's really energy efficient."

Through our Strategic Partnership with Homes England, we have delivered 2,103 new affordable homes between 2021 and 2026. Over 800 of these homes are still to be completed, along with 239 homes to be delivered through additional funding, so our work to build much-needed homes continues. Over the next five years, we plan to invest £700million to build 3,000 new homes through the partnership.

Our work also goes beyond bricks and mortar and by working together with local partners we have unlocked new opportunities for our customers. This year, we supported 1,667 young people and job seekers to find new career paths through employment and training initiatives and helped 3,922 customers access £7.5million in additional income through tailored support delivered by our Customer Accounts and Money Advice Team.

ENVIRONMENT.

During the last financial year, we have improved the energy efficiency of 364 homes in Liverpool and Oldham, making these warmer and easier to run. We have also secured a further £12million investment from the Warm Homes: Social Housing Fund Wave 3, which will see the energy efficiency of a further 361 homes in these areas improved between now and 2028.

Through environmental initiatives, we have also delivered new and improved green spaces. In 2025/26, we created new community orchards in Hattersley, Greater Manchester, a new mural in Kirkdale, Merseyside, and tackled litter as part of the Great British Spring Clean across our neighbourhoods.

> My house heats up faster so the heating is on for less time which has helped me save on bills, especially during the winter.
> **Lindsey, a customer whose home received energy efficiency upgrades**

LISTENING.

In response to customers' feedback, we have continued to bring more of our services in-house. In April 2025, Onward Repairs expanded its services with the launch of a specialist in-house Damp and Mould Team. The team was created to improve how we respond to reports of damp and mould in our homes and to ensure all our customers across the North West benefit from the same responsive, consistent service.

In January 2026, we worked with customers and colleagues to create a new approach to customer voice and influence, so that we can listen, learn and, most importantly, act on what our customers tell us.

> We're not just customers; we're part of the organisation. It's been brilliant to meet up and share our views on what is going well and how things can improve. They're not just ticking a box; we're being given a voice and actually being listened to.
> **Amanda, one of our involved customers**

We have now launched our new Customer Voice and Influence Strategy and look forward to working with customers to shape more of what we do in the years ahead.

TECHNOLOGY.

One of the ways we have improved our services is by using modern technology along with data and insights to give customers the best possible experiences. This year, we introduced automation to help speed up tasks like direct debit increases and processing forms. This has given us time to focus on providing extra support to customers where it is needed most.

We also introduced Housing Perks, an award-winning free app that offers up to a 20% discount on customers' everyday shopping. Since its launch, the app has helped 6,370 of customers access £23,677.96 in discounts, 69% of which chose to put towards paying their rent.

We're also helping more customers access the benefits of technology. Through Onward Digital Connect, we have helped 554 of our customers get online by gifting free devices, offering six months of data and hosting skills workshops.

> "I'm very grateful for the laptop. It has helped me get online, search for more things to do and improved my wellbeing as I suffer from mental health. **Stuart, a customer who benefited from Onward Digital Connect**"

COLLEAGUES.

We are committed to investing in our colleagues to ensure they have the skills and knowledge to continuously improve services. This year, more than 1,100 colleagues took part in training focused on finding new ways to improve services by working together and learning from customers' experiences.

> "One of the main things I took away was the difference between customer service and customer care, what this means for how we treat our customers, colleagues and contractors, and how we can enhance the way we make The Onward Difference. **Charlotte, a colleague who took part in the training**"

A further 71 colleagues joined our Leadership Programmes and 291 completed our Values in Action programme, both of which are designed to help us build high performing teams that drive positive change for our customers.

Finally, in February 2026 we launched our new Equity, Diversity and Inclusion Strategy for 2025-2030. The strategy sets out how we will use the lived experiences of our colleagues, customers and communities to create a workplace where everyone feels safe, valued and able to be themselves.

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BOARD AND DIRECTORS

Members of the Board

Non-Executive Directors

Tim Johnston (Chair)
Dena Burgher
Katherine Jones
Kieran Keane
Tina Kokkinos
Karl Tupling
Diana Hampson

Executive Directors

Bronwen Rapley, Chief Executive (resigned 31 January 2026)
Danielle James, Executive Director (Finance)
Alexander Livingstone, Chief Executive (appointed Chief Executive 1 February 2026 have previously held the position as Executive Director of Growth)
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

Menzies LLP (
formerly Beever and Struthers)
One Express, 1 George Leigh Street,

STRATEGIC REPORT

Introduction.

The Board presents its strategic report, containing the operating and financial review and value for money report, for the year ended 31 March 2026.

Overview and Background.

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 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 the best they can be. 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
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 customers 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:

1. **Portfolio management:** providing homes that are affordable and meet the needs of our customers
2. **Customers and communities:** delivering improved services based on customer feedback and data
3. **Solid foundations:** ensuring we are financially resilient and have robust processes in place
4. **People and culture:** nurturing our home-grown talent and developing skills for the future
5. **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)

Legal Structure.

Onward Group Limited (the 'Association'), the Group parent, is a non-charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority (31216R) and the Regulator of Social Housing (RSH) as a Registered Provider of Social Housing (L4649).

The wholly owned subsidiaries in the group are detailed as follows:

Onward Homes Limited

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.

Atrium City Living Limited

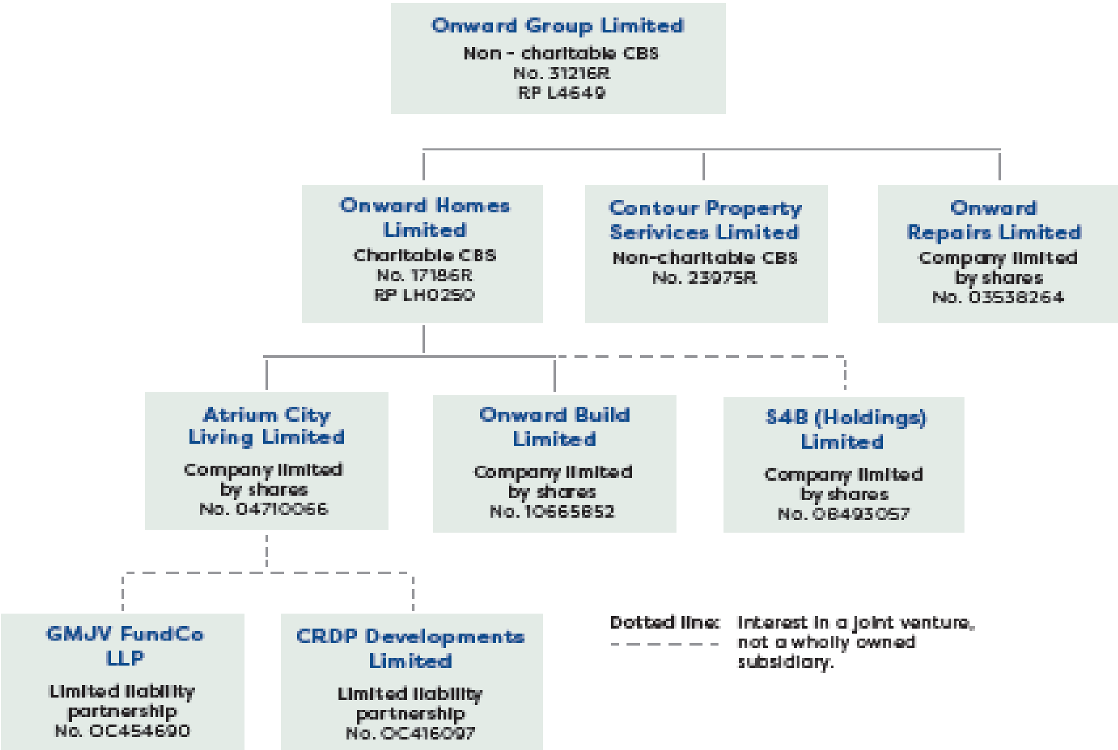
A wholly owned subsidiary of Onward Homes Limited. As well as its investment in the Greater Manchester Joint Venture (GMJV). Atrium also held an investment in CRDP Developments LLP - this joint venture concluded in March 2023 with the final homes being completed and sold and funds have been distributed to JV participants. The JV will be wound up after the final legal matters have concluded.

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 will deliver the Group's flagship development schemes at Basford East and Helsby, building over 650 new homes for affordable rent, shared ownership and rent to buy. In addition, this part of the Group is providing the ability to deliver our Preston regeneration project.

Contour Property Services
A wholly owned subsidiary of Onward Group and provides management services to 3,603 leasehold and freehold homeowners.

Onward Repairs Limited
A wholly owned subsidiary of Onward Group which provides repairs services to Onward Homes' properties in our Lancashire and Greater Manchester Regions.



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 Group is reporting a surplus before tax for the year of £19.3m (2025: £13.3m). Underlying trading is strong, supported by a slow-down in volume pressure on repairs which is a sector wide trend and further mitigated by improved efficiency and reduced cost from our continued in-sourcing of maintenance and environmental services. There have been challenges specifically relating to cost pressures on disrepair which continue to be an issue and the impact of Awaab's Law was felt towards the end of the year where we saw a significant increase in damp and mould cases.

The net surplus is 9.2% as a percentage of turnover (2025 6.7%). The total comprehensive income was £26.5m (2025: £17.6m). There has been a positive improvement within revenue reserves which have increased to £440m (2025: £413.5m). The Group ended the year with cash and short-term investments of £28.0m (2025: £24.7m). The movement in the cash position is a result of lending facilities ahead of anticipated development spend.

Proceeds from property sales totalled £12.1m due to a focus on strategic disposals through our portfolio management programme to ensure we are utilising our financial resources efficiently. Importantly, all surpluses continue to be reinvested into the business with the primary focus on investment in existing homes through capital expenditure and the building of as many new homes as possible. This includes strengthening our reserves to support long-term financial sustainability and funding future investment in our housing assets.

Lender covenants are based on Onward Homes only as all external financing sits within the Association. The tightest lender covenant (which measures the extent to which the adjusted surplus covers interest payments) is 324% in 2026 (2025: 314%). Gearing (which measures the level of indebtedness using the value for money metrics definition) is 35.3% (2025: 25.3%). Gearing has increased during the year as an additional net £84m 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 planning process, Onward undertakes robust sensitivity and stress testing to assess the potential impact of different scenarios on covenants and other key financial metrics. These scenarios are developed with the Board to ensure a comprehensive range of risks is considered. The analysis demonstrates that, should adverse events arise, Onward retains significant control over its expenditure and has the flexibility to respond effectively, mitigating the risk of a covenant breach.

We are also continuing our data journey, using insight to inform long-term planning and ensure investment is focused where it will have the greatest impact which will help us target resources more effectively and efficiently.

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	2026/27	2027/28	2028/29	2029/30	2030/31	18.2%
Reinvestment %	13.4%	15.4%	13.7%	12.7%	8.2%	22.9%
Gearing %	37.5%	40.8%	42.4%	44.8%	46.6%	24.5%
EBITDA MRI interest cover	33.3%	49.8%	44.0%	15.8%	79.2%	10.3%
Operating Margin % SHL Only	16.4%	19.2%	20.3%	21.0%	21.8%	24.3%
Operating Margin % Overall	12.2%	15.9%	16.2%	19.3%	20.0%	20.4%
ROCE %	2.3%	3.3%	2.7%	2.8%	2.8%	10.0%

A five-year summary of the Group's past financial performance is shown below. Turnover has grown whilst the cost increase has been less pronounced reflecting the efficiencies gained through our Evolution Programme. Our overall social housing cost per unit has increased from £5,442 per unit to £5,710 per unit mainly due to an element of capital expenditure related to retrofit being delayed from 2024/25 to 2025/26 and we invested a further £8m to improve the energy efficiency of 364 of our customers' homes,

Operational expenditure for the year was in-line with target.

Statement Of Comprehensive Income	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Turnover	210.2	198.3	190.4	171.9	159.8
Operating Costs & Cost Of Sales	(181.1)	(171.9)	(166.6)	(152.7)	(138.3)
Loss on disposal of investment properties	-	-	-	-	
Gain on Disposal of Housing Property Assets	4.7	0.1	1.2	0.6	(0.1)
Operating Surplus	33.8	26.5	25.0	19.8	21.5
Share of profit/(loss) in joint venture	0.3	0.3	0.0	0.3	0.1
Interest Receivable	4.5	4.2	4.5	3.9	2.7
Interest Payable	(19.3)	(17.5)	(17.1)	(12.9)	(47.3)
(Loss)/Surplus on Disposal of Assets	(0.0)	(0.1)	(0.8)	-	0.2
Taxation	-	-	-	(0.4)	0.2
Surplus/(Deficit) for the year after Tax	19.3	13.3	11.6	10.7	(22.5)
Other Comprehensive Income	7.3	4.3	(1.7)	(2.1)	8.9
Total Comprehensive Income for the Year	19.3	17.6	9.8	8.6	(13.6)
Statement of Financial Position	**2026 £m**	**2025 £m**	**2024 £m**	**2023 £m**	**2022 £m**
Housing Properties net of Depreciation	1,478.5	1,369.6	1,263.3	1,151.6	1,103.6
Other Fixed Assets, Investments & Long Term Debtors	48.5	49.5	47.0	45.2	34.1
Net Current Assets	(0.8)	(2.4)	13.9	73.8	101.9
Total Assets Less Current Liabilities	1,526.2	1,416.8	1,324.2	1,270.6	1,239.7
Loans Due After 1 Year	526.8	436.2	362.7	371.8	378.0
Other Long Term Liabilities	557.2	562.0	552.9	497.2	467.5
Pension Liability/(Asset)	(0.1)	(5.1)	12.9	15.6	16.8
Revenue Reserves	440.0	413.5	395.9	386.0	377.4
Long Term Liabilities & Reserves	1,526.2	1,416.8	1,324.3	1,270.6	1,239.7
Financial Ratios	**2026 £m**	**2025 £m**	**2024 £m**	**2023 £m**	**2022 £m**
Operating Margin (Overall)**	14.0%	13.4%	12.5%	11.2%	13.5%
Net Margin*	9.2%	6.7%	6.1%	6.2%	8.5%
Return on Net Assets (RONA)*	1.3%	0.9%	0.9%	0.8%	1.1%
Return on Capital Employed (ROCE)	2.2%	1.9%	1.9%	1.6%	1.7%
EBITDA-MRI*	60.4%	46.9%	67.0%	61.6%	166.0%
EBITDA only Interest cover***	2.90	2.72	2.70	3.15	3.75
Interest Cover*	2.0	1.7	1.7	1.8	2.2
Gearing	35.3%	25.3%	27.9%	27.1%	30.8%
Headline Social Cost Per Unit £'000	5,710.3	5,442.0	5,195.1	4,704.2	4,096.6
Net Debt Per Unit	16,392.6	13,886.4	11,570.1	10,501.9	11,546.9

*In 2022 the loan breakage costs of £36.1m are excluded from all ratios as this is a one-off cost to Onward in line with loan covenants.

**Operating Margin (Overall) in RSH VfM metric table excludes gain on fixed assets (housing properties). Operating margin excludes Accelerated Depreciation

***EBITDA only Interest Cover in the table above is based on the Onward Group consolidated position. The Onward Homes only position for 2026 was 2.74x (2025: 2.65x).

Operating Review.

Overview

It has been a positive year, and we have continued to invest in the repairs and maintenance of our housing assets. Demand for our repairs service stabilised this year with 91,498 repairs completed, a decrease of 2.8% from the previous year, and we spent £26.3m, an increase of 2.5% from the previous year. We have continued to invest in our existing properties and this year spent £37.8m spent on capital improvements to our assets.

Although we have seen a sector wide slowdown in repairs volumes, the implementation of Awaab's Law has driven an increase in damp and mould cases. In response, we have established an in-house damp and mould team to manage demand, reduce reliance on external contractors and strengthen operational capacity. This year, we also brought gas servicing in-house across Greater Manchester and Merseyside, improving control over service delivery at a time of rising external contractor costs. This supports better value for money through enhanced operational efficiency, while also providing an improved service for our customers. Building safety continues to be a top priority.

We have continued to see a challenging operating environment and financial backdrop for the sector, which once again has impacted on some of our financial metrics and the cost of living continues to challenge our customers. To help address this, Onward's Corporate Plan focuses on improving customer services, increasing efficiency through technology, and introducing new ways of working and delivery through the Evolution Programme. We have also brought our environmental services fully in house to ensure that we are providing an efficient and effective service to our customers.

Disrepair continues to be an area of focus, and we saw a decrease in new disrepair cases this year to 344 (2025: 465). A cross functional working group meets monthly to look at ways of improving customer service, focussing on resolving aged cases and mitigating escalation where possible. We are also using data analysis to support our understanding of emerging trends and where to focus our resources.

Onward also continues to invest in its development programme and have delivered 489 new homes (355 through the development programme, 134 from a stock transfer from Auxesia). We have spent £97m on maintaining and improving our existing homes to directly benefit our customers. We are also actively managing our stock and potential investment through a portfolio management programme to ensure we are using our resources wisely. This has enabled Onward to release funds to use in our future development plans where appropriate through a balanced strategic disposal programme.

We invested £8m to retrofit our homes, completing 364 homes that are now EPC C, supported by the Social Housing Decarbonisation Fund. Our goal is to achieve EPC C sustainability rating across all homes by 2030, and our business plan supports this. All new homes built this year achieved EPC B rating with some exceeding this.

Our money advice and customer accounts team continue to support customers who are experiencing financial difficulty signposting available support where feasible. Alongside this, we have supported 3,922 customers to access £7.5m of additional income through tailored support and guidance and 1,667 job seekers to find new pathways into employment and training. We also introduced Housing Perks, an award-winning free app that offers up to a 20% discount on everyday shopping, in response to the increased cost of living. Since its launch, the app has helped 6,370 of our customers access £24k in discounts.

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.

Empty homes/relets

Measure	2026	2025	2024	2023	2022	2021
Void Loss %	2.40%	2.67%	2.70%	2.26%	1.85%	2.36%
Average re-let (days)	36.6	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 empty and 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 from 2.67% in the previous year to 2.40%, and average re-let days dropped to 36.6 from 47.9, driven by a business initiative to improve end-to-end void management and costs.

Our portfolio management programme continues to target wise investment by reviewing stock and selling non-viable properties to support growth and manage risk. Long-term voids are also assessed for reinvestment potential or disposal, balancing financial and asset risk. This year, we disposed of 50 empty properties compared to 23 in the previous year.

Income collection and arrears

Measure	2026	2025	2024	2023	2022	2021
Arrears - current residents %	4.4%	4.9%	5.2%	5.1%	5.0%	5.6%
Arrears - former residents %	1.7%	1.8%	1.6%	1.6%	1.5%	1.5%
Arrears - Total %	6.1%	6.7%	6.8%	6.7%	6.5%	7.1%
Average re-let (days)	36.6	47.9	75.5	48.5	63.2	59.6

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 100.1% (2025: 99.9%) and the overall arrears % has improved this year (2025: 6.7%).

New technology and automation have been implemented to enhance customer service and efficiency. This year, we exceeded both our financial and customer targets, generating £7.5m of income for 3,922 customers against targets of £4m and 1,200 customers respectively. This represents an 81% increase in additional income secured for our customers compared with last year. Helping to bridge the digital divide is another way we have made a positive impact through technology and through Onward Digital Connect, we have helped 554 customers get online by gifting free devices, offering six months of data and hosting skills workshops.

We know that our customers still face affordability challenges due to the cost of living crisis, a volatile economic environment, and rising energy prices affecting their incomes and are providing as much support as we can. This year we have created a hardship fund that will be used to support our most vulnerable customers and neighbourhoods.

Repairs

The average number of responsive repairs per property reduced to 3.18 (2025: 4.05), while the cost per property increased to £914 (2025: £895). During the year, 87.2% of responsive repairs were completed within target timescales (2025: 85.9%), against a target of 90.0%. Demand has begun to stabilise compared with previous years, and the overall reduction in volumes has reduced reliance on external contractors. However, there remain areas of high demand where specialist contractors continue to be required. Following the implementation of Awaab's Law, demand for damp and mould works increased significantly in the second half of the year and will remain a key focus for resources going forward.

The in-sourcing of the repairs service across the Lancashire and Greater Manchester regions continues to deliver improvements with appointments made and kept 89% (2025: 87%); and repairs completed first time rising to 85.7% (2025: 81.7%).

Measure	2026	2025	2024	2023	2022
Ave no. repairs per property	3.18	4.05	3.46	2.17	2.69
Repairs cost per property	£914	£895	£784	£613	£613

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 489 homes (of which 134 were a stock transfer from Auxesia) and remain committed to ensuring that we retain sufficient capacity to invest in new homes and our business plan supports this.

Onward Build are now in the process of developing 650 mixed tenure development schemes at sites in Basford and Helsby.

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 £25.1m in new kitchens, bathrooms, heating, re-roofing, windows and doors (2025: £28.2m). We are also continuing to retrofit our homes to meet the decarbonisation target requirement.

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, and considers our appetite regularly given the volatility in the environment we operate, and challenges our risk appetite when making strategic decisions 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.

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

Internal Audit

Internal audit provides independent assurance with regards to the management of risk and operation of controls. During the year we worked with our internal audit partner, Menzies LLP (formerly 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 Consumer Standards and our operating environment:

Risk	Mitigation
Complex and Volatile Political and Economic Environment The environment in which we operate remains challenging, the pace and scale of legislative change allied to fiscal challenges, customer demand, media focus and the increasingly volatile and connected macro-economic environment increase 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 as part of our established stress testing regime and consider the effect on our wider organisation.
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 and the financial impact of increased legislation, allied to our stock profile which drives costs and increases risk aligned to the focus on meeting our environmental responsibilities.	We stress test our 30-year business plan using a range of scenarios 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. Our strategic approach is underpinned by robust budget setting and monitoring arrangements and a range of KPIs that monitor performance and act as early warning indicators.
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 and integration, 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 enables us to have greater operational control over these services which will deliver value for money and to date have delivered measurable improvements in the services delivered to our customers. (cont.)

Risk	Mitigation
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.	(cont.) We recognise that a period of change can be challenging for our colleagues and so we have established governance processes to monitor the delivery of our Evolution Programme and the impact on our colleagues.
Unable to Reduce Operating Costs The business is unable to reduce operating costs and improve margins in the face of macro-economic, organisational and sector challenges to support long term sustainability with respect to spending on existing properties, compliance responsibilities, changing legislation and customer expectations.	We recognise the need to improve our operating margin to ensure that we can deliver sustainable improvements in service delivery and investment in properties, ensuring they are great homes for our customers that deliver our regulatory and legislative expectations This requirement is recognised by Board, and this challenge is recognised in our budget and business planning decisions, underpinned by robust performance management and KPI reporting.
Property Condition and Portfolio 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 are reviewing our property portfolio to rebalance our asset risk with a targeted disposal programme, allied to this we deliver a rolling capital programme to maintain the condition of our homes. These initiatives ensure our properties reflect the needs of our customers, are safe, warm and efficient homes in areas of housing need. We are working with an external organisation to support our response to Awaab's Law, recognising the increased risk inherent in our property portfolio, to ensure our process reflects examples of best practice and assurance that procedures are embedded and operating effectively. Our decision to move our repairs service to an in-house delivery model is allowing us to deliver a more responsive, customer-focused service. Whilst there is work to do to complete this work the success we have had to date is notable and underpins our broader initiatives.

Risk	Mitigation
Changing customer vulnerabilities and expectations and the ability to deliver to the required standards Providing a consistent quality service to our customers that considers equality and vulnerability and meets the requirements of the consumer standards and delivers customers' expectations is important to us.	We monitor the service we deliver to our customers using a range of performance indicators which are reported to management and Board. Areas of underperformance are discussed in detail and action plans established, in addition, we regularly ask our customers how they think we are performing and review our service delivery in response to feedback. We recognise that some of our customers are vulnerable and there is pressure on Housing Providers to support these customers to maintain tenancies and live well. To meet this need we have established a range of funded support mechanisms that are underpinned by our neighbourhood approach that sees our colleagues visible in our neighbourhoods, able to identify issues on a timely basis. In addition, we have targeted initiatives, focussed on customers who may be having difficulties, to visit these customers in their homes. This approach has delivered significant success and in response to this we have been able to address unreported repairs and damp and mould, address safeguarding and hoarding issues and support customers where needed to move to more suitable properties.
Reputation Interest in the condition of customers' homes, focus on damp, mould, condensation and complaints and the increasing focus on customer voice increases the risk that the reputation of the sector and individual organisations is compromised.	We continue to work hard to maintain the trust of our customers and our wider stakeholder group as we respond to challenges in our operating environment. Recognising the importance of working with our customers, we reviewed our approach to customer influence during 2025/26 which has resulted in a refreshed approach that creates a real partnership between customers and Onward. In addition, we have established an approach to wider stakeholder engagement which allows us to respond to political change at a local and national level that embeds an inclusive, partnership approach.

Risk	Mitigation
Weight and Scale of Regulation As a sector the burden of legislation remains significant with key legislation with respect to fire safety, property condition and environmental responsibilities increasing.	Whilst we do not yet know the specific details of each piece of emerging legislation, we have tested our processes in key areas such as damp and mould and have stress tested our business plan to ensure we can manage the impact of increased legislation and improved standards in key areas such as fire safety and property compliance and keep our customers safe in their homes.
People, Culture and Engagement We recognise that our people and the culture within our business are key to delivering our Corporate Plan objectives 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 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.
Development Delivering our development aspirations allows our customers to live in modern, warm, bright, efficient homes in places they want to live. In addition, our development work supports the work we are doing to rebalance our portfolio reducing overall portfolio risk.	Onward is a Homes England Development Partner and deliver a programme of development to meet the needs of our customers and communities with an objective to deliver real place-based change. Delivering of the programme is overseen by Board who assess schemes for suitability and monitor completion of the development activity seeking assurance that financial, organisation and customer objectives are delivered.
Failure to recognise and support customer influence 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 Consumer Regulations.	Recognising the increasing focus on customer voice and the importance of listening to our customers, allowing them to support and influence decisions about our services and the valued insight our customers provide, we reviewed our approach to customer influence during 2025/26. The work we undertook in consultation with customers and colleagues has resulted in the refreshed approach which will allow Onward to work in partnership with customers to deliver change. During the year we engaged The Tenant Participation Advisory Service to critically review our processes and in response to this review we have made changes to ensure that we effectively hear the voice of our customers in our governance structure.

Risk	Mitigation
Significant Cyber Security Incident and Failure of IT Systems 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 embedded 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 remains an area of focus as we consider the robustness of our business continuity arrangements, recognising the need to deliver services to our customers.

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 2026 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 focus 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 24 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 2026 show that undrawn loan facilities are sufficient to finance group activities until 2029.

This year, we undertook a refinancing exercise to optimise our funding structure and ensure sufficient liquidity to support the development programme in line with the approved Treasury Strategy.

Although 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 2026, 61.4% (2025: 66.2%) 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 £17.5m (2025: £15.3m), primarily due to additional floating rate debt drawn through revolving credit facilities to support the progression of the development programme. On 22 April 2026, £130m of variable rate debt facilities were repaid using funds from the Group's refinancing exercise. As part of that refinancing, the Group entered into SONIA interest rate swaps (Loan-Linked ISDAs) which economically convert a significant proportion of the remaining floating rate borrowings into fixed rate debt. Following completion of the refinancing and associated hedging arrangements, the percentage of debt subject to fixed rates increased to 85.3%.

As of 31st March 2026, the Association has borrowing facilities of £953.2m (2025: £857.3m) of which £543.2m has been drawn (2025: £458.3m). The available facility includes £355m (2025: £400m) of revolving credit facilities of which £172m were undrawn as of 31st March 2026 (2025: £314m). The cash balance as of 31st March 2026 was £13.1m (2025: £15.8m) 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 homes 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 2026 confirmed that the Association was compliant with all loan covenants, and that the approved financial plan demonstrates ongoing compliance with covenants and golden rules.

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 2026 on-lending was 4.1%. This allows for an additional £41.1m 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 the year ended 31 March 2026 the Board held 6 formal meetings and 2 strategy days. Attendance of members was as follows:

Board Member	Attendance
Tim Johnston (Chair)	75%
Tina Kokkinos	100%
Kate Jones	100%
Kieran Keane	100%
Kari Tupling	86%
Dena Burgher	75%
Diana Hampson	100%
Bronwen Rapley (resigned 31 January 2026)	100%
Danielle James	100%
Alexander Livingstone	100%

Board Committees

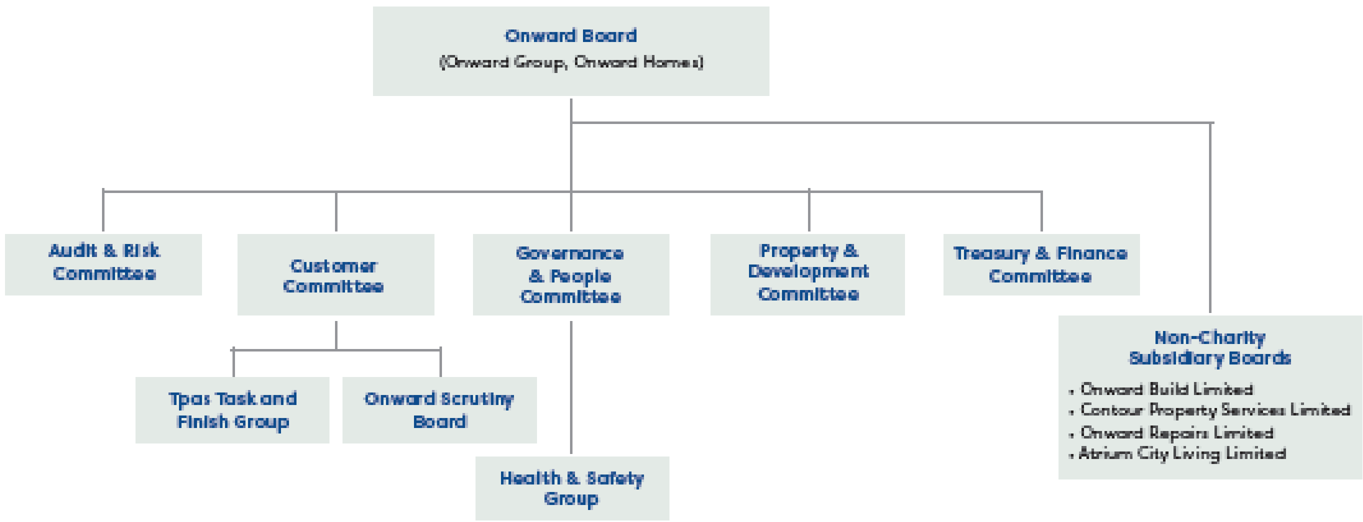
We operate the following committees to support the Board, providing detailed oversight of business operations. Each committee has responsibility delegated by the Board which is detailed in their terms of reference.

- **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, remuneration and governance 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 with Scrutiny Board members attending each meeting to present their findings.

Each Committee reports to the Board at every meeting, with the Committee Chair providing updates on key decisions and matters discussed. Meeting minutes are also shared with the full Board for information.

During the year we established a Task and Finish Group, with membership drawn from our Board and our engaged customer community. The Group was established to support our response to a review of Customer Engagement completed by The Tenant Participation Advisory Service and support our wider aspirations to review customer engagement and hear the voice of our customers within the governance structure. The Group met monthly and the work of the Task and Finish Group was completed in the summer of 2026.

During the year ended 31 March 2026, we commissioned our triennial governance effectiveness review to support our focus on good governance and continuous improvement. The review confirmed the robustness of our arrangements and identified areas of improvement. We will respond to the findings from the review during 2026/27.



Committee Membership as at 31 March 2026

Board Member	Attendance
Treasury & Finance Committee	Tina Kokkinos (Committee Chair) Tim Johnston Kari Tupling
Audit & Risk Committee	Kieran Keane (Committee Chair) Diana Hampson Kate Jones
Governance and People Committee	Kate Jones (Committee Chair) Dena Burgher Tina Kokkinos Kieran Keane
Property and Development Committee	Dena Burgher (Committee Chair) Diana Hampson Kari Tupling
Customer Committee	Kari Tupling (Committee Chair) Kate Jones Kieran Keane

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.

Diversity Strand	Board Composition
Gender	4 male 5 female
Ethnicity	8 British 1 British of Caribbean Descent

Regulatory Compliance Statement

Each year we assess compliance with the Regulator of Social Housing's 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 assessment for the year ended 31 March 2026 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.

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 the year ended 31 March 2026. To support this assessment a detailed review of evidence underpinning our assessment has been completed.

Value for money (VfM)

Strategy and approach.

Our commitment to delivering value for money underpins our Corporate Plan. Our key performance indicators outline what we intend to deliver for our customers, colleagues and communities and track the financial resources deployed to deliver these outcomes.

Our strategic objectives.

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.

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

- Portfolio management: providing homes that are affordable and meet the needs of our customers
- Customers and communities: delivering improved services based on customer feedback and data
- Solid foundations: ensuring we are financially resilient and have robust processes in place
- People and culture: nurturing our home-grown talent and developing skills for the future

'The Onward Difference' is the positive difference that Onward will make by enabling people and communities to be their best by providing homes they love in places they are proud of. We're evolving what we do so that we can make The Onward Difference well into the future.

The Corporate Plan is supported by the following objectives:

- We will enable customers to fulfil their aspirations and take control of their lives
- We will use modern technology and better data to improve customer experiences
- We will become a leading environmentally friendly landlord
- We will be a listening landlord that is easy to contact and has a local human presence
- We will be an employer of choice always learning to do a better job for customers

Reporting on Value for Money

Benchmarking is important to any business as it provides key comparators with similar organisations, enabling understanding of strengths and weaknesses, and underpinning an evidence-based approach to resource allocation, cost reduction and target setting. The Group's operating costs and key financial indicators are benchmarked annually using a variety of sources including Housemark, Vantage and the RSH Global Accounts. Peer benchmarking enables us to better understand how well the business aligns with our goals and where we have more work to do. The Board recognises that Onward's financial performance relative to peers is impacted by structural issues such as the age profile and tenure mix of the portfolio. Accordingly, many of the initiatives driving VfM are equally structural in nature, require targeted investment and deliver returns over the longer term. Our long-term business plan is integral to the Board's understanding of VfM and provides the guardrails for the strategic decisions taken by the Board and Executive Team.

Over the short-term, a number of our key metrics are placed under pressure by the investment required to deliver strategic objectives which are central to our long-term financial strength. The Board has made a conscious decision to utilise our financial capacity to invest in our Evolution Programme and Development Programme whilst maintaining our investment in existing homes and accelerating our Retrofit Programme. In the medium term, this approach yields a stronger operating surplus through cost efficiencies and additional rental income, but guards against the risk of the maintenance debt that accrues through under-investment in existing properties.

Social Housing Provider	Reinvestment	New Supply (Social)	Gearing	EBITDA MRI Interest Cover	Headline Social Housing Cost per unit	Operating Margin (SHL)	Operating Margin (Overall)	Return on Capital Employed
Onward Quartile Vs Peer Group	3rd	3rd	1st	3rd	2nd	3rd	4th	4th
Peer Group Average	11.0%	1.6%	43.7%	83.9%	£5,304	18.2%	16.1%	3.1%
Accent Group Limited	13.8%	2.3%	42.1%	157.7%	£5,106	22.9%	21.3%	3.2%
Believe Housing Limited	13.7%	1.1%	53.8%	66.3%	£4,653	24.5%	24.4%	5.4%
Bolton at Home Limited	14.4%	1.3%	28.7%	-89.5%	£5,832	10.3%	6.9%	4.4%
Gentoo Group Limited	7.3%	0.4%	45.4%	84.8%	£4,408	24.3%	19.3%	3.1%
Home Group Limited	6.6%	1.6%	42.8%	106.0%	£6,998	20.4%	15.5%	2.9%
Incommunities Limited	13.5%	1.1%	60.6%	58.1%	£5,232	10.0%	11.0%	3.3%
Karbon Homes Limited	11.9%	2.1%	36.2%	158.1%	£4,971	27.0%	24.2%	3.6%
Onward Group Limited	10.4%	1.4%	25.3%	46.9%	£5,442	13.4%	11.1%	1.8%
Stonewater Limited	7.0%	3.5%	51.7%	76.9%	£5,441	20.5%	18.9%	2.3%
Thirteen Housing Group Limited	11.6%	1.8%	27.1%	187.3%	£4,879	23.0%	19.5%	3.3%
*Together Housing Association	11.4%	1.1%	52.4%	28.4%	£5,451	21.0%	18.2%	3.0%
Together Housing Group Limited	11.4%	1.1%	55.9%	35.6%	£5,682	20.7%	18.0%	3.2%
Torus62 Limited	16.1%	2.4%	32.8%	179.9%	£4,631	28.0%	22.3%	3.9%
Vico Homes Limited (formerly WDH)	11.2%	1.0%	44.5%	178.3%	£4,490	24.8%	22.1%	5.0%
Wythenshawe Community Housing Group Limited (WCH)	10.8%	1.1%	27.4%	153.8%	£5,240	13.5%	14.7%	3.2%
Yorkshire Housing Limited	7.6%	2.6%	57.8%	91.5%	£5,137	17.6%	17.1%	2.7%
Your Housing Group Limited	8.4%	1.4%	52.3%	-89.5%	£6,364	-16.4%	-11.9%	-1.5%

Metric 1: Reinvestment.

This measures our investment in new and existing homes as a percentage of the total value of properties held.

	2025/26	2025/26	2024/25	2024/25	2026/27
	Actual	Target	Peer Group Average	Actual	Target
1. Reinvestment	9.5%	9.9%	11.0%	10.4%	13.4%

Onward is at third quartile for reinvestment among peers. We delivered 355 homes this year across our social, affordable and shared ownership tenures. We also acquired a portfolio of 134 shared ownership properties from Auxesia which is not captured in the reinvestment metric. We have submitted a bid for the Strategic Homes Affordable Partnership Programme with Homes England and aim to build 3,000 new homes by 2033.

This year we also invested £38.6m on our existing homes (2025; £39.5m) and £8m to retrofit our homes, completing 364 homes that are now EPC C, supported by the Social Housing Decarbonisation Fund. This has made our customers' homes warmer, more comfortable and cheaper to run.

The table below shows the projected reinvestment rates over the next 5 years. Reinvestment rates are projected to increase as a result of our investment in the Social and Affordable Homes Programme.

	2025/26	2026/27	2027/28	2028/29	2029/30
Reinvestment	9.5%	13.4%	15.4%	13.7%	12.7%

Metric 2: New supply – social housing.

This metric shows new housing supply delivered as a percentage of our total homes.

	2025/26 Actual	2025/26 Target	2024/25 Peer Group Average	2024/25 Actual	2026/27 Target
2. New supply - social housing	1.1%	1.9%	1.6%	1.4%	1.7%

We delivered 355 new social housing units this year and are on track to deliver 542 units in FY26/27.

This is below target as the metric does not include the investment made in the Auxesia stock transfer which absorbed a proportion of financial capacity available for development in FY2025/26. Looking ahead, our business plan supports a scaling up of the programme through to 2033, as we aim to deliver 3,000 homes through the Strategic Affordable Homes Programme.

The most recent projections for social housing supply as outlined in our business plan are presented below. The projected new supply of social housing units over the next 3 years is a material uplift from current levels and would place Onward in quartile one for new supply based on current benchmarks.

	2025/26	2026/27	2027/28	2028/29	2029/30
New supply - social housing	1.1%	1.7%	2.5%	2.7%	2.6%

Metric 3: Gearing.

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

	2025/26 Actual	2025/26 Target	2024/25 Peer Group Average	2024/25 Actual	2026/27 Target
3. Gearing	35.3%	28.5%	43.7%	25.3%	37.5%

Onward remains in the first quartile in its peer group for maintaining low levels of gearing. Our comparatively low debt levels mean that we have financial capacity to fund our Development Programme and maintain our existing homes to a high standard.

Gearing is expected to rise over the next 5 years as we continue our investment in our Development Programme whilst ensuring we remain comfortably below lender covenant requirements and within our Board required golden rules.

Our gearing ratio projections as per the business plan are shown below:

	2025/26	2026/27	2027/28	2028/29	2029/30
Gearing	35.3%	37.5%	40.8%	42.4%	44.8%

Metric 4: EBITDA MRI Interest Cover.

The EBITDA MRI Interest Cover measure is a key indicator for liquidity and investment capacity.

	2025/26	2025/26	2024/25	2024/25	2026/27
	Actual	Target	Peer Group Average	Actual	Target
4. EBITDA MRI Interest Cover	60.4%	49.5%	83.9%	46.9%	33.3%

At 60.4%, our EBITDA MRI metric has improved versus the prior year (46.9%).

This has been driven by our Evolution Programme which has delivered cost efficiencies through the review of our target operating model and ensured that we have the right resource to deliver a high-quality service to our customers. The insourcing of our maintenance and environmental services has also had an impact this year driving operational and financial efficiencies.

Repairs demand remained high during the year, although volumes have stabilised. We also saw an increase in damp and mould cases following the introduction of Awaab's Law earlier in the year. Disrepair remains a key area of focus, and we have continued to target expenditure to resolve cases. Investing in and maintaining our existing homes remains a priority, with £38.6m spent on capital improvements during the year. In addition, 14.1% of our portfolio comprises pre-1919 properties, which are typically more expensive to maintain and repair and therefore drive higher costs. Our tenure mix also includes a higher proportion of supported and leasehold properties, which impacts our margin.

We are continuing to invest in our Development Programme to deliver new social housing units and development remains key to our business plan as growth in our asset base builds operating surplus through additional rental income.

Our business plan shows expected pressure on our EBITDA MRI interest cover over the medium term due to the impact of additional investment in existing homes to bring all our properties to EPC C by 2030. Over the longer term, EBITDA MRI benefits from the additional operating surplus delivered by our Development Programme.

	2025/26	2026/27	2027/28	2028/29	2029/30
EBITDA MRI Interest cover	60.4%	33.3%	49.8%	44.0%	15.8%

Metric 5: Headline social housing cost per unit.

The headline social housing cost per unit includes management costs, routine maintenance costs, planned maintenance costs, capitalised repairs, charges for support services and other social housing costs. These costs are then divided by the number of units owned or managed.

	2025/26 Actual	2025/26 Target	2024/25 Peer Group Average	2024/25 Actual	2026/27 Target
5. Headline social housing cost per unit	£5,710	£5,549	£5,304	£5,442	£6,138

Onward's headline social housing cost per unit was £5,710, above both the target of £5,549 and the peer group average of £5,304 (when adjusted for inflation). This is because an element of capital expenditure related to retrofit was delayed from 2024/25 to 2025/26 and we invested a further £8m to improve the energy efficiency of 364 of our customers' homes. Operational expenditure for the year was in-line with target.

Our Evolution Programme continued during the year, and gas services have now been brought in-house across Greater Manchester and Merseyside. This has increased our control over service delivery and supported improved value for money through greater operational efficiency. Environmental services are now also fully in-house, improving the service provided to customers while helping to manage rising external contractor costs.

At a portfolio level, we do see some pressure on costs compared to peers due to our higher proportion of supported and older people's housing, at 19.2% compared with a peer median of 7.0%. As a result, we provide additional services such as lifeline facilities and wraparound care to support more vulnerable customers. While these services are important and are offset at an operating surplus level by revenue, they do increase costs per unit and affect the headline social housing cost metric.

	2025/26	2026/27	2027/28	2028/29	2029/30
Social housing cost per unit	£5,710	£6,138	£6,096	£6,307	£6,874

Metric 6-7: Operating margin (social housing & overall).

Operating margin shows the profitability of operating assets before exceptional expenses are considered.

	2025/26	2025/26	2024/25	2024/25	2026/27
	Actual	Target	Peer Group Average	Actual	Target
6. Operating margin - social housing	17.6%	13.8%	18.2%	13.4%	16.4%
7. Operating margin - overall	12.9%	11.3%	16.1%	11.1%	12.2%

Our overall operating margin has improved over the last year from 11.1% to 12.9% and is also considerably higher than the target of 11.3%. We outperformed our budget for repairs costs as a result of lower demand but were also able to utilise our in-house capacity to carry out empty homes works at lower cost than external contractors. The organisation delivered cost savings in a number of areas as a result of careful cost control and direct oversight of the budget and reforecasting process by Onward's Senior Leadership Team.

Peer group analysis from Vantage tells us that the drivers of under-performance are rental income levels and expenditure on properties. These are in part structural issues related to the age and tenure mix of our portfolio which we are seeking to address over the long-term through our portfolio management and Development Programmes. Encouragingly, this analysis also tells us that we are quartile 1 for management costs which is a reflection of the work done to drive efficiencies within our target operating model, particularly in corporate services.

Our Evolution Programme will continue to drive cost savings in coming years, and the scale of our Development Programme will provide a significant increase in net rental income. We expect performance for 2026/27 to reduce temporarily as a result of the final phase of investment in delivery of our new housing management system.

	2025/26	2026/27	2027/28	2028/29	2029/30
Operating margin - social housing	17.6%	16.4%	19.2%	20.3%	21.0%
Operating margin - overall	12.9%	12.2%	15.9%	16.2%	19.3%

Metric 8: Return on Capital Employed (ROCE).

ROCE is a measurement showing how effectively capital resources are being used by comparing the operating surplus to total asset values.

	2025/26 Actual	2025/26 Target	2024/25 Peer Group Average	2024/25 Actual	2026/27 Target
8. Return on capital employed (ROCE)	2.2%	1.9%	3.1%	1.8%	2.3%

We have materially out-performed our target on ROCE this year due to savings in operating costs driven by our Evolution Programme and careful cost control.

This continued focus on the Evolution Programme, our portfolio management Programme to review our housing assets and increased rental income from our ambitious Development Programme is expected to improve our performance in future years as detailed in the metrics below. Over the longer term, we expect ROCE to stabilise at 2.8%-3%. This in part reflects the scale of investment in our existing homes which increases our asset values but does not directly impact income or operating surplus.

Our ROCE projections as per the business plan are shown below:

	2025/26	2026/27	2027/28	2028/29	2029/30
Return on capital employed (ROCE)	2.2%	2.3%	3.3%	2.7%	2.8%

Strategic Report

The strategic report including the operating and financial review was approved by the Board on 9th September 2026 and signed on the 14th 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 Group Limited Annual Report (the 'Annual Report') and the audited financial statements for the year ended 31 March 2026.

Principal activities

Onward Group Limited is the ultimate holding company within a group structure, Onward, (the "Group"). Details of members of the Group are given in note 1 of these financial statements.

Onward Group Limited is responsible for establishing the Group's overall policies and strategies, for monitoring compliance with Group objectives and performance against Group targets, within a clearly defined framework of delegation and system of control.

The Group'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 challenges 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 Group undertakes to deliver these objectives.

Board Members and Executive Directors

The current Board members and Executive Directors of the Group (and others who served during the period) are set out on page 2. Onward Group has a unitary board with both Non-executive and Executive Directors appointed as Board members.

The Board members are drawn from a wide background bringing together professional, commercial and other experiences. Board members are remunerated for their services to the Group and are permitted to claim expenses incurred in the performance of their duties. Details of Board remuneration are set out in note 8 to the financial statements.

Executive Directors' remuneration

The remuneration of the Executive Directors is reviewed by the Governance and People Committee, who make recommendations to be considered and determined by the Board.

Service contracts

Non-executive Directors have a contract for services which set out terms and obligations for their appointment.

The Executive Directors are employed on the same terms as other employees and their notice period is three months.

Pensions

The Executive Directors are able to participate in the Onward Pension Plan on the same terms as all other eligible staff and the group contributes to the schemes on behalf of its employees. Non-executive Directors are not eligible to participate in any Group pension scheme.

Other benefits

The Executive Directors are only entitled to benefits available to all colleagues including a health cash plan. Full details of executive remuneration are set out in note 8 to the financial statements.

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 Group has control. The Group promotes safe practices and continuous improvement through a Health and Safety Group, and regional health and safety forums on which all parts of the Group are represented.

Onward Group 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 Group
- 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 Group made charitable donations totalling £500 in the year to Homeless International. (2025: £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.

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.

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 2025/26.

Disclosure of information to auditor

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 2025/26.

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

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 comprise:

- 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 so we can be assured that the information we report is accurate and a sound basis for decision making.

Internal audit

Internal controls are subject to regular independent review by Menzies LLP (formerly 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 & 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 actions identified as a result of internal audit findings and ensuring that they are implemented in a timely fashion.

Governance assurance

During the year ended 31 March 2026, we commissioned our triennial governance effectiveness review to support a focus on good governance and continuous improvement. The review confirmed the robustness of our arrangements and identified areas of improvement. We will respond to the findings from the review during 2026/27.

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 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 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 2026. The Board considers that governance, risk management and internal control arrangements are operating effectively.

Going concern

The Group's business activities, its current financial position, total net assets of £440.0m; (2025: £413.5m) and factors likely to affect its future development are set out within the Strategic Report. As at 31st March 2026, the Group has borrowing facilities of £953.2m (2025: £857.3m) of which £543.2m has been drawn down (2025: £458.3m). The available facility includes £355m (2025: £400m) of revolving facilities of which £172m were undrawn as at 31st March 2026 (2025: £314m). The available cash and funding are adequate to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group'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 Group most notably due to pressures across disrepair, voids and repairs. The Group applied an average rent increase for the year of 2.7% based on the government rent settlement of CPI+1% with September CPI at 1.7%.

A 30-year business plan is produced annually to model future activity of the 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 Board is confident that the Group can meet the requirements of any loan covenants and can put in place measures, if necessary, to address any unforeseen challenges if required. The Group 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 Group'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 Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

DIRECTORS REPORT (CONTINUED)

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 9th September 2026 and signed on the 14th September on its behalf by:

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

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

Opinion

We have audited the financial statements of Onward Group Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise the Group and Association Statement of Comprehensive Income, Group and Association Statement of Changes in Equity, Group and Association Statement of Financial Position, the Group statement of cash flows 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 Group's and Association's affairs as at 31 March 2026 and of the income and expenditure of the Group and the income and expenditure of the Association 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 group and parent association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on pages 35/36, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or 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 group audit engagement team:

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Housing SORP, the Accounting Direction for Private Registered Providers of Social Housing 2022 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, the Data Protection Act and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition of property sales (cut-off and completeness) as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates used. In respect of revenue recognition we have tested a sample of property sales around the year end date in order to assess whether they have been recorded in the appropriate period. We have also tested a sample of bank receipts through to property sale to ensure all appropriate revenue has been recorded.

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 provided on the Financial Reporting Council's website at: https://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

14/09/26

FINANCIAL STATEMENTS

Statement of Comprehensive Income
for the year ended 31 March 2026

		Group		Association	
		2026	2025	**2026**	2025
	Notes	**£'000**	£'000	**£'000**	£'000
Turnover	3	**210,214**	198,299	**4,760**	6,140
Cost of sales	3	**(8,947)**	(8,718)	**-**	-
Operating costs	3	**(172,128)**	(163,230)	**(4,937)**	(5,325)
Gain on disposal of housing properties	3 and 6	**4,658**	126	**-**	-
Operating surplus		**33,797**	26,477	**(177)**	815
Share of operating gain in Joint Venture		**328**	320	**-**	-
Loss on disposal of other tangible fixed assets	10	**(22)**	(134)	**-**	-
Loss on disposal of investment properties	16	**-**	-	**-**	-
Interest receivable and similar income	11	**4,652**	4,176	**13**	11
Interest payable and similar charges	12	**(19,436)**	(17,532)	**-**	-
Surplus/(deficit) on ordinary activities before taxation		**19,319**	13,307	**(164)**	826
Taxation on surplus on ordinary activities	13	**-**	-	**-**	-
Surplus/(deficit) for the year after taxation		**19,319**	13,307	**(164)**	826
Other comprehensive income					
Effective portion of cash flow hedges		**4,959**	-	**-**	-
Amount recycled to I&E		**(1)**	-	**-**	-
Net movement in cash flow hedge reserve		**4,958**	-	**-**	-
Actuarial Gain/(loss) in respect of pension schemes	30	**2,221**	4,321	**-**	-
Other comprehensive (loss) for the year		**7,179**	4,321	**-**	-
Total comprehensive income/(loss) for the year		**26,498**	17,628	**(164)**	826

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.

Amounts previously recognised in the cash flow hedge reserve have been recycled to the Income and Expenditure account in line with the recognition of the hedged interest cash flows. No material hedge ineffectiveness has been identified in the period. The Statement of Comprehensive Income has been updated to include other comprehensive income arising from cash flow hedge accounting, with the effective portion of hedge movements recognised in reserves and recycled to the Income and Expenditure account in line with underlying cash flows.

The financial statements were approved by the Board on 9th September 2026 and signed on the 14th September on its behalf by:

....	....	....
Tim Johnston	Danielle James	Sara Byrne
Chair	Director	Company Secretary

Group Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Cash Flow Hedge Reserves £'000	Total reserves £'000
Balance at 31 March 2024	-	395,847	-	**395,847**
Total comprehensive income for the period				
Surplus for the year	-	13,307	-	**13,307**
Other comprehensive income Actuarial gain/(loss) in respect of pension schemes	-	4,321	-	**4,321**
Balance at 31 March 2025	-	**413,475**	-	**413,475**
Total comprehensive income for the period				
Surplus for the year	-	19,319	-	**19,319**
Other comprehensive income Actuarial gain in respect of pension schemes	-	2,221	-	**2,221**
Cash flow hedge reserve: Effective portion of hedge movements	-	-	4,959	**4,959**
Recycling to I&E	-	-	(1)	**(1)**
Balance at 31 March 2026	**-**	**435,015**	4,958	**439,973**

The accompanying notes form part of these financial statements.

A cash flow hedge reserve has been recognised in the year following the designation of SONIA interest rate swaps as hedging instruments. The reserve represents the cumulative effective portion of fair value movements on hedging instruments, with £0.6k recycled to the Income and Expenditure account in line with the timing of hedged interest cash flows.

Association Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Total reserves £'000
Balance at 31 March 2024	-	(3,012)	**(3,012)**
Total comprehensive income for the period			
Surplus/(Deficit) for the year	-	826	**826**
Other comprehensive income Actuarial gain in respect of pension schemes	-	-	**-**
Balance at 31 March 2025	-	**(2,186)**	**(2,186)**
Total comprehensive income for the period			
Surplus/(Deficit) for the year	-	(164)	**(164)**
Other comprehensive income Actuarial gain in respect of pension schemes	-	-	**-**
Balance at 31 March 2026	**-**	**(2,350)**	**(2,350)**

Statement of Financial Position
as at 31 March 2026

		Group		Association	
		2026	2025	2026	2025
	Notes	£'000	£'000	£'000	£'000
Tangible fixed assets					
Housing properties	14	1,478,466	1,369,615	-	-
Investments including properties	15	18,277	25,501	-	-
Other tangible fixed assets	17, 27	30,241	24,015	638	669
		1,526,984	1,419,131	638	669
Debtors due after one year	18	16	26	-	-
Current assets					
Properties for sale and work in progress	19	29,823	19,514	-	-
Debtors due within one year	20	21,144	20,020	1,246	981
Investments	21	50	50	-	-
Cash and cash equivalents		28,009	24,653	766	1,367
		79,026	64,237	2,012	2,348
Creditors: amounts falling due within one year	22	(79,832)	(66,604)	(4,392)	(4,564)
Net current assets/(liabilities)		(790)	(2,367)	(2,380)	(2,216)
Total assets less current liabilities		1,526,194	1,416,790	(1,742)	(1,547)
Creditors: amounts falling due after one year	23	(1,083,968)	(996,033)	(608)	(639)
Provisions for liabilities and charges	29	(2,077)	(2,137)	-	-
Pension liabilities	30	(175)	(5,145)	-	-
		(1,086,220)	(1,003,315)	(608)	(639)
Total net assets/(liabilities)		439,974	413,475	(2,350)	(2,186)
Capital and reserves					
Non-equity share capital	31	-	-	-	-
Derivative financial asset	27	4,949	-	-	-
Revenue reserves		435,025	413,475	(2,350)	(2,186)
Total capital and reserves		439,974	413,475	(2,350)	(2,186)

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 9th September 2026 and signed on the 14th September on its behalf by:

....	....	....
Tim Johnston	Danielle James	Sara Bryne
Chair	Director	Company Secretary

Group Statement of Cash Flows
for the year ending 31 March 2026

	Notes	2026 £'000	2025 £'000
Net cash generated from operating activities	36	**80,305**	63,457
Cashflow from investing activities			
Purchase and construction of tangible fixed assets	14	**(146,997)**	(149,382)
Purchase of other tangible fixed assets	17	**(2,834)**	(1,491)
Grants received	25	**10,978**	33,748
Grant paid	25	**175**	(2,061)
Grants transferred to other HAs	25	**(5,664)**	(10,035)
Homebuy loans redeemed	26	**36**	167
Loan to Joint Venture Activity	15	**(739)**	-
Purchase/construction of investment property	15	**-**	(705)
Interest received	11	**460**	462
Net cash from investing activities		**(144,585)**	(129,297)
Cash flow from financing activities			
Interest paid	12	**(14,282)**	(12,845)
Debt issue costs incurred		**(3,081)**	(145)
Repayment of loans		**(59,001)**	(18,640)
New loans		**144,000**	96,000
Net cash from financing activities		**67,636**	64,371
Net change in cash and cash equivalents		**3,356**	(1,470)

Reconciliation of cashflow and cash equivalents

Cash and cash equivalents at start of year	**24,653**	26,123
Increase/(decrease) in cash in the year	**3,356**	(1,470)
Cash and cash equivalents at end of year	**28,009**	24,653

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Onward Group Limited (the "Association") is registered under the Housing Act 1996 with the Regulator of Social Housing in England, as a Registered Provider of social housing with registration number of L4649. The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

The Association is a non-charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority, registration number of 31216R. The Association is a public benefit entity.

Onward (the "Group") comprises the following entities. Onward Group Limited is the ultimate parent undertaking of the Group.

Organisation	Status	Principal Activity
Onward Group Limited	Registered Society	HARP*
Atrium City Living Limited	Private Limited Company (by shares)	Commercial property services
Contour Property Services Limited	Registered Society	Management Services
Onward Repairs Limited	Private Company Limited by Guarantee	Direct Labour Organisation
Onward Build Limited	Private Limited Company (by shares)	Development company
Onward Homes Limited	Registered Society	HARP*
Onward Pensions Trustee Limited	Private Limited Company (by shares)	Pension funding

* HARP – Housing Association Registered Provider

2. Accounting policies

a) Basis of accounting

The financial statements of the Group 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.

For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the Executive Leadership team. In line with the segments reported to the CODM, the presentation of these financial statements and accompanied notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing from January 2022 and it considered appropriate. Information about income, expenditure, and assets attributable to material operating segments are presented on the basis of the nature and function of the housing assets held by the Group. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates

2. Accounting policies (continued)

a) Basis of accounting

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

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Onward Group Limited as at 31 March 2026.

b) Measurement convention

The financial statements are prepared on the historical cost basis except for investment properties and derivative financial instruments, which are measured at fair value.

c) Going concern

The Group's business activities its current financial position, total net assets of £437.8m; (2025: £413.5m) and factors likely to affect its future development are set out within the Strategic Report. As at 31st March 2026, the Group has borrowing facilities of £953.2m (2025: £857.3m) of which £543.2m has been drawn down (2025: £458.3m). The available facility includes £355m (2025: £400m) of revolving facilities of which £172m were undrawn as at 31st March 2026 (2025: £314m). The available cash and funding are adequate to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group'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 Group most notably due pressures across disrepair, voids and repairs. The Group applied an average rent increase for the year of 2.7% based on the government rent settlement of CPI+1% (September 2025 CPI 1.7%). The surplus as a percentage of turnover is 9.2% (2025: 6.7%).

A 30-year business plan is produced annually to model future activity of the 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 Board is confident that the Group can meet the requirements of any loan covenants and can put in place measures, if necessary, to address any unforeseen challenges if required. The Group 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 Group'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 Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

2. Accounting policies (continued)

d) Judgement and estimates

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

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 2025/26. 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.
- Strategic voids held ahead of further regeneration plans.
- The rise in borrowing costs causing an increase in the cost to build.

Basic financial instruments: Onward Group has various borrowings, all of which have been assessed and categorised as basic financial instruments. The assessment of certain loans requires judgement. The Group has entered into interest rate swaps for risk management purposes; these are classified as derivative financial instruments and are accounted for in accordance with FRS 102. The Group does not undertake any speculative or stand-alone hedging activities.

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 24).

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.

2. Accounting policies (continued)

d) Judgement and estimates (continued)

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 38).

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).

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 2026 is £7,760k (2025: £7,427k).

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) 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 "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.

2. Accounting policies (continued)

e) Financial instruments

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.

Other financial instruments and hedge accounting

The Group enters into derivative financial instruments in the form of SONIA-linked interest rate swaps in order to manage its exposure to variability in cash flows arising from floating-rate borrowings. These derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date.

The Group applies cash flow hedge accounting to qualifying hedging relationships in accordance with FRS 102 Section 12 where the following conditions are met:

- the hedging relationship consists only of a qualifying hedging instrument and qualifying hedged item;
- the relationship is consistent with the Group's risk management objectives;
- there is an economic relationship between the hedged item and the hedging instrument;
- the hedge relationship is formally designated and documented at inception; and
- sources of hedge ineffectiveness have been identified and documented.

The hedged items are future variable SONIA-linked interest cash flows on floating-rate borrowings. The hedging instruments are SONIA interest rate swaps, including Loan-Linked ISDAs, which economically convert floating-rate debt into fixed-rate debt.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of the hedge is recognised immediately in the Income and Expenditure account within finance costs.

Amounts accumulated in the cash flow hedge reserve are reclassified to the Income and Expenditure account in the periods when the hedged cash flows affect profit or loss, so that the hedge results are recognised in the same period as the hedged item.
When hedge accounting is discontinued, amounts accumulated in the cash flow hedge reserve remain in equity and are reclassified to profit or loss when the hedged cash flows occur. If the forecast hedged cash flows are no longer expected to occur, the cumulative gain or loss recognised in equity is recognised immediately in the Income and Expenditure account.

2. Accounting policies (continued)

f) Turnover

Group 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.

Association turnover represents income received for services provided to Group companies and income generated by the May Logan Centre. Turnover is recognised as receivable on the delivery of Group 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.

g) Expenses

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.

2. Accounting policies (continued)

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.

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.

2. Accounting policies (continued)

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.

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 of housing properties

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.

2. Accounting policies (continued)

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.

t) Intangible assets

Intangible assets relate to the initial procurement of new software to support business transactions and processing. Amortisation is provided on a straight line basis on the cost of intangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rate used for other assets is as follows.

Computer software	3 years

u) 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 or over life of lease
Office improvements	10 years
Furniture, fixtures and fittings	5 years
Motor vehicles	4 years
Computers and office equipment	3 years
Scheme equipment	Over expected life of component

During the year the ‘computer and office equipment component’ was expanded to include all IT hardware including laptops, iPads and mobile phones. The UEL of these types of assets is commensurate with 3 years as detailed above.

v) 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

w) 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.

2. Accounting policies (continued)

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

x) 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.

y) 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.

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 scheme – 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.

2. Accounting policies (continued)

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.

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

	Group							
	2026				2025			
	Turnover	Cost of sales	Operating costs	Operating surplus	Turnover	Cost of sales	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings								
General needs accommodation	**138,320**	**-**	**(110,812)**	**27,508**	131,276	-	(108,742)	22,534
Older persons housing	**27,340**	**-**	**(22,385)**	**4,955**	26,134	-	(22,357)	3,777
Supported housing	**18,460**	**-**	**(16,780)**	**1,680**	17,534	-	(15,705)	1,829
Low cost home ownership	**5,377**	**-**	**(4,304)**	**1,073**	4,304	-	(3,479)	825
	189,497	**-**	**(154,281)**	**35,216**	179,248	-	(150,283)	28,965
Other social housing activities								
Regeneration and development	**1,611**	**-**	**(6,739)**	**(5,128)**	476	-	(4,684)	(4,208)
Management services	**2,728**	**-**	**(2,972)**	**(244)**	1,480	-	(1,775)	(295)
Estate services	**-**	**-**	**-**	**-**	-	-	-	-
Shared Ownership first tranche sales	**10,024**	**(8,947)**	**(300)**	**777**	9,365	(8,718)	(375)	272
Other	**-**	**-**	**(4)**	**(4)**	-	-	(71)	(71)
	14,363	**(8,947)**	**(10,015)**	**(4,599)**	11,321	(8,718)	(6,905)	(4,302)
Total social housing activities	**203,860**	**(8,947)**	**(164,296)**	**30,617**	190,569	(8,718)	(157,188)	24,663
Non-social housing activities								
Market rent	**1,530**	**-**	**(1,428)**	**102**	1,396	-	(1,232)	164
Revaluation of investment properties	**189**	**-**	**(1,426)**	**(1,237)**	1,617	-	-	1,617
Commercial	**1,285**	**-**	**(1,013)**	**272**	1,529	-	(1,194)	335
Management Services	**2,175**	**-**	**(2,324)**	**(149)**	2,096	-	(1,917)	179
Leaseholders	**1,175**	**-**	**(1,641)**	**(466)**	994	-	(1,511)	(517)
Other	**-**	**-**	**-**	**-**	98	-	(188)	(90)
Total non-social housing activities	**6,354**	**-**	**(7,832)**	**(1,478)**	7,730	-	(6,042)	1,688
Total	**210,214**	**(8,947)**	**(172,128)**	**29,139**	198,299	(8,718)	(163,230)	26,351
Gain on disposal of housing properties (note 6)	**4,658**			**4,658**	126			126
Total	**214,872**	**(8,947)**	**(172,128)**	**33,797**	198,425	(8,718)	(163,230)	26,477

3. Turnover, cost of sales, operating costs and operating surplus (continued)

	Association							
	2026				2025			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Other social housing activities	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of housing properties	-	-	-	-	-	-	-	-
Total social housing activities	-	-	-	-	-	-	-	-
Non-social housing activities								
Management services	**4,730**	-	**(4,168)**	**562**	6,129	-	(4,514)	1,615
Other	**30**	-	**(769)**	**(739)**	11	-	(811)	(800)
Total non-social housing activities	**4,760**	-	**(4,937)**	**(177)**	6,140	-	(5,325)	815
Total	**4,760**	-	**(4,937)**	**(177)**	6,140	-	(5,325)	815

4. Income and expenditure from social housing lettings

	Group					
	General needs accommodation £'000	Older persons housing £'000	Supported housing £'000	Low cost home ownership £'000	**Total 2026 £'000**	Total 2025 £'000
Income						
Rents receivable net of voids	126,309	18,768	12,477	4,306	**161,860**	154,560
Service charge income	7,063	7,958	5,378	519	**20,918**	18,686
Amortised government grants	4,564	600	599	358	**6,121**	5,688
Supporting people grants	-	1	-	1	**2**	1
Other income from social housing	384	13	6	193	**596**	311
Turnover from social housing lettings	**138,320**	**27,340**	**18,460**	**5,377**	**189,497**	179,248
Expenditure						
Management	(22,767)	(7,538)	(4,779)	(2,679)	**(37,763)**	(34,716)
Service charge costs	(8,369)	(6,402)	(4,767)	(460)	**(19,998)**	(19,088)
Routine maintenance	(39,437)	(2,275)	(2,046)	(90)	**(43,848)**	(45,951)
Planned maintenance	(18,018)	(3,489)	(2,869)	(244)	**(24,620)**	(24,344)
Major repairs expenditure	(1,013)	(120)	(54)	(16)	**(1,203)**	(1,261)
Rent losses from bad debts	(1,041)	(119)	(235)	(27)	**(1,422)**	(1,492)
Depreciation of housing properties	(20,116)	(2,442)	(1,938)	(775)	**(25,271)**	(23,096)
Other costs	(51)	-	(92)	(13)	**(156)**	(335)
Expenditure on social housing lettings	**(110,812)**	**(22,385)**	**(16,780)**	**(4,304)**	**(154,281)**	(150,283)
Operating surplus on social housing lettings	**27,508**	**4,955**	**1,680**	**1,073**	**35,216**	28,965
Void losses	**(1,318)**	**(224)**	**(1,415)**	-	**(2,957)**	(3,228)

5. Accommodation owned, managed and under development

	2026 Number	2025 Number
The number of properties in ownership at the year-end were:		
General needs accommodation (social rent)	**20,155**	20,276
General needs accommodation (affordable rent)	**2,820**	2,597
Older persons housing	**3,765**	3,876
Supported housing	**1,706**	2,023
Low-cost home ownership	**1,678**	1,470
	30,124	30,242
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**	287
Low-cost home ownership	**17**	17
Total homes owned	**30,430**	30,548
Accommodation managed by other bodies	**(306)**	(306)
Accommodation managed for other bodies / owner occupiers	**760**	783
Leasehold	**4,690**	4,881
Total homes managed	**35,574**	35,906

	2026 Number	2025 Number
Non-social housing in ownership and management at the year-end:		
Market rent	**175**	169
	175	169

	2026 Number	2025 Number
The number of properties under development at the year-end were:		
General needs accommodation	**532**	378
Rent to buy home ownership	**282**	340
Open market sales	**29**	-
Supported housing	**-**	-
Low-cost home ownership	**359**	413
	1,202	1,131

6. Disposal of housing properties

	2026 £'000	2025 £'000
Disposal proceeds from property sales	**12,069**	6,505
Proceeds from land sales	**11**	3
Total proceeds	**12,080**	6,508
Carrying value of fixed assets from property sales	**(4,923)**	(2,890)
Costs on disposal	**(2,499)**	(3,492)
Gain on disposal of housing properties	**4,658**	126

	2026 Number	2025 Number
Analysis of housing property sales		
Preserved Right to Buy sales	**31**	18
Right to Acquire	**20**	14
Shared ownership staircasing	**31**	11
Other sales	**52**	23
	134	66

7. Operating surplus

	Group		Association	
Operating surplus is stated after charging:	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Depreciation of housing properties (note 14)	25,264	21,406	-	-
Depreciation of other fixed assets (note 17)	1,534	1,300	31	30
Impairment of housing properties (note 19)	1,426	-	-	-
(Gain) on disposal of housing properties (note 6)	4,658	(126)	-	-
(Gain)/Loss on disposal of other tangible fixed assets (note 17)	(22)	(134)	-	-
Loss on disposal of investment properties (note 16)	-	-	-	-
Amortisation of government grant (note 25)	(6,211)	(5,851)	-	-
Revaluation of investment properties (note 15)	-	1,618	-	-
Pension adjustments (note 30)	(62)	(5,145)	-	-
Operating lease receipts (note 28)	(1,024)	(989)	-	-
Operating lease payments (note 28)	4,226	4,329	-	-
Auditor's remuneration (excluding VAT): In their capacity as auditors	172	176	69	71
Other services	7	-	-	-

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

The Directors including Executive Directors are as listed on page 2.	Group 2026 £'000	Group 2025 £'000
The aggregate emoluments paid to or receivable by non-Executive Directors and former Non-executive Directors	135	144
The aggregate emoluments paid to or receivable by Executive Directors and former Executive Directors (including pension contributions and benefits in kind)	778	908
The aggregate amount of pension contributions in respect of services as Directors	136	156
The aggregate compensation paid to or receivable by Executive Directors or past Directors in respect of loss of office (whether by retirement or otherwise)	42	-
The emoluments paid to the highest paid Director (excluding pension contributions but including benefits in kind)	248	242
Pension contributions for the highest paid Director	24	24

The Chief Executive is the highest paid member of the Executive Team and is paid through Onward Homes Limited. Their total emoluments including employer pension contributions equated to £272k (2025: £266k) made up of salary £224k (2025: £218k), pension £24k (2025: £24k) and salary sacrifice £24k (2025: £24k).

The Chief Executive is an ordinary member of the defined contribution Onward Pension Plan (OPP). No enhanced or special terms apply to their membership, and no other pension arrangement to which the group contributes.

The emoluments (including pension contributions and benefits in kind) or fees paid to Non-executive Directors on the Board were as follows:

	Group 2026 £'000	Group 2025 £'000
R Barber	-	11
W Dignan	-	-
K Keane	20	19
D Burgher	20	19
T Johnston	34	33
K Jones	20	19
T Kokkinos	20	19
D Hampson	17	16
K Tupling	20	17

9. Employee information

	Group		Association	
	2026 Number	2025 Number	**2026 Number**	2025 Number
Average number of employees (including Executive Directors) expressed as full time equivalents (based on an average of 35 hours per week)	**1,148**	1,117	-	-

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Staff costs (for the above persons)				
Wages and salaries	41,985	39,458	-	-
Social security costs	5,367	3,949	-	-
Other pension costs	5,156	4,795	-	-
Severance payments	703	258	-	-
	53,211	48,460	-	-

A number of the staff detailed above are employed on joint contracts to provide services for member organisations. Salary costs in respect of these services are included in administration recharges to member organisations.

The aggregate number of full time equivalent staff (based on an average of 35 hours) whose remuneration (including salaries, benefits in kind, pension contributions paid by the employer and any termination payments) exceeded £60,000 were as follows:

	Group	
Remuneration between	**2026 £'000**	**2025** £'000
£60,000 and £69,999	**62**	39
£70,000 and £79,999	**9**	7
£80,000 and £89,999	**14**	17
£90,000 and £99,999	**12**	8
£100,000 and £109,999	**6**	4
£110,000 and £119,999	**4**	2
£120,000 and £129,999	**2**	3
£130,000 and £139,999	**5**	4
£140,000 and £149,999	**-**	1
£150,000 and £159,999	**2**	-
£160,000 and £169,999	**-**	1
£170,000 and £179,999	**1**	
£190,000 and £199,999	**1**	2
£200,000 and £209,999	**2**	-
£220,000 and £229,999	**-**	1
£230,000 and £239,999	**1**	-
£260,000 and £269,999	**-**	1
£270,000 and £279,999	**1**	-

10. Disposal of other tangible fixed assets

	Group		Association	
	2026 **£'000**	2025 £'000	**2026** **£'000**	2025 £'000
Disposal proceeds from other fixed assets – vehicles	**-**	-	-	-
Disposal proceeds from other fixed assets – land and buildings	**-**	124	-	-
Carrying value of other fixed assets	**(22)**	(258)	-	-
(Loss) on disposal of other fixed assets	**(22)**	(134)	-	-

11. Interest receivable and similar income

	Group		Association	
	2026 **£'000**	2025 £'000	**2026** **£'000**	2025 £'000
Bank and building society interest	**190**	246	13	11
Interest income on net defined benefit plan assets (note 38)	**4,192**	3,714	-	-
Joint venture loan interest	**270**	216	-	-
	4,652	4,176	13	11

12. Interest payable and similar charges

	Group		Association	
	2026 **£'000**	2025 £'000	**2026** **£'000**	2025 £'000
Interest payable on bank and building society loans	**11,682**	9,433	-	-
Interest payable on bond	**5,874**	5,875	-	-
Amortised bond arrangement fee	**50**	50	-	-
Bond admin fee	**1**	29	-	-
Amortised loan arrangement fees	**774**	359	-	-
Loan administration fees	**18**	32	-	-
Loan security costs	**91**	133	-	-
Non utilisation fees	**1,390**	1,591	-	-
Interest expense on net defined benefit liabilities	**4,440**	4,282	-	-
	24,320	21,784	-	-
Capitalised interest	**(4,884)**	(4,252)	-	-
	19,436	17,532	-	-

Interest has been capitalised at 4.0% (2025: 4.0%) per annum.

13. Taxation

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
UK corporation tax				
Current tax charge for the year	-	-	-	-
Adjustment in respect of previous years	-	-	-	-
	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Adjustments in respect of previous years	-	-	-	-
Effect of tax change on opening balance	-	-	-	-
	-	-	-	-
Total tax 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% (2025:25%). The differences are explained below:

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Surplus on ordinary activities before taxation	**19,464**	**13,307**	**(164)**	826
Current tax at standard corporation tax rate	**4,866**	**3,327**	**(41)**	206
Effects of tax free income due to charitable activities	**(5,268)**	**(3,542)**		
Fixed asset differences	**8**	**8**	**8**	8
Expenses not deductible for tax purposes	**1**	**350**	**-**	-
Income not taxable for tax purposes	**(27)**	**-**	**(8)**	-
Amounts (charged)/credited directly to STRGL or transferred	**52**	**-**	**-**	-
Adjustments in respect of previous periods – Deferred Tax	**(1,311)**	**-**	**-**	-
Utilisation of tax losses and other deductions	**41**	**(143)**	**41**	(214)
Deferred tax not recognised	**1,638**	**-**	**-**	-
Total tax on charge on surplus on ordinary activities	**-**	**-**	**-**	-

As of 1 April 2026, the main rate of corporation tax in the UK was 25% (2025: 25%).

13. Taxation (continued)

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Net tax (asset)/liability at start of the year	**188**	188	**-**	-
Prior year adjustment	**-**	-	**-**	-
Difference between accumulated depreciation and capital allowances	**-**	-	**-**	-
Deferred tax charges in statement of comprehensive income	**-**	-	**-**	-
Unused tax losses	**-**	-	**-**	-
Net tax (asset)/liability at end of the year	**188**	188	**-**	-

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £17,040,710 (2025: £9,239,360) in respect of losses carried forward, short term timing differences and accelerated capital allowances. In addition to the deferred tax asset above, the Group has an unrecognised deferred tax asset of £4,260,178 (2025: £2,309,840) in respect of losses carried forward, short term timing differences and accelerated capital allowances.

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 2025	**1,476,928**	**100,867**	**111,302**	**30,487**	**1,719,584**
Additions	38,738	71,289	-	23,909	133,936
Capitalised interest	-	1,944	-	1,420	3,364
Disposals	(6,214)	-	(934)	-	(7,148)
Component Write Offs	(7,683)	-	-	-	(7,683)
Transfer from/(to) stock	-	-	-	(9,275)	(9,275)
Transfer to abortive works	-	-	-	(28)	(28)
Transfer/Purchase from RP	13,435	-	-	-	13,434
Transfer on completion	44,648	(44,648)	18,824	(18,824)	-
Transfer to held for sale	915	-	-	-	915
At 31 March 2026	**1,560,766**	**129,452**	**129,192**	**27,689**	**1,847,099**
Depreciation					
At 1 April 2025	**(343,016)**	**-**	**(5,386)**	**-**	**(348,402)**
Charge for the year	(24,509)	-	(755)	-	(25,264)
Disposals	1,579	-	66	-	1,645
Component write-offs	4,863	-	-	-	4,863
Transfer to held for sale	92	-	-	-	92
At 31 March 2026	**(360,991)**	**-**	**(6,075)**	**-**	**(367,066)**
Impairment					
At 1 April 2025	(1,495)	-	(72)	-	(1,567)
Charge for the year	-	-	-	-	-
At 31 March 2026	**(1,495)**	**-**	**(72)**	**-**	**(1,567)**
Net Book Value					
At 1 April 2025	1,132,417	100,867	105,844	30,487	1,369,615
At 31 March 2026	**1,198,280**	**129,452**	**123,045**	**27,689**	**1,478,466**
Freehold	998,608	129,452	122,941	27,689	**1,278,690**
Long-leasehold	199,672	-	104	-	**199,776**
At 31 March 2026	**1,198,280**	**129,452**	**123,045**	**27,689**	**1,478,466**

Additions to housing properties in the year included improvement works to existing properties of £38,738,000 (2025: £43,071,000) and capitalised interest of £3,364,000 (2025: £2,587,000) at an average rate of 4.0% (2025: 4.0%). Expenditure on works to existing properties charged to the statement of comprehensive income totalled £68,445,000 (2025: £70,475,000).

15. Investments including properties

	Group					Association	
	Joint venture investment	Joint venture share profit/(loss)	Investment properties	Shared equity investments	Total	Shares in subsidiary undertaking	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2025	2,261	-	22,850	390	25,501	-	-
Transfers to held for sale	-	-	(7,963)	-	**(7,963)**	-	-
Investment in JV	739	-	-	-	**739**	-	-
At 31 March 2026	**3,000**	**-**	**14,887**	**390**	**18,277**	**-**	**-**

Full valuations of existing properties were carried out in March 2026 by an external valuer, Thomson Associates, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual. Their report indicated that the market value of investment property was £14.9 million (2025: £22.8 million), representing a reduction against prior year which relates to a decision to dispose of some properties, which are reflected in the increased properties for sale and work in progress (note 19).

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

	Group	
	2026 £'000	2025 £'000
Historic costs	7,114	12,150
Accumulated depreciation	(2,545)	(2,403)
	4,569	9,747

The Group comprises the following entities, all registered in England:

Organisation	Status	Registration number	Principal activity	Share capital held £
Onward Group Limited	Registered Society	31216R	HARP*	N/A
Atrium City Living Limited	Private Limited Company (by shares)	4710066	Commercial property services	50,001
Contour Property Services Limited	Registered Society	23975R	Management services	1
Onward Repairs Limited	Private Company Limited by Guarantee	3538264	Direct Labour Organisation	6
Onward Build Limited	Private Limited Company (by shares)	10665852	Development company	100
Onward Homes Limited	Registered Society	17186R	HARP*	1

Onward Group Limited is the ultimate parent undertaking

* HARP – Housing Association Registered Provider

16. Disposal of investment properties

	2026 £'000	2025 £'000
Carrying value of investment properties	-	-
Associated cost to sell	-	-
Sales proceeds	-	-
Loss on disposal	**-**	-

17. Other tangible fixed assets

	Group			
	Freehold land and buildings £'000	Scheme equipment £'000	Vehicles, fixtures and equipment £'000	Total £'000
Cost				
At 1 April 2025	26,559	5,679	2,741	34,979
Transfer to stock	616	1,529	1,285	3,430
Additions	26	1,775	1,032	2,833
Disposals	-	(37)	-	(37)
Eliminations and adjustments	(1,346)	(2,147)	(2,604)	(6,097)
At 31 March 2026	**25,855**	**6,799**	**2,454**	**35,108**
Depreciation				
At 1 April 2025	(6,906)	(2,286)	(1,772)	(10,964)
Charge for the year	(745)	(216)	(573)	(1,534)
Disposals	-	15	-	15
Elimination cleardown	730	618	1,319	2,667
At 31 March 2026	**(6,921)**	**(1,869)**	**(1,026)**	**(9,816)**
Net book value				
At 1 April 2025	19,653	3,393	969	24,015
At 31 March 2026	**18,934**	**4,930**	**1,428**	**25,292**

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Other tangible fixed assets (continued)

	Association	
	Freehold land and buildings £'000	Total £'000
Cost		
At 1 April 2025	1,519	1,519
Additions	-	-
Disposals	-	-
At 31 March 2026	**1,519**	**1,519**
Depreciation		
At 1 April 2025	(850)	(850)
Charge for the year	(31)	(31)
Disposals	-	-
At 31 March 2026	**(881)**	**(881)**
Net book value		
At 1 April 2025	669	669
At 31 March 2026	**638**	**638**

18. Debtors: amounts falling due after one year

	Group		Association	
	2026 **£'000**	**2025** £'000	**2026** **£'000**	**2025** £'000
Other debtors	**-**	26	-	-
Pension past service deficit	**16**	-	-	-
	16	26	-	-

19. Properties for sale and work in progress

	Group	
	2026 **£'000**	**2025** £'000
Properties under construction – low-cost home ownership	**8,984**	11,322
Properties under construction – open market sale	**-**	-
Completed properties – low-cost home ownership	**2,510**	1,263
Developments under construction	**11,873**	8,307
Impairment	**(4,959)**	(3,533)
Assets for disposal	**10,418**	1,531
Stock and components	**997**	624
	29,823	19,514

20. Debtors: amounts falling due within one year

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Rent and service charge arrears	**13,239**	12,532	**-**	32
Bad debt provision	**(7,760)**	(7,427)	**-**	-
	5,479	5,105	**-**	32
Trade debtors	**873**	1,380	**64**	-
Social Housing Grant and other grant receivable	**-**	-	**-**	-
Amounts owed by related parties (note 32)	**-**	-	**18**	141
Amounts owed by leaseholders	**710**	-	**-**	-
Loans to joint venture	**2,601**	2,388	**-**	-
Prepayments and sundry debtors	**11,292**	10,958	**1,190**	808
Other taxation and social security	**-**	-	**-**	-
Deferred tax	**189**	189	**(26)**	-
	21,144	20,020	**1,246**	981

For rent and service charge arrears, no adjustment is required for those debts on a repayment schedule.

Amounts owed by related parties are interest free and due on demand.

21. Investments

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Investments in Credit Unions	**50**	50	-	-
	50	50	-	-

In 2014/15 OHL invested £50k in 50,000 £1 non-deferring interest-bearing shares in both Central Liverpool Credit Union (25,000 shares) Ltd and in Halton Credit Union Limited (25,000 shares).

22. Creditors: amounts falling due within one year

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Bank and building society loans (note 24)	**5,568**	12,476	**-**	-
Other loans (note 24)	**434**	856	**-**	-
Bond discount (note 24)	**(244)**	(244)	**-**	-
Bond issue costs (note 24)	**(50)**	(50)	**-**	-
Issue costs (note 24)	**(708)**	(362)	**-**	-
	5,000	12,676	**-**	-
Trade creditors	**9,408**	7,520	**544**	300
Capital creditors and retentions	**940**	1,373	**-**	-
Rent and service charges received in advance	**9,177**	7,157	**-**	-
Other taxation and social security	**1,367**	1,243	**(19)**	6
Deferred Government Grant (note 25)	**6,393**	6,188	**30**	30
Recycled capital grant fund (note 26)	**996**	1,364	**-**	-
Accruals and deferred income	**41,160**	28,666	**1,096**	754
Amounts owed to leaseholders	**4,674**	-	**-**	-
Other creditors	**717**	417	**-**	-
Amounts owed to related parties (note 32)	**-**	-	**2,741**	3,474
	79,832	66,604	**4,392**	4,564

23. Creditors: amounts falling due after one year

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Bank and building society loans (note 24)	**257,905**	166,000	**-**	-
Other loans (note 24)	**14,341**	13,919	**-**	-
Bond (note 24)	**265,000**	265,000	**-**	-
Bond discount (note 24)	**(6,332)**	(6,576)	**-**	-
Bond issue costs (note 24)	**(1,290)**	(1,340)	**-**	-
Loan Issue costs (note 24)	**(2,804)**	(824)	**-**	-
	526,820	436,179	**-**	-
Capital creditors and retentions	**3,910**	2,773	**-**	-
Other creditors	**162**	50	**-**	-
Amounts owed to leaseholders	**4,355**	9,062	**-**	-
Deferred Government Grant (note 25)	**544,754**	544,230	**608**	639
Recycled Capital Grant Fund (note 26)	**3,967**	3,739	**-**	-
	1,083,968	996,033	**608**	639

24. Debt analysis

	Group 2026 £'000	Group 2025 £'000
Bank and Building Society loans	**263,473**	178,476
Other loans	**14,775**	14,775
Bond	**265,000**	265,000
Bond Discount	**(6,576)**	(6,820)
Bond issue costs	**(1,340)**	(1,390)
Issue costs	**(3,512)**	(1,186)
	531,820	448,855

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 2040. The bond is repayable in one instalment due in 2053. As at 31 March 2026 interest rates chargeable on Bank & Building Society loans varied from 4.26% to 11.67%. The interest rate on the Bond was fixed at 2.13%

	Group 2026 £'000	Group 2025 £'000
Gross debt is repayable in instalments as follows:		
Within one year	**6,002**	12,676
Between one and two years	**20,805**	11,497
Between two and five years	**179,653**	137,633
After five years	**336,789**	296,445
	543,249	458,251

	Group Properties under charge	Group **Amount drawn £'000**	Group Valuation of units £'000
Loan charges	12,960	473,249	728,669

Bond analysis

	Principal amount of the Issued Bond £'000	Discount on Issue £'000	**Bond Issue costs £'000**	Amount due to bondholders £'000
At 31 March 2025	265,000	(6,820)	(1,390)	256,790
Amortisation of discount on issue and Bond issue costs during year	-	244	50	294
At 31 March 2026	265,000	(6,576)	(1,340)	257,084

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

24. Debt analysis (continued)

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.

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)

	Group		Association	
The total accumulated government grant and financial assistance received or receivable at 31 March:	**2026 £'000**	2025 £'000	**2026 £'000**	2025 £'000
Held as deferred capital grant at start of the year	**550,418**	540,305	**669**	699
Grant received in the year	**10,747**	31,422	**-**	-
Grant Allocated from RCGF	**2,310**	208	**-**	-
Grants in advance	**231**	213	**-**	-
Disposals	**(1,792)**	(2,113)	**-**	-
Transfer to properties held for sale	**1,118**	(936)	**-**	-
Repaid	**-**	(2,445)	**-**	-
Grant transferred to other housing association	**(5,664)**	(10,035)	**-**	-
Recognised in the Statement of Comprehensive Income in the year - Income	**(10)**	(350)	**-**	-
Recognised in the Statement of Comprehensive Income in the year	**(6,211)**	(5,851)	**(30)**	(30)
At end of the year	**551,147**	**550,418**	**639**	669
Due within one year	**6,393**	6,188	**30**	30
Due after one year	**544,754**	544,230	**609**	639
	551,147	550,418	**639**	669

Amounts recognised in the statement of comprehensive income of £6,181,000 includes non-social housing grant of £60,000. Only the social housing grant of £6,121,000 is recognised in note 4.

26. Recycled Capital Grant Fund

	Group 2026 £'000	Group 2025 £'000
At start of the year	**5,103**	3,870
Grants recycled	**2,331**	1,313
Homebuy loans redeemed	**-**	-
Interest	**103**	326
Recycled to new build development	**(2,574)**	(406)
At end of the year	**4,963**	5,103
Discounts not repayable	**559**	384
Due within one year	**996**	980
Due after one year	**3,408**	3,739
	4,963	5,103
Amount three years or older where repayment may be required	**-**	-

27. Financial instruments

	Group 2026 £'000	Group 2025 £'000
Financial assets measured at amortised cost:		
Trade receivables (note 20)	**873**	1,380
Other receivables (note 18 & 20)	**20,271**	18,277
Cash and cash equivalents	**28,009**	24,653
Total financial assets	**49,153**	44,310
Financial liabilities measured at amortised cost:		
Loan payable (note 24)	**543,248**	458,251
Trade creditors (note 22)	**9,408**	7,520
Other creditors	**66,372**	41,991
Total financial liabilities	**619,028**	507,762

The organisation's policy on treasury management, capital structures, cash flow and liquidity are set out on page 11 in the Strategic Report.

27. Financial instruments (continued)

The organisation's financial liabilities are sterling denominated. The interest rate profile of the organisation's financial liabilities (loans and finance leases) at 31st March was:	Group	
	2026 £'000	2025 £'000
Floating rate	**209,474**	154,887
Fixed rate	**333,775**	303,364
	543,249	458,251

	2026 £'000	2025 £'000
Financial Derivatives:		
Derivative Financial Asset	**4,949**	-
Derivative Financial Liability	**-**	-
	4,949	-

The Group uses SONIA interest rate swaps, including Loan-Linked ISDAs, to manage exposure to variability in cash flows on floating rate borrowings. These derivatives are designated as cash flow hedges and are measured at fair value at the reporting date.

28. Obligations under operating leases

The Group leases out some of its land and buildings to other organisations. Receipts are accounted for in the month in which they are receivable. The future minimum lease receipts under non-cancellable operating leases are as follows:

28. Obligations under operating leases (continued)

	Group	
	Land and buildings	
	2026 £'000	2025 £'000
Leases expiring:		
Within one year	**961**	954
In the second to fifth years	**3,721**	3,618
In more than five years	**1,088**	1,927
At end of the year	**5,770**	6,499

During the year £1,024,000 was recognised as income in the statement of comprehensive income in respect of operating leases receivable (2025: £989,000).

The Group 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:

	Group			
	Vehicles and equipment		Land and buildings	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Leases expiring:				
Within one year	**2,594**	2,651	**691**	717
In the second to fifth years	**662**	2,688	**1,135**	1,826
In more than five years	**-**	-	**1,042**	1,042
At end of the year	**3,256**	5,339	**2,868**	3,585

During the year £4,226,000 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2025: £4,329,000).

29. Provisions for liabilities

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
At start of the year	**2,137**	2,113	**-**	-
Additional provision in year	**295**	603	**-**	-
Transfer out of provisions	**(355)**	(579)	**-**	-
At end of the year	**2,077**	2,137	**-**	-

30. Pension liabilities

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
At start of the year	**5,145**	12,861	**-**	-
Net interest on pension liabilities	**248**	568	**-**	-
Transfers to reserves (actuarial gain in period)	**(2,221)**	(4,321)	**-**	-
Contributions in period	**(3,325)**	(4,108)	**-**	-
Administration expenses	**304**	23	**-**	-
Current service costs in the period	**-**	31	**-**	-
Past service costs in the period	**24**	91	**-**	-
Settlement gain	**-**	-	**-**	-
At end of the year	**175**	5,145	**-**	-

The pension liabilities for the Association are included in the consolidated pension disclosures in note 38.

This note shows the summary position of the combined OPP and LGPS schemes which the Group participates in.

31. Non-equity share capital

	Association 2026 £	Association 2025 £
Shares of £1 each fully paid and issued:		
At start of the year	**7**	8
Shares issued in the year	**-**	-
Cancelled during the year	**-**	(1)
At end of the year	**7**	7

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.

32. Transactions with related parties

During the year the parent company, Onward Group Limited, transacted with its subsidiary undertakings as set out below. There are no guarantees given over and above the normal trading terms set out in the intra-group agreement. There is no provision required for uncollectible balances and no bad debt expense is required.

	Association	
	2026 **£'000**	**2025** £'000
Recharge by subsidiary		
Onward Homes Limited (regulated)	**3,951**	5,276
Onward Repairs Limited (non-regulated)	**64**	61
Contour Property Services (non-regulated)	**42**	98
Atrium City Living (non-regulated)	**1**	5
Onward Build (non-regulated)	**4**	18
	4,062	5,458

	Association	
	2026 **£'000**	**2025** £'000
Recharge by service		
Management services	**4,062**	5,458
	4,062	5,458

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

	Association	
The Association received charges from:	**2026** £'000	**2025** £'000
Recharge from subsidiary		
Onward Homes Limited	**522**	564
	522	564

	Association	
Debtors falling due within one year (note 20)	**2026** **£'000**	**2025** £'000
Onward Repairs Limited (non-regulated)	**17**	106
Contour Property Services Limited (non-regulated)	**-**	20
Onward Build (non-regulated)	**1**	12
Atrium City Living Limited (non- regulated)	**-**	3
	18	141

32.Transactions with related parties (continued)

	Association	
Creditors: amounts falling due within one year (note 22)	**2026 £'000**	**2025 £'000**
Contour Property Services Limited (non-regulated)	**73**	-
Onward Homes Limited (regulated)	**2,668**	3,474
	2,741	3,474

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, Contour Property Services and Onward Repairs (non-regulated) are based on a cost recovery basis.

During the year there were no tenant board members in Onward Group Limited.

33. Capital commitments

	Group	
	2026 £'000	**2025 £'000**
Capital expenditure contracted for but not provided for in the financial statements general balance	**97,553**	148,339
Capital expenditure authorised by the Board but not yet contracted for general balance	**127,400**	131,492

Capital expenditure commitments are funded through grant funding (Homes England Affordable Homes Programme) and recycled grant, £33,958,413 and cash from approved loan agreements and retained surpluses, £190,984,449.

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 considered by the Board. As a result of this review, an impairment of £1.426m was identified in respect of two investment properties classified as held for sale (2024: £nil). No other impairments were identified.

35. Analysis of changes in net debt

	At 1 April 2025 £'000	**Cash Flows £'000**	**Other non cash changes £'000**	**At 31 March 2026 £'000**
Cash and cash equivalents				
Cash	24,653	3,356	-	28,009
Bank loans	(176,488)	(83,007)	(749)	(260,244)
Other loans	(15,576)	1,089	(5)	(14,492)
Bond liabilities	(256,498)	-	(293)	(256,791)
Total	**(423,909)**	**(78,562)**	**(1,047)**	**(503,518)**

36. Cash flows generated from operating activities

	Notes	Group 2026 £'000	Group 2025 £'000
Surplus for the year		**19,319**	13,307
Adjustments for non-cash items:			
Depreciation of tangible fixed assets (Housing properties and other)	14 & 17	**26,799**	22,706
Impairment and stock write off	19	**(1,426)**	(2,881)
Surplus on sale of fixed asset housing properties	6	**(4,636)**	(8)
Proceeds from sale of fixed asset housing properties	6	**12,080**	6,632
Amortisation of deferred Government Grant	25	**(6,211)**	(5,851)
Government grant recognised in income in year	25	**(10)**	(350)
Movement in stock	14 & 19	**7,741**	15,693
Movement in trade and other debtors	20	**(1,914)**	(814)
Movement in trade and other creditors	22	**16,905**	7,115
Movement in provisions	29	**60**	24
Pension costs less contributions payable	30	**(2,749)**	(3,395)
Interest receivable	11	**(460)**	(462)
Interest payable	12	**14,996**	13,250
Change in value of investment property	15	**(189)**	(1,618)
Share of joint venture loss/(profit)	15	**-**	110
Cash from operations		**80,305**	63,457
Taxation paid	13	**-**	-
Net cash generated from operating activities		**80,305**	63,457

37. Contingent liabilities

The association had no contingent liabilities at 31st March 2026 (2025: £nil).

38. Pension costs

Summary

	OPP £'000	GMPF £'000	MPF £'000	Total £'000
At start of the year	**6,049**	**(916)**	**12**	**5,145**
Net interest on pension liabilities	**274**	**(26)**	**-**	**248**
Transfers to reserves (actuarial gain in period)	**(2,361)**	**140**	**-**	**(2,221)**
Contributions in period	**(3,300)**	**(25)**	**-**	**(3,325)**
Administration expenses	**-**	**-**	**-**	**304**
Current service costs in the period	**-**	**24**	**-**	**24**
Past service costs in the period	**-**	**-**	**-**	**-**
At end of the year	**966**	**(803)**	**12**	**175**

38. Pension costs (continued)

The Association 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 on 31 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.

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’s interim Schedule of Contributions states that Onward will pay deficit contributions of £3.3m per annum less any expenses paid directly by Onward.

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

The Board is aware of the Court of Appeal judgment in Virgin Media Limited v NTL Pension Trustees II Limited, which upheld the High Court's decision regarding amendments made to contracted-out defined benefit pension schemes between 6 April 1997 and 5 April 2016. The judgment established that certain amendments affecting section 9(2B) rights may be invalid where the statutory actuarial confirmation required under section 37 of the Pension Schemes Act 1993 was not obtained.

In response to the judgment, the Government announced on 5 June 2025 that legislation would be introduced to enable affected pension schemes to obtain retrospective actuarial confirmation that historical benefit amendments met the relevant statutory requirements. Draft legislative provisions have subsequently been published setting out a framework through which affected schemes may validate potentially impacted amendments.

The Board understands that the trustees of the relevant pension schemes and their advisers continue to assess the implications of the judgment and the proposed legislative remedy. Based on information currently available, and subject to the successful application of the legislative solution and any required actuarial confirmations being obtained, the Board does not currently expect a material impact on the valuation of the scheme liabilities recognised in these financial statements. However, uncertainty remains pending enactment of the legislation and completion of the trustees' review.

38. Pension costs (continued)

a) Onward Pension Plan

	Group		Association	
Assumptions	**2026**	**2025**	**2026**	**2025**
Inflation	2.90%	2.80%	-	-
Rate of discount on scheme	6.40%	6.00%	-	-
Rate of salary increase	3.90%	3.80%	-	-
Rate of increase of pensions	2.90%	2.80%	-	-
Life expectancy male non-pensioner	22.3	21.7	-	-
Life expectancy female non-pensioner	24.8	24.5	-	-
Life expectancy male pensioner	21.1	20.4	-	-
Life expectancy female pensioner	23.3	23.0	-	-

The OPP's membership data as at 30 June 2023 has been valued using assumptions as at 31 March 2026 by a qualified independent actuary.

The fair value of the schemes' assets at 31 March 2026, 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:

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	£'000	**£'000**	£'000
Fair value of assets	**70,397**	68,137	**-**	-
Present value of liabilities	**(71,363)**	(74,186)	**-**	-
Deficit in the scheme	**(966)**	(6,049)	**-**	-

38. Pension costs (continued)

a. Onward Pension Plan (continued)

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

	2026 £'000	2025 £'000
Market value		
Insurance-Linked Securities	**-**	-
Property	**-**	-
Cash	**1,931**	3,182
Gilts	**24,672**	26,312
Equity Options	**699**	6,819
Gilt Swaps	**119**	(1,822)
Inflation Swaps	**149**	(331)
Interest Rate Swaps	**(375)**	363
Liquidity Fund	**-**	-
Strategic Income	**-**	-
Private Markets	**12,751**	12,392
Credit Fund	**22,054**	21,222
Total	**70,397**	68,137

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Analysis of the amount charged to operating surplus				
Current service cost	**4,076**	3.621	**-**	-
Past service cost / (gain)	**(4,350)**	(4,199)	**-**	-
Total operating charge	**(274)**	(578)	**-**	-

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Analysis of the amount credited to other finance income				
Expected return on pension assets	**4,076**	3,621	**-**	-
Interest on pension liabilities	**(4,350)**	(4,199)	**-**	-
Net Return	**(274)**	(578)	**-**	-

38. Pension costs (continued)

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Movement in (deficit) during the year				
Deficit in schemes at the start of the year	**(6,049)**	(13,568)	**-**	-
Bulk transfer of scheme deficit from SHPS	**-**	-	**-**	-
Contributions	**3,300**	4,083	**-**	-
Return on assets excluding interest income	**(1,389)**	(8,025)	**-**	-
Interest income/(cost)	**(274)**	(578)	**-**	-
Administration expenses	**(304)**	(23)	**-**	-
Actuarial gain/(loss) in SCI	**3,750**	12,062	**-**	-
Deficit in scheme at end of the year	**(966)**	(6,049)	**-**	-

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Amount recognised in the Statement of Comprehensive Income				
Actual return less expected return on pension scheme assets	**(1,389)**	(8,025)	**-**	-
Experienced gains/(losses) arising on the scheme liabilities.	**(475)**	2,256	**-**	-
Change in assumptions underlying the present value of scheme liabilities	**4,225**	9,806	**-**	-
Actuarial (loss) recognised in SCI	**2,361**	4,037	**-**	-

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

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
History of experienced surpluses and deficits				
Difference between actual and expected returns on assets	**(1,389)**	**(8,025)**	**-**	-
% of scheme assets	**(2.0%)**	**(11.8%)**	**-**	-
Experienced (losses)/gains on liabilities	**(475)**	**2,256**	**-**	-
% of scheme liabilities	**(0.1)%**	**3.0%**	**-**	-
Total amount recognised in SCI	**2,361**	**4,037**	**-**	-
% of scheme liabilities	**3.3%**	**5.4%**	**-**	-

38. Pension costs (continued)

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	£'000
Reconciliation of assets				
Initial recognition of multi-employer defined benefit	**68,137**	72,298	**-**	-
Assets bulk transfer from SHPS	**-**	-	**-**	-
Employer contributions	**3,300**	4,083	**-**	-
Benefits paid	**(3,423)**	(3,817)	**-**	-
Administration expenses	**(304)**	(23)	**-**	-
Interest Income	**4,076**	3,621	**-**	-
Expected return on plan assets	**(1,389)**	(8,025)	**-**	-
Assets at end of year	**70,397**	68,137	**-**	-

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	£'000
Reconciliation of liabilities				
Initial recognition of multi-employer defined benefit	**74,186**	85,866	**-**	-
Defined benefit obligation bulk transfer from SHPS	**-**	-	**-**	-
Interest cost	**4,350**	4,199	**-**	-
Benefits paid	**(3,423)**	(3,817)	**-**	-
Actuarial (gain) / loss	**(3.750)**	(12,062)	**-**	-
Benefit obligation at end of year	**71,363**	74,186	**-**	-

38. Pension costs (continued)

b) Local Government Pension Scheme

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

Assumptions	2026	2025
Inflation	3.00%	2.75%
Rate of discount on scheme	6.20%	5.80%
Rate of salary increase	4.50%	3.55%
Rate of increase of pensions	3.00%	2.75%
Life expectancy male non-pensioner	23.5	21.8
Life expectancy female non-pensioner	26.2	25.6
Life expectancy male pensioner	20.4	20.0
Life expectancy female pensioner	23.9	23.3
Mortality assumptions (normal health)		
Basis	Vita curves CMI 2023 model	Vita curves CMI 2022 model
Non-retired members	CMI 2023 model, with a 15% weighting of 2023 (and 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 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..
Retired members	CMI 2022 model, with a 15% weighting of 2023 (and 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 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.

	2026 £'000	**2025** £'000
Fair value of assets	**1,995**	2,006
Present value of liabilities	**(1,613)**	(1,563)
Surplus/(Deficit) in the scheme	**342**	443

The variance in the scheme surplus is due to the Contour Homes transfer and is not considered material.

38. Pension costs (continued)

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

	2026 £'000	2025 £'000
Market value		
Equities	**1,257**	1,263
Government Bonds	**359**	361
Property	**180**	181
Cash/liquidity	**199**	201
Total	**1,995**	2,006

	2026 £'000	2025 £'000
Analysis of the amount charged to operating surplus		
Current service cost	**24**	31
Past service cost (including curtailments)	**-**	91
Total operating charge	**24**	122

	2026 £'000	2025 £'000
Analysis of the amount credited to other finance income		
Expected return on pension assets	**116**	93
Interest on pension liabilities	**(90)**	(83)
Net return	**26**	10

	2026 £'000	2025 £'000
Movement in (deficit) during the year		
Deficit in schemes at start of the year	**904**	707
Movement in year:		
Current service cost	**(24)**	(31)
Past service cost (including curtailments)	**-**	(91)
Contributions	**25**	25
Expected return on plan assets	**116**	93
Interest on pension liabilities	**(90)**	(83)
Actuarial gain / (loss) in SCI	**(140)**	284
Deficit in schemes at end of the year	**791**	904

38. Pension costs (continued)

	2026 £'000	2025 £'000
Amount recognised in the Statement of Comprehensive Income		
Actual return less expected return on pension scheme assets	**85**	(16)
Change in assumptions underlying the present value of scheme liabilities	**(225)**	300
Actuarial gain/(loss) recognised in SCI	**(140)**	284

	2026	2025
History of experienced surpluses and deficits		
Difference between actual and expected returns on assets (£'000)	**85**	(16)
% of scheme assets	**4.30%**	(0.80%)
Total amount recognised in SCI (£'000)	**(140)**	284
% of scheme liabilities	**8.70%**	18.30%

c)

	2026 £'000	2025 £'000
Reconciliation of assets		
Assets at start of year	**814**	704
Employer contributions	**25**	25
Employee contributions	**13**	13
Benefits paid	**(38)**	(5)
Expected return on plan assets	**116**	93
Remeasurement of assets	**(167)**	(16)
Settlement on exit	**-**	-
Assets at end of year	**763**	814

	2026 £'000	2025 £'000
Reconciliation of liabilities		
Benefit obligation start of year	**(91)**	(4)
Operating charge	**24**	122
Interest cost	**90**	83
Employee contributions	**13**	13
Benefits paid	**(38)**	(5)
Actuarial gain/(loss)	**(27)**	(300)
Settlement on exit	**-**	-
Benefit obligation at end of year	**(29)**	(91)

39. Post Balance Sheet Events

There are no post balance sheet events to report.