Financial Statements and Annual Report

for the year ended
31 March 2026

PA Housing

Paragon Asra Housing Limited
Community Benefit Society Registration Number 7536
Homes and Communities Agency Registration Number 4849

2025/26 Highlights

Overall customer satisfaction (renters)
66%

Liquidity
£357m

£11.2m
in unclaimed benefits for residents

Properties with EPC rating A-C
84%

Operating margin from social housing lettings
19.5%

Repairs completed
64,500

Turnover
£228m

New homes sold
174

Housing assets
£2.4bn

Borrowing
£1.3bn

Rent arrears
3%

New homes built
463

Invested in existing homes
£29m

Homes owned and/or managed
24,967

Contents

Board members, Executive and Advisors

Group Board

Suki Kalirai	Group Chair
Tom Vaughan	Vice Chair
Jo Banfield	Resigned 30 June 2026
Andrew Carrington	
Kim Francis	
Susan Goldsmith	
Kathleen Harris-Leighton	
Tim Hill	
Rahul Jaitly	
Tim Jennings	
Emma McLachlan	

Executive Team

Michael McDonagh	Chief Executive
Charles Ellis	Executive Director of Asset Management
Simon Hatchman	Executive Director of Resources
Suzannah Taylor	Executive Director of Development
Jessica Friend	Chief Financial Officer (from 1 March 2025 to 9 April 2026)

Company Secretary and Registered Office

Ian Hill
Case House
85 – 89 High Street
Walton on Thames
Surrey
KT12 1DZ

Auditor

KPMG LLP
New Kings Court
Suite 6, Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Solicitor

Devonshires Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

About us

About Us

PA Housing ('PA') is a registered provider of social housing offering more than 24,900 homes across the Midlands, London and the South East.

We exist to provide more than housing. Our focus is on the people who live in our homes and the communities in which they live. We are committed to delivering high quality services, investing in homes, and supporting sustainable communities where residents can thrive.

Residents are central to our purpose and decision making. We work to balance investment in homes, regulatory compliance, service delivery, and community engagement, while maintaining a strong and financially resilient organisation.

Our culture is shaped by our corporate values, which guide how we work, how we behave, and how we deliver services for residents and support our colleagues.

Our Annual Report

The Board presents its Annual Report and audited financial statements for the year ended 31 March 2026.

The Board's Annual Report comprises:

- The Chair's Statement;
- The Chief Executive's Statement;
- The Strategic Report;
- The Resource Director's Report;
- The Board Report and Governance Statement; and
- The Statement of Board Members' Responsibilities

Together these sections provide a review of the Group's activities, performance, financial position, governance arrangements and principal risks during the year.

Chair and Chief Executive Statements

Chair's statement

The last financial year saw us make continued good progress on our journey to develop great services and strong relationships with our residents.

Our vision remains that the people who live in our homes will be proud of where they live, and the people who work for us will be proud of the differences they make. Our work to make this a reality has been relentless, and while recognising that we still have a lot more to do, we end the year with a genuine sense that the momentum is growing.

The regulatory inspection which took place midway through the financial year was an important staging post. As expected, we retain our V2 grading for financial viability, this reflects our status as an organisation which is stretching its resources in a controlled way to maximise investment in new and existing homes and we are comfortable with this position.

We received the highest G1 grade for governance, backed by some positive feedback from the regulator about the structures and frameworks we have in place. Through the process we tried to demonstrate the extent to which our Board and Committees maintain tight control of business performance in line with our strategic priorities, seek hard evidence and assurance that things are either where they need to be or are being actively worked on to improve, and offer the right blend of support and challenge to drive the organisation forward.

Most importantly, we received a C2 grade against the consumer standards. This was our first assessment for this perspective and we felt that the regulator's feedback offered a fair and insightful view of where we are at, the good progress we have made and the future priorities we need to focus on.

We have of course worked hard to address those priorities, drawing up and then delivering a detailed action plan to ensure further progression in the identified critical areas – our repairs service, managing anti-social behaviour, handling complaints, and using data to inform our service delivery models including where reasonable adjustments are needed.

As always, our annual Tenant Satisfaction Measures door-knocking exercise gives us valuable insights into where our services are really at from the people who matter most. Over 5,000 residents again participated in the 2025 survey and the results gave further encouragement that they see improvement happening. We look at both the satisfaction and dissatisfaction perspectives, this allows us to form a balanced view of how the resident view is shifting. The year-on-year reduction in dissatisfaction suggests that trust is starting to build and when things do go wrong, residents are now more prepared to allow us time to put it right.

We need solid financial foundations in order to invest in our service delivery and achieve our identified strategic priorities. These results evidence a solid financial year, with underlying metrics in line with expectation and key cost areas being kept under tight control. We have made some important decisions to resolve our historic development sites impacted by contractor insolvency, and also to divest of some land sites which are no longer suited for our development needs.

These decisions give rise to a larger impairment provision in the accounts, but stand us in good stead for the future with the benefit being seen in our updated financial business plan – this now carries a lighter development cost burden and is de-risked, thus driving stronger headline metrics across the next few years.

So in summary this report reflects on a good year overall, but with recognition that we must retain absolute focus on continuing to drive up service standards and reduce the incidences of service failure. We are well set to achieve this with the support of our residents.

I am grateful for the hard work and dedication our colleagues and non-executives have shown through the year. The social housing sector is ever more challenging and everyone's effort within a tough and changing environment is greatly valued.

Suki

Chief Executive's statement

The Social Housing Sector continues to be challenging with increasing operational and financial headwinds. This is in part due to the broader policy and economic environment but also due to decisions made by Registered Providers over the last decade. PA Housing is not perfect; we continue to focus on improving outcomes for existing residents and building new homes where resources allow.

Our financial position continues to improve, and we have proactively taken steps to streamline operational areas to deliver more investment in homes. In streamlining our operations, we have seen no reduction in service levels, if anything we continue to see service improve to new record levels.

We continue to be proud that we are one of the most resident centred providers in social housing, this will not change. It is now part of PA's DNA. I spend much of my time speaking with residents in their homes really understanding what life as a PA resident feels like and then working with colleagues to improve services and outcomes for residents.

This will be my last year at PA. I hope our commitment to residents remains part of PA's future and it continues to build on the solid foundations we have laid.

I am proud of everything we have done at PA and the small differences we make to thousands of residents lives every day.

Mike

Strategic Report

Strategic Report: Our Strategy

Our Operating Model

PA is a not-for-profit community benefit society, with surpluses reinvested into maintaining existing homes, delivering new supply, and improving services for residents. This ensures long term investment in the quality and safety of our housing stock.

Our core activity is the ownership and management of social and affordable rented homes, alongside the provision of shared ownership housing. We also provide services to leaseholders, manage independent living housing for older residents, and own a small number of extra care and specialist schemes where care and support services are provided by partner organisations. We manage a small portfolio of non-social housing and commercial assets.

Beyond housing management, we work in partnership with communities to support well maintained neighbourhoods and improved outcomes for residents, including appropriate support and guidance to help sustain tenancies in response to cost of living pressures.

An update to our Corporate Plan 2024-2029

Our Corporate Plan continues to provide a clear framework for the organisation, ensuring we remain focussed on what matters to residents. Our Plan is developed around resident feedback and engagement and remains centred on putting people first, improving communication, and investing in homes and neighbourhoods.

In 2025/26, we have continued to make progress against the priorities within the Plan, while recognising there is still more to do. The Regulator of Housing inspection in 2025 provided important external assurance on the progress made across governance, compliance, and resident focus, and identified the key areas where we need to continue our focus on delivering stronger outcomes for residents – in particular, complaints handling, repairs, and tacking anti-social behaviour.

Our updates to the Corporate Plan for 2026/27 reflect the changing operating environment facing the social housing sector, including increasing regulatory expectations, investment pressures, and the evolving needs of residents. We remain committed to investing in the safety, quality and sustainability of residents’ homes, while continuing to strengthen resident engagement, improve service delivery and ensure long term financial viability.

Board oversight

The Board, supported by its committees, continues to oversee performance against the objectives and measurable outcomes set out in the Corporate Plan and Enabling Strategies. Regular monitoring ensures that progress is assessed, risks are understood, and corrective action is taken where delivery is not on track.

We remain ambitious in our plans and recognise that the operating environment continues to evolve, bringing challenges that may affect the pace and scale of delivery. The Board will continue to review priorities and provide direction, ensuring resources are deployed effectively to achieve the greatest impact.

Performance is monitored alongside operational and financial measures, providing a clear view of how effectively we are delivering outcomes for residents and meeting our commitments.

We are committed to openness and continuous improvement. Resident feedback, together with other performance information, helps us identify what is working well and where further action is needed. While challenges will continue to arise, we are strengthening the organisation's resilience to support the successful delivery of our long-term plans.

Strategic Report: Safety and Quality of Homes

Our residents' homes

We now own and / or manage over 24,900 homes across 62 local authorities, serving communities throughout our core regions of London, Surrey, and the East Midlands.

37% of our homes are in London, 25% in Surrey and 19% in Leicestershire. More than 98% of our homes provide affordable and social housing, reinforcing our commitment to the delivery of safe, secure, and sustainable homes. This includes homes we manage on behalf of leaseholders who were previously renters or shared owners.

Homes by tenure (owned and / or managed)

Homes by tenure	At 31 March 2026
General Needs	17,707
Supported and Housing for Older People	3,097
Shared Ownership	2,152
Leasehold	1,671
Non-Social Housing	340
Total	**24,967**

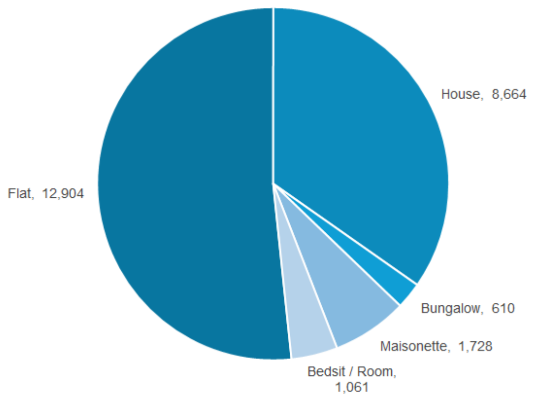
Our housing stock is made up of broad range of property types, enabling us to meet the varied needs of our residents.

The composition of our stock varies significantly across our regions. Flats account for around 80% of our London portfolio, compared with 60% in Surrey and 45% in Leicestershire. This regional profile reflects the different housing markets in which we operate and shapes both our investment priorities and operating costs.

The Regulator of Social Housing has highlighted that providers with a higher concentration of homes in London are facing increased financial pressures, particularly linked to building safety requirements, major repairs, and the maintenance of higher rise blocks. Our stock profile in London is aligned with other London providers where the proportion of flats owned is far greater than the national average.

Against this backdrop, our geographically diverse portfolio provides balance and enables us to remain focussed on investment in building safety, the quality of homes, and long-term sustainability across all regions.

Homes by property type



Keeping residents safe in their homes

The safety of our residents and the quality of their homes remain a key priority. Throughout 2025/26, we continued to invest in maintaining safe and well-maintained homes, while responding to increasing regulatory expectations and wider sector challenges.

Despite ongoing pressures, including supply chain disruption and building safety complexities, we made progress across our investment and remediation programmes. Our focus has been on improving residents' homes, enhancing energy efficiency, addressing historic investment backlogs, and ensuring compliance with safety standards.

Our building safety performance is measured as part of the Regulator of Social Housing Tenant Satisfaction Measures (TSM) and our results from our 2025/26 survey are shown below:

Building Safety Performance (TSM measure)	2025/26	2024/25
Gas safety checks (BS01)	99.8%	99.1%
Fire risk assessment (BS02)	99.6%	99.3%
Asbestos management surveys (BS03)	96.3%	99.9%
Legionella risk assessment (BS04)	98.5%	100.0%
Communal passenger lifts safety checks (BS05)	98.7%	99.1%

Strategic Report: Safety and Quality of Homes

Planned maintenance

We work to ensure our homes meet high standards of safety, comfort and sustainability. Our investment is targeted towards improving the quality of residents' homes and delivering our ongoing component replacement programmes.

During the year, delivery of the planned investment programme was impacted by some supply chain constraints and the delayed mobilisation of our retrofit programme. As a result, approximately 70% of the original annual programme was completed, below our original target. Whilst this was disappointing, progress has continued across our key investment priorities.

A key focus in the year was addressing the historic backlog of works, with 84% of the backlog programmes identified in 2023 now completed. This represents substantial progress in improving the condition of our homes.

Investment priorities included window and roof replacement programmes which have presented challenges due to contractor availability. In planning these works we reviewed resident and property profiles to ensure no individual resident or household was materially impacted by delays and we continued to monitor and assess heat loss and energy efficiency within residents'' homes.

Resident feedback on completed investment remained very positive, with satisfaction levels of 97% reflecting the quality of the works delivered and the focus placed on resident engagement throughout.

Works completed (no. of homes)	2026	2025
Roofs	44	44
Kitchens and Bathrooms	964	757
Windows and doors	222	241
New heating systems	983	1,588
Retrofit and insulation works	357	1,078
Lifts	1	12

Our retrofit programme is now focused on more technically complex improvements, rather than straightforward measures such as loft insulation. This is reflected in the reduced number of components replaced, as investment is increasingly targeted at measures that deliver greater energy efficiency improvements across the whole home.

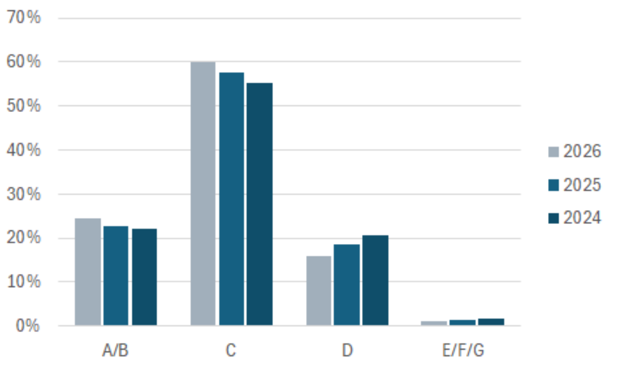
Energy efficiency and sustainability

At the end of March 2026 84% (2025: 81%) of our residents' homes had an EPC rating at band C or above, reflecting continued progress in improving energy efficiency.

We have only 134 homes rated at EPC band E – G, all of which are included in our 2026/27 retrofit programme for assessment. We will seek to improve the energy efficiency of these homes where this is technically feasible and represents value for money. Through this targeted investment, we are aiming for 86% of homes to achieve EPC band C or above by March 2027.

We continue to maintain robust quality assurance processes over energy performance assessments undertaken by external contractors, with 96% meeting our internal quality standards during the year.

Property EPC ratings



Strategic Report: Safety and Quality of Homes

Warm Homes Social Housing Fund

We were successful in our bid for funding under the Warm Homes - Social Housing Fund Wave 3 programme. The grant allocation of £12m will support a wider investment programme of £46m to improve the energy efficiency of over 1,350 homes.

The programme has been profiled through to September 2028 and forms part of our longer term retrofit and sustainability strategy, supporting improved energy performance, reduced heat loss and lower resident costs for residents.

In 2025/26, our first year of the programme, we invested £2.3m in delivering improvement works across eligible homes.

Damp, mould, condensation and hot homes.

We have continued to strengthen our approach to identifying and resolving damp and mould issues within residents' homes, to ensure we are maintaining healthy living environments. In 2025/26 our dedicated Damp and Mould Team maintained a strong focus on early intervention, supporting residents, and compliance with Awaab's law.

Performance in completing significant hazard removals within 15 days improved to over 86%, reflecting the progress made in our responsiveness. Alongside remedial works we continued to invest in preventative measures including ventilation and the use of specialist wall panels as part of our wider bathroom and kitchen replacement programmes. We have also piloted a new mould treatment product which has potential to provide a more durable resistance to return of mould than the traditional products on the market.

Looking ahead, we are continuing to develop an understanding of the environmental performance of our homes, including how some blocks retain heat during warmer periods. We have installed sensors across selected higher risk blocks to monitor temperature and moisture levels throughout the day. Data is being used to inform future investment decisions. This work complements our ongoing focus on damp and mould prevention, ventilation improvements, and creating more comfortable homes for residents.

Stock condition

Maintaining accurate and up to date stock condition data remains a key priority to support our asset management strategy.

In 2025/26 we completed over 4,800 stock condition surveys across our homes. As a result, over 95% of our homes have had a stock condition survey completed within the last five years.

Where surveys have not been completed this is nearly always due to access not being provided despite multiple attempts to arrange appointments. These homes have been prioritised within our 2026/27 survey programme to ensure stock condition data remains robust and up to date.

Decent Homes

As at 31 March 2026 99.97% of our homes met the Decent Homes Standard.

Six properties were classified as non-compliant. These homes remain within our planned works programme and are scheduled for improvements in early 2026/27. Where required residents have been decanted to ensure works can be completed safely and efficiently.

In addition, there were 122 homes where either access has been denied or improvement works have been declined by residents. We continue to engage with these households to secure access and progress necessary works.

Fire safety remediation

We have made significant progress in addressing blocks affected by poor quality cladding, external wall systems, and other fire safety remediation issues.

Delivery of the programme has been impacted by delays in obtaining approval from the Building Safety Regulator (BSR), which is required before works can commence. In some cases we have experienced approval delays of more than 12 months. These delays reflect the wider capacity and operational challenges facing the BSR in discharging its statutory responsibilities. We continue to proactively engage with the Regulator for Social Housing.

Despite these challenges, we are working to progress remediation work as quickly as approvals allow and ensuring that residents are kept informed and supported throughout the process.

As at 31 March we were in contract for works at three schemes with works either underway or due to commence early in 2026/27. We have secured grant funding through the Cladding Safety Scheme, including support for both Pre Tender Support and Capital Grant on a number of schemes. This funding will continue to support the progression of remediation works across affected buildings, reducing our financial exposure.

We have adopted a cautious approach to modelling and stress testing our long-term business plan in incorporating the anticipated costs of remediation works. This includes incorporating known liabilities and recognising the cost uncertainty across a number of schemes.

Strategic Report: Safety and Quality of Homes

Responsive repairs

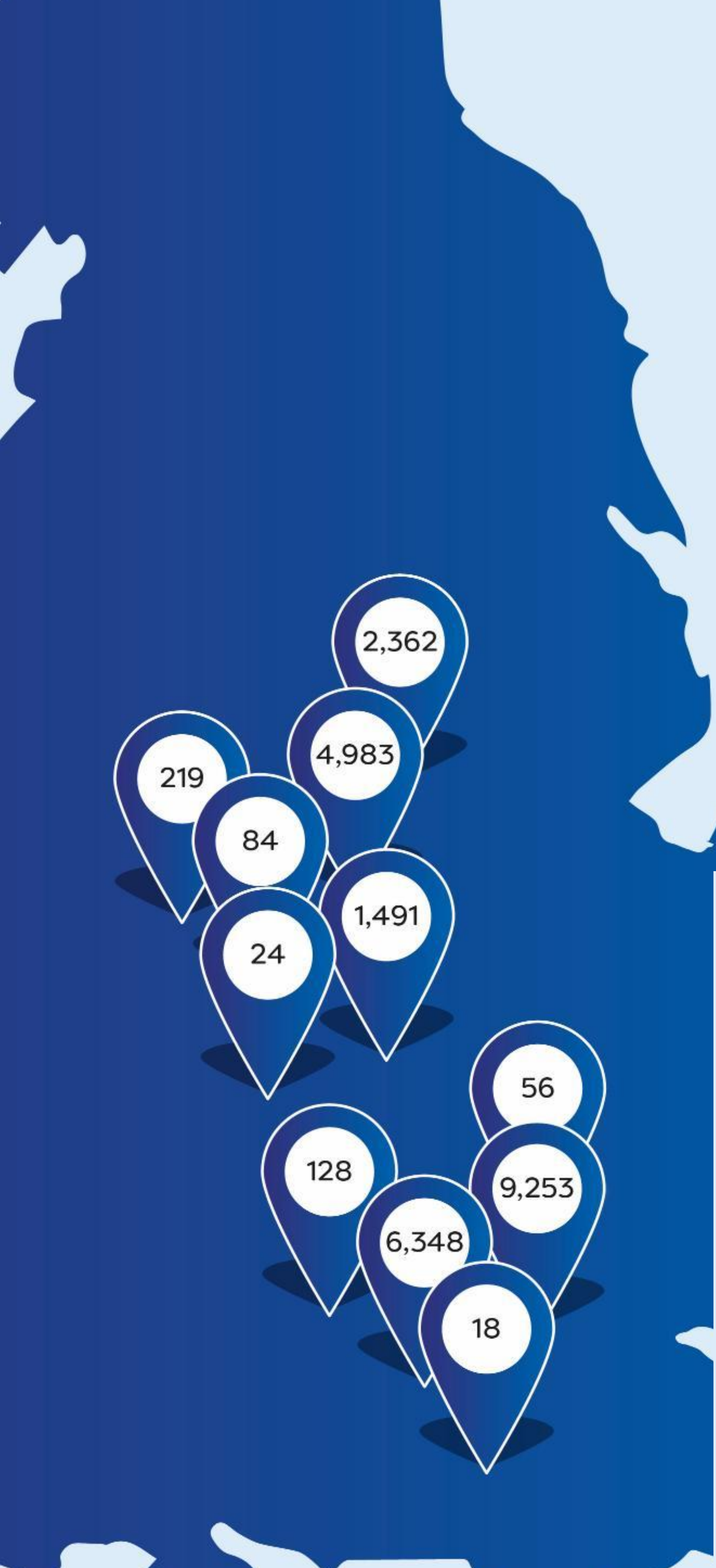
Repairs is our highest volume service area and is fundamental to delivering safe, well-maintained homes. During 2025/26, 97% of emergency repairs were completed or made safe within 24 hours, with routine repairs achieving 82% completion within target. Midway through the year, our response target for routine repairs changed from 15 to 20 working days following consultation with residents. Emergency repairs are prioritised to ensure residents' safety, with permanent repairs completed as soon as practicable where an immediate fix is not possible. We continue to work with contractors to improve repair quality, increase first-time fix rates and deliver a more consistent service for residents.

TSM performance measures

Repairs completed within the landlord's timescales	Overall 2025/26	2024/25 Median landlord
Non-emergency responsive (RP02)	81.7%	83%
Emergency responsive (RP03)	97.3%	95%

A major focus during 2025/26 has been a project to examine transformation of our responsive repairs service. Significant progress has been made in developing new operating processes, digital solutions and ways of working that will give residents more choice and control over who enters their home to carry out a repair and when the appointment takes place. These improvements will be implemented during 2026/27 and they reflect our commitment to deliver a higher quality, more efficient repairs service.

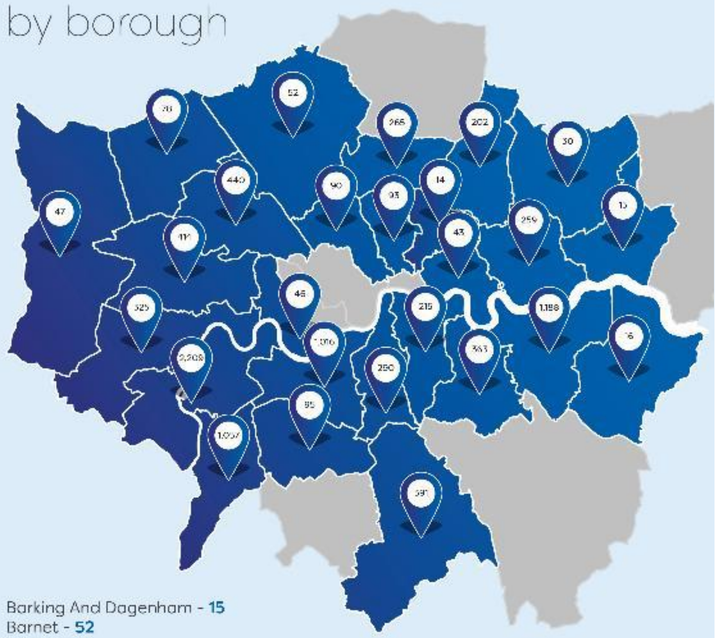
Our homes by county



Berkshire - **128**
Buckinghamshire - **24**
Coventry - **84**
Hertfordshire - **56**
Leicestershire - **4,983**
London - **9,253**
Northamptonshire - **1,491**
Nottinghamshire - **2,362**
Surrey - **6,348**
Sussex - **18**
Warwickshire - **219**
Other - **1**

Total:
24,967

Our London homes by borough



Barking And Dagenham - **15**
Barnet - **52**
Bexley - **16**
Brent - **440**
Camden - **90**
Croydon - **391**
Ealing - **414**
Greenwich - **1,188**
Hackney - **14**
Hammersmith And Fulham - **46**
Haringey - **265**
Harrow - **78**
Hillingdon - **47**
Hounslow - **325**
Islington - **93**
Kingston upon Thames - **1,057**
Lambeth - **290**
Lewisham - **363**
Merton - **95**
Newham - **259**
Redbridge - **30**
Richmond upon Thames - **2,209**
Southwark - **215**
Tower Hamlets - **43**
Waltham Forest - **202**
Wandsworth - **1,016**

Total:
9,253

Strategic Report: Residents and their Neighbourhoods

Residents and their Neighbourhoods

Creating safe, well-managed and thriving neighbourhoods remains central to our purpose. During 2025/26, we continued to strengthen our neighbourhood services by focusing on the issues that matter most to residents, including community safety, tenancy sustainment, neighbourhood quality, resident engagement and timely resolution of complaints. Resident feedback, including our Tenant Satisfaction Measures (TSMs), continues to shape how we deliver services and prioritise improvement activity.

Our neighbourhood model brings together local housing management with specialist services, including Anti-Social Behaviour, Safeguarding, Home Moves and Resident Involvement, enabling us to provide coordinated support which is adjusted to individual needs where needed. Working closely with residents, local authorities, the Police and community organisations, we continue to invest in sustainable communities where people feel safe, supported and proud to call home.

Our Neighbourhood Team

During 2025/26, we continued to strengthen our neighbourhood model, placing Neighbourhood Co-ordinators at the heart of local service delivery. As the primary point of contact for residents, they provide visible support within communities, working closely with specialist teams to resolve issues quickly, improve neighbourhood standards and help residents sustain their tenancies.

Resident feedback continues to shape how we deliver neighbourhood services. During the year we:

- Published 131 neighbourhood action plans, providing residents with greater transparency over local priorities and planned improvements.
- Delivered 1,044 community engagement activities and 3,208 resident surgeries, giving residents regular opportunities to raise issues directly with their Neighbourhood Co-ordinator.
- Held eight PA on Tour events, bringing together residents and colleagues to improve neighbourhoods through community clean-up days, environmental improvements and local repairs.
- Increased our presence within Independent Living schemes by providing dedicated on-site support each week.

We also strengthened our approach to neighbourhood management by introducing enhanced estate inspections, improved real-time reporting and the new Good Neighbourhood Management Policy. These changes provide greater oversight of neighbourhood standards, improve the tracking of actions through to completion and ensure residents can see how their feedback is translated into local improvement plans.

Investment in neighbourhood improvements continued throughout the year, with £185,000 spent on projects including fencing, environmental improvements, security measures and parking enhancements. Alongside this, the Neighbourhoods Team assumed responsibility for managing fire safety actions relating to bulky waste and fly tipping, achieving 98.5% of actions completed within target timescales.

We are committed to delivering safe, well-maintained neighbourhoods where residents feel listened to, supported and proud to live. By continuing to work closely with residents and partner organisations, we will build on the progress made this year and further strengthen the quality and visibility of our neighbourhood services.

Community Engagement

Building strong, connected communities remains an important part of our purpose. Throughout 2025/26, we continued to use resident feedback, including the outcomes of our Tenant Satisfaction Measures (TSM) surveys, to shape community initiatives and ensure activities reflected the needs and priorities of our residents.

Working in partnership with other agencies, we delivered a range of events designed to improve access to local services, reduce social isolation and promote health, wellbeing and community safety. These included neighbourhood engagement events, digital safety sessions for older residents and activities to encourage residents to build stronger connections within their communities.

During the year, we also supported the National Housing Federation's Starts at Home campaign through the introduction of 'Say Hello' benches at our extra care schemes. The initiative encourages residents to connect with one another, helping to reduce loneliness and promote positive mental wellbeing. Alongside this, specialist sessions on online safety equipped residents with practical skills to recognise scams and protect themselves from financial abuse.

Community events held throughout the year, including seasonal celebrations and neighbourhood activities, continued to provide valuable opportunities for residents to come together, strengthen local relationships and influence the services we provide. These initiatives form part of our wider commitment to creating safe, inclusive and thriving communities beyond the homes we manage.

Strategic Report: Residents and their Neighbourhoods

Anti-social behaviour (ASB)

Providing safe, secure communities remains a core priority. During 2025/26, the ASB service further developed its approach through early intervention, effective case management and closer collaboration across housing, safeguarding and external partner agencies. These improvements have contributed to better outcomes for residents and increased resilience in responding to a rising number of complex cases.

We adapt our approach to reflect the changing nature of ASB, recognising the growing links between anti-social behaviour, vulnerability, exploitation and serious criminality. Joint working with the Police, local authorities, probation services and other partners has resulted in a number of successful interventions during the year, including enforcement action, safeguarding support and managed moves where appropriate, helping to improve community safety and protect vulnerable residents.

Resident engagement remains central to the ongoing development of the service. During the year, we established a Resident ASB Working Group to help shape service improvements, while continuing to strengthen staff capability and ensure the service remains responsive to evolving regulatory expectations, emerging best practice and the changing needs of our communities.

TSM performance measures	Overall 2025/26	2024/25 Median landlord
No. of anti-social behaviour cases opened per 1,000 homes	40.0	36.0
No. of anti-social behaviour cases that involve hate incidents per 1,000 homes	1.5	0.7

Safeguarding

Safeguarding remains a key priority as we continue to strengthen our approach to supporting residents who are vulnerable or at risk. Our dedicated safeguarding team, established to respond to evolving regulatory expectations and statutory responsibilities, works closely with colleagues and external partners to ensure safeguarding concerns are identified early and managed effectively.

During 2025/26, the team managed a wide range of complex cases, including adult and child safeguarding, domestic abuse, hoarding and cuckooing. Case volumes remained broadly stable during the year, reflecting the embedding of revised case management processes introduced in the previous year. The team continued to work collaboratively with the Police, local authorities, Adult Social Care and other agencies to deliver coordinated interventions, including welfare support, safety planning and managed moves where appropriate.

We invest in specialist training and service improvement to strengthen safeguarding practice. During the year, the team completed additional training in areas including cuckooing, county lines, hoarding and child exploitation, while lessons identified through case reviews and complaint investigations have been embedded into policies, procedures and day-to-day operations to support continuous improvement and better outcomes for residents

Supporting our residents

Supporting residents to sustain their tenancies remains a key priority. Through our dedicated Tenancy Sustainment Team, we work with residents and partner organisations to provide practical advice and targeted support, helping residents to maximise their income, access financial assistance and maintain stable tenancies during periods of financial hardship.

During 2025/26, the team made a significant difference to residents by securing previously unclaimed welfare benefits, providing emergency financial assistance and facilitating access to food and other essential support. By working collaboratively across the organisation and with external agencies, the service helps residents overcome financial challenges, improve their wellbeing and remain successful in their homes.

During the year we:

- Secured over £11m of previously unclaimed benefits for our residents.
- Distributed nearly £0.5m through the resident support fund.
- Provided £0.15m of food bank vouchers to residents.

Strategic Report: Residents and their Neighbourhoods

Lettings and home moves

During 2025/26, we let 789 homes to new residents. Reducing re-let times is a key operational priority. Whilst performance improved in some areas during the year, homes continue to take longer to let than we expect. Our focus is on reducing the time taken to prepare empty homes to our lettable standard, alongside streamlining the end-to-end lettings process to minimise the time homes remain vacant.

Data

Holding accurate and up-to-date information about our residents is fundamental to delivering safe, personalised and responsive services. During 2025/26, we launched our Your Details Matter campaign to improve the quality and completeness of resident data, supporting a key improvement identified through our regulatory inspection.

The campaign encourages residents to review and update their personal information, communication preferences, household details, vulnerabilities and support needs, ensuring our records accurately reflect their circumstances. Alongside this, we have strengthened our internal processes to make it easier for residents to notify us of changes and for colleagues to maintain accurate records.

Improving the quality of resident data enables us to better understand the needs of our communities, adjust services to individual circumstances where needed and ensure support is targeted to those residents who need it most. This work will continue in line with our ambition to strengthen customer service and meet evolving regulatory expectations.

Complaints

Complaints provide an important opportunity for residents to tell us when things have gone wrong and enable us to understand where our services need to improve. We recognise that when we do not meet expectations the impact on residents can be significant, and we are committed to listening, responding fairly and learning from feedback.

During 2025/26, PA received 3,347 complaints, with the majority relating to repairs and housing management services. Of these, 610 complaints progressed to Stage 2 of the complaints process. Alongside resident feedback, Tenant Satisfaction Measures, resident scrutiny and engagement activities, complaints continue to provide valuable insight that helps shape service improvements and strengthen the quality of our services.

The Board maintains strong oversight of complaints performance, recognising the important role complaints play in improving services. The Customer Committee receives regular performance and compliance reports, while the Board reviews learning from complaints through case studies and thematic reporting. This ensures lessons are embedded across the organisation and inform wider decision-making and service improvement.

Strategic Report: People

Our Corporate Plan – Our People

Our services are delivered by people, for people. Our colleagues are fundamental to achieving our purpose and delivering high-quality services for residents every day. We want PA Housing to be an organisation where talented people choose to work, develop their careers and feel empowered to make informed decisions that deliver the right outcomes for residents.

Empowering colleagues also means being clear about the services we provide and the responsibilities we hold as a social landlord. We are committed to open, honest communication, maintaining a visible presence within our communities and treating residents with respect, fairness and transparency.

We continue to invest in the development of our colleagues, strengthening both their technical expertise and customer service skills to meet changing resident expectations and regulatory requirements. By working in partnership with residents, we can continue to improve our services and build stronger, safer and more sustainable communities.

During 2025/26, we took a number of important organisational decisions to strengthen our future capacity and financial resilience. This included reviewing our staffing structure and reducing posts in selected areas, including the deletion of vacant roles, while seeking to protect resident-facing services wherever possible. These changes will ensure we are better placed to invest in our strategic priorities and respond to future challenges.

Learning and development

A key focus during the year has been the development of structured learning pathways for resident-facing colleagues, ensuring training is aligned to individual roles and delivered consistently across the organisation. Since April 2025, eleven role-specific learning pathways have been introduced across twenty teams, with over eighty learning programmes delivered and almost 300 colleagues participating. This supports a more consistent approach to service delivery and helps colleagues provide informed, responsive and resident-centred services.

We have also continued to strengthen our leadership skills across the organisation and commenced a wider review of leadership development to ensure colleagues at every leadership level have the skills required to lead the organisation through change and support the delivery of our long-term strategy.

Apprenticeships, mentoring, succession planning and internal development opportunities continue to support careers progression and strengthen our internal talent pipeline. At the year-end, 29 colleagues were undertaking apprenticeship programmes across a range of disciplines.

During the year, 27 colleagues successfully completed Chartered Institute of Housing (CIH) qualifications. A further 21 colleagues are currently studying and an additional cohort of 21 has been identified to commence training. This supports the commitment to meeting the Regulator of Social Housing's expectations that relevant housing professionals hold, or are working towards, appropriate professional qualifications.

Looking ahead, we will continue to strengthen our approach by measuring the impact of learning through colleague feedback, performance outcomes, retention and service improvements, ensuring investment in our people continues to deliver benefits for both colleagues and residents.

Diversity, equity and inclusion

We are committed to creating an environment where everyone is treated fairly, with respect and equity, and where people feel valued, included and able to contribute. We provide equal opportunities for colleagues and residents, promote fair treatment and actively challenge discrimination and behaviour that does not reflect our values.

We recognise the communities we serve and the different experiences and circumstances of our colleagues and residents. We aim to build a workforce that reflects diversity and foster a culture where everyone feels a sense of belonging, their contribution is valued and they can thrive. This ensures we can better understand and respond to the needs of the communities we serve.

Strategic Report: People

It's not OK

We are committed to maintaining respectful relationships between our residents and colleagues. We recognise that residents may sometimes be frustrated or dissatisfied with our services, and we encourage them to raise concerns and challenge our decisions. However, abusive, threatening or discriminatory behaviour towards our colleagues is not acceptable. We have seen an increase in reports of such behaviour and are taking action to protect the health, safety and wellbeing of our people, while ensuring concerns raised by residents continue to be heard and addressed fairly.

Pay gap

Pay gap reporting provides an indication of how effectively the PA is attracting, developing and retaining a diverse workforce across all levels of the organisation. It measures the difference in average pay between different groups of colleagues across the workforce as a whole and should not be confused with equal pay, which relates to ensuring colleagues undertaking the same or equivalent roles receive equal pay regardless of gender, ethnicity or other protected characteristics. PA ensures equal pay for equal work, with pay determined by the requirements of the role, skills, experience and performance.

Pay gap - Median	March 2026	March 2025
Gender pay gap	9.3%	7.3%
Ethnicity pay gap	10.9%	8.5%

The median gender and ethnicity pay gaps increased during the year to 9.3% (2025: 7.3%) and 10.9% (2025: 8.5%) respectively. These measures reflect the distribution of colleagues across the organisation rather than differences in pay for comparable roles. PA remains committed to attracting, developing and retaining a diverse workforce and continues to monitor pay gap trends alongside recruitment, promotion and talent development initiatives to improve representation across all levels of the organisation.

Our People Strategy includes initiatives such as mentorship and development programmes to support the career progression of women and ethnic minorities. We conduct regular pay audits to identify and address disparities and have introduced unconscious bias training to foster a more inclusive workplace culture.

Strategic Report: New Homes

Our growth

During 2025/26, PA completed 463 new affordable homes across seven development sites, exceeding its target of 450 homes and delivering the highest annual number of completions in PA Housing's history. This achievement reflects the continued delivery of high-quality affordable homes despite a challenging operating environment for the housing sector.

New homes (social)

463 (2024/25: 407)

The external environment for new development remains complex, with higher build costs, inflationary pressures, changing regulation and increased building safety requirements continuing to affect the viability and timing of new schemes. Delays within the Building Safety Regulator approval process also impacted the timing of completions during the year, resulting in some rental income being deferred beyond the original business plan assumptions.

In response to these challenges, the Board has continued to take a disciplined approach to development, reducing the scale of the future programme and disposing of some sites that were no longer economically viable or no longer aligned with PA's strategic objectives. These decisions strengthen the long-term resilience of the development programme while enabling increased investment in existing homes, building safety and regulatory compliance.

PA's Growth Enabling Strategy sets out our commitment to delivering high-quality, sustainable homes and communities. Investment continues to focus on building safety, compliance with the Building Safety Act, enhanced quality assurance and improved pre-handover inspections to ensure new homes meet the standards expected by customers from the outset.

New homes completed by region	No.
London:	
Wandsworth	144
Greenwich	129
Croydon	60
Lewisham	22
Other areas:	
Elmbridge	97
Nottingham	11
Total	**463**

During the year, PA secured £23m of new grant funding through Homes England and the Greater London Authority affordable homes programmes and obtained approval to utilise its Recycled Capital Grant Fund to support the delivery of future schemes.

We continue to prioritise the delivery of Social Rent and London Affordable Rent homes wherever possible, working with Homes England and the Greater London Authority to maximise the supply of genuinely affordable homes across its operating areas.

New homes completed	2026	2025	2024	2023	2022
Affordable Rent	8	-	197	97	108
Social Rent / London Affordable Rent	317	168	44	83	24
Shared Ownership	138	239	124	104	185
Total social housing	**463**	**407**	**365**	**284**	**317**

Sales

While PA's primary focus remains the delivery of affordable homes for rent, shared ownership continues to play an important role in supporting the Growth Strategy. As well as providing an affordable route into home ownership, first tranche sales generate surpluses that are reinvested to support the delivery of future affordable homes.

Sales	2025/26	2024/25
New homes sold	174	175
Sales proceeds	£19.2m	£23.0m
Surplus	£5.3m	£4.9m
Sales margin	27.7%	21.5%
Unsold homes	106	142

During 2025/26, PA completed the sale of 174 shared ownership homes (2024/25: 175), generating sales proceeds of £19.2m (2024/25: £23.0m) and a surplus of £5.3m (2024/25: £4.9m). Although sales revenue reduced compared with the previous year, reflecting the mix and value of homes sold, the overall sales margin increased to 27.7% (2024/25: 21.5%).

The shared ownership market continues to experience challenging trading conditions, with affordability pressures and higher mortgage interest rates affecting customer demand. Despite this, the number of unsold completed homes reduced to 106 at 31 March 2026 (2025: 142), reflecting continued sales activity and active management of the sales pipeline. The Board continues to monitor market conditions closely to manage sales risk and optimise returns from the development programme.

Strategic Report: New Homes

Voluntary Right to Buy Fund

At 31 March PA held proceeds received under the Midlands Voluntary Right to Buy pilot programme. These proceeds have been recognised within the general cash balances and are not held within a separately ringfenced fund.

The proceeds continue to be managed in accordance with the objectives of the pilot and are reflected within our long-term financial planning as an internal source of funding to support the delivery of replacement affordable homes. There is no prescribed timescale for their utilisation, and we will apply the funding where it supports strategic investment priorities and delivers value for money.

Strategic Report: Environmental, Social and Governance

Our Environmental, Social and Governance (ESG) activities

PA Housing exists to create social value by providing safe, warm and affordable homes, alongside services that help residents and communities to thrive. Whilst our core purpose is to provide high-quality housing, we also work with partners to deliver targeted support that enables residents to sustain their tenancies, improve wellbeing and access opportunities beyond our core landlord responsibilities.

Our approach is underpinned by a strong governance framework that ensures effective oversight, sound decision-making and appropriate assurance, enabling the Group to deliver its strategic objectives in a sustainable and responsible way.

We recognise the important role housing associations play in addressing environmental challenges and supporting the transition to a lower-carbon future, while continuing to deliver positive social outcomes and maintaining high standards of governance. PA Housing is committed to completing EPC 'C' retrofit works by 2029, whilst achieving Net Zero Carbon is included as a central pillar of our long term financial plan.

Our ESG commitments also support a number of our funding arrangements. This includes reporting against use of proceeds requirements for our 2021 public bond and 2024 private placement, together with monitoring and reporting against sustainability-related key performance indicators within certain bank lending facilities.

ESG is integrated into the way PA Housing operates and is reflected throughout this Annual Report. The report describes how we create social value, manage environmental impacts and maintain strong governance to support the long-term sustainability of the organisation. The references below signpost readers to the key ESG information contained elsewhere in this report.

Environmental

- Improving the energy efficiency of our homes Page 12

Social

- Our updated Corporate Plan and Enabling Strategies Page 10
- Being present and active in our neighbourhoods Page 16
- Engaging with residents and improving our services Page 16
- Using our data to improve customer services Page 18
- Learning and development support to employees Page 19
- Developing new affordable homes for people who cannot access the open market Page 21

Governance

- Keeping residents safe and ensuring building safety compliance Page 11
- Tackling damp and mould in our residents' homes Page 12
- Work to promote workforce diversity and reduce our gender and ethnicity pay gaps Page 19
- Our approach to risk management Pages 25-26
- Assessment of going concern and controls to preserve liquidity Page 37
- Our financial targets and golden rules and their alignment to corporate priorities Page 40
- Our governance arrangements including the internal controls assurance framework Pages 47-53

Risk Management

Strategic Report: Risk Management

Our approach to risk management

The Group manages risks and opportunities associated with the delivery of its strategic objectives through a risk management framework. This outlines our approach to risk appetite, monitors existing and emerging risks, and supports decision making through delegated authorities. It ensures an effective balance between risk and reward.

Risk management is integrated with our budgeting and financial planning processes. This ensures the financial impact of key risks is stress tested, supporting the Group’s financial viability and resilience.

Governance and oversight of risk

Risk is managed through a clearly defined delegation of authority from the Board to Committees, executive directors and senior managers.

- The first line of defence is to ensure robust operational controls and processes are in place which are owned and managed by executives and senior managers responsible for business activities, together with our financial controls.
- The Finance, Risk and Audit Committee is responsible for oversight of risk and maintaining the Corporate Risk Register. This is supported by our Risk and Assurance function which provides assurance on the effectiveness of risk controls.
- The Committee also reviews the external audit management letter and recommendations.
- The Board retains ultimate responsibility for risk including the approval of the risk management framework, risk appetite, associated policies, and financial regulations.
- The Board reviews the corporate Risk Register at every meeting and conducts a deep dive twice a year.

Risk register and risk appetite

The Group maintains a comprehensive Risk Register that identifies both existing and emerging risks which could affect the delivery of its strategic objectives. Each principal risk is assessed for its likelihood and potential impact, together with the effectiveness of the controls and mitigating actions in place. The Risk Register is reviewed regularly by management and the Finance, Risk and Audit Committee, with oversight provided by the Board.

The Board recognises that effective risk management is fundamental to delivering the Group's strategic objectives. It has established a Risk Appetite Framework which defines the level of risk the Group is willing to accept across its key activities, balancing risk with the successful delivery of its corporate strategy and long-term financial resilience.

Risk appetite is considered as part of all significant strategic decisions and Board reports, ensuring that decisions are consistent with the Group's agreed tolerance for risk. The Board reviews its risk appetite regularly to ensure it remains appropriate in light of changes to the operating environment, regulatory expectations and the Group's strategic priorities.

An overview of our current top risks is provided in the Risk Register extract on the following page.

Early warning triggers

We maintain a set of indicators which highlight when a significant risk scenario may be starting to crystallise. These are reported to every Finance, Risk and Audit Committee meeting and assess:

- Whether a trigger point has been reached.
- Whether the future outlook suggests an increasingly risky environment.

The process supports early and proactive decision making by enabling the Executive and Board members to consider if any mitigating actions in response to an emerging risk scenario should be activated.

A stress test mitigations matrix has been developed prioritising responses to an emerging stress scenario based on impact and ease of implementation. Examples include:

- Priority 1 - Scaling back on new development to preserve cash.
- Priority 2 - Small-scale disposal of high value assets to generate cash and accounting surplus.
- Priority 3 - Reduction in scale of non-essential services (e.g. community investment programmes) to reduce operating expenditure.

Risk assurance

The Board receives assurance over the effectiveness of the Group's risk management and internal control framework through a dedicated Risk Assurance Framework. Based on the Three Lines of Defence Model, it identifies the sources of assurance available for each principal risk and highlights any areas where additional assurance or management action may be required.

Horizon scanning

The Group undertakes regular horizon scanning to identify emerging risks, changes in the external environment and developing sector trends that could affect the delivery of its strategic objectives. This enables the Board and Executive Team to anticipate future challenges, respond proactively to regulatory and economic change, and strengthen the Group's long-term resilience.

Strategic Report: Risk Management

Headline risk	Risk detail and impact	Monitoring and mitigation
Delivery of fire safety remediation projects	Delays in the building safety remediation programme could adversely affect resident safety and wellbeing, increase costs, delay the recovery of grant funding and negatively impact regulatory compliance.	▪ Board and executive oversight of the programme ▪ Engagement with residents throughout the remediation process ▪ Liaison with the Building Safety Regulator and other statutory bodies ▪ Interim fire safety measures including waking watch ▪ Recovery of costs where appropriate
Financial pressures	Increasing operating costs, investment in existing homes and building safety, and uncertainty in the development market could reduce operating surpluses and put pressure on financial covenants.	▪ Regular financial performance monitoring and forecasting ▪ Long term business planning stress testing ▪ Board oversight of financial performance ▪ Selective disposals of non-core uneconomic assets ▪ Active treasury management
Void turnaround times and void loss	Delays in re-letting homes increase rental losses and reduce housing availability and can adversely impact resident satisfaction.	▪ Pre void intervention to reduce avoidable voids ▪ Enhanced inspection and quality assurance processes ▪ Performance monitoring ▪ Ongoing service improvement and efficiency initiatives
Resident Satisfaction	Failure to deliver high-quality services could reduce resident satisfaction, increase complaints and Housing Ombudsman findings.	▪ Continuous improvement in complaints handling ▪ Regular Consumer Standards self-assessment ▪ Tenant Satisfaction Measures (TSM) improvement plan ▪ Targeted support for homeowners and other resident groups
Landlord Health and safety compliance	Failure to maintain compliance with statutory health and safety requirements, including obtaining access and assurance from third parties, could result in unsafe homes, resident harm and regulatory non-compliance.	▪ Board oversight of health and safety compliance ▪ Proactive resident engagement to secure access ▪ Performance monitoring of third-party managing agents ▪ Independent internal and external compliance assurance ▪ Interim measures where required
Stock condition and data integrity	Poor stock condition data or underinvestment in existing homes could result in regulatory noncompliance, increased disrepair, higher responsive repair costs and reduced resident satisfaction.	▪ Stock condition surveys and data quality assurance ▪ Decent Homes monitoring and long-term assert management planning ▪ Board oversight of investment programmes and budgets ▪ Monitoring and management of disrepair claims
Reputation	Poor service delivery, adverse regulatory findings or negative media coverage could damage reputation and reduce resident and stakeholder confidence.	▪ Continuous improvement in complaints handling ▪ Colleague training and development ▪ Proactive engagement with residents ▪ Monitoring media coverage and emerging issues
Cyber Security	Cyber-attacks could disrupt services, compromise data and result in financial loss, regulatory action and reputational damage.	▪ Board and executive oversight of cyber security ▪ Regular testing of cyber security and incident response arrangements ▪ Colleague training and awareness ▪ 24/7 security monitoring and ongoing investment in cyber resilience

Value For Money

Strategic Report: Value for Money

Our approach to Value for Money and Corporate Objectives

Value for Money is fundamental to how we operate, make decisions, and deliver services to our residents. It is not a standalone exercise, but a core part of our organisational culture. It shapes how we plan, invest, and prioritise our resources in a complex and fast changing operating environment.

We are operating in a period of sustained financial and operating pressure across the social housing sector. This includes higher interest rates, persistent cost inflation, and increasing demands on safety, quality, and regulatory compliance. At the same time, we are balancing significant investment requirements in our existing homes, including building safety remediation and ongoing improvements to resident services, alongside the delivery of new affordable homes.

Against this backdrop, we recognise that delivering Value for Money is not about reducing spend in isolation, but about maximising the impact of every resource we deploy. We ensure decisions are transparent and aligned to our strategic objectives.

During the year, we have adapted our approach to maintain our financial position and how we deliver in a challenging environment. Rising costs have continued to put pressure on our rental income, and we have taken a robust approach to prioritisation, cost control, and the timing of re-investment.

Government policy support including the Affordable Homes Programme, building safety funding under the Cladding Safety Scheme, and energy efficiency initiatives from the Warm Homes: Social Housing Fund Wave 3 continue to play an important role in enabling delivery, alongside long-term rent settlement arrangements that provide greater certainty for future planning.

Our Value for Money Strategy is aligned with our Corporate Plan and sets the detail of how we will be working over the next few years to improve Value for Money outcomes for residents. We're committed to keep listening to our residents and our Corporate Plan is based on the feedback we have received. At the headline level, our value for money philosophy is that we will invest to improve services and drive up satisfaction ratings, which in some areas should lead to longer-term operating efficiencies.

Monitoring Value for money

Our organisational structure enables us to monitor VFM at all levels.

Ultimately our Board is responsible for the delivery of VFM and sets the strategic approach for the organisation. The Board is supported by our Committees, which collectively assess and oversee our risk and control framework, our investment approach, our service delivery objectives and outcomes, and our utilisation of human resources.

Our Executive and Senior Management teams ensure Value for Money is a key factor in decision making with clear outcomes, and they monitor our performance against targets.

All areas of the business receive regular reporting on performance against our targets through a comprehensive suite of financial and operational key performance indicators, monthly face-to-face business briefing updates and news articles through our internal communication channels.

Strategic Report: Value for Money

2025/26 Highlights and planning ahead

The following highlights demonstrates our ongoing commitment to adapting our approach and continuous improvement.

Governance and Assurance

- Achieved Regulator of Social Housing G1 governance grading, confirming the highest standard of governance oversight supporting confidence in the stewardship of resources.
- Strengthened complaint handling governance with increased central support and embedding learning from complaints into our processes.
- Commitment for all Board members and colleagues to meet new competence and conduct standards through structured training.

Customer Insight and Service Improvement

- Completed the third year of Tenant Satisfaction Measures with one of the highest response rates in the sector, giving stronger information for decision making and resource targeting.
- Resident satisfaction improved in most areas for the third consecutive year, while dissatisfaction reduced.
- Over 80% of residents reported being treated with dignity and respect, indicating strong service culture outcomes.

Repairs and Maintenance

- Emergency repairs performance remained strong with 97% completed or made safe within 24 hours.
- Routine repairs performance reached 82% completed within target timescales with further improvement targets set.
- Introduced Saturday morning repair appointments in London and South East, improving accessibility to the service.
- Planned introduction of photo / video diagnostics for repairs to improve first time fix rates and reduce repeat visits.

Procurement and Contract Management

- Resident panels established to scrutinise contractor performance across repairs, cleaning and grounds maintenance.
- Re-procurement and more robust contract management planned using resident involvement, satisfaction KPI's and performance data.

Asset Management and Existing Homes

- Significant commitment to investment in existing homes, including kitchens, bathrooms, windows and thermal efficiency improvements.
- Planned £41m investment in existing homes in 2026/27.
- Additional £10m earmarked for energy efficiency improvements helping to reduce costs for residents.

Building Safety and Sustainability

- Significant progress made on remediation of buildings affected by historic compliance issues despite external approval delays.
- Use of environmental sensors to understand overheating in flats and inform future retrofit investment decisions.

Neighbourhoods and Estate Services

- Communal areas reported cleaner than ever with Resident Champion inspections evidencing generally well-maintained blocks and open spaces.
- Reviewing planting and grounds maintenance approach to reduce future maintenance costs whilst maintaining attractive environments.
- Acting on fly tipping through CCTV trials, enforcement, and alternative in house collection models to tackle over £1m annual cost pressures.

Resident Involvement and Social Value

- Over 100 Resident Champions actively supporting service improvement in our communities.
- Neighbourhood events delivered, supporting community cohesion, visibility, and early resolution of issues.
- New resident Anti-Social Behaviour working group introduced shaping policy and case review processes.

Development and Growth

- Delivered more new homes than ever before with over 450 completed in 2025/26 helping to address housing need.
- Resident feedback loops built into new homes programme to reduce defects and improve quality.

Strategic Asset Optimisation

- Assessment of empty homes for energy efficiency and resident demand with selective disposals considered where proceeds can be reinvested into better performing homes.

Digital Transformation

- Expansion of digital channels including My PA app, neighbourhood websites, digital noticeboards and QR code check ins to improve access while lowering costs over time.
- Developing a new repairs ordering app for residents, using technology and data to give residents more choice and control through their repairs journey.

Strategic Report: Value for Money

Key Performance Indicators

As part of our VFM monitoring we maintain a comprehensive suite of Key Performance Indicators to monitor our performance against our targets. The table below highlights those monitored as part of our VFM reporting:

KPI	Bench-mark	2025/ 26	2024/ 25
Lettings performance – Relet days – excluding long term voids.	-	62	64
Void loss (social housing rented) (%)	1.3% [1]	1.7%	2.4%
Current tenant arrears (%)	3.0% [1]	3.0%	3.3%
Contact centre calls answered	-	72%	80%

[1] Regulator of Social Housing Quarterly Survey (January to March 2026) Median results.

The void loss on social rented homes has decreased from 2.4% in 2024/25 to 1.7% in 2025/26. This in part reflects strategic decisions on certain properties which have been taken out of management. Our performance is still above the sector average, and we have recognised this as an area for improvement alongside the time taken to relet homes.

Our arrears performance is aligned to sector performance more generally.

Where do we need to improve?

We recognise we need to improve in a number of areas and this also links to the feedback we have received from residents through the Tenancy Satisfaction Measures.

Empty properties and re-lets

Improving the time taken to relet empty homes is a key priority. Whilst a number of improvements have been implemented during the year, including strengthening end-to-end ownership of the void process, progress has been slower than anticipated. Performance has continued to be affected by the complexity of some vacant properties and contractor capacity. Reducing relet times is a significant focus for 2026/27 through enhanced pre-void planning, improved inspection processes and closer performance management of contractors. This will help reduce void losses, improve operational efficiency and enable homes to be made available to residents more quickly.

Complaint handling

Effective complaints handling is an important indicator of service quality and value for money. During 2025/26, we continued to strengthen our approach by improving governance and internal processes, increasing support for our resident-facing teams and embedding learning from complaints into service improvement. Whilst response times have improved, we recognise there is more to do to consistently meet our service standards and residents' expectations. Improving complaints performance will continue through 2026/27.

Anti-Social Behaviour

Delivering an effective response to anti-social behaviour (ASB) is critical. Where ASB is not addressed effectively, it can have a disproportionate impact on residents' quality of life, increase demand on services and result in costly legal support. During the year we invested in additional specialist resources, strengthened partnership working and established a resident ASB Working Group to help shape future service improvements. By focusing on earlier intervention and more effective case management, we aim to improve resident outcomes while making better use of our resources.

Fire Safety

The pace of our building safety remediation programme continues to affect our performance against sector standard value for money metrics. Whilst significant progress has been made in delivering projects and securing government funding, statutory approval times have delayed the commencement of works. This has extended the period over which interim safety measures are required and delayed the return on investment in existing homes. During 2025/26 we continued to progress scheme design, procure contractors and secure Cladding Safety Scheme funding so that projects can commence at the earliest opportunity once approvals are received. Completing these works remains a strategic priority, improving building safety, reducing ongoing revenue costs and strengthening financial performance over the medium term.

Call handling

Resident contact remains an area for improvement. During 2025/26, the proportion of telephone calls answered reduced from 80% to 72%, with average waiting times also increasing. Although we handled over 195,000 calls during the year, performance was impacted by increased repeat contact, particularly for repairs and damp and mould enquiries, together with staff absence and telephony issues. We remain focused on improving first-contact resolution, addressing the underlying causes of demand and investing in new technology to enhance the resident experience.

Strategic Report: Value for Money

Tenant Satisfaction Measures

The Regulator for Social Housing (RSH) asks all housing providers to collect information from their residents to check how they're feeling about their landlord. These are called the Tenant Satisfaction Measures (TSMs) and they were introduced in 2023.

In September 2025 our colleagues visited all our Neighbourhoods and Communities and knocked on the doors of over 20,000 homes to ask the survey questions.

Overall satisfaction – Rented

66% (2024/25: 65%)

In previous years we've outsourced the processing of the results, this year however we invested in our systems and have been able to do this work ourselves, significantly reducing costs. We have also been able to drill down into the results in more detail and identify patterns based on specific demographics and vulnerabilities. This in turn allows us to look at the services we provide and see where we can improve at both a macro level and down to individual neighbourhood patches.

There are 22 TSMs in total and they are split into Low Cost Rental Accommodation (LCRA) and Low Cost Home Ownership (LCHO):

- 12 resident perception survey measures that are collected by surveying residents directly
- 10 performance measures that are collected through management performance information.

We received over 5,000 responses to our survey.

We closely monitor our TSM survey dissatisfaction scores alongside the satisfaction results, to assess the extent to which residents remain unhappy with our services. For rented residents the dissatisfaction trend across the three years we have conducted the TSM surveys has been consistently downward, giving a clear indication that we are building a more trusting relationship with our residents. For homeowners the trend across individual years has been more mixed, but for all applicable TSM questions dissatisfaction levels were lower in 2025/26 than in 2023/24, in some cases significantly so.

We know that the work continues and our service levels are not yet at a consistently high level in some areas. These results are though encouraging as they speak to our wider efforts to build relationships and be open with our residents about the challenges we face and the work we are doing to improve. Our overall dissatisfaction results compared to two years ago are shown below:

Overall dissatisfaction levels	2025/26	2023/24
Low cost rental	19%	26%
Low cost home ownership	35%	40%

Tenant Perception Measures

Measure	Low Cost Rental Accommodation LCRA 2025/26	Increase / (decrease) [1]	2024/25 Median landlord	Low Cost Home Ownership Accommodation LCHO 2025/26	Increase / (decrease) [1]	2024/25 Median landlord
Overall satisfaction	**66%**	2% ↑	72%	**41%**	14% ↑	48%
Repairs satisfaction	**60%**	0% ⇔	74%	**n/a**	n/a	n/a
Timeliness of repairs	**56%**	0% ⇔	70%	**n/a**	n/a	n/a
Home is well maintained	**68%**	1% ↑	72%	**n/a**	n/a	n/a
Home is Safe	**77%**	0% ⇔	78%	**60%**	0% ⇔	73%
Listens and acts	**57%**	0% ⇔	62%	**33%**	18% ↑	38%
Keeps tenants informed	**71%**	1% ↑	72%	**56%**	10% ↑	56%
Treats fairly and with respect	**81%**	0% ⇔	78%	**64%**	7% ↑	60%
Handling complaints	**27%**	(10%) ↓	36%	**16%**	14% ↑	23%
Communal areas clean and well maintained	**65%**	(2%) ↓	67%	**45%**	(10%) ↓	47%
Positive neighbourhood contribution	**61%**	2% ↑	65%	**46%**	15% ↑	41%
Handling anti-social behaviour	**52%**	2% ↑	59%	**37%**	6% ↑	38%

[1] The increase / (decrease) reflects the percentage change in perception from the 2024/25 result, rather than the percentage points increase / (decrease).

Strategic Report: Value for Money

Outcomes for residents

Our results help us to understand how satisfied our residents are with the services we provide. In response to the insights, and further feedback from residents, we have an action plan to improve and strengthen our services.

Tackling Anti-Social Behaviour

- A resident working group made up of residents affected by anti-social behaviour has been established.
- Outcome incorporated into an action plan "you said we did"
- Data analysis to identify areas of high and low satisfaction.
- Additional support to residents through our website.

Communal areas

- Clear published service specifications for communal cleaning and grounds maintenance.
- Introduction of Resident Contract Managers who attend meetings alongside colleagues and contractors to provide feedback on performance.
- A commitment to publish communal area inspection results with photo evidence, introducing clear data standards and measurable service level agreements.

Listening to residents

- Improvements to accountability and transparency through published trackers and reporting.
- Expanding and embedding resident involvement groups and using feedback to shape service priorities.
- Adapt involvement methods to resident needs to ensure these are accessible and inclusive.

Handling Complaints

- Introduction of dedicated Complaints Business Partner roles analysing themes and root causes, helping prevent repeat failures and reduce available cost.
- Improved first time resolution and resident confidence.
- Measuring outcomes and not just compliance through post complaint surveys and resident feedback.

Contacting Us

- Tackling root causes of repeat contact rather than relying solely on extending opening hours.
- Driving transition to lower cost digital channels by relaunching an improved My PA as the primary self-serve platform.
- Improving data quality and real time updates so residents receive accurate appointment details and progress notifications, completion notes and delay alerts.

Strategic Report: Value for Money

Value for money metrics

2025/26 results

Value for money is central to how we deliver services to residents and make decisions in a challenging operating environment. Our performance must be viewed in the context of our geography and characteristics of our homes which have a direct impact on costs and investment requirements.

The homes we manage are predominantly general needs with a significant proportion of our homes in London and Surrey where labour, contractor and supply chain costs are higher than other regions. Our stock profile also includes a high proportion of flats, including taller buildings, which increases the complexity and cost of repairs, estate services, fire and building safety obligations. These factors create a different cost base to many providers operating with more dispersed housing stock or lower rise homes.

To assess our performance fairly, we have used the Regulator of Social Housing Value for Money Benchmarking Tool. We have compared ourselves against a carefully selected peer group of 16 other providers with similar stock, geography, and asset characteristics. This allows our Board to challenge performance robustly, understand our efficiency, and target improvement actions where they will have the greatest impact.

The peer group includes 16 other providers and has been selected using the following criteria:

Criteria (based on 2025 information)	PA	Peer group average
Proportion of General Needs Stock	87%	90%
% of homes being flats in a block less than seven storeys	51%	50%
% of homes being flats in a block of at least seven storeys	7%	6%
Proportion of stock in London	37%	36%
Proportion of stock in the South East	26%	29%

Our Value for Money metrics present a mixed picture when compared with our peer group. A number of the financial metrics have been significantly influenced by one-off accounting transactions during the year, including impairment charges, provisions and building safety remediation costs. The Board remains satisfied that these items do not reflect the underlying strength of the organisation's core financial performance, which continues to support the delivery of our long-term strategic objectives. Where appropriate we have also reported the core business adjusted metric excluding these transactions.

Despite ongoing economic uncertainty and continued pressures across the social housing sector, we remain financially resilient. Our long-term financial plan is underpinned by robust business planning, supported by comprehensive stress testing and scenario modelling to ensure we maintain financial viability and resilience across a range of potential future conditions.

Highlights in the year include:

- £29m invested in our existing stock.
- A stable gearing position.
- The delivery of 463 new affordable homes. This is the highest number of new homes delivered in any year since PA was established, for the second-year running.
- Robust treasury management with sufficient liquidity to serve our future growth ambition.
- Maintaining our social housing letting margin in a challenging environment.

We do not report on the supply of new non-social housing as this is not a relevant consideration for PA with no non-social residential homes developed in the year (2025: none).

Our Board regularly monitors the VFM metrics alongside our own internal performance indicators. This enables us to assess efficiency, effectiveness, and economy across all areas of our business.

Prior year comparatives have not been restated for the adjustment to the surplus on the sales of existing homes (see note 39) and reflect the Regulator of Social Housing's published data.

Value for Money Targets

Looking ahead our financial and value for money metrics are on an improving trend as reflected in our long-term business plan and budgets. Our targets recognise the need to balance investment in our homes and services with financial resilience, while taking account of the wider risks and pressures facing the organisation.

Strategic Report: Value for Money

Our Value for Money metrics

Group results	2027 Target	2026 Actual	2026 Target* / Budget	2025 Actual	2024 Actual	2023 Actual
Reinvestment	4.5%	**3.2%**	**4.6%**	6.0%	7.1%	7.0%
New supply – Social Housing	0.6%	**1.9%**	**1.8%**	1.7%	1.5%	1.2%
Gearing	56%	**54.6%**	**56.0%**	54.5%	52.7%	49.9%
EBITDA MRI interest cover	63%	**23.5%**	**71.0%**	57.8%	78.8%	87.7%
Social housing cost per unit	£7,684	**£8,288**	**£7,221**	£7,393	£6,490	£5,540
Operating margin – Social Housing Lettings	25.0%	**19.5%**	***25.0%**	19.2%	23.4%	18.7%
Operating margin – Overall	24.2%	**8.7%**	**22.4%**	17.1%	16.5%	18.7%
Return on capital employed	2.7%	**1.1%**	**2.5%**	1.8%	1.6%	1.8%

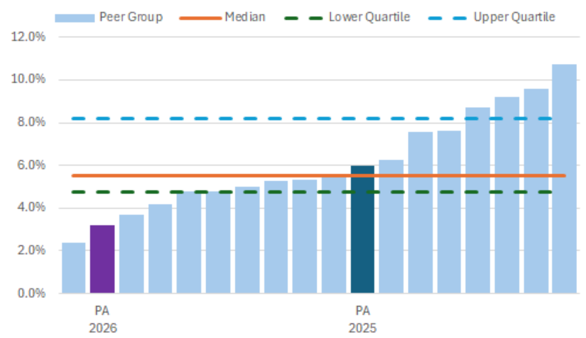
How do we compare to our peers

Reinvestment and new supply

We continue to invest in new affordable homes, existing homes and fire safety remediation, while responding to a more challenging development and funding environment. Our overall reinvestment metric for 2025/26 has fallen, reflecting the reprofiling of our development programme and a more selective approach to new schemes. This is consistent with wider sector trends where providers have reduced overall development activity because of challenging market conditions, build costs, and economic uncertainty.

Our Board has therefore focused on development schemes which align with our core operating areas, strategic objectives, and long-term financial capacity, while protecting investment in existing residents and homes.

Reinvestment

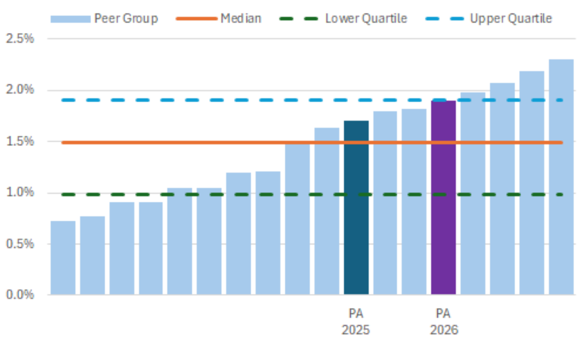


Reinvestment	2026
VFM metric	3.2%

During the year we targeted an increase in investment in existing stock, including major repairs, building safety, component replacement, and energy efficient works. Our planned expenditure was, however, below budget due to delivery constraints including contractor capacity and procurement and planning lead times. These works remain committed and expenditure has been reprofiled into future years.

While the headline metric has fallen, this reflects deliberate investment choices.

New Supply (Social)



New Supply - Social	2026
VFM metric	1.9%

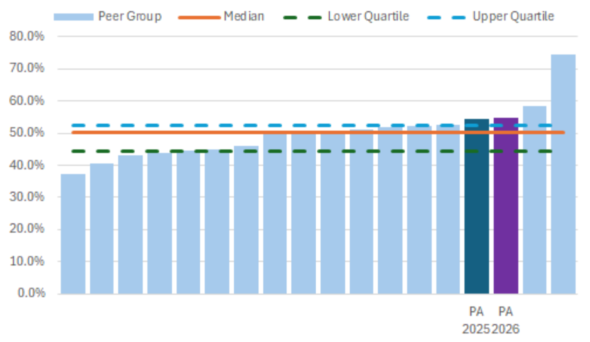
In 2025/26 we developed 463 (2025: 407) new social homes. This is another record year for the delivery of new homes. Our performance in the year was driven by schemes already underway prior to our reprofiling of development activity.

We did not develop any non-social homes in the year, and our focus remains on high-quality affordable homes aligned to our social purpose.

Looking ahead we expect our completions to moderate as the current pipeline is delivered and we maintain our more selective approach to future commitments.

Debt

Gearing



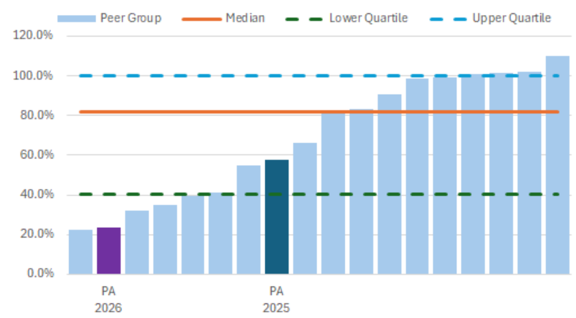
Gearing	2026
VFM metric	54.6%

Our gearing remains stable and close to the benchmark group median position, reflecting a strategic choice to use our financial position to support the delivery of new development and continued investment in existing homes.

The Board remains comfortable with this position, which is well within lender covenant requirements and actively managed through our treasury policy.

Looking ahead our gearing is expected to remain broadly stable within our business plan, as asset growth is supported by disciplined borrowing decisions.

EBITDA (MRI)



EBITDA MRI	2026
VFM metric	23.5%
Core business	86.1%

EBITDA MRI interest cover is 23.5% and reduced significantly during 2025/26, principally due to a number of one-off accounting transactions recognised in the year. Operating surplus of £26.6m includes impairment charges of £28.9m, net fire safety revenue costs of £5.3m, an organisational restructuring cost provision of £1.1m, and a provision of £1.2m relating to the repurchase of shared ownership properties. These items are reflected within the EBITDA MRI calculation and therefore reduce the reported metric. Excluding the impact of these transactions, EBITDA MRI interest cover would have been 86.1%, demonstrating that the underlying performance of the Group remains broadly in line with the Board's expectations and the peer group benchmark.

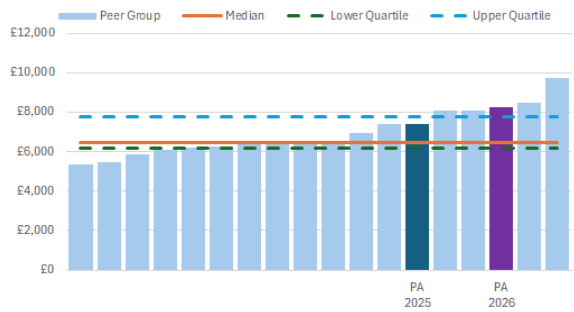
For lender covenant purposes EBITDA is measured excluding Major Repairs Investment, in line with agreed definitions. We recognise that credit agencies and wider stakeholders also assess the full impact of Major Repairs as an indicator of long-term investment capacity and financial resilience.

Whilst our current level remains below the 100% typically viewed as sustainable, this position reflects a deliberate strategy to prioritise investment in existing homes. This position remains consistent with our business plan and is supported by strong liquidity, covenant headroom, and robust treasury management.

Unit costs

Our social housing cost per unit increased to £8,288 (2024/25: £7,393) while the number of social homes owned and managed increased from 22,680 to 22,956.

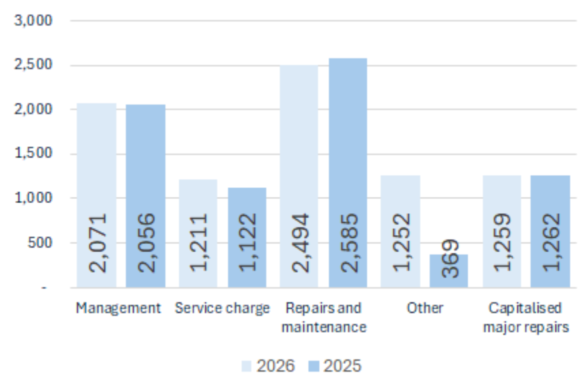
Social Housing Cost per Unit (£)



Social Housing cost per unit	2026
VFM metric	£8,288
Core business	£6.875

The increase in the reported metric is principally due to the recognition of £24.1m of an impairment charge relating to stock (see Note 2). This significant one-off accounting transaction is included within the Regulator of Social Housing's cost per unit methodology and therefore increases the reported metric. Excluding the impact of these items for illustrative purposes, the Group's underlying cost per unit would have been approximately £6,875.

Social Housing Cost per Unit by cost type (£)

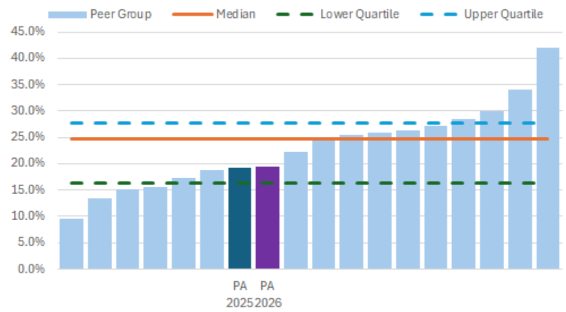


Strategic Report: Value for Money

Core management, service charge and responsive repairs and maintenance costs remained broadly consistent with the previous year, demonstrating good control over underlying operating costs despite continued inflationary pressures. The increase in other social housing costs reflects the recognition of £24.1m of stock impairment charges.

Efficiency

Operating Margin – Social Housing Lettings

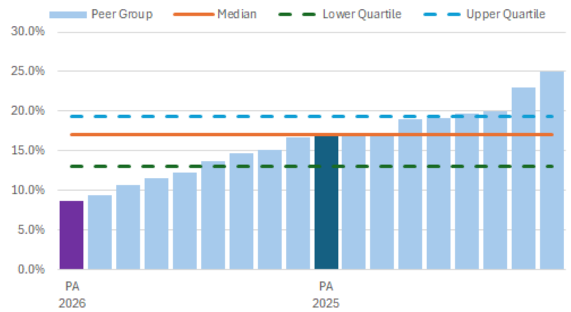


Operating margin – Social Housing lettings	2026
VFM metric	19.5%
Core business	25.4%

Our social housing lettings margin remained broadly stable at 19.5% (2024/25: 19.2%). The result includes a £4.8m impairment relating to social housing lettings assets together with an increase in depreciation and component write-offs of £1.6m. Other operating costs remained broadly stable, as reflected in the cost per unit analysis.

Based on 2024/25 peer benchmarking, the Group's reported result would place it within the lower quartile of its peer group and below the Board's long-term target of 25.0%. As outlined earlier in this report, the reported margin has been significantly affected by a number of one-off accounting transactions recognised during the year. The Board has therefore considered the reported metric alongside the Group's underlying operating performance when assessing financial performance against its long-term objectives.

Operating Margin – Overall



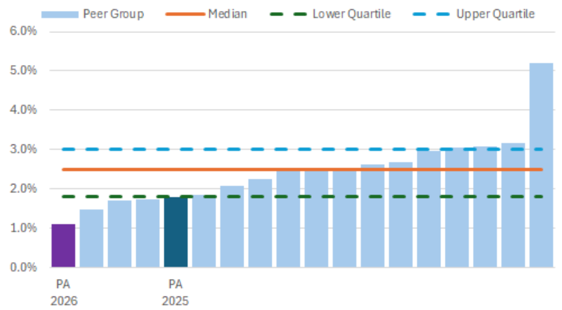
Operating margin – Overall	2026
VFM metric	8.7%
Core business	25.1%

The operating margin metric reflects the profitability of core activities, including social housing lettings and first tranche shared ownership sales, but excludes surpluses generated from the sale of existing homes and land.

The Group reported an overall operating margin of 8.7% (2024/25: 17.1%). As outlined earlier in this report, the result was significantly affected by a number of strategic and accounting transactions recognised during the year, including impairment charges, building safety and fire safety costs, restructuring costs and the provision for the repurchase of shared ownership properties. These items reduced the reported operating surplus and, consequently, the operating margin.

The reported margin is below the Board's ongoing operating performance expectations and places the Group at the lower end of its peer group based on the latest available benchmarking. However, the Board recognises that the metric has been materially affected by these exceptional transactions and continues to monitor underlying operating performance alongside the published Value for Money metrics when assessing the Group's financial performance and long-term resilience.

Return on Capital Employed



Return on Capital Employed	2026
VFM metric	1.1%
Core Business	2.7%

Return on Capital Employed (ROCE) reduced during 2025/26 as a result of the significant one-off accounting transactions recognised during the year, which reduced the Group's reported operating surplus. Adjusting for these items, the core business metric meets the target and is aligned to the median performance of the latest available peer group benchmark. The Board considers this result alongside the Group's underlying operating performance and continued investment in existing homes and new affordable housing when assessing long-term value for money.

Strategic Report: Going Concern

Going concern

The Group and Association's business activities, its current financial position, and factors likely to affect its future development are set out within the Strategic Report, The Board's Report, and Financial Statements.

In preparing the financial statements on a going concern basis, the Board has considered the current economic climate and PA Housing's 30-year business plan which is updated and approved on at least an annual basis. The most recent business plan was approved by our Board and submitted to the Regulator of Social Housing in June 2026.

The 30-year business plan is stress tested across multiple scenarios explicitly linked to the Corporate Risk Register. Stress testing impacts are measured against loan covenants, peak borrowing levels and other headline financial metrics compared to base plan outputs, with potential mitigating actions identified to reduce exposure for all scenarios. This stress testing found that the business plan is robust, and PA would remain able to meet its obligations in all but the most extreme of scenarios.

The Board's assessment of going concern involves a number of subjective judgements and stress tests including, but not limited to:

- Unrecoverable Fire Safety Costs – assuming PA Housing is either partially responsible for costs to remediate blocks where fire safety works are required, and that these works are delayed.
- Operational cost increases – by increasing operational costs and reducing income, this test serves as a proxy for several risks in the Corporate Risk Register including maintenance costs, inflation, health and safety and cyber security.
- Asset management capital cost increases – assumes increased expenditure on existing assets is required and for longer periods, with less grant available.
- Cyber security and data protection – assumes service disruption and data breach in relation to cybercrime.
- The property market – scenarios have taken account of potential delays in handovers through contractor insolvency with additional costs, lower numbers of property sales, reductions in sales values and potential conversion to rented homes as a risk mitigation measure.
- Increased stock condition costs – tests the potential increases in costs looking at the existing housing stock and scenarios for decanting residents, responsive repairs crisis and capital investment.
- Increased energy efficiency works – sustainability costs increasing from levels in the base plan including increased debt requirements.
- Increased borrowing costs – considers the impact of an increase in interest rates through macro-economic changes to market rates combined with borrowing spreads increasing.
- Rent and service charge receivable – within scenario planning, arrears and bad debts have been increased to allow for resident difficulties in making payments exacerbated by cost-of-living pressures. Additionally, the possibility of potential future reductions in rents and / or rent caps have been tested.
- Multivariate tests – in the case of severe headwinds these scenarios test for a number of risk impacts crystalising at once.

In making the assessment the Board has also considered the potential mitigations available to manage the potential impact on PA's cashflows and liquidity.

We have long-term debt facilities in place which provide adequate resources to finance committed asset investment and development programmes, alongside income generated from our day-to-day operations. The business plan shows that we can service these debt facilities whilst continuing to comply with lenders' covenants.

As at 31 March 2026 PA held liquidity (comprising cash balances and undrawn committed loan facilities available for immediate drawing and excluding cash balances held on behalf of others) of £357m.

The Board, after reviewing budgets for 2026/27 and the medium to long term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue in business for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed.

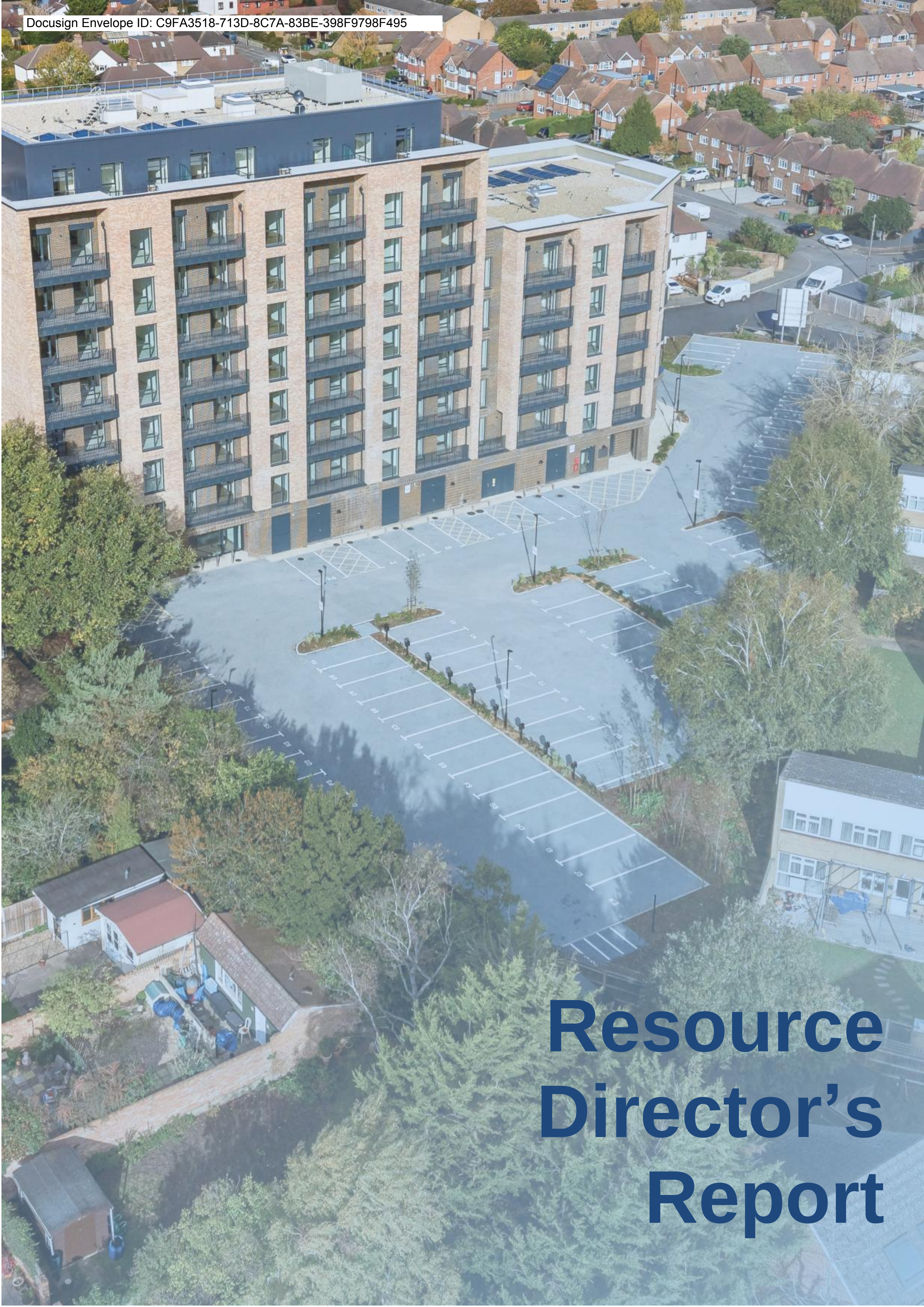
On this basis, the Board continues to adopt the going concern basis in the financial statements.

This Strategic Report was approved by the Board and signed on its behalf by:

Signed by:
Ian Hill
9900F5BC672247B...
Ian Hill
Company Secretary

8 September 2026

19 September 2026



Resource Director's Report

Resource Director's Report

At PA we are very clear that external volatility is normal. The era of stable and predictable medium term financial planning which the sector enjoyed for so long are well behind us now, with repeating waves of shock and disruption ever since the 2007 credit crunch.

2026 so far has already seen a new phase of Middle East conflict triggered between the US and Iran but spilling into the wider region, and another round of domestic political upheaval with Andy Burnham emerging to quickly become Prime Minister.

As is well known, these events play directly into the financial markets, affecting both current rates and future sentiment. In turn, there are knock on impacts through the wider economy in relation to inflation, employment, supply chain management, government policy and other areas.

To navigate all these choppy waters while still delivering our strategic priorities, our financial planning posture must be flexible and agile. The financial plan is not linear and certainly not static; it must respond to the changing environment and how this intersects with the stage reached on our delivery cycle.

From 2023 through to 2025 we deliberately went through a phase of increased investment, primarily in our core resident-facing teams and into our existing homes. We doubled the size of our neighbourhoods team to significantly reduce patch sizes and introduced expanded and more specialist anti-social behaviour and safeguarding teams. We upscaled our planned maintenance programme with the support of our bank lenders, who recognised the logic behind investing now to deliver stronger outcomes and results in the future. And we continued to build new homes where we could afford to, so as to contribute to the national effort on new supply.

As expected and planned for, this phase imparted some manageable downward pressure on our financial metrics. But it enabled us to pump-prime our identified service priority areas to drive improvements to outcomes for residents. These have been closely monitored and although the work continues, results to date are good and broadly in line with Board expectations. The value for money of this enhanced investment phase has therefore been tested and assured.

Looking to the future though, the picture becomes ever-more challenging for PA and the wider sector. We continue to work through our fire safety remediation projects and we are in the final phase of transition to EPC C status by 2029. Beyond that, our financial plan incorporates a full commitment to achievement of net zero by 2050 and we are modelling the impacts of Decent Homes 2. We have also begun to incorporate the implications of hot homes and overcrowding within our financial planning, as well as an ambition to start remodelling and modernising some of our more ageing estates.

All of these strands, which were largely not on the sector's agenda at all a decade ago, add a cumulative hundreds of millions of pounds of additional cost commitment to our long-term financial forecast. There is no direct financial return on the investment – we cannot raise rents to pay for it – although it will clearly enable us to continue achieving high occupancy rates and to some extent will help to reduce running costs.

As I have already mentioned, the external backdrop continues to be unpredictable and challenging. We must assume that there will be further shocks at fairly regular intervals, and to a greater or lesser extent these will impact on financial capacity and outlook.

Accordingly, over the past 12 months we have pivoted to a financial posture which has more overt focus on future headwinds. This is about ensuring fitness for the long term, not a direct need to enhance capacity in the here and now.

We have taken action in two key areas to further enhance our future capacity and resilience. The first was a review of our staffing requirements, taking necessary if difficult decisions to reduce numbers in certain areas whilst minimising the impact on our most important service areas. Including deletion of a number of vacant posts, this saw our overall headcount reduced by around 100 and c.£5million removed from the operating cost base.

The second is our development programme, where we have concluded the review of our small number of development schemes on site where the original contractors became insolvent. In the majority of cases we have finalised new contractual arrangements to enable construction to recommence, but for one project – Heron House in Wembley – the most rational decision was to dispose of the site in order to avoid significant future cost and risk. Alongside this, we have reviewed our land bank sites and taken the decision to dispose of those which are not fully aligned to our growth strategy.

These decisions have triggered an impairment provision of £29m in our 2026 results – but they leave us better equipped to move forward, and there is a beneficial impact on our financial planning through a combination of future cost avoidance and expected cash receipts from disposals.

When comparing our approved business plans year-on-year, our key financial metrics are now on an improving trend and we are driving the increased capacity we need to respond to the changing and challenging environment. Our Board will continue to evaluate the balance between investment need and levels of resilience; this will keep on changing over time depending on the degrees of risk we are faced with.

Our residents will always come first, bearing in mind that our service obligations are permanent – so we must judge how far we push our capacity today and how much we need to hold back for the future. This is at the heart of the regulator's current debate with the sector about the future of economic regulation, in turn linked to the government's ambitions for the sector to deliver on enhanced investment.

Our 2027 financial statements will no doubt reflect on how that debate is evolving, but for now these results present a solid underlying position which leaves PA Housing well placed to continue delivering for our residents.

Simon

Resource Director's Report

Financial targets and golden rules

The Board maintains regular oversight of the key financial metrics that underpin the financial resilience and long-term sustainability. These measures support effective decision-making by balancing financial strength with continued investment in existing homes, new affordable housing and the delivery of the strategic objectives. The long-term financial plans are also subject to regular stress testing to assess resilience under a range of adverse economic and operational scenarios, with identified mitigation strategies available where required.

The Board continued to monitor performance against its established financial metrics during 2025/26. These are structured into two categories:

Targets: These represent the expected levels of financial performance and are embedded within the Group's business planning and forecasting processes. While performance may vary from target due to changing circumstances, any significant variance is subject to Board scrutiny, with appropriate explanation and, where necessary, approval of revised forecasts or remedial actions.

Golden Rules: These represent the minimum financial resilience thresholds and must be maintained at all times. Any breach is considered a significant governance matter and would be reported to the Board together with an assessment of the causes, implications and proposed corrective actions.

The table below summarises performance against the financial targets and golden rules for the 2025/26 financial year.

We continue to incur significant expenditure on building safety and fire safety remediation works, which is outside our normal operating activities. As our remediation programme progresses, we are seeing a reduction in the volume of outstanding works and increasing certainty over future costs. The Board continues to monitor the impact of these exceptional costs alongside the underlying financial performance and remains focused on maintaining long-term financial resilience.

Our interest cover and gearing ratios are measured against the most stringent lender covenant requirements to maintain sufficient financial headroom. We remain supported by our lenders, who continue to back our investment and improvement plans.

The operating margin on social lettings target is calculated on the same basis as the value for money metric. Our result of 19.5% (2024/25: 19.2%) includes a £4.8m impairment relating to social housing lettings assets, and net fire / building remediation costs of £5.3m. Excluding these transactions the underlying social housing lettings margin on core business operation achieves our 25% target.

We remain compliant with the interest cover golden rule, maintaining a prudent level of headroom throughout the financial year to absorb potential financial shocks.

Gearing meets our targeted position and the position is comfortably within the lender maximum of 65%.

We continued to have a high proportion of debt fixed rate to mitigate interest rate risk and were well above minimum target levels.

Liquidity remained strong and we robustly monitor our position to replenish available funds within target timeframes. We commenced work to deliver the next phase of our funding need in line with the 24 months golden rule.

Sales market exposure remains modest at 8% of turnover and well within target.

		Hurdle	Result
Operating margin from social housing lettings	Target	25%	20%
- excluding fire safety remediation and impairment	Target	25%	25%
Interest Cover (headroom to tightest loan covenant)	**Golden Rule**	+ 20%	**+ 35%**
Interest Cover (headroom to tightest loan covenant)	Target	+ 50%	+ 35%
Gearing (tightest loan covenant basis)	Target	55%	53%
Hedged debt	Target	> 60%	86%
Liquidity horizon: Commence work to replenish	**Golden Rule**	24 months	**Met**
Liquidity horizon: Complete work to replenish	Target	18 months	Met
Liquidity horizon: Complete work to replenish	**Golden Rule**	12 months	**Met**
Property sales as % of turnover	Target	< 15%	8%

Resource Director's Report

Summary results

Group results	2026	2025 (restated)	2024	2023	2022
Group statement of comprehensive income	£m	£m	£m	£m	£m
Turnover	228.1	224.1	207.0	180.9	169.4
Operating surplus	27.5	43.5	37.7	40.4	47.4
Interest and financing costs	47.1	44.0	40.8	34.2	30.2
Net (deficit) / surplus after tax	(18.5)	3.5	(2.2)	8.5	20.2
Group statement of financial position	£m	£m	£m	£m	£m
Property fixed assets net of depreciation and impairment	2,345	2,338	2,228	2,108	1,953
Capital grants	519	504	499	444	432
Net current (liabilities) / assets	(12)	43	147	(3)	60
Long-term creditors	1,767	1,795	1,790	1,513	1,449
Reserves	606	623	618	620	588
Statistics					
Operating margin (all activities)	12%	19%	18%	22%	28%
Gearing (debt versus housing assets)	54%	55%	53%	51%	49%
Debt to turnover ratio	5.7	5.8	6.3	6.0	5.8
Debt per owned property £'000	£56.5	£57.2	£58.3	£49.0	£46.3
Accommodation owned and managed	No.	No.	No.	No.	No.
Rented	20,883	20,600	20,504	20,288	19,654
Shared ownership	2,152	2,065	1,871	1,770	1,687
Managed homes including leaseholders	1,932	1,990	1,942	1,935	1,951
Total stock	24,967	24,655	24,317	23,993	23,292

Resource Director's Report

Financial Review of 2025/26

The Group delivered a strong underlying operating performance during 2025/26, reflecting continued focus on core services, financial resilience and operational efficiency. The reported financial results for the year are, however, significantly affected by a number of one-off strategic decisions and accounting transactions that do not reflect the underlying performance of the business.

Following careful consideration by the Board, decisions were taken to dispose of some development sites. These comprise sites that no longer align with the Group's strategic development objectives or schemes that, following detailed assessment, were no longer considered economically viable to complete in the current operating environment. As a result, impairment charges of £28.9m have been recognised in the financial statements. Most significant is the decision to dispose of a development site in Wembley in order to avoid future costs and risk. A decision has also been taken to demolish an existing building in Wembley that was identified as presenting significant fire safety and structural risks.

Provisions include the repurchase of shared ownership properties where the Group has committed to buy back homes for safety reasons, together with restructuring costs arising from organisational changes designed to improve efficiency and support future service delivery.

The Group continues to incur expenditure on interim fire safety measures, including waking watch services, alongside wider remediation activity outside its core building safety programme. Good progress continues to be made in delivering remediation works, supported where eligible by government funding.

Turnover

Group turnover increased to £228.1m in 2025/26 from £224.1m in 2024/25.

Income from social housing lettings increased by 5.7% to £204.0m (2024/25: £193.1m). The increase was driven by the 2.7% rent settlement, income from new homes completed during the year, higher service charge income reflecting increased service delivery costs and grant income recognised in respect of pre-tender costs under the Cladding Safety Scheme.

Turnover (Group)

£228m (2024/25: £224m)

Income from first tranche sales of shared ownership homes was £19.2m (2024/25: £23.0m), reflecting lower sales activity during the year.

Income from non-social housing activities and other social housing activities totalled £4.9m (2024/25: £8.0m), principally due to lower income from non-core activities compared with the previous year.

Operating Costs

Group operating costs increased to £194.3m in 2025/26 from £166.2m in 2024/25. Operating costs include a number of one-off transactions and like for like costs compared to 2024/25 have increased by 1.6%.

	2025/26 £m	2024/25 £m
Impairment	28.9	5.2
Fire Safety remediation costs	6.0	6.4
Restructuring costs	1.1	-
Buy back provision	1.2	-
	37.2	11.6
Underlying business operating costs	157.1	154.6
Total operating costs	194.3	166.2

Operating costs (Group)

£194m (2024/25: £166m)

Operating Surplus

The Group operating surplus after one-off operational costs decreased to £27.5m from £41.4m (restated) in 2024/25.

The operating surplus includes a surplus from the sale of newly developed shared ownership homes of £5.3m (2024/25: £4.9m) and a surplus from the sale of existing homes of £7.2m (2024/25: £2.5m - restated)

Operating Surplus (Group)

£27m (2024/25: £41m)

Financing costs

Interest payable and financing costs after capitalised interest was £47.1m (2024/25: £44.0m).

Gross interest and financing costs were £58.3m (2024/25: £57.2m), reflecting the Group's stable funding position of £1.3bn (2024/25: £1.3bn).

The increase in net finance costs was principally due to lower interest capitalised during the year of £11.2m (2024/25: £13.2m), reflecting the level and timing of development activity.

Gross borrowing costs increased only marginally despite the prevailing interest rate environment, demonstrating the stability of the Group's long-term funding arrangements. This was partially offset by lower interest payable on housing loans, although reduced income from interest rate swap contracts compared with the previous year also contributed to the increase in finance costs.

The Group continues to benefit from a predominantly fixed-rate debt portfolio, providing certainty over borrowing costs and reducing exposure to movements in market interest rates.

Resource Director's Report

Loss after tax

The Group reported a loss after tax of £18.5m for 2025/26 compared with a surplus after tax of £0.9m in 2024/25 (restated).

As outlined above, the reported result was significantly affected by a number of one-off strategic decisions and accounting transactions recognised during the year. Excluding these items, the Group delivered a strong underlying operating performance.

Financial Position

The Group's balance sheet remains strong, with total net assets of £606.0m at 31 March 2026 (2025: £623.0m - restated). The reduction during the year principally reflects the loss reported for the year.

Investment in the Group's housing assets continued during the year, with the historic cost of housing properties increasing to £2.35bn (2025: £2.34bn). This reflects continued investment in existing homes together with the completion of new affordable housing.

The Group invested £35.9m (2024/25: £98.5m) in the provision of new affordable homes, the reduction reflects the Board's decision in 2024/25 to scale back the new development programme. Investment in existing homes was £28.9m (2024/25 £28.6m).

Stock and work in progress reduced to £46.9m (2025: £51.6m). During the year, a number of development sites were reclassified to stock following the Board's decision to dispose of them, with the resulting impairment recognised in the financial statements. The year-end balance comprises completed shared ownership properties held for sale, shared ownership properties under construction and land held for development within a subsidiary company.

Debtors decreased marginally to £39.4m (2025: £41.2m).

Cash balances remained stable at £20.0m (2025: £22.1m).

Current liabilities increased to £118.5m (2025: £74.1m restated), primarily due to an increase in borrowings due for repayment with one year. Long-term creditors reduced marginally to £1.77bn (2025: £1.79bn), reflecting scheduled loan repayments.

The net defined benefit pension liability reduced further to £6.3m (2025: £9.2m), continuing the positive trend in the funding position of the Group's legacy defined benefit pension arrangements.

Resource Director's Report

Treasury and Liquidity

Treasury management

We operate a centralised treasury function which is responsible for managing our liquidity, interest rate risk and counterparty risk. These activities are governed by our Treasury Policy and Treasury Strategy which are approved annually by the Board.

The Treasury Policy is aligned with the Board's risk appetite and follows best practice as outlined by the Chartered Institute of Public Finance and Accountancy publication, 'Treasury Management in the Public Services.' We adopt a conservative risk-based approach to liquidity and interest rate management, with the primary objective is to safeguard against financial exposure.

Surplus cash balances are invested with approved counterparties (banks and money market funds) in line with strict criteria governing acceptable credit quality and maximum exposure limits. Investment decisions are prioritised in order of: security, liquidity, then yield.

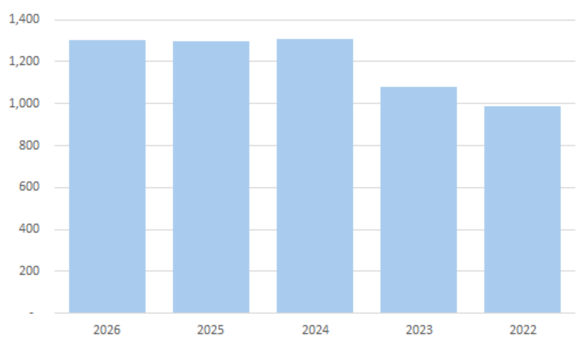
Funding Strategy

Overall Borrowing

£1,307m (2025: £1,304m)

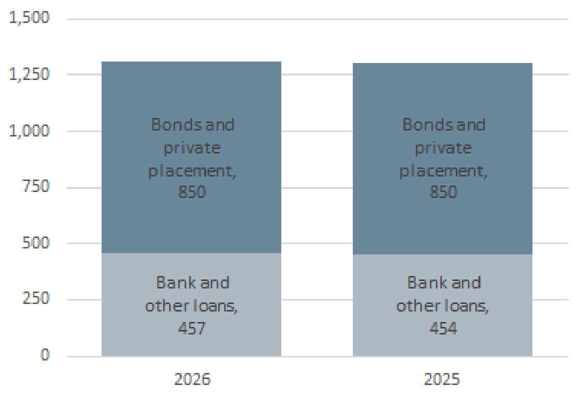
Our business is funded through a combination of external borrowings (including capital markets and multiple bank facilities), retained earnings, and government grant funding. The primary drivers of external financing requirements are our new build development and retrofit programmes, which supports our strategic growth objectives. We continue to invest in our new-build, asset management and fire remediation programme, with ample headroom to support our corporate strategy. All external borrowings are denominated in pounds sterling.

Debt (£m)



Our drawn debt position has remained stable over the last three years, reflecting the strategic decisions made to moderate new development expenditure in order to increase capacity for investment in existing homes. This approach has a beneficial impact on our projected financial metrics over the next five years due to the reduced interest cost burden.

Funding (£m)



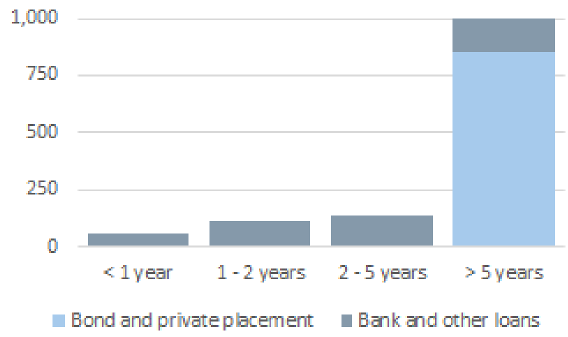
PA Housing is the main borrowing vehicle for bank loan borrowings, private placement activity and grant funding arrangements. In respect of public capital market borrowings, our wholly owned subsidiary Paragon Treasury PLC has issued two bonds; a £400m 2.0% sustainable bond maturing in 2036, and a £250m 3.625% bond maturing in 2047. Proceeds were on-lent to PA Housing.

PA Housing and Paragon Treasury PLC are rated A3 (Stable) by Moody's.

In 2025/26, operational activities were primarily funded through cash generated by operating activities and capital grants. A small net amount of revolving credit facilities was utilised, resulting in a £3m increase in nominal debt compared to the prior year.

The weighted average life of borrowings remained stable at 10 years (2025: 11 years), with 77% (2025: 77%) of committed debt maturing after 5 years.

Maturity of debt (£m)



Resource Director's Report

Liquidity

At the year-end date, liquidity (comprising treasury cash balances and undrawn committed bank facilities, excluding cash held on behalf of others) was £357m (2025: £373m). Cash balances of £20m (2025: £19m) where held.

Liquidity

£357m (2025: £373m)

Future investment priorities

Looking forward, we expect to continue our increased investment in existing homes, reflecting our ongoing commitment to our residents. This will include completion of outstanding fire safety remedial works alongside our asset management programme, which includes improving energy efficiency performance which will deliver a minimum Band C EPC rating across all our homes by 2029. Some of this work will be funded will be funded by successful Warm Homes and building safety grant awards.

In line with our commitment to prioritising the quality and sustainability of our existing housing stock, we continue to adopt a measured approach to new development. As a result, we anticipate fewer new build completions than in previous years.

Interest rate management

PA maintains a cautious approach to managing interest rate risk with a strategy to fix a high proportion of debt. This approach provides certainty and supports long term financial stability against a backdrop of consistent market and interest rate volatility.

Fixed Rate Cover

86% (2025: 91%)

At the year-end date 86% of our debt (2025: 91%) was borrowed at fixed interest rates. The weighted average interest rate of outstanding borrowings as at close of the year was 4.3% (2025: 4.3%). Outright mark-to-market exposure on our portfolio of interest rate hedges was £1.4m positive (in our favour) (2025: £0.1m negative). In line with our prudent risk management approach, we hold generous excess security against mark to market volatility.

Covenant compliance

Our principal financial covenants relate to interest cover, gearing ratios and asset cover. Interest cover is measured on an adjusted EBITDA basis, gearing is assessed against net debt and historic property values, and asset cover on a combination of recognised social housing use values.

All covenant requirements were comfortably met as at the year-end date, and our latest business plan projections indicate sufficient headroom over all key metrics. Regular stress testing is undertaken to assess the resilience of covenant headroom under a range of adverse economic and operational scenarios, providing assurance over the Group's ongoing compliance and financial sustainability.

Value for Money and ESG

Efficient treasury management plays a critical role in supporting the provision of high quality, energy efficient, and affordable homes in the communities we serve.

In 2025/26 we proactively managed our liquidity and interest rate exposure to ensure the business remains on a stable financial footing and well positioned to deliver our corporate objectives.

We are committed to embedding environmental, social and governance (ESG) principles into our financing strategy and we have issued to capital markets via our Sustainable Finance Framework. Our bank facilities also incorporate a suite of sustainability linked targets. These include improvements in energy efficiency across our residents' homes, resident support through tenancy sustainment assistance, and improved tenant satisfaction measures.

Our capital markets funding is structured on a "use of proceeds" basis, with regular reporting obligations to demonstrate how funds have been allocated to eligible projects aligned with our sustainability goals.

The Board's Report and Governance

The Board's Report and Governance

Legal Status

Paragon Asra Housing Limited is incorporated in the United Kingdom and registered as an exempt charity with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and with the Regulator of Social Housing as a social housing provider.

Paragon Asra Housing Limited trades as and is known as PA Housing (UK trademark).

Paragon Asra Housing Limited is a Public Benefit Entity, as defined in Financial Reporting Standard 102, and applies the relevant paragraphs of FRS 102 for Public Benefit Entities.

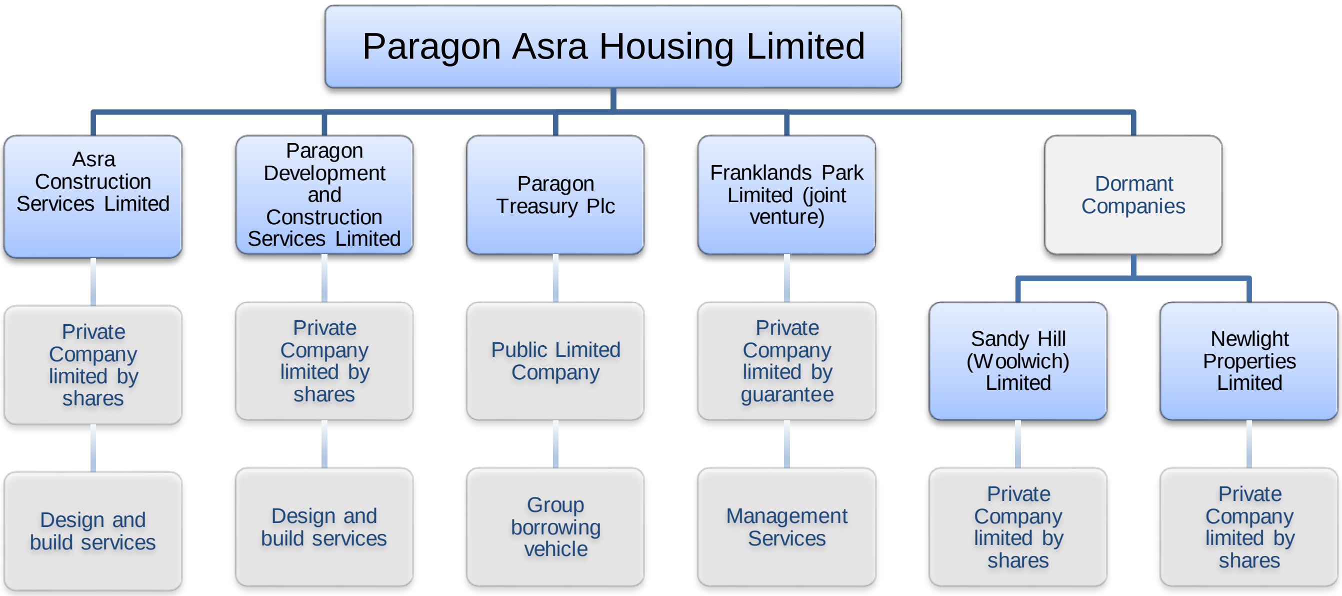
Principal activities

The principal activity of the Group is the management and development of social housing, operating in London, the South East, and the Midlands.

Group Structure

PA Housing's governance arrangements are built around a simple organisational structure. PA Housing is the main asset holding entity. Other active entities, apart from our small joint venture company, are two construction companies which deliver property construction services to the parent company, and Paragon Treasury Plc which has accessed bond finance from the capital markets and has on-lent the proceeds to PA Housing. The dormant companies are retained for possible future use.

Franklands Park Limited is a joint venture company in which PA Housing retains a 50 per cent interest. The principal activity of Franklands Park Limited is the management of an estate in Addlestone. A share of the company's results has not been included in the Group figures on the grounds of materiality. Franklands Park Limited's latest published results for the year ended 31 March 2026 show a profit for the year of £5k (2025: £8k) and net assets of £22k (2025: £23k).



The Board's Report and Governance

Our Board: Activities and Purpose

The Board maintains effective governance arrangements that deliver its aims and objectives in a transparent and accountable manner. The Board is responsible for setting the strategic direction and risk appetite of PA Housing and is the ultimate decision-making body for matters of PA Housing wide strategic, regulatory or reputational significance. Effective governance facilitates the delivery of PA Housing's purpose and strategy particularly in challenging times.

The Rules of the Association remain PA's principal constitutional document and regulate various matters including the Board, its powers and its role. The Rules were last amended in 2021/22. A further review was undertaken in 2022/23, but no further changes were made to the Rules at that time. The Board did, however, adopt and implement a new Corporate Governance Framework which contains a statement of governance principles that guides the activities of the Board. This Framework is formally reviewed by the Board each year, with any ad hoc updates approved as and when changes are made to PA Housing's governance arrangements or delegations. The Board is committed, through this framework, to appropriate decision making at the correct level within PA Housing making sure there is accountability, long-term value and delivery of our purpose to serving the needs of our residents and communities. The Corporate Governance Framework covers key responsibilities of the Board and matters reserved for the Board's decision in accordance with the National Housing Federation's Code of Governance 2020, adopted by PA Housing.

Board

Composition

As at 31 March 2026, PA Housing had a Board of eleven Non-Executive Board Members. From 1 July 2026 this reduced to 10 Members. Two current Board Members are residents of PA Housing.

Each Non-Executive Board Member holds one fully paid-up share of £1 in Paragon Asra Housing Limited which they surrender when they cease as a Board Member. There are two legacy shareholders of Paragon Asra Housing Limited who are not Board Members.

The Non-Executive Board Members receive a fee for their services. The People and Governance Committee has sole responsibility for recommending to the Board the structure and level of fee and takes advice from independent advisors, as appropriate, when reviewing the fee structure. These reviews are benchmarked against levels for comparable organisations and are designed to ensure that PA Housing is able to recruit and retain high calibre Board Members whilst recognising its charitable objectives. An external review of Board Member remuneration was undertaken in 2023/24.

All Board Members have served less than the six years in office, as envisaged by the Code of Governance. An independent review of PA Housing's governance arrangements took place during 2024 with the findings reported to the Board in November 2024. A further internal review took place during the year with recommendations monitored by the People and Governance Committee.

The current Board and its Committees comprise Members from a diverse range of backgrounds with the range of skills, knowledge and experience necessary for PA Housing's needs. PA Housing has an agreed Board skills matrix to ensure the Board has the necessary skills to discharge its functions.

PA Housing is committed to developing a culture in which equality, diversity and inclusion is embedded within its activities, including the recruitment and development of Board and Committee members. PA Housing aims to achieve a culture that respects and values differences and eliminates discrimination in all areas.

At the date of signing, of the ten Board Members, three members are female and seven male and three come from an ethnic minority background.

The Board's Report and Governance

Board Roles

The Chair

The Chair of the Board is responsible for chairing and providing leadership to the Board. Other responsibilities include:

- leading the Board in formulating PA Housing's strategy for discharging our statutory duties
- encouraging high standards of propriety
- providing an assessment of the performance of individual Board Members
- ensuring PA Housing meets regularly throughout the year and minutes of meetings accurately record decisions taken
- representing the views of PA Housing externally

Non-Executive Board Members

Board Members all bring a range of skills and experience to the Board. This ensures a good balance of skills is available to PA Housing in discharging our duties and responsibilities, in addition to establishing the policy and strategic direction including the resourcing framework for the operation of PA Housing.

The Chief Executive

The Board has delegated responsibility for the day to day running of PA Housing to the Chief Executive and the Executive Management Team ("EMT") which comprises the Chief Executive, Executive Directors and other Directors determined by the Chief Executive. The EMT ensures that the strategy, policies and behaviours set at Board level are effectively communicated and implemented across PA Housing.

Keeping the Board Informed

PA Housing is committed to the ongoing development of its Board Members and recognises the need to continually evolve their knowledge to enable them to fulfil their duties effectively. All newly appointed Board Members receive a comprehensive and bespoke induction programme on joining. The induction also includes setting out to members their duties and Board procedures, internal control processes, strategy and planning, measures used to monitor performance and the Risk Management Policy and the Internal and External Audit. Throughout the course of each year the Board receives presentations and interactive workshops on different topics facilitated by PA Housing colleagues, professional advisers or external stakeholders. Board Members also undertake other individual and collective training and development activity to further enhance their skills and experience and consider wider sector issues. Board Members' learning is shared through regular 'horizon scanning' and "away day" sessions at Board and Committee meetings.

Board Performance and Effectiveness

The Board is committed to the highest standards of governance and is responsible for setting the strategic direction and govern, control and scrutinise the financial management of the Group.

In September 2025, following a Regulatory Inspection, the Regulator for Social Housing, awarded PA Housing a G1 grade for Governance, a C2 grade for Consumer and a V2 grade for Financial Viability.

The Board completed its annual review of combined and individual Board Member performance during the year. This includes self-assessment, a review of the skills matrix and peer appraisals. The following themes are embedded in the review:

- Measures to ensure that the focus on residents remains a core part of Board's work.
- Ongoing self-challenge as to how Members demonstrate excellent governance in an evolving world.
- Further work to embed equality, diversity, and inclusion within the Board's operations.

In addition, the Board conducts an annual effectiveness review to evaluate the performance of the Board, Board Committees, and individual Board Members. The review conducted in late 2025 was an internal review following an externally facilitated review in 2024/25.

Conflicts of Interest

It is essential that PA Housing maintains a reputation for impartiality, integrity and high professional standards in all that it does. PA Housing has adopted the National Housing Federation Code of Conduct 2022 and all Board and Committee Members are required to declare any interests annually, when they change or otherwise at meetings where potential issues may arise.

Insurance and Advice

The Group maintains Directors' and Officers' liability insurance for its Board Members and officers, which is renewed annually. The Board is given access to independent professional advice when it so requires.

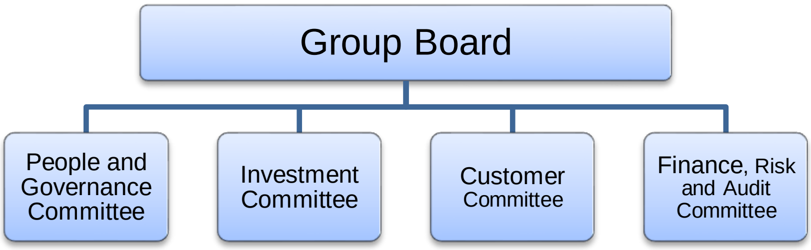
The Board's Report and Governance

Committees

In exercising its duties, the Board has delegated certain responsibilities to the Executive and to Board Committees, in accordance with clearly defined authorities and terms of reference. During the year the Board delegated authority to four Board Committees.

The terms of reference of all Board Committees were reviewed and update as appropriate in October 2025. Roles, responsibilities and accountabilities are set out in PA Housing's Corporate Governance Framework, which was reviewed and approved at the same Board.

Each Committee comprises between three and six Non-Executive Board Members. The Customer Committee also includes a resident co-optee. and the Finance, Risk and Audit Committee one Independent Committee Member.



People and Governance Committee

The People and Governance Committee provides assurance to the Board its structure, appointments, working arrangements, and remuneration of Board Members and the Chief Executive. It also has oversight of the remuneration of the Executive Directors.

It provides scrutiny and support in reviewing all people related policies and strategies including Equality, Diversity, and Inclusion. At the 31 March 2026, the Committee is chaired by Joanna Banfield. From 1 July 2026 the Committee is chaired by Susan Goldsmith.

Investment Committee

The Investment Committee provides assurance to the Board in respect of investment decisions, the development and sales programme and investment in our existing assets.

The Committee reviews progress and performance on all aspects of housing development, sales and marketing activity. It approves development schemes and asset investment appraisals within its delegations. The Committee is chaired by Andrew Carrington.

Customer Committee

The Customer Committee oversees and provides assurance to the Board on our services to customers. Its focus is on all aspects of the effective and efficient operational delivery of services, ensuring feedback from residents and other stakeholders and promoting high standards. The Committee is chaired by Tom Vaughan.

Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee oversees internal control and risk management. It also reviews the budgets, business plans, management accounts, and annual financial statements and external audit recommendations, for onward approval by the Board.

It provides challenge and scrutiny to ensure fair and balanced financial arrangements and proportionate risk management and manages a risk profile in accordance with the Board's defined strategy and risk appetite. At 31 March 2026, the Committee was chaired by Susan Goldsmith. From 1 July 2026, the Committee is chaired by Tim Jennings.

The Board's Report and Governance

Meetings, attendance, and remuneration

Attendance records of the non-executive Board and Committee members at meetings during the year are shown below. For members who either retired or were appointed during the year, the record shows attendance versus the maximum number of meetings each member could have attended. The Chair is not an appointed member of the sub-committees and his attendance at these meetings is not shown.

During the financial year, Board Member fees were £32,000 for the Chair, £18,500 per Committee Chair and £15,000 per member. The Vice Chair receives an additional £2,500 per annum (representing a total maximum fee of £21,000 in the event they are also a Committee Chair).

Independent Committee Members receive a fee of £5,000.

The Chair of the Resident Assembly, who is a co-optee to the Customer Committee, receives a fee of £258 for each meeting attended.

Remuneration shown in the table below is inclusive of expenses paid.

On 19 March 2026, the Board agreed to increase non-executive fees by 3.1 per cent for the 2026/27 financial year.

	Board	People and Governance Committee	Investment Committee	Customer Committee	Finance, Risk and Audit Committee	Remuneration £000	Expenses £000	Remuneration inc expenses 2025/26 £000	Remuneration inc expenses 2024/25 £000
Board Members (in 2025/26)									
Suki Kalirai (Chair)	10 of 10					32	-	32	33
Tom Vaughan (Vice Chair)	7 of 10	4 of 4		3 of 4		21	-	21	22
Jo Banfield	8 of 10	4 of 4	4 of 4			19	-	19	19
Andrew Carrington	10 of 10	4 of 4	4 of 4			19	-	19	19
Kim Francis	10 of 10	4 of 4		4 of 4		15	-	15	16
Susan Goldsmith	9 of 10			4 of 4	4 of 4	19	-	19	19
Kathleen Harris Leighton	10 of 10		4 of 4		3 of 4	15	-	15	15
Tim Hill	10 of 10		4 of 4	3 of 4		15	1	16	16
Rahul Jaitly	8 of 10	4 of 4			4 of 4	15	1	16	15
Tim Jennings	7 of 10		4 of 4		4 of 4	15	-	15	15
Emma McLachlan	9 of 10		4 of 4	4 of 4		15	-	15	12
Independent Committee Members									
Agnieszka Thakur					2 of 2				

The Board's Report and Governance

Compliance with the Governance and Financial Viability Standard

PA Housing confirms its compliance with the Governance and Financial Viability Standard of the Regulator of Social Housing. The Board has assessed its compliance with the standard during the year with reference to the current position and activities of the Group.

Statement of Internal Control Assurance

The PA Housing Board has overall responsibility for establishing and maintaining the system of internal control. As with all systems of internal control, it is designed to manage rather than eliminate all risk of failure to achieve business objectives and can therefore provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control is subject to continuing review and development.

Charitable and Political Donations

The Group has made charitable donations of £984 (2025: £7,150) during the year. No political donations were made during the year (2024: Nil).

Annual Review of the effectiveness of the System of Internal Control

In accordance with the National Housing Federation Code of Governance 2020, the Board is required to actively manage the risks faced by the organisation and obtain robust assurance that controls are effective, that plans and compliance obligations are being delivered and that the organisation is financially viable. The responsibility for managing risks, and specifically risks to social housing assets, lies with the Board. However, the Board delegates responsibility for the annual review of the effectiveness of the system of internal control to the Finance, Risk and Audit Committee (FRAC).

The FRAC receives the Chief Executive's annual report on internal controls. FRAC takes account of any changes needed to maintain the effectiveness of the management and control process for risk and fraud. The FRAC met four times during the course of the year. Assurance over the control environment was obtained from the following main sources:

Risk Management

An effective risk management framework sits at the heart of the system of internal control. The Board confirms that the process for identifying, evaluating and managing the significant risks faced by the organisation is ongoing, the process has been in place throughout the year and up to the date of approval of the annual report and accounts and is regularly reviewed by the Board.

FRAC receives risk management reports at each meeting and approves the risk register for upward reporting to the Board. Risk Management reports include the top strategic and operational risks, a risk trigger report, risk assurance register and horizon scanning. The Board receives risk management reports at each meeting and a deep dive report twice per year.

During the year, the business plan stress testing scenarios, including mitigation modelling (linked to the strategic risks and risk trigger report) were refreshed. Risk appetite is kept under ongoing review by the Board and the FRAC. Risk Management processes are regularly subject to review.

Internal Audit Service

The prime responsibility of the internal audit service is to provide the Board with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced.

Internal Audit is delivered by the in-house team with an element of outsourced support. The Head of Risk & Assurance has direct access to FRAC and meets with the Committee and Committee Chair privately. In line with the Board's risk appetite towards governance and control the number of internal audit reviews remained at a high level.

FRAC reviews the findings arising from all Internal Audit Reports and is provided with progress reports on the implementation of agreed recommendations for improvement to the point of conclusion.

The Head of Risk & Assurance provides an annual report and overall assurance opinion on the system of internal control based on the Internal Audit work performed during the year and management response to that work. The 2025/26 Internal Audit annual report identified no material concerns in relation to fraud, material misstatement or loss.

Fraud Management

There is an established code for integrity and bribery and PA Housing operates a zero-tolerance approach to any instances of fraud or corruption. There is an Anti-Fraud Policy in place covering prevention, detection and reporting of fraud and the recovery of assets. A Fraud Response Plan is also maintained along with a register of identified incidents. Fraud risk assessments are maintained by the Senior Management Team and reviewed by Internal Audit.

The Anti-Fraud Policy includes publication of an externally hosted confidential whistleblowing hotline service that colleagues can use to report any concerns of an act of fraud or corruption. There were no material issues reported through this service during the year.

The FRAC reviews the fraud and loss register and reflects the information contained within it in its assessment of the control environment.

The Board's Report and Governance

Information and Financial Reporting Systems

Financial reporting procedures include a long-term financial plan, detailed annual budgets, detailed treasury reports, value for money reporting and regular management accounts which are reviewed by the Board.

Any issues raised in the external audit management letter issued at the conclusion of the annual audit are dealt with to the satisfaction of both the external auditors and FRAC with progress tracked to the point of conclusion.

Key performance indicators and business objectives, set as part of the performance management framework, are regularly reviewed by the Board to assess progress and outcomes.

The external credit rating process in support of PA Housing's public bond issue also takes into account the strength of our governance and risk management arrangements.

Director and Leadership Self-Assessment and Certification

The Executive Management Team (EMT) provides assurance that internal controls and risk management are operating effectively in their directorate through completion of an annual assurance statement and self-assessment against a range of internal controls.

The Senior Management Team (SMT) also undertake an annual self-assessment and certification of the key control environment on a departmental basis.

Other assurance providers

Additional assurance is provided from a range of external sources to compliment the internal systems and processes including the key areas of governance, treasury, ICT, development, asset management and housing services.

Control Environment and Procedures

Governance arrangements are subject to continuing review and development to ensure they remain fit for purpose. Board and Committee membership is reviewed at least annually in line with the membership policy terms. Compliance with the National Housing Federation Code of Governance and the Regulatory Framework is reviewed annually.

The Regulatory rating of G1 has been maintained during the year following scheduled In Depth Assessment by the Regulator of Social Housing.

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance matters and new investment projects. The Board disseminates its requirements to employees through a framework of policies and procedures.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by PA Housing and for preventing, detecting, investigating and insuring against fraud. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed.

The Board has not identified any weaknesses sufficient to cause material misstatement or loss, which require disclosure in the financial statements.

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

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

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

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

In preparing each of the Group and the Association financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2026. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

Disclosure of information to the auditor

Each of the persons who are a director at the date of approval of this report confirms that:

a) so far as each director is aware, there is no relevant audit information of which the Group's auditor is unaware; and

b) each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Approved by the Board and signed on its behalf by:

Signed by:
Ian Hill
9900F5BC672247B...

Ian Hill
Company Secretary

08 September 2026

19 September 2026

Independent Auditor's report to the members of Paragon Asra Housing Limited

Opinion

We have audited the financial statements of Paragon Asra Housing Limited ("the Association") for the year ended 31 March 2026 which comprise the Group and Association's Statement of Comprehensive income, the Group and Association's Statement of Financial Position, the Group and Association's Statement of Changes in Reserves, the Group Statement of Cashflows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Group and the Association as at 31 March 2026 and of the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group's and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors, the audit and risk committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud
- reading Board and audit committee minutes
- using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the non-complex nature of material revenue streams and the limited opportunity for management to manipulate revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual combinations to revenue, unusual combinations to cash and unusual borrowings accounts.

Independent Auditor's report to the members of Paragon Asra Housing Limited

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative and community benefit societies legislation, pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Association's Board is responsible for the other information, which comprises the Strategic report, the Board's Report and Governance, the Statement on Internal Control Assurance and Compliance with Governance and Financial Viability Standard. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account; or
- the Association has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 54, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group 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 it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report to the members of Paragon Asra Housing Limited

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Harry Mears
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Harry Mears
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
New Kings Court
Suite 6, Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

23 September 2026

Financial Statements

Financial Statements
Statement of Comprehensive Income

	Note	Group 2026 £'000	*Restated Group 2025 £'000	Association 2026 £'000	*Restated Association 2025 £'000
Turnover	2	228,115	224,128	231,453	227,680
Cost of sales	2	(13,919)	(19,706)	(13,919)	(19,706)
Operating costs	2	(194,318)	(166,163)	(194,272)	(166,127)
Surplus on disposal of fixed assets and investments	6	7,245	4,663	7,245	4,663
Movement in fair value of investment properties	16	366	639	366	639
Operating Surplus	2	27,489	43,561	30,873	47,148
(Loss) on disposal of other fixed assets		-	(68)	-	(68)
Interest receivable	9	728	1,313	719	1,296
Interest and financing costs	10	(47,107)	(44,023)	(47,107)	(44,023)
Movement in fair value of financial instruments	26	474	1,475	474	1,475
(Loss) / surplus before tax		(18,416)	2,258	(15,041)	5,829
Taxation	11	(117)	797	(117)	(19)
(Loss) / surplus for the year after tax		(18,533)	3,055	(15,158)	5,810
Other comprehensive income					
Movement in fair value of hedged financial instruments	26	1,146	2,923	1,145	2,923
Actuarial gain on defined benefit pension schemes	33	387	1,260	387	1,260
Total comprehensive (loss) / income for the year		(17,000)	7,238	(13,625)	9,993

The turnover and operating (loss) / surplus for the current year all relate to continuing activities.

The notes on pages 64 to 107 form part of these financial statements.

*See note 39 for details on the restatement.

Financial Statements
Statement of Financial Position

	Note	Group 2026 £'000	*Restated Group 2025 £'000	Association 2026 £'000	*Restated Association 2025 £'000
Fixed Assets					
Negative goodwill	12	(3,615)	(4,225)	(3,615)	(4,225)
Intangible fixed assets	13	435	367	435	367
Tangible fixed assets – housing properties	14	2,345,067	2,338,272	2,363,644	2,355,554
Tangible fixed assets – other	15	24,135	23,967	24,135	23,967
Investment properties	16	30,073	27,641	30,073	27,641
Investments	17	41	73	41	73
Investment in subsidiaries	18	-	-	13	13
		2,396,136	2,386,095	2,414,726	2,403,390
Current Assets					
Stock and work in progress	19	46,912	51,554	35,101	41,136
Debtors	20	39,413	41,214	41,715	40,991
Cash and cash equivalents		19,997	22,117	19,468	21,021
		106,322	114,885	96,284	103,148
Creditors: amounts falling due within one year	21	(118,537)	(74,149)	(109,237)	(65,232)
Net current (liabilities) / assets		(12,215)	40,736	(12,953)	37,916
Total assets less current liabilities		2,383,921	2,426,831	2,401,773	2,441,306
Creditors: amounts falling due after more than one year	22	(1,767,432)	(1,794,628)	(1,767,432)	(1,794,628)
Provision for liabilities	33	(4,243)	-	(4,243)	-
Net assets excluding pension liability		612,246	623,203	630,098	644,678
Pension liability	33	(6,274)	(9,231)	(6,274)	(9,231)
Total net assets		605,972	622,972	623,824	637,447
Capital and Reserves					
Called up share capital	31	-	-	-	-
Income and expenditure reserve		366,220	381,406	384,072	395,881
Cash flow hedge reserve		10,801	9,655	10,801	9,655
Revaluation reserve		228,946	231,882	228,946	231,882
Restricted reserve		5	29	5	29
		605,972	622,972	623,824	637,447

The notes on pages 64 to 107 form part of these financial statements.

*See note 39 for details on the restatement.

The financial statements on pages 59 to 107 were approved by the Board on 8 September 2026 and signed on its behalf by:

Signed by:
Suki Kalirai
1676A3B240467418...
Suki Kalirai
Chair
23 September 2026

DocuSigned by:
Tim Jennings
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Tim Jennings
Chair of Finance, Risk and Audit Committee
19 September 2026

Signed by:
Ian Hill
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Ian Hill
Company Secretary
19 September 2026

Financial Statements
Consolidated Statement of Changes in Reserves

Group	Income and exp. reserve £'000	Cash flow hedge reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2025 (restated*)	381,406	9,655	231,882	29	622,972
(Loss) for the year	(18,533)	-	-	-	(18,533)
Transfer of expenditure to restricted reserve	24	-	-	(24)	-
Change in fair value of hedged financial instruments	-	1,146	-	-	1,146
Actuarial gain on defined benefit pension scheme	387	-	-	-	387
Difference between the depreciation on historic cost of properties and actual depreciation charge for the year	944	-	(944)	-	-
Difference between the gain or loss on disposal of housing properties calculated at historic cost and carrying value	1,992	-	(1,992)	-	-
At 31 March 2026	366,220	10,801	228,946	5	605,972

Group	Income and exp. reserve £'000	Cash flow hedge reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2024 (original)	376,912	6,732	234,283	29	617,956
Impact of restatement	(2,156)	-	-	-	(2,156)
At 1 April 2024 (restated*)	374,756	6,732	234,283	29	615,800
Surplus for the year (restated*)	3,055	-	-	-	3,055
Change in fair value of hedged financial instruments	-	2,923	-	-	2,923
Actuarial gain on defined benefit pension scheme	1,260	-	-	-	1,260
Other movement	(66)	-	-	-	(66)
Difference between the depreciation on historic cost of properties and actual depreciation charge for the year	2,400	-	(2,400)	-	-
Difference between the gain or loss on disposal of housing properties calculated at historic cost and carrying value	1	-	(1)	-	-
At 31 March 2025 (restated*)	381,406	9,655	231,882	29	622,972

The notes on pages 64 to 107 form part of these financial statements.

*See note 39 for details on the restatement.

Financial Statements
Association Statement of Changes in Reserves

Association	Income and exp. reserve £'000	Cash flow hedge reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2025 (restated*)	395,883	9,655	231,882	29	637,449
(Loss) for the year	(15,158)	-	-	-	(15,158)
Transfer of expenditure to restricted reserve	24	-	-	(24)	-
Change in fair value of hedged financial instruments	-	1,146	-	-	1,146
Actuarial gain on defined benefit pension scheme	387	-	-	-	387
Difference between the depreciation on historic cost of properties and actual depreciation charge for the year	944	-	(944)	-	-
Difference between the gain or loss on disposal of housing properties calculated at historic cost and carrying value	1,992	-	(1,992)	-	-
At 31 March 2026	384,072	10,801	228,946	5	623,824

Association	Income and exp. reserve £'000	Cash flow hedge reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2024 (original)	388,632	6,732	234,283	29	629,676
Impact of restatement	(2,156)	-	-	-	(2,156)
At 1 April 2024 (restated*)	386,476	6,732	234,283	29	627,520
Surplus for the year (restated*)	5,810	-	-	-	5,810
Change in fair value of hedged financial instruments	-	2,923	-	-	2,923
Actuarial gain on defined benefit pension scheme	1,260	-	-	-	1,260
Other movement	(66)	-	-	-	(66)
Difference between the depreciation on historic cost of properties and actual depreciation charge for the year	2,400	-	(2,400)	-	-
Difference between the gain or loss on disposal of housing properties calculated at historic cost and carrying value	1	-	(1)	-	-
At 31 March 2025 (restated*)	395,881	9,655	231,882	29	637,447

The notes on pages 64 to 107 form part of these financial statements.

*See note 39 for details on the restatement.

Financial Statements
Consolidated Statement of Cash Flow

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	28	75,596	64,772
Cash flow from investing activities			
Interest received		728	1,313
Grants received		22,412	7,230
Purchase and enhancement of housing properties		(74,525)	(140,296)
Purchase of other tangible fixed assets		(2,923)	(2,524)
Purchase of intangible assets		(199)	(247)
Purchase of investment properties		(2,065)	(1,462)
Proceeds from sale of tangible fixed assets		19,941	11,618
Proceeds from sale of other tangible fixed assets		-	-
		38,965	(59,596)
Cash flow from financing activities			
Taxation paid		(19)	(393)
Interest paid		(44,592)	(44,022)
Financing			
Housing loans and bond finance received	29	65,000	118,000
Housing loans repaid	29	(61,474)	(128,229)
Net change in cash and cash equivalents		(2,120)	(111,209)
Cash and cash equivalents at beginning of the year		22,117	133,326
Cash and cash equivalents at end of year		19,997	22,117

The notes on pages 64 to 103 form part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of Preparation

These financial statements 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 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2026.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical;
- no cash flow statement has been presented for the parent company.

The presentation currency of these financial statements is sterling. All amounts in the financial statements 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.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.33.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and investment property.

1.2 Basis of consolidation

The Group accounts comprise those of Paragon Asra Housing Limited (the association) together with its subsidiaries, in accordance with the requirements of FRS 102. Intercompany transactions and balances between Group companies are therefore eliminated in full. A list of subsidiary undertakings of the association is included in the notes to these financial statements.

1.3 Segmental reporting

There are publicly traded securities across all of the geographical locations the association operates within and therefore there is a requirement to disclose information about the Group operating segments under IFRS 8. Segmental information is disclosed in note 3 and as part of the analysis of housing properties in note 14. Information about income, expenditure and assets attributable to material operating segments is presented on the basis of the nature and function of housing assets held by the Group rather than by geographical location. As permitted by IFRS 8 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 where the association operates. The Board does not routinely receive segmental information disaggregated by geographical location or segmental information of income or costs below operating surplus.

1.4 Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2026. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. This shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. As at 31 March 2026 PA held liquidity (comprising cash balances and undrawn committed loan facilities available for immediate drawing, excluding cash balances held on behalf of others) of £357m.

The Board's assessment of going concern involves a number of subjective judgements. In making the assessment the Board has also considered the potential mitigations available to manage the potential impact on its cashflows and liquidity.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure for all scenarios. This stress testing found that the business plan is robust and does not affect the group's ability to meet its obligations.

The Board, after reviewing the Group and Association budgets for 2026/27 and the Group's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue in business for the foreseeable future being a period of at least twelve months after the date on which the report and financial statements are signed.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

1.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable and excludes Value Added Tax (where applicable).

Rental income

Rental income (net of void loss) is recognised on an accruals basis for the period to which it relates as opposed to the date on which the rent is charged. For schemes managed by agents, income is shown as rent receivable and management fees payable to agents are included in operating costs.

Supporting People

Where the association receives Supporting People grants from London boroughs and county councils, grants received and costs incurred in the provision of support services have been included in the Statement of Comprehensive Income. Any excess of cost over the grant

Notes to the Financial Statements

received is borne by the association where it is not recoverable from tenants.

Service charges receivable

The association operates both fixed and variable methods for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Managed services

Management fees receivable and reimbursed expenses are shown as income and included in management services. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

First tranche sales of low-cost home ownership housing properties developed for sale

Income from first tranche sales is recognised at the point of legal completion of the sale and included in turnover, cost of sale and operating costs. Subsequent tranches are not included in turnover and cost of sale and are shown in surplus on disposal of fixed assets before operating profit in the statement of comprehensive income.

Proceeds from the sale of land and property

Income from land and property disposals is recognised at the point of legal completion of the sale. Properties developed for outright sale are included in turnover, cost of sale and operating costs. All other sales of fixed asset properties are shown in surplus on disposal of fixed assets.

1.6 Supported housing schemes

In respect of supported housing schemes owned by the Group where the managing agents suffer the risks and have control of benefits, the income and expenditure and related current assets and liabilities are not included in these financial statements.

1.7 Pensions

Defined contribution pension scheme

The association participates in the defined contribution scheme of the Social Housing Pension Scheme and Aegon. The assets of the schemes are held separately from those of the Association in an independently administered fund. Contributions to the defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

Defined benefit pension schemes

The association has previously participated in two defined benefit pension schemes which are now closed to new members. The disclosure in the accounts follows the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes.

The assets of the schemes are held separately from those of the association. The difference between the fair value of the assets held in the defined benefit pension schemes and the schemes liabilities measured on an actuarial basis using the projected unit method is recognised in the Statement of Financial Position as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the association is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Local Government Pension Scheme (LGPS) - Surrey County Council

The Surrey County Council Pension Fund is a multi-employer scheme administered by Surrey County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

Social Housing Pension Scheme (SHPS)

SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme. From 1 April 2018 the scheme liability was accounted for adopting a full FRS 102 valuation.

Other pension agreements

PA has the following agreement in respect of a legacy pension scheme.

Local Government Pension Scheme (LGPS) - Elmbridge Borough Council

Under the terms of the transfer agreement with Elmbridge Borough Council, PA Housing makes additional payments each year as its contribution to the past service deficit at 31 March 1998. These are recognised as a liability on the Statement of Financial Position at the net present value of future payments. The unwinding of the discount is recognised as finance cost in the Statement of Comprehensive Income in the period it arises

1.8 Interest Payable

Interest payable is charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount

Interest is capitalised on borrowing to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings specifically financing the development programme after deduction of interest on social housing grant in advance; or
- interest on borrowings of the association as a whole after deduction of interest on social housing grant in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the Statement of Comprehensive Income in the period it relates to.

1.9 Finance issue costs

Arrangement fees (and other up front direct transaction costs), for both fixed and floating facilities, are calculated at facility level and are apportioned across all interest periods using the effective interest rate method. FRS 102 paragraph 11.20 requires that the unamortised fee balance is netted off against the loan liability.

Notes to the Financial Statements

1.10 Taxation

The tax expense for the period comprises current and deferred tax.

The charge for taxation is based on surpluses arising on certain activities which are liable to tax. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date. All taxation charges are in line with UK tax legislation.

Deferred tax balances are recognised in respect of all timing differences that have originated, but not reversed by the Statement of Financial Position date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits
- any deferred tax balances are reversed, if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries and joint venture and the Group can control their reversal, and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

1.11 Value added tax (VAT)

Members of the Group are independently registered for VAT as required.

VAT is charged on some income and the Group is able to only partly recover VAT it incurs on expenditure. Thus irrecoverable VAT is a cost to the Group and consequently the financial statements include VAT to the extent it is suffered by the Group and not recoverable from HM Revenue and Customs. VAT recovered is included within expenditure and is credited to the Statement of Comprehensive Income.

1.12 Negative Goodwill

Negative goodwill, being the excess of fair value of the underlying separable net assets over the fair value of the consideration, is shown as part of intangible fixed assets.

An amount equal to the fair value of the non-monetary assets acquired is released to the Statement of Comprehensive Income commensurately with the recovery of the non-monetary assets acquired, whether through depreciation or sale.

For non-exchange transactions (acquisitions in the social housing sector that are in substance a gift of one business to another), the fair value of the gifted recognised assets and liabilities is recognised as a gain or loss in the Statement of Comprehensive Income in the year of transaction.

1.13 Intangible fixed assets

Intangible fixed assets are computer software costs and associated implementation and incremental costs. These are amortised over 3 to 4 years representing management's judgement of the estimated useful economic life.

1.14 Housing properties

General needs properties, sheltered housing and shared ownership properties are stated at cost or deemed cost valuation less depreciation.

Cost for housing properties includes the cost of acquiring land and buildings, construction costs including internal equipment and fittings, directly attributable development administration costs, cost of capital employed during the development period and expenditure incurred in respect of improvements to and extension of existing properties to the extent that it enhances the economic benefit derived from the assets. Directly attributable development administration costs are the labour costs of the Group's own employees arising directly from the construction or acquisition of the property and the incremental costs that would have been avoided, only if the property had not been constructed or acquired.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure arising through normal wear and tear to properties is charged to the Statement of Comprehensive Income in the year in which it occurs.

1.15 Deemed cost

From 1 April 2014, Paragon Community Housing Group as a predecessor organisation to Paragon Asra Housing Limited changed its accounting policy from recording housing properties at valuation or cost, to being recorded at historic cost. Paragon Asra Housing Limited took the FRS 102 transition option to elect to measure certain items of property, plant and equipment (PPE) at fair value and use that fair value as the deemed cost of those assets at that date. For these items there is a revaluation reserve and any unamortised grant was released to reserves as this constitutes a revaluation that triggered the performance method of grant recognition to be used.

To determine the deemed cost at 31 March 2014, Paragon Community Housing Group engaged independent valuation specialist Savills UK Limited to value housing properties on an EUV-SH basis.

1.16 Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

The useful economic life of a property has been deemed to commence at:

- the completion of major refurbishment work after purchase; or
- completion of building work for new build properties; or
- date of purchase if no major refurbishment works take place

Land is not depreciated on account of its indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefit is expected to be consumed.

The Group separately identifies the major components which comprise its housing properties, and charges depreciation to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life. Components are depreciated from the year following replacement.

The major components of its housing properties and their useful economic lives are as follows:

Building structure	60-125 years
Roofs	50-80 years
Kitchens	20-25 years
Bathrooms	30-37 years
Windows and doors	30-40 years
Heating and boilers	15-25 years
Lifts	25 years
Rewiring	30 years
Enveloping works	50 years

Leasehold properties are depreciated over the length of the lease, except where the expected useful economic life of properties is shorter than the lease. In these instances the lease and building elements are depreciated separately over their expected useful economic lives.

Any difference between historic cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and income and expenditure reserve.

1.17 Shared ownership properties and staircasing

Under low cost homeownership arrangements, the association disposes of a long lease on low-cost homeownership housing units for a share ranging between 10% and 75% of value. The buyer has the right to purchase further proportions, and up to 100%, based on the market valuation of the property at the time each purchase transaction is completed.

Low cost homeownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds, included in turnover. The remaining element, ‘staircasing element’, is classed as PPE and included in completed housing property at cost less any provision for impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

1.18 Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

1.19 Impairment

An assessment of whether indicators of impairment exist is carried out at each reporting date. If such an indicator exists as defined in FRS 102.27 ‘Impairment of Assets’, an assessment is carried out to determine if an impairment is required. Any impairment in an income generating unit is recognised by a charge to the Statement of Comprehensive Income.

An impairment loss occurs when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is taken to be the higher of the fair value, less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets, or cash generating units concerned, or the present value of future cash flows to be derived from them, appropriately adjusted to account for any restrictions on their use.

Cash generating units are defined as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units.

1.20 Other tangible fixed assets

Other tangible fixed assets, other than investment properties, are stated at historic cost or deemed cost valuation less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs are added to the carrying amount of an item of fixed assets if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

1.21 Depreciation of other tangible fixed assets

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range is as follows:

Freehold office premises	10-50 years
Leasehold office premises	10-25 years
Plant and machinery	2-4 years
Fixtures, fittings and equipment	2-25 years
IT and other equipment	3-4 years

Depreciation commences at the start of the first full year after the asset comes into economic use and a full year is depreciated in the year of disposal.

The assets’ residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

The asset category of freehold office premises has certain assets recorded at deemed cost, as the association took the FRS 102 transition option to elect to measure this class of PPE at fair value at 31 March 2014 and use that fair value as the deemed cost of those assets at that date. To determine the deemed cost at 31 March 2014, Savills UK Limited was engaged as independent valuation specialists.

Notes to the Financial Statements

1.22 Investment properties

Properties that are held to earn commercial/market rate rentals or for capital appreciation, or both, and not held for social benefit are treated as investment properties and accounted for in accordance with Section 16 of FRS 102. Investment properties are accounted for at fair value and are valued at each reporting date and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided for investment properties under construction as they are stated at cost. Changes in fair value are recognised in the Statement of Comprehensive Income.

1.23 Investments

Investments are stated at fair value.

1.24 Stock

Stock represents work in progress and completed shared ownership properties and properties for outright sale. Shared ownership properties are split between fixed and current assets, with the element relating to the expected first tranche sale being treated as a current asset along with completed properties for outright sale. Stock is stated at the lower of cost and net realisable value. Cost comprises acquisition costs, materials, direct labour, direct development overheads and capitalised interest. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

1.25 Basic financial instruments

Debtors

Rent and service charge debtors 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, it is measured at the present value of future payments discounted at a market rate. At the end of each reporting period the recoverable value of rental and other receivables is assessed for objective evidence of impairment. When assessing the amount to impair it reviews the age profile of the debt and the class of debt. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in operating costs.

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.

Holiday pay accrual

A holiday pay accrual is recognised to the extent of any unused holiday entitlement which has accrued at the reporting date and is carried forward to future periods. This is measured at the undiscounted salary cost of future holiday entitlement accrued at the reporting date. An asset, calculated in a similar manner, is recognised to the extent that holiday entitlement accrued at the reporting date is exceeded by the holiday taken.

Sinking Funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included as leasehold sinking funds in creditors.

Loans and short term deposits

All loans and short term deposits held by the association meet the criteria to be classified as basic financial instruments as set out in accordance with FRS 102. These instruments are initially recorded at the transaction price, less any transaction costs (historic cost) and subsequently measured at amortised cost, using the effective interest rate method so that the amount recognised is at a constant on the carrying amount. If the adjustment is not material the financial instruments are stated on the Statement of Financial Position at historic cost. Loans that are payable or receivable within one year are not discounted.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument’s contractual obligations, rather than the financial instrument’s legal form.

1.26 Government and other grants

Grants received in relation to completed assets that were presented at deemed cost on 31 March 2014 have been accounted for using the performance model as required by the Housing SORP 2018. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Grant received from 1 April 2014 in relation to newly acquired or existing housing properties and those housing properties remaining at historic cost are accounted for using the accrual model as set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of housing property structure, at 100-125 years, has been selected. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Where Social Housing Grant funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund or disposal proceeds fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets, any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

All other government grants are recognised using the accrual model and are classed as either a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expense or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants received from non-government sources are recognised as revenue using the performance model.

1.27 Recycled Capital Grant Fund

The Group has the option to recycle social housing grant, which would otherwise be repayable, for re-use on new developments. If unused within a three year period, it will be repayable to either the Homes and Communities Agency or Greater London Authority (for London grant) with interest. Any unused recycled capital grant held within the fund which is older than two years is disclosed in the Statement of Financial Position under 'creditors due within one year'. The remainder is disclosed under 'creditors due after more than one year'.

1.28 Hedge accounting

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable transaction, which could affect profit or loss. They are measured at fair value at each reporting date. Gains and losses on cash flow hedges which are highly effective are recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of a gain or loss on cash flow hedges is recognised in surplus or deficit.

In order to apply hedge accounting, an economic relationship must exist between the hedged item and the hedging instrument. The Group must formally designate and document the hedging relationship at inception so that the risk being hedged, the hedged item, the hedging instrument and the risk management objective for undertaking the hedge are clearly identified. It is also required to determine and document the causes of hedge ineffectiveness.

In a cash flow hedge, if the hedged future cash flows are no longer expected to occur, the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to surplus or deficit immediately.

All of the Group's stand-alone (non-callable) swaps satisfy the above criteria and the Group has chosen to test the effectiveness of its hedges annually. For ineffective hedges the movement in fair value has been recognised in the surplus or deficit.

1.29 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.30 Reserves

Cash Flow Hedge reserve

The cash flow hedge reserve represents the hedged cash flows that are expected to affect surplus or deficit over the period to maturity of the interest rate swaps.

Revaluation reserve

The revaluation reserve is created from surpluses on asset revaluations on use of deemed cost at 31 March 2014.

Restricted reserve

The restricted reserves are reserves to be spent for the sheltered tenants' benefit.

1.31 Leases

Operating lease rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

1.32 Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists which could lead to an outflow of resources, or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation, or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Notes to the Financial Statements

1.33 Key estimates and judgments

In preparing these financial statements, key judgments have been made in respect of the following:

Income recognition

Service charge income accrued at the end of March 2026 was £1.7m. This relates to income due from variable rate service charge payers where costs incurred during the year exceeded income charged. The resulting deficit is recoverable from leaseholders in accordance with the terms of their lease.

Impairment

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of tangible assets were:

- Evidence from the governance monitoring of schemes throughout the planning and construction stage, including supplier and contractor viability issues, site contamination and major enabling works.
- Evidence of changes from financial monitoring of scheme performance from its inception (in terms of IRR, NPV analysis and comparison of spend to budget) until the economic benefits are realised.
- Evidence from the Asset Management team for completed schemes under management, including works required from stock condition surveys, identification of obsolescence and circumstances such as long term voids.
- Changes in political and other macro-economic environment with direct or indirect impact on the asset and the expected future financial performance of the asset. This would include a change in government policy, a reduction in market value of a property where a resident has a right to acquire and a reduction in the demand for a property.

Indicators for impairment were identified for specific cash generating units and impairment reviews were undertaken.

Tangible fixed assets:

£4.8m net impairment on tangible fixed assets was recognised in 2025/26 (2025: £0.9m).

During the year previously impaired assets were disposed of, resulting in a release of cumulative impairment of £4.7m (2025: nil). In addition, certain assets were also reclassified as stock, and the associated cumulative impairment of £6.5m (2025: nil) was transferred with those assets. Following these movements, the cumulative impairment recognised against tangible fixed assets at 31 March 2026 (note 14) was £12.1m (2025: £18.6m).

Recoverability of the cost of properties for sale

The anticipated cost to complete on a development scheme is based on anticipated construction costs, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete the recoverability of the cost of properties for sale is then determined. This judgment is also based on the best estimate of sales value based on economic conditions within the area of development. The source of these calculations is taken from internal investment appraisals produced from the knowledge and experience of the Development team and reviewed and approved by the Finance, Risk and Audit Committee.

Stock:

During the year assets with a carrying value of £39.8m were reclassified to stock following a decision to dispose of a number of sites previously identified as development opportunities.

As a result, £24.1m of impairment on these assets was recognised in 2025/26 (2025: £nil). This included one partially completed development where, following an assessment of the associated risks and costs, it was determined that completion of the scheme was not economically viable.

The stock was assessed for impairment on an estimate of fair value less costs to sell. An impairment charge of £17.9m was recognised in respect of this partially completed development during the year resulting in cumulative impairment recognised against this site of £20.5m at 31 March 2026.

Other sites reclassified for disposal primarily relate to sites outside of our strategic development areas, are economically unviable, or planning permissions have lapsed. Impairment has been assessed using an estimate of fair value less costs to sell. Third part valuations have been obtained to support the estimates.

Provisions

Provisions are included where there is a constructive or legal obligation at the year-end reporting date.

A provision for restructuring costs of £1.1m (2025: nil) has been recognised in the financial statements. The provision relates to redundancy and related costs relating to a restructuring programme. At the reporting date staff had been informed of the proposed changes and the Group had an expectation that the restructuring would be implemented, creating a constructive obligation.

Other provisions of £3.2m (2025: included within accruals) have been recognised in the financial statements where the Group has a constructive or legal obligation at the reporting date. The provisions principally relate to remedial works to properties and compensation, legal and associated costs arising from housing disrepair claims; and costs associated with offering to repurchase shared ownership properties where significant remedial works or demolition are required and the offer had been communicated to affected shared owners prior to the reporting date.

Further information is provided in note 32.

Defined benefit pension obligation

The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation have the ability to significantly influence the value of the liability recorded and the annual defined benefit expense. Underlying assumptions include the standard rates of inflation, mortality, discount rate and anticipated future salary and pension increases.

The assumptions used have been set by the scheme actuary, reviewed independently and also reviewed and signed off by management.

Notes to the Financial Statements

The defined benefit net pension liability at 31 March 2026 was £6.3m (2024: £9.2m). The liability relates to the Social Housing Pension Scheme (SHPS).

The assumptions used are shown in note 33, the material impact of changing the material assumptions would be as follows:

- Increasing the end of year inflation (CPI) by 0.1% would increase the obligation by £0.4m.
- Increasing the end of year discount rate by 0.1% would decrease the obligation by £0.7m
- Increasing the end of year inflation (CPI and RPI) by 0.1% and the end of year salary growth by 0.1% would increase the obligation by £0.5m.

Apportionment of costs on a property basis for disposal of properties

The allocation of costs that cannot be assigned to a specific property is based on proportion of floor area of the property.

Allocation of shared ownership costs between current and fixed assets

The allocation is calculated based on the estimated first tranche sales percentage from the schemes investment appraisal.

Categorisation of fixed assets

The categorisation of fixed assets as housing properties, investment properties and other fixed assets is based on the use of the asset.

Basis of capitalisation for projects

Costs capitalised include direct staff costs and associated costs of development. Indirect central costs incurred are capitalised and estimated based on the costs that would not have been incurred had there been no development. Decisions on whether to capitalise costs include whether income will be generated or increased, and if the life of the assets is extended.

Costs capitalised in 2026 were £1.3m (2025: £1.3m).

Derivative financial instruments

Interest rate swaps are held at fair value using the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The fair value at 31 March 2026 was 0.9m (asset) (2025: £0.9m (liability)) Further information is provided in notes 26 and 27.

Depreciation and amortisation

Intangible and tangible fixed assets, other than investment properties, are amortised / depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as information surrounding the condition of the asset, annual stock survey results, historic investment, resident feedback, comparative information such as the Decent Homes Standard and future use of the asset are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components (note 1.16).

The total depreciation charge – housing properties in 2026 including accelerated depreciation on component replacements was £28.4m (2025: £24.1m).

Depreciation on other fixed assets in 2026 was £2.8m (2025: £2.8m).

Amortisation of intangible fixed assets in 2026 was £0.1m (2025: £0.2m).

Investment properties

Investment properties consist of commercial and market rent properties not held for social benefit. They are measured at cost on initial recognition and subsequently carried at fair value. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

At the 31 March 2026 investment properties were revalued using the capitalised current market rents for commercial properties and using the change in house prices index applicable to market rent properties. In 2026 an upward movement of £0.4m was recognised (2024: £0.6m). The fair value of investment properties at 31 March 2026 was £30.1m (2025: £27.6m).

Further information is provided in note 16.

Rental and other trade receivables

The estimate for receivables relates to the recoverability of the balances outstanding at the reporting date. A review is performed on an individual debtor basis to consider whether each debt is recoverable. For rental related balances, experience shows that the longer a debt is outstanding the greater likelihood it is that the debt will not be recovered in full. A sliding scale of impairment of the carrying value of the debt is applied according to the relationship between the individual amount of the debt and the weekly charges for occupation of the home.

A provision for bad debts of £7.6m was included at 31 March 2026 (2025: £7.1m).

Further information is provided in note 20.

Other Debtors

Other debtors are provided on a case by case basis when evidence of impairment exists. When assessing impairment, management consider factors including current credit rating of the debtor, the ageing profile of debtors and historic experience of cash collection and future expected losses. No impairment of other debtors has been recognised at 31 March 2026 (2025: nil).

Notes to the Financial Statements

2 Turnover, cost of sales, operating costs, and operating surplus

Group 2026	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Other operating items £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 3)	204,003	-	(164,194)	-	39,809
Other social housing activities					
First tranche shared ownership sales	19,243	(13,919)	-	-	5,324
Managed services	613	-	(516)	-	97
Charges for support services	7	-	-	-	7
Community investment	22	-	(23)	-	(1)
Development administration	-	-	(1,861)	-	(1,861)
Goodwill amortisation	610	-	-	-	610
Impairment	-	-	(24,134)	-	(24,134)
Other	855	-	(2,034)	-	(1,179)
Gift Aid	3	-	-	-	3
Surplus on disposal of housing fixed assets	-	-	-	7,245	7,245
	225,356	(13,919)	(192,762)	7,245	25,920
Non-social housing activities					
Market rented	1,340	-	(401)	64	1,003
Other non-social housing lettings	1,095	-	(753)	-	342
Commercial properties	324	-	(334)	302	292
Other non-social housing costs	-	-	(68)	-	(68)
	2,759	-	(1,556)	366	1,569
Total	228,115	(13,919)	(194,318)	7,611	27,489

Group 2025	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Other operating items £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 3)	193,132	-	(156,020)	-	37,112
Other social housing activities					
First tranche shared ownership sales	23,009	(18,065)	-	-	4,944
Managed services	1,182	-	(1,077)	-	105
Charges for support services	6	-	-	-	6
Community investment	-	-	(27)	-	(27)
Development administration	-	-	(1,517)	-	(1,517)
Goodwill amortisation	612	-	-	-	612
Impairment	-	-	(6,657)	-	(6,657)
Impairment: released	-	-	1,586	-	1,586
Other	1,236	-	(476)	-	760
Gift Aid	5	-	-	-	5
Surplus on disposal of housing fixed assets	-	-	-	4,984	4,984
	219,182	(18,065)	(164,188)	4,984	41,913
Non-social housing activities					
Market rented	1,260	-	(665)	85	680
Other non-social housing lettings	2,095	-	(988)	-	1,107
Commercial properties	259	-	(169)	554	644
Impairment: Commercial under construction	-	-	(153)	-	(153)
Sale of commercial property	1,332	(1,641)	-	-	(309)
	4,946	(1,641)	(1,975)	639	1,969
Total	224,128	(19,706)	(166,163)	5,623	43,882

Notes to the Financial Statements

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

Association 2026	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Other operating items £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 3)	204,003	-	(164,194)	-	39,809
Other social housing activities					
First tranche shared ownership sales	19,243	(13,919)	-	-	5,324
Managed services	613	-	(516)	-	97
Charges for support services	7	-	-	-	7
Community investment	22	-	(23)	-	(1)
Development administration	-	-	(1,861)	-	(1,861)
Goodwill amortisation	610	-	-	-	610
Impairment	-	-	(24,134)	-	(24,134)
Other	1,169	-	(1,988)	-	(819)
Gift Aid	3,027	-	-	-	3,027
Surplus on disposal of housing fixed assets	-	-	-	7,245	7,245
	228,694	(13,919)	(192,716)	7,245	29,304
Non-social housing activities					
Market rented	1,340	-	(401)	64	1,003
Other non-social housing lettings	1,095	-	(753)	-	342
Commercial properties	324	-	(334)	302	292
Other non-social housing costs	-	-	(68)	-	(68)
	2,759	-	(1,556)	366	1,569
Total	231,453	(13,919)	(194,272)	7,611	30,873

Association 2025	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Other operating items £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 3)	193,132	-	(156,020)	-	37,112
Other social housing activities					
First tranche shared ownership sales	23,009	(18,065)	-	-	4,944
Managed services	1,182	-	(1,077)	-	105
Charges for support services	6	-	-	-	6
Community investment	-	-	(27)	-	(27)
Development administration	-	-	(1,517)	-	(1,517)
Goodwill amortisation	612	-	-	-	612
Impairment	-	-	(6,657)	-	(6,657)
Impairment: released	-	-	1,586	-	1,586
Other	1,523	-	(443)	-	1,075
Gift Aid	3,270	-	-	-	3,270
Surplus on disposal of housing fixed assets	-	-	-	4,984	4,984
	222,734	(18,065)	(164,155)	4,984	45,498
Non-social housing activities					
Market rented	1,260	-	(665)	85	680
Other non-social housing lettings	2,095	-	(986)	-	1,109
Commercial properties	259	-	(169)	554	644
Impairment: Commercial under construction	-	-	(153)	-	(153)
Sale of commercial property	1,332	(1,641)	-	-	(309)
	4,946	(1,641)	(1,973)	638	1,971
Total	227,680	(19,706)	(166,128)	5,623	47,469

Notes to the Financial Statements

3 Income and expenditure from lettings

Group and Association	General needs £'000	Supported housing and housing for older people £'000	Shared ownership £'000	2026 £'000	2025 £'000
Income from social housing lettings activities					
Rents receivable net of identifiable service charges	139,920	19,420	13,173	172,513	163,907
Service charges receivable	13,984	6,780	3,881	24,645	20,212
Amortisation of social housing grant	4,188	813	727	5,728	5,555
Government grants taken to income	742	-	-	742	-
Other income	375	-	-	375	3,458
	159,209	27,013	17,781	204,003	193,132
Expenditure on social housing lettings activities					
Services	16,180	7,611	4,008	27,799	25,453
Management	36,654	7,652	3,228	47,534	46,619
Routine Maintenance	38,675	6,146	-	44,821	45,394
Planned maintenance	7,348	1,667	316	9,331	8,408
Major repairs	2,940	143	25	3,108	4,825
Rent losses from bad debts	848	137	29	1,014	1,065
Depreciation of housing properties	22,087	2,036	-	24,123	22,451
Write off of components	1,453	49	-	1,502	1,615
Impairment	4,051	-	731	4,782	-
Lease costs	155	25	-	180	190
Total expenditure on social housing lettings activities	130,391	25,466	8,337	164,194	156,020
Operating surplus from social housing lettings activities	28,818	1,547	9,444	39,809	37,112
Rent losses from voids	2,166	834	1,024	4,024	5,347

Notes to the Financial Statements

4 Units of stock

Group and Association	31 March 2026	Other movements	Sales	New development	1 April 2025
Social Housing: Owned and managed					
General needs: Social rent	13,508	-	(8)	45	13,471
General needs: Affordable rent	3,452	1	(1)	280	3,172
Intermediate rent	431	1	-	-	430
Supported housing: Social rent	288	15	(24)	-	297
Supported housing: Affordable rent	173	-	-	-	173
Shared ownership	2,152	-	(51)	138	2,065
Housing for older people	2,262	-	-	-	2,262
Temporary housing	38	-	-	-	38
	22,304	17	(84)	463	21,908
Social Housing: Managed not owned					
General needs: Social rent	259	(49)	-	-	308
Housing for older people	1	1	-	-	0
Temporary housing	-	(46)	-	-	46
General needs: Affordable rent	1	-	-	-	1
	261	(94)	-	-	355
Social Housing: Owned and managed by others					
General Needs: Affordable rent	18	(1)	-	-	19
Supported Housing: Affordable rent	7	-	-	-	7
Supported housing: Social rent	305	(16)	(4)	-	325
Care homes	61	(5)	-	-	66
	391	(22)	(4)	-	417
Total social housing units owned and / or managed	22,956	(99)	(88)	463	22,680
Leaseholder properties	1,671	(4)	40	-	1,635
Non-Social Housing: Owned and managed					
Market rent	117	-	-	-	117
Health worker accommodation	223	-	-	-	223
	340	-	-	-	340
Total Housing	24,967	(103)	(48)	463	24,655
Other					
Garages	1,956	(11)	-		1,967
Commercial	20	-	-	6	14

Notes to the Financial Statements

5 Operating surplus on ordinary activities before taxation

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Operating surplus on ordinary activities before taxation is after charging/(crediting):				
Amortisation of intangible fixed assets (note 13)	131	186	131	186
Depreciation of housing properties (note 3)	24,123	22,451	24,123	22,451
Write off of replaced components (note 3)	1,502	1,615	1,502	1,615
Depreciation of other tangible fixed assets (note 15)	2,755	2,800	2,755	2,800
Impairment charge (note 2/3)	28,916	6,810	28,916	6,810
Impairment (released) (note 2/3)	-	(1,586)	-	(1,586)
Amortisation of social housing grant (note 3)	(5,728)	(5,555)	(5,728)	(5,555)
Operating lease payments	180	379	180	379
Auditor's remuneration (excluding VAT):				
In their capacity as auditors	202	192	166	160
In respect of other services	-	-	-	-

6 Surplus on disposal of housing fixed assets

Group and Association	Shared ownership subsequent tranches £'000	Other sales £'000	Land sales £'000	Right to acquire sales £'000	Right to buy sales £'000	Total 2026 £'000	Restated* Total 2025 £'000
Proceeds of sale	9,849	4,769	3,233	1,215	875	19,941	11,618
Less: cost of sale	(5,687)	(1,430)	(3,059)	(406)	(985)	(11,567)	(6,424)
Grant recycled – Contingent liability	(278)	(459)	-	(142)	-	(879)	(321)
Grant recycled – Deferred capital grant	(190)	(39)	-	(21)	-	(250)	(210)
Surplus / (loss)	3,694	2,841	174	646	(110)	7,245	4,663

*See note 39 for details of the restatement

Notes to the Financial Statements

7 Directors and senior staff emoluments

The key management personnel are defined as the members of the Board and the Executive Directors (including the Chief Executive) as disclosed on page 4.

Aggregate Emoluments (including pension contributions and benefits in kind) in respect of services as directors: **Group and Association**	**2026** **£'000**	**2025** **£'000**
Executive directors' emoluments	922	727
Executive directors' pension contributions or cash in lieu of payment	203	159
Non-Executive directors' emoluments	199	194
	1,324	1,080
Emoluments paid to the highest paid Director (excluding pension contributions, but including benefits in kind)	242	227
Emoluments paid to the highest paid director (excluding pension contributions and national insurance) divided by the total social housing units owned and / or managed at 31 March	£10.55	£10.00
Emoluments paid to the executive directors (including pension contributions and national insurance) divided by the total social housing units owned and / or managed at 31 March	£55.01	£43.78

The highest paid director refers to the Michael McDonagh – Chief Executive (2025: Michael McDonagh - Chief Executive).

The Chief Executive was an ordinary member of a defined contribution pension on the same terms available to all staff. Pension contributions attributed to the Chief Executive were £53k (2025: £60k) including cash paid in lieu of pension contributions.

During the year the aggregate compensation for loss of office of key management personnel was £49k (2026: £14k).

The increase in executive emoluments relate to an increase in the number of executive directors from four to five.

The full-time equivalent number of key management personnel whose remuneration payable (including compensation for loss of office, benefits in kind and pension contributions) in the period fell within the following bands was:

Group and Association	**2026** **number**	**2025** **number**
£160,001 to £170,000	1	2
£170,001 to £180,000	1	-
£220,001 to £230,000	-	1
£230,001 to £240,000	1	-
£260,001 to £270,000	1	-
£280,001 to £290,000	-	1
£290,001 to £300,000	1	-
Total	5	4

In accordance with the Accounting Direction 2026, the disclosure above includes only key management personnel. Comparative information has been restated to present remuneration bands for key management personnel on a consistent basis with the current year.

Notes to the Financial Statements

8 Employee information

Group and Association	2026 £'000	2025 £'000
Staff costs including directors:		
Wages and salaries	32,983	29,106
Social security costs	3,974	2,908
Costs of defined contribution pension schemes	2,299	2,085
Pension deficit reduction charge	3,020	3,268
	42,276	37,367
Average number of full-time equivalent persons (including the directors) employed during the year:	**Number**	**Number**
Housing management and office staff	617	612
Direct labour organisation	98	69
New development and sales	35	36
	750	717

Wages and salaries costs include a provision of £1,050k for restructuring costs (2025: £nil) (note 32).

The average number of full-time equivalent persons employed is calculated by comparing the contracted hours to a standard working week on a monthly basis.

9 Interest receivable and similar income

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Interest receivable and similar income	728	1,313	719	1,313

10 Interest payable and financing costs

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Interest payable on housing loans	26,714	29,094	26,714	29,094
Interest payable on private placements	11,774	10,942	11,774	10,942
Interest payable on bonds	17,261	17,154	-	-
Unwinding of the bond discount	2,088	1,866	2,088	1,866
Unwinding of the bond premia	(117)	-	(117)	-
Interest payable to group undertakings	-	-	17,261	17,154
Interest payable relating to pensions	472	593	472	593
Interest on swap contracts	(452)	(3,700)	(452)	(3,700)
Interest payable on Recycled Capital Grant Fund	207	113	207	113
FRS effective interest rate adjustment	392	93	392	93
Amortisation of swap inception	(326)	(198)	(326)	(198)
Amortisation of cancelled swap reserves	113	113	113	113
Amortisation of fees and costs	991	1,158	991	1,158
	58,333	57,228	58,333	57,228
Less: Capitalised	(11,226)	(13,205)	(11,226)	(13,205)
	47,107	44,023	47,107	44,023
Non-cash accounting transactions under FRS102 included above	2,515	3,032	2,515	3,032

Interest rates charged on housing loans varied between 4.58% and 10.62% including lending margins.

Interest was capitalised on properties under construction using an average rate of 5.25% (2025: 5.81%).

Notes to the Financial Statements

11 Taxation

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
UK corporation tax				
Current tax charge / (credit)	117	(797)	117	19
Adjustment for the prior period	-	-	-	-
Tax (credit) / charge on surplus on ordinary activities	117	(797)	117	19
Current tax reconciliation				
(Loss) / surplus on ordinary activities before tax	(18,415)	2,579	(15,040)	6,150
Tax charge at 25%	(4,604)	645	(3,760)	1,537
Less tax on exempt charitable activities	4,721	(626)	3,877	(1,518)
Tax (credit)	-	(816)	-	-
	117	(797)	117	19

12 Negative goodwill

Group and Association	2026 £'000	2025 £'000
At 1 April 2024	4,225	4,836
Amortisation of goodwill	(610)	(611)
At 31 March 2025	3,615	4,225

Negative goodwill arose when the fair value of assets arising from the acquisition of a business was in excess of the fair value of the consideration given. An amount equal to the fair value of the non-monetary assets acquired is being released to the profit and loss account commensurately with the recovery of the non-monetary assets acquired, whether through depreciation or sale.

13 Intangible fixed assets

Group and Association	Total £'000
Cost	
At 1 April 2025	680
Additions	199
Disposals	-
At 31 March 2026	879
Amortisation	
At 1 April 2025	313
Charge for the year	131
Eliminated on disposal	-
At 31 March 2026	444
Net book value	
At 31 March 2026	435
At 31 March 2025	367

Notes to the Financial Statements

14 Tangible fixed assets: Housing properties

Group	Housing properties held for letting £'000	Housing properties in the course of construction £'000	Completed shared ownership housing properties £'000	Shared ownership in the course of construction £'000	Total £'000
Cost or valuation					
At 1 April 2025	1,948,432	266,172	314,795	66,259	2,595,658
Development of new properties	-	32,209	-	2,428	34,637
Capitalised interest	-	8,194	-	3,032	11,226
Transfers and adjustments	(5,788)	(16,888)	177	(11,598)	(34,097)
Disposals	(2,405)	(7,784)	(5,609)	-	(15,798)
Abortive costs	-	(251)	-	-	(251)
Works to completed properties	28,913	-	-	-	28,913
Components written off	(4,507)	-	(111)	-	(4,618)
Schemes completed	110,555	(110,555)	33,123	(33,123)	-
At 31 March 2026	2,075,200	171,097	342,375	26,998	2,615,670
Depreciation					
At 1 April 2025	235,808	-	3,019	-	238,827
Charge for the year	24,123	-	-	-	24,123
Components written off	(3112)	-	(4)	-	(3,116)
Released on disposal	(393)	-	(82)	-	(475)
Transfers and adjustments	(817)	-	-	-	(817)
At 31 March 2026	255,609	-	2,933	-	258,542
Impairment					
At 1 April 2025	3,545	15,014	-	-	18,559
Charge for the year	2,270	1,781	731	-	4,782
Transferred to stock	-	(6,537)	-	-	(6,537)
Released on disposal	-	(4,743)	-	-	(4,743)
At 31 March 2026	5,815	5,515	731	-	12,061
Net book value					
At 31 March 2026	1,813,776	165,582	338,711	26,998	2,345,067
At 31 March 2025	1,709,075	251,158	311,776	66,259	2,338,272

Notes to the Financial Statements

Tangible fixed assets: Housing properties (continued)

Association	Housing properties held for letting £'000	Housing properties in the course of construction £'000	Completed shared ownership housing properties £'000	Shared ownership in the course of construction £'000	Total £'000
Cost or valuation					
At 1 April 2025	1,949,368	278,466	314,795	69,087	2,611,716
Development of new properties	-	33,413	-	2,519	35,932
Capitalised interest	-	8,194	-	3,032	11,226
Transfers and adjustments	(5,788)	(16,888)	177	(11,598)	(34,097)
Disposals	(2,405)	(7,784)	(5,609)	-	(15,798)
Abortive costs	-	(251)	-	-	(251)
Works to completed properties	28,913	-	-	-	28,913
Components written off	(4,507)	-	(111)	-	(4,618)
Schemes completed	110,555	(110,555)	33,123	(33,123)	-
At 31 March 2026	2,076,136	184,595	342,375	29,917	2,633,023
Depreciation					
At 1 April 2025	234,584	-	3,019	-	237,603
Charge for the year	24,123	-	-	-	24,123
Components written off	(3,112)	-	(4)	-	(3,116)
Released on disposal	(393)	-	(82)	-	(475)
Transfers and adjustments	(817)	-	-	-	(817)
At 31 March 2026	254,385	-	2,933	-	257,318
Impairment					
At 1 April 2025	3,545	15,014	-	-	18,559
Charge for the year	2,270	1,781	731	-	4,782
Transferred to stock	-	(6,537)	-	-	(6,537)
Released on disposal	-	(4,743)	-	-	(4,743)
At 31 March 2026	5,815	5,515	731	-	12,061
Net book value					
At 31 March 2026	1,815,936	179,080	338,711	29,917	2,363,644
At 31 March 2025	1,711,239	263,452	311,776	69,087	2,355,554

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
The net book value of housing properties may be further analysed between:				
Freehold	2,043,747	2,036,754	2,062,324	2,054,037
Long leasehold	300,411	300,523	300,411	300,523
Short leasehold	909	991	909	991
	2,354,067	2,338,268	2,363,644	2,355,551

Notes to the Financial Statements

Tangible fixed assets: Housing properties (continued)

Group and Association	2026 £'000	2025 £'000
Work to properties:		
Improvements to existing properties capitalised	59,235	28,616
Planned maintenance and major works expenditure included in the Statement of Comprehensive Income (note 3)	12,439	13,233

Interest capitalisation:		
Interest capitalised in the year	11,226	13,205
Cumulative interest capitalised	75,993	64,767
Rate used for capitalisation	5.25 %	5.81%

15,884 properties (2025:16,790) have been pledged to secure borrowings of the Group. The Group is not permitted to pledge these assets as security for other borrowings or to sell them to another entity without the prior consent of the relevant lender.

15 Tangible fixed assets: Other

Group and Association	Freehold offices £'000	Fixtures, fittings and equipment £'000	IT and other equipment £'000	Total £'000
Cost				
At 1 April 2025	11,018	22,670	2,902	36,590
Additions	39	2,613	271	2,923
Disposals	-	-	(230)	(230)
At 31 March 2026	11,057	25,283	2,943	39,283
Depreciation				
At 1 April 2025	2,428	8,321	1,874	12,623
Charge for the year	175	2,230	350	2,755
Eliminated on disposal	-	-	(230)	(230)
At 31 March 2026	2,603	10,551	1,994	15,148
Net book value				
At 31 March 2026	8,454	14,732	949	24,135
At 31 March 2025	8,590	14,349	1,028	23,967

Notes to the Financial Statements

16 Investment properties

	Market Rented		Commercial		Total
Group and Association	**Completed £'000**	**Under construction £'000**	**Completed £'000**	**Under construction £'000**	**£'000**
At 1 April 2025	20,650	-	4,262	2,730	27,642
Transfers and reclassification	-	-	1,837	(1,837)	-
Additions	192	-	-	1,873	2,065
Movement in fair value	63	-	303	-	366
At 31 March 2026	20,905	-	6,402	2,766	30,073

Commercial properties were revalued at 31 March 2026 by capitalising the current market rents of each property. The carrying value of the Commercial properties that would have been included in the financial statements had the assets always been carried at historical cost would be £5,168k (2025: £3,329k)

Market rent properties, which are all freehold or long leasehold, were revalued at 31 March 2026 by applying the change in house price index to each property. The carrying value of the Market Rent properties that would have been included in the financial statements had the assets always been carried at historical cost would be £17,570k (2025: £17,379k).

17 Investments

Group and Association	**2026 £'000**	**2025 £'000**
Other loans	41	73
	41	73

The other loans relate to a mortgage provided to an NHS Trust as part of joint partnership arrangements. They are measured at fair value with the future cash receipts discounted to net present value.

18 Investments in subsidiaries

Association	**2026 £'000**	**2025 £'000**
Cost at 1 April and 31 March	13	13
	13	13

Details of subsidiary undertaking and joint venture companies:

Name	Type	Nature of business	Interest
Asra Construction Services Limited	Private company limited by shares	Design and build services	Consolidated subsidiary
Paragon Development and Construction Services Limited	Private company limited by shares	Design and build services	Consolidated subsidiary
Paragon Treasury Limited	Public Limited Company	Group borrowing vehicle	Consolidated subsidiary
Sandy Hill (Woolwich) Limited	Private company limited by shares	Dormant	Consolidated subsidiary
Newlight Properties Limited	Private company limited by shares	Dormant	Consolidated subsidiary
Franklands Park Limited	Private company limited by guarantee	Management Services	Unconsolidated joint venture

Notes to the Financial Statements

19 Stock and work in progress

Group	Shared Ownership		Commercial		Sites for sale	Land	Total
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	£'000	£'000	£'000
At 1 April 2025	14,534	26,602	-	-	-	10,418	51,554
Additions	-	6,663	-	20	-	1,392	8,076
Completed	8,531	(8,531)	-	-	-	-	-
Cost of properties sold	(13,453)	-	-	-	-	-	(13,453)
Reclassification	(178)	(14,742)	-	-	39,789	-	24,869
Impairment	-	(1,007)	-		(23,127)	-	(24,134)
At 31 March 2026	9,434	8,985	-	20	16,662	11,811	46,912
Total impairment c/f	-	(7,432)	-	-	(32,327)	-	(39,759)

Association	Shared Ownership		Commercial		Sites for sale	Land	Total
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	£'000	£'000	£'000
At 1 April 2025	14,534	26,602	-	-	-	-	41,136
Additions	-	6,663	-	20	-	-	6,683
Completed	8,531	(8,531)	-	-	-	-	-
Cost of properties sold	(13,453)	-	-	-	-	-	(13,453)
Reclassification	(178)	(14,742)	-	-	39,789	-	24,869
Impairment	-	(1,007)	-	-	(23,127)	-	(24,134)
At 31 March 2026	9,434	8,895	-	20	16,662	-	35,101
Total impairment c/f	-	(7,432)	-	-	(32,327)	-	(39,759)

Notes to the Financial Statements

20 Debtors

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Due within one year:				
Rent and service charge arrears	11,605	10,853	11,605	10,853
Less: provision for bad debts	(7,615)	(7,123)	(7,615)	(7,123)
	3,990	3,730	3,990	3,730
Other debtors	1,055	3,095	1,055	3,095
VAT debtor	250	706	15	483
Employee loans	48	146	48	146
Prepayments and accrued income	5,804	4,165	5.804	4,165
Amounts owed by group undertakings	-	-	2,537	-
Bond discount	26,256	28,226	26,256	28,226
Derivative financial instruments (note 27)	-	864	-	864
Due after more than one year:				
Derivative financial instruments (note 27)	2,010	282	2,010	282
	39,413	41,214	41,715	40,991

The recoverable amount of debtors and other trade receivables is equivalent to the cash amount.

21 Creditors: amounts falling due within one year

	Group 2026 £'000	Restated Group 2025 £'000	Association 2026 £'000	Restated Association 2025 £'000
Loans and borrowings (note 26)	60,628	13,474	60,628	13,474
Trade creditors	6,770	5,697	6,135	4,805
Corporation tax	117	19	117	19
Taxation and social security	849	732	849	732
Accruals and deferred income	33,829	36,999	25,164	26,517
Recycled capital grant fund (note 24)	2,243	3,845	2,243	3,845
Pension compensation payments (note 33)	120	115	120	115
Deferred capital grant	5,914	5,568	5,914	5,568
Amounts owed to Group undertakings	-	-	-	2,457
Other creditors	547	465	547	465
Rent and service charges received in advance	7,499	7,235	7,499	7,235
Interest rate swaps (note 28)	21	-	21	-
	118,537	74,149	109,237	65,232

The average time taken to pay trade creditors is 50 days (2025: 48 days).

*See note 39 for details on the restatement.

Notes to the Financial Statements

22 Creditors: amounts falling due after more than one year

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Loans and borrowings (note 26)	1,240,581	1,283,697	1,240,581	1,283,697
Pension compensation payments (note 33)	311	407	311	407
Recycled capital grant fund (note 24)	2,408	1,508	2,408	1,508
Deferred capital grant	513,275	498,261	513,275	498,261
Amounts held on behalf of leaseholders	9,699	8,607	9,699	8,607
Other creditors	107	110	107	110
Derivative financial instruments (note 27)	1,051	2,039	1,051	2,039
	1,767,432	1,794,628	1,767,432	1,794,628

23 Deferred Capital Grant

Group and Association	2026 £'000	2025 £'000
Gross grant		
At 1 April 2025	610,382	600,500
Grants received / receivable – new development	21,515	7,230
Grants repaid	(2,462)	-
Grants recycled	(1,092)	(1,071)
Grants utilised	2,878	3,723
Other movements	-	-
At 31 March 2026	631,221	610,382
Amortisation		
At 1 April 2025	106,549	101,198
Released to income – new development	5,733	5,561
Released on disposal	(250)	(210)
At 31 March 2026	112,032	106,549
Net book value	519,189	503,833

Deferred capital grants were government grants received from Homes England and predecessor organisations and other local authorities.

Notes to the Financial Statements

24 Recycled Capital Grant Fund

Group and Association	2026 £'000	Restated 2025 £'000
At 1 April	5,353	7,571
Grants recycled from deferred capital grant	1,092	1,071
Grants recycled – contingent liability	879	321
Interest accrued	205	113
Allocated to new build developments	(2,878)	(3,723)
At 31 March	4,651	5,353
Amounts included where repayment may be required within one year	2,243	3,845

Included within grants recycled during the year is £879k relating to historical social housing grant that was is not recognised within deferred capital grant. Following disposal of the related properties, the amount became recyclable and has been transferred to the Recycled Capital Grant Fund. A further £2,476k has been recognised as a prior year adjustment (2024/25 £321k, 2017-2024 £2,156k) relating to historic social housing grant that became recyclable on the disposal of properties in previous years but had not been previously included in the Recycled Capital Grant Fund balance.

25 Loans and borrowings

Maturity of debt: Group and Association	2026 £'000	2025 £'000
Bank Loans		
Between one year and two years	109,275	168,265
Between two years and five years	131,074	114,101
In more than five years	147,157	149,404
Total (note 22)	388,505	431,770
In one year or less, or on demand (note 21)	60,265	6,146
	448,770	437,916
Other loans		
Between one year and two years	402	363
Between two years and five years	1,490	1,343
In more than five years	6,337	6,886
Total (note 22)	8,229	8,592
In one year or less, or on demand (note 21)	363	7,328
	8,592	15,920
Bonds and private placement		
In more than five years	850,000	850,000
Total (note 22)	850,000	850,000
Total loans and borrowings	1,307,362	1,303,836
Loan issue costs	(6,153)	(6,665)
Total loans and borrowings	1,301,209	1,297,171

Net debt at 31 March 2025 was £1,255m (2025: £1,247m) after adjusting for bond discount / premium of £26m debit (2025: £28m debit) and deducting liquid asset balances held of £20m (2025: £22m).

The Group has committed borrowing facilities of £1,652m (2025: £1,666m) primarily raised through the debt and capital markets. As at 31 March 2026, £1,307m (2025: £1,304m) was drawn.

Loans are secured by specific charges on housing properties granted to the relevant lenders.

At 31 March 2026 undrawn committed loan facilities were £345m (2025: £362m).

Notes to the Financial Statements

Cash balances excluding cash held on behalf of others are £12m (2025: £11m) and total liquidity is £357m (2025: £373m)

Of the drawn loan facilities, £1,145m (86 per cent) (2025: £1,186m, 91 per cent) was borrowed at fixed rates including the effect of interest rate swaps as detailed in note 28.

The weighted average interest rate of outstanding borrowings at close of the year was 4.3% (2025: 4.3%).

26 Financial Instruments

The carrying values of the financial assets and liabilities are summarised by category below:

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Financial Assets				
Measured at fair value through the Statement of Comprehensive Income:				
- Cash and cash equivalents	19,997	22,117	19,468	21,021
Measured at discounted amount receivable:				
- Investments (note 17)	41	73	41	73
Measured at undiscounted amount receivable:				
- Rent arrears and other debtors (note 20)	11,148	11,842	13,449	11,619
Measured at amortised cost:				
- Bond discount (note 20)	26,256	28,226	26,256	28,226
Measured at fair value and designated in a hedging relationship (note 27)	2,010	1,145	2,010	1,145
Total	59,452	63,404	61,224	62,085

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Financial liabilities				
Measured at fair value and designated in a hedging relationship (note 27)	1,072	2,039	1,072	2,039
Financial liabilities measured at fair value	1,820,398	1,801,000	1,820,398	1,801,000
Financial liabilities measured at fair value through the Statement of Comprehensive Income	63,533	62,510	54,233	53,592
Total	1,885,003	1,865,549	1,875,703	1,856,631

Financial assets comprise cash and cash equivalents, tenant debtors, amounts owed by Group undertakings and other debtors. Financial liabilities comprise bank loans, trade creditors, accruals, amounts owed to Group undertakings, sinking fund balances, taxation and social security and other creditors.

Financial assets and liabilities measured at amortised cost comprise housing loans and bond issuance.

PA Housing's objectives, policies and processes for managing capital are included in the Annual Report of the Board.

Risks arising on financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and market risk.

Credit risk

Credit risk is managed by the treasury team in accordance with the Board approved treasury management policy. The security of principal sums invested ranks above seeking the highest possible return on the investment. Surplus funds are invested only with approved counterparties that meet minimum credit rating thresholds detailed in the treasury management policy, with maximum exposure levels set for each counterparty.

Housing loans are secured by specific charges on housing properties and are repayable at varying rates of interest.

Notes to the Financial Statements

Financial Instruments (continued)

Liquidity risk

Liquidity risk is managed by the treasury team in accordance with the Board approved treasury management policy. The policy requires that sufficient cash balances be maintained to cover the one months' net cash requirement and sufficient liquidity to cover the next 18 months' net liquidity requirement. Action is taken to replenish liquidity once it is insufficient to cover the next 24 months' net liquidity requirement.

The treasury team monitors available liquidity resources on an ongoing basis to ensure compliance with liquidity policy goals as well as the longer-term growth aspirations of the business. Apart from working capital and capital expenditure requirements, the nature of the Group's debt portfolio requires regular repayments of bank term loan principal to certain lenders. PA Housing has sufficient financial resources to make these repayments, and therefore the risk of being unable to meet financial obligations to these lenders is low.

The maturity profile of debt is structured to reflect the long-term nature of the assets and to achieve a balanced profile of scheduled repayments of loan principal. As at 31 March 2026 77% (2025: 77%) of borrowings were due to mature in more than five years.

Interest rate risk

Operations are financed through a mixture of retained reserves, government grants, and other public subsidies to support development activities and loan borrowings.

The interest rate strategy is reviewed annually and aims to achieve a conservative balance between fixed and variable debt at an acceptable level of risk and cost.

Covenant compliance and sensitivity analysis of interest rates are monitored regularly.

Market risk

The treasury management function is responsible for developing and implementing an appropriate financial strategy to ensure the business holds the required level of liquidity to fund its capital investment programme and day-to-day operating activities.

Close monitoring of financial covenants against the business plan to assess risk scenarios is conducted on a regular basis.

Disaggregation of the Statement of Financial Position

Given the nature of the Group's operations the key assets are housing properties and stocks. These assets are linked to the loans and borrowings, as they are secured against these financial liabilities (note 25).

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Interest income and expense				
Total interest income for financial assets at amortised cost	728	1,313	719	1,296
Total interest expense for financial liabilities at amortised cost	(47,107)	(44,023)	(47,107)	(44,023)
Fair value gains and losses				
On financial assets (including listed investments) measured at fair value:				
Gain on fair value of financial instruments	474	1,469	474	1,469
Other gain	-	6	-	6
	474	1,475	474	1,475
Gain on fair value of hedged financial instruments	1,146	2,923	1,146	2,923

Notes to the Financial Statements

27 Derivative Financial Instruments

The following tables analyse the fair value of the Group's interest rate swap contracts at 31 March, distinguishing between those designated in qualifying hedge relationships under Chapter 12 of FRS 102 and those not designated for hedge accounting. The aggregate fair values reconcile to the derivative financial assets and liabilities recognised in the Statement of Financial Position.

In accordance with chapter 12 of FRS 102, hedge accounting has been applied to the following swap contracts **(Liability)**	**2026** **£'000**	**2025** **£'000**
Santander £10m 4.84% 25 June 2026	(21)	(76)
Lloyds £20m 4.48% 26 February 2032	(235)	(440)
Lloyds £10m 4.70% 5 October 2032	(244)	(370)
Lloyds £20m 4.79% 4 January 2036	(572)	(931)
	(1,072)	(1,817)
Asset		
Lloyds £15m 4.39% 5 November 2037	180	(98)
Santander £10m 4.32% 4 July 2038	220	24
Lloyds £15m 4.44% 13 May 2038	154	(148)
NatWest £25m 3.443% 31 July 2028	344	-
Lloyds £50m 3.731% 12 September 2030	744	-
Lloyds £25m 3.714% 12 September 2028	238	-
	1,880	(222)
Net asset / (liability)	808	(2,039)

The following swap contracts do not qualify for hedge accounting **Asset**	**2026** **£'000**	**2025** **£'000**
NatWest £50m 2.94 % 17 November 2032	-	323
NatWest £50m 2.75% 1 September 2034	-	359
NatWest £50m 3.002 % 17 November 2032	-	181
NatWest £10m 2.217% 21 November 2031	129	282
	129	1,145
Current	(21)	864
Non-current	958	(1,757)
Total net asset / (liability) of fair value of swap contracts	937	(894)

Interest rate swaps are valued at present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Notes to the Financial Statements

Derivative Financial Instruments (continued)

The additional table below analyses the derivative financial assets and liabilities recognised in the Statement of Financial Position. The derivatives are presented between those designated in qualifying hedge relationships and those not designated for hedge accounting and are classified between current and non-current in accordance with their expected settlement dates.

	Current		Non-Current	
Group and Association	**2026 £'000**	**2025 £'000**	**2026 £'000**	**2025 £'000**
Derivatives that are designated and effective as hedging instruments carried at fair value				
Asset				
Interest rate swaps	-	-	10,929	9,572
Derivatives that are non-hedged instruments carried at fair value				
Asset / (Liability)				
Interest rate swaps – callable by counterparty	-	864	129	282
Interest rate swaps - vanilla	(21)	-	(10,100)	(11,611)
	(21)	864	(9,971)	(11,329)
	(21)	864	958	(1,757)

Interest Rate Swap Contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at 31 March:

Interest rate swap contracts designated as hedges of variable interest rate risk recognised financial liabilities

Outstanding receive floating rate pay fixed contracts	**Average contract fixed interest rate**		**Notional principal value**		**Fair value effective hedges**		**Fair value ineffective hedges**	
	2026 %	**2025 %**	**2026 £'000**	**2025 £'000**	**2026 £'000**	**2025 £'000**	**2026 £'000**	**2025 £'000**
0 - 1 years	4.84	-	10,000	-	-	-	(21)	-
1 - 5 years	-	4.84	-	10,000	-	117	-	(193)
Over 5 years	4.07	4.53	190,000	90,000	10,929	9,455	(10,100)	(11,418)
At 31 March	4.11	4.56	200,000	100,000	10,929	9,572	(10,121)	(11,611)

Callable interest rate swap contracts recognised financial (liability) / asset

	Average contract fixed interest rate		**Notional principal value**		**Fair value ineffective**	
	2026 %	**2025 %**	**2026 £'000**	**2025 £'000**	**2026 £'000**	**2025 £'000**
0 - 1 years	-	-	-	-	-	-
1 - 5 years	2.22	2.86	10,000	160,000	129	1,145
Over 5 years	-	-	-	-	-	
At 31 March	-	2.86	-	160,000	129	1,145

Notes to the Financial Statements

Derivative Financial Instruments (continued)

The Group has one callable interest rate swap maturing in 2031, callable by the counterparty on a once-only basis during 2026. As at the year-end date the overall derivatives portfolio comprised ten Vanilla interest rate swaps in a notional amount of £200m (2025: £100m) and one Callable interest rate swap with a notional amount of £10m (2025: £160m) at a rate of 2.21% (2025: 3.51%). The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three-month SONIA. The difference between the fixed and floating interest rates are settled on a net basis. The Vanilla £200m interest rate swap contracts are designated as hedges against variable rate interest rate risk associated with the Group's floating rate borrowings in accordance with FRS102, with varying degrees of effectiveness. The estimated present value of the future cashflows determines the recorded current (liability) / asset value of the swaps.

A gain of £1,146k (2025: gain £2,923k) was recognised in other comprehensive income representing the effective components of the swaps. The ineffective components, representing the excess of the fair value of hedging instruments over the change in the fair value of expected cash flows, totalled a gain of £474k in aggregate (2025: gain £1,475k) and were recognised in surplus or deficit.

As at 31 March 2026 the Group had ten (2025: seven) cash flow hedges and one interest rate swap callable by the counterparty which does not qualify for hedge accounting (2025: four). The hedge relationships are consistent with the Group's risk management objectives for undertaking hedges.

The Group considers that an economic relationship exists between the hedging instrument (interest rate swap) and the hedged item (floating rate loan) in that the values of the hedged item and hedging instrument are expected typically to move in opposite directions in response to movements in the same risk, the hedged risk, over the life of the hedge.

The objective of the hedge is to mitigate the changes in future cash flows stemming from the inherent variability in the floating rate interest payments due under the relevant floating rate loan.

Notes to the Financial Statements

28 Cash flow from operating activities

Group	2026 £'000	Restated 2025 £'000
(Loss) / surplus for the financial year	(18,533)	3,055
Adjustments for working capital movements:		
Decrease in stock	4,642	14,931
(Increase) / Decrease in debtors	1,801	869
(Decrease) in creditors	(641)	(6,192)
Adjustments for non-cash items:		
Net fair value gain recognised in the SoCI	157	(1,634)
Change in value of investment properties	(366)	(639)
Depreciation charge on other fixed assets	2,755	2,800
Depreciation charge on housing properties	24,123	22,451
Write off of components	1,501	1,614
Impairment	28,916	5,223
Amortisation of grant on housing properties	(5,733)	(5,561)
Amortisation negative goodwill	(610)	(611)
Amortisation of intangible fixed assets	131	186
Adjustment for pension funding	(3,344)	(5,153)
Transfers / adjustments to stock	-	530
Increase in provisions	4,243	(83)
Movement in investments	(32)	(65)
Adjustment for investing or financing activities		
(Surplus) on sale of tangible fixed assets	(7,245)	(4,984)
Loss on disposal of other fixed assets	-	68
Interest payable	44,592	40,992
Interest receivable	(728)	(1,313)
Loan arrangement fees	(150)	(522)
Taxation	117	(1,190)
Net cash generated from operating activities	75,596	64,772

29 Reconciliation of net cash flow to movement in net debt

Group	2026 £'000	2025 £'000
Decrease in cash in the year	2,120	111,210
Other changes (note 30)	2,633	2,294
Loans and bond finance received	65,000	118,000
Loans repaid	(61,474)	(128,229)
Loan arrangement fees	(150)	(522)
Change in net debt	8,130	102,753
Net debt at 1 April	1,246,826	1,144,073
Net debt at 31 March	1,254,956	1,246,826

Notes to the Financial Statements

30 Analysis of changes in net debt

	At beginning of the year £'000	Cash Flows £'000	Other Changes £'000	At the end of the year £'000
Cash at bank and short term investments	(22,117)	2,120	-	(19,997)
Housing loans due within one year	13,474	47,155	-	60,628
Housing loans due after one year	440,362	(43,629)	-	396,734
Bond and private placement finance	850,000	-	-	850,000
Loan and bond arrangement fees	(6,666)	(150)	663	(6,153)
Bond (premium)	(28,227)	-	1,970	(26,256)
	1,246,826	5,496	2,633	1,254,956

31 Called up share capital

Association	2025 Number	2024 Number
Allotted, issued and fully paid:		
At 1 April	14	13
Allotted during the year	-	1
Cancelled during the year	-	-
At 31 March	14	14

The shares of the Association, each of £1 nominal value, carry no rights to a dividend or provision for redemption or a distribution on winding up. The members are entitled to a vote at annual and special meetings of the Association.

32 Provisions

Group and Association	Re-structuring £'000	Other £'000	Total £'000
Balance at 1 April 2025	-	-	-
Provisions added during the year	1,050	3,193	4,243
Balance at 31 March 2026	1,050	3,193	4,243

Restructuring

A provision for restructuring costs of £1.1m (2025: nil) has been recognised in the financial statements. The provision relates to redundancy and related costs relating to a restructuring programme.

Other provisions

Other provisions of £3.2m (2025: included within accruals) have been recognised in the financial statements where the Group has a constructive or legal obligation at the reporting date. The provisions principally relate to remedial works to properties and compensation, legal and associated costs arising from housing disrepair claims; and costs associated with offering to repurchase shared ownership properties where significant remedial works or demolition are required.

Notes to the Financial Statements

33 Pension Schemes

The Group participates in the Social Housing Pension Scheme (SHPS). The Group's participation in the defined benefit section of SHPS is closed to accrual. Current employees are given the option to enrol in the defined contribution section of SHPS or in Aegon, another defined contribution arrangement.

The Group has considered the potential impact of the implications of GMP rulings in respect of historic transfers into SHPS. No additional liability has been recognised in respect of this matter as the potential impact is not considered material.

The Group also has a historical contractual pension compensation arrangement with Elmbridge Borough Council arising from the transfer of stock from the Council. Amounts payable under this arrangement are recognised as a creditor in the statement of financial position.

Summary statement of pension scheme disclosures: Defined Benefit	**2026**	**2025**
Group and Association	**£'000**	**£'000**
Creditors due within one year – Net Present Value of obligation		
Defined Benefit – Surrey County Council (Elmbridge Borough Council)	120	115
Creditors due after more than one year – Net Present Value of obligation		
Defined Benefit – Surrey County Council (Elmbridge Borough Council)	311	407
Pension Liability		
Defined Benefit – Social Housing Pension Scheme	6,274	9,231
Statement of Comprehensive Income		
Finance Costs:		
Social Housing Pension Scheme - Net Interest Cost	450	565
Surrey County Council (Elmbridge Borough Council) - Finance Cost	22	28
	472	593
Operating Costs:		
Social Housing Pension Scheme - Expenses	91	70
Surrey County Council (Elmbridge Borough Council) - Operating Cost	2	14
	93	84
Other Comprehensive Income		
Social Housing Pension Scheme – Actuarial gain / (loss)	387	1,260

Notes to the Financial Statements

33a Defined Contribution Scheme

The Group participates in the defined contribution section of the Social Housing Pension Scheme (SHPS) and Aegon which all colleagues are eligible to join. SHPS is also used as the Auto Enrolment scheme for colleagues. During the year Members contributed a minimum of 3% of salary and the employer contributed twice the member rate up to a maximum of 10%.

Group and Association	2026 £'000	2025 £'000
Contributions	2,299	2,085

33b Defined Benefit Scheme: Surrey County Council Pension Fund (Elmbridge Borough Council) (Closed to New members)

The Group has a contractual obligation arising from the transfer of housing stock from Elmbridge Borough Council (EBC) to make annual pension compensation payments to the Council. The liability is recognised at the net present value of the remaining payments, with the unwinding of the discount recognised as a finance cost.

Payments are adjusted annually on 1 April in line with the increase specified in the Pensions Increase (Review) Order and are payable until March 2030. Contributions paid in the year were £115k (2024: £113k) By making these payments to EBC the Council accepts responsibility for meeting PA Housing’s payments due to the Pension Fund in respect of the past service deficit.

Reconciliation of opening and closing creditors	**2026**	**2025**
Group and Association	**£'000**	**£'000**
At 1 April	522	593
Contributions paid	(115)	(113)
Operating charge	2	14
Finance charge	22	28
At 31 March	431	522
Net Present Value of creditor		
Due within one year	120	115
Due after more than one year	311	407
	431	522

Assumptions	**2026 % per annum**	**2025 % per annum**
Rate of discount	5.40	4.18

Notes to the Financial Statements

33c Defined Benefit Scheme: Social Housing Pension Scheme (Closed to future accrual)

The Company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a hybrid scheme comprising defined benefit and defined contribution sections.

The Scheme 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 last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward to the Company’s accounting year-end of 31 March 2026.

The liabilities are compared, at 31 March 2026, with the Company’s fair share of the Scheme’s total assets to calculate the company’s net deficit or surplus.

	2026 **£'000**	**2025** **£'000**
Reconciliation of present value of plan liabilities		
At the beginning of the year	63,899	69,875
Expenses	91	70
Interest cost on defined benefit obligations	3,622	3,345
Actuarial (gains)	(321)	(6,172)
Benefits paid and expenses	(3,370)	(3,219)
At the end of the year	63,921	63,899
Reconciliation of fair value of plan assets		
At the beginning of the year	54,668	56,751
Interest income on plan assets	3,172	2,780
Experience on plan assets excluding amounts included in net interest – gain / (loss)	66	(4,912)
Employer contributions	3,111	3,268
Benefits paid	(3,370)	(3,219)
At the end of the year	57,647	54,668

Notes to the Financial Statements

33c Defined Benefit Scheme: Social Housing Pension Scheme (Closed to new members) (continued)

Composition of plan assets	2026 £'000	2025 £'000
Global equity	6,388	6,124
Liquid alternatives	10,265	10,137
Insurance linked securities	86	169
Property	2,814	2,738
Infrastructure	2	9
Private equity	124	48
Real assets	5,428	6,545
Private credit	6,960	6,691
Credit	2,295	2,091
Investment grade credit	3,390	1,683
Cash	11	742
Long lease property	-	16
Secured income	1,749	912
Liability driven investment	17,576	16,557
Currency hedging	(2)	88
Net current assets	561	118
Total plan assets	57,647	54,668

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by the employer.

Principal actuarial assumptions used at the reporting date	2026 % pa	2025 % pa
Discount rate	6.08	5.82
Inflation (RPI)	3.31	3.10
Inflation (CPI)	3.03	2.79
Salary growth	4.03	3.79
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Mortality assumptions adopted at 31 March 2026 imply the following life expectancies at age 65:	Males (years)	Females (years)
Retiring in 2026	20.9	23.2
Retiring in 2046	22.2	24.6

Notes to the Financial Statements

33c Defined Benefit Scheme: Social Housing Pension Scheme (Closed to future accrual) (continued)

	2026 £'000	2025 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit liability		
Fair value of plan assets	57,647	54,668
Present value of plan liabilities	(63,921)	(63,899)
Net pension scheme (liability)	(6,274)	(9,231)
Amounts recognised in the Statement of Comprehensive Income		
Net interest expense	450	565
Expenses	91	70
Defined benefit costs recognised in the Statement of Comprehensive Income	541	635
Analysis of actuarial (loss) / gain recognised in Other Comprehensive Income		
Experience on plan assets excluding amounts included in net interest – gain / (loss)	66	(4,912)
Experience on the plan liabilities – gain / (loss)	206	(1,665)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	(574)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	689	7,837
Total amount recognised in Other Comprehensive Income – gain	387	1,260

The Trustee of the Scheme has sought clarification from the Court on historic benefit changes it made to the scheme. The High Court hearing (Verity Trustees v Wood) was held in Q1 2025. During the hearing, the Court heard different arguments on a series of questions concerning how the Scheme should be administered. The Court's determination is not expected until later in 2026. At this point the Trustee will need to consider the judgement and whether any further clarification is needed from the Court.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The Verity Trustees v Wood case included questions relevant to the Virgin Media ruling. It therefore remains unclear what impact the Virgin Media ruling would have on the Scheme until the ongoing legal case is completed. Therefore, at this time the Directors have made no allowance for Virgin Media in the obligations for the Plan.

Notes to the Financial Statements

34 Operating lease obligations

At 31 March the Group was committed to non-cancellable operating lease minimum future payments for each of the following periods:

Group and Association	Land and buildings 2026 £'000	2025 £'000
Operating leases which expire:		
Less than 1 year	313	312
Within 1 to 5 years	1	833
After 5 years	-	780
	314	1,925

35 Capital Commitments

	Group and Association 2026 £'000	Group and Association 2025 £'000
Expenditure contracted for but not provided in the financial statements	131,034	68,890
Expenditure authorised by Board but not contracted for	9,103	69,355
	140,137	138,245

Commitments will be funded by cash reserves, the drawdown of existing loan facilities, Social Housing and other Grants.

36 Contingent Assets / Liabilities

Insurance recovery

In May 2025, a fire damaged a number of homes in Surrey. PA Housing has notified its insurers of the incident and is in the process of assessing the associated losses and costs. No income has been recognised in the financial statements in respect of any potential insurance recovery.

Grants received

PA Housing receives grant from Homes England and from the Greater London Authority, which is used to fund the acquisition and development of housing properties and their components.

The grants are accounted as deferred income and amortised to the Statement of Comprehensive Income over the life of the asset. The amount amortised represents a contingent liability and will be recognised as a liability when the properties funded by grant are disposed or when the properties cease to be funded by social housing. Grants amortised to date at 31 March 2026 are £107.3m (2025: £103.6m).

PA Housing has acquired properties where the grant is considered to be part of the acquisition cost and is not accounted for separately in the statement of financial position. This contingent liability will be realised if the assets to which the grant relates are disposed. At 31 March this contingent liability is £10.1m (2025: £10.1m)

From 1 April 2014, Paragon Community Housing Group as a predecessor organisation to Paragon Asra Housing Limited changed its accounting policy from recording housing properties at valuation or cost, to being recorded at historic cost. Paragon Asra Housing Limited took the FRS 102 transition option to elect to measure certain items of property, plant and equipment (PPE) at fair value and use that fair value as the deemed cost of those assets at that date. For these items there is a revaluation reserve, and any unamortised grant was released to reserves as this constitutes a revaluation that triggered the performance method of grant recognition to be used. At that point no amortised grant was recognised, if any of the assets were disposed of a liability for the associated grants would be realised. The total of these grants is £156.7m

Notes to the Financial Statements

37 Related Party Transactions

Other related parties

Key management personnel are the Executive Management Team and the non-executive Board members.

Two non-executive Board members are residents of PA Housing. All transactions are carried out on an arms length basis on normal terms and the members do not participate in decisions that could result in a conflict of interest. Transactions during the year were:

- Leaseholder – Service charges of £2,559 were charged in the year (2025: £2,539) with a £nil balance at 31 March 2026 (2025: £3).
- Social rented tenant - Rents of £5,148 (2025: £5,048) were charged in the year with a credit balance of £274 at 31 March 2026 (2025: credit balance £214).

The Pension Trust, as administrator of the Social Housing Pension Scheme is a related party. Transactions are as set out in note 33.

Remuneration paid to non-executive Board members is disclosed in the Corporate Governance section of the Financial Statements.

Remuneration paid to the Executive Management Team is disclosed in note 7 of the Financial Statements.

There have been no other transactions between PA Housing and key management personnel (including their related parties) during the year.

Transactions with non-regulated entities

Asra Construction Services Limited (ACSL) and Paragon Development and Construction Services Limited (PDCSL) provide design and build development services to PA Housing. They are not registered providers and are therefore classified by the Regulator of Social Housing as non-regulated entities.

Service Level and Framework Agreements are in place between PA Housing and, ACSL and PDCSL. Development services are provided by ACSL and PDCSL to PA Housing. Finance services are provided by PA Housing. These are recharged by PA Housing at cost with an appropriate transfer pricing mark-up applied.

ACSL and PDCSL recharge PA Housing with design and build costs for development services carried out. ACSL and PDCSL have no employees.

Paragon Treasury Plc (PTP) has secured funding through the capital markets and on-lends these funds to PA Housing. All intra-group transactions have taken place in the normal course of business.

Aggregate costs recharged for the year ended 31 March 2025 are as follows:

	2026				2025			
	ACSL	PDCSL	PTP	PAH	ACSL	PDCSL	PTP	PAH
	£’000	£’000	£’000	£’000	£’000	£’000	£’000	£’000
ACSL recharges	-	-	-	35,812	-	-	-	97,372
PAH finance recharge	320	-	-	-	288	-	-	-
PDCSL recharges	-	-	-	421	-	-	-	374
PTP interest recharge	-	-	-	19,233	-	-	-	19,123
PTP cost recharge	-	-	-	29	-	-	-	26
Debtor/(Creditor) balances	4,157	(6,576)	-	2,419	7,706	(5,565)	-	(2,141)

Notes to the Financial Statements

38 Fire Safety Remediation costs

During the year the following expenditure is included in costs which is directly attributable to fire safety remediation works where the properties and buildings are deemed not compliant with health and safety requirements. This expenditure is over and above our business as usual expenditure (either planned or routine) and is used to exclude costs for year on year comparison of financial metrics, golden rules, and lender covenant calculations where applicable and agreed with lenders.

	Group and Association 2026 £'000	Group and Association 2025 £'000
Income		
Waking watch recovery of costs from contractors (included in note 3 other income)	-	3,458
Government grants received taken to income (Cladding Safety Scheme – Pre Tender support)	742	-
	742	3,458
Revenue expenditure (included in note 3 planned maintenance costs)		
Fire remediation works and revenue costs	(650)	(1,871)
Waking watch and fire safety cover costs	(4,234)	(4,510)
Decant costs	(1,109)	-
	(5,993)	(6,381)
Net costs in the Statement of Comprehensive Income	(5,251)	(2,923)
Capital expenditure		
Fire Safety remediation – components (included in note 14)	(4,091)	(3,061)

39 Prior period adjustment

A prior year adjustment has been made to correct errors from previous years in respect of historic social housing grant recyclable on the disposal of properties.

The error was corrected retrospectively by restating the comparative figures for the prior period (2025). The Impact on the financial statements (31 March 2025) comparatives is as follows:

Statement of Comprehensive Income: The surplus on disposal of fixed assets and investments has reduced by £321k, from £4,984k to £4,663k.

Statement of Financial Position: Recycled Capital Grant Fund within creditors increased by £2,477k from £62,755k to £65,232k and the income and expenditure reserve reduced by £2,477k.

Notes to the Financial Statements

39 Prior period adjustment (continued)

Group Restated Statement of Comprehensive Income	Original Group 2025 £'000	Adjustment	Restated Group 2025 £'000
Turnover	224,128	-	224,128
Cost of sales	(19,706)	-	(19,706)
Operating costs	(166,163)	-	(166,163)
Surplus on disposal of fixed assets and investments	4,984	(321)	4,663
Movement in fair value of investment properties	639	-	639
Operating Surplus	43,882	(321)	43,561
(Loss) on disposal of other fixed assets	(68)	-	(68)
Interest receivable	1,313	-	1,313
Interest and financing costs	(44,023)	-	(44,023)
Movement in fair value of financial instruments	1,475	-	1,475
Surplus before tax	2,579	(321)	2,258
Taxation	797	-	797
Surplus for the year after tax	3,376	(321)	3,055
Other comprehensive income			
Movement in fair value of hedged financial instruments	2,923	-	2,923
Actuarial gain on defined benefit pension schemes	1,260	-	1,260
Total comprehensive income for the year	7,559	(321)	7,238

Notes to the Financial Statements

39 Prior period adjustment (continued)

Association Restated Statement of Comprehensive Income	Original Association 2025 £'000	Adjustment	Restated Association 2025 £'000
Turnover	227,680	-	227,680
Cost of sales	(19,706)	-	(19,706)
Operating costs	(166,127)	-	(166,127)
Surplus on disposal of fixed assets and investments	4,984	(321)	4,663
Movement in fair value of investment properties	639	-	639
Operating Surplus	47,469	(321)	47,148
(Loss) on disposal of other fixed assets	(68)	-	(68)
Interest receivable	1,296	-	1,296
Interest and financing costs	(44,023)	-	(44,023)
Movement in fair value of financial instruments	1,475	-	1,475
Surplus before tax	6,150	(321)	5,829
Taxation	(19)	-	(19)
Surplus for the year after tax	6,131	(321)	5,810
Other comprehensive income			
Movement in fair value of hedged financial instruments	2,923	-	2,923
Actuarial gain on defined benefit pension schemes	1,260	-	1,260
Total comprehensive income for the year	10,314	(321)	9,993

Notes to the Financial Statements

39 Prior period adjustment (continued)

Group Restated Statement of Financial Position 2025	Original Group 2025 £'000	Adjustment	Restated Group 2025 £'000
Fixed Assets			
Negative goodwill	(4,225)	-	(4,225)
Intangible fixed assets	367	-	367
Tangible fixed assets – housing properties	2,338,272	-	2,338,272
Tangible fixed assets – other	23,967	-	23,967
Investment properties	27,641	-	27,641
Investments	73	-	73
Investment in subsidiaries	-	-	-
	2,386,095	-	2,386,095
Current Assets			
Stock and work in progress	51,554	-	51,554
Debtors	41,214	-	41,214
Cash and cash equivalents	22,117	-	22,117
	114,885	-	114,885
Creditors: amounts falling due within one year	(71,672)	(2,477)	(74,149)
Net current assets	43,213	(2,477)	40,736
Total assets less current liabilities	2,429,308	-	2,426,831
Creditors: amounts falling due after more than one year	(1,794,628)	-	(1,794,628)
Provision for liabilities	-	-	-
Net assets excluding pension liability	634,680	-	623,203
Pension liability	(9,231)	-	(9,231)
Total net assets	625,449	(2,477)	622,972
Capital and Reserves			
Called up share capital	-	-	-
Income and expenditure reserve	383,883	(2,477)	381,406
Cash flow hedge reserve	9,655	-	9,655
Revaluation reserve	231,882	-	231,882
Restricted reserve	29	-	29
	625,449	(2,477)	622,972

Notes to the Financial Statements

39 Prior period adjustment (continued)

Association Restated Statement of Financial Position 2025	Original Association 2025 £'000	Adjustment	Restated Association 2025 £'000
Fixed Assets			
Negative goodwill	(4,225)	-	(4,225)
Intangible fixed assets	367	-	367
Tangible fixed assets – housing properties	2,355,554	-	2,355,554
Tangible fixed assets – other	23,967	-	23,967
Investment properties	27,641	-	27,641
Investments	73	-	73
Investment in subsidiaries	13	-	13
	2,403,390	-	2,403,390
Current Assets			
Stock and work in progress	41,136	-	41,136
Debtors	40,991	-	40,991
Cash and cash equivalents	21,021	-	21,021
	103,148	-	103,148
Creditors: amounts falling due within one year	(62,755)	(2,477)	(65,232)
Net current assets	40,393	(2,477)	37,916
Total assets less current liabilities	2,443,783	-	2,441,306
Creditors: amounts falling due after more than one year	(1,794,628)	-	(1,794,628)
Provision for liabilities	-	-	-
Net assets excluding pension liability	649,155	-	644,678
Pension liability	(9,231)	-	(9,231)
Total net assets	639,924	(2,477)	637,447
Capital and Reserves			
Called up share capital	-	-	-
Income and expenditure reserve	398,358	(2,477)	395,881
Cash flow hedge reserve	9,655	-	9,655
Revaluation reserve	231,882	-	231,882
Restricted reserve	29	-	29
	639,924	(2,477)	637,447

Notes to the Financial Statements

39 Prior period adjustment (continued)

Group Restated Statement of Changes in Reserves 2025	Income and exp. reserve £'000	Cash flow hedge reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2024 (original)	376,912	6,732	234,283	29	617,956
Impact of restatement	(2,156)				(2,156)
At 1 April 2024 (restated)	374,756	6,732	234,283	29	615,800
Surplus for the year (restated)	3,055	-	-	-	3,055
Change in fair value of hedged financial instruments	-	2,923	-	-	2,923
Actuarial gain on defined benefit pension scheme	1,260	-	-	-	1,260
Other movement	(66)	-	-	-	(66)
Difference between the depreciation on historic cost of properties and actual depreciation charge for the year	2,400	-	(2,400)	-	-
Difference between the gain or loss on disposal of housing properties calculated at historic cost and carrying value	1	-	(1)	-	-
At 31 March 2025 (restated*)	381,406	9,655	231,882	29	622,972

Association Restated Statement of Changes in Reserves 2025	Income and exp. reserve £'000	Cash flow hedge reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2024 (original)	388,632	6,732	234,283	29	629,676
Impact of restatement	(2,156)				(2,156)
At 1 April 2024 (restated)	386,476	6,732	234,283	29	627,520
Surplus for the year (restated*)	5,810	-	-	-	5,810
Change in fair value of hedged financial instruments	-	2,923	-	-	2,923
Actuarial gain on defined benefit pension scheme	1,260	-	-	-	1,260
Other movement	(66)	-	-	-	(66)
Difference between the depreciation on historic cost of properties and actual depreciation charge for the year	2,400	-	(2,400)	-	-
Difference between the gain or loss on disposal of housing properties calculated at historic cost and carrying value	1	-	(1)	-	-
At 31 March 2025 (restated*)	395,881	9,655	231,882	29	637,447

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