

Housing@21

Report and Financial Statements 2025/2026



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Board and Executive

Name	Comment
Elaine Elkington	Chair of Board
Jane Holbrook	Chair Designate (appointed 8 June 2026)
Suki Kalirai	Deputy Chair of Board. Previously Chair of the Retirement Living Committee and Oldham Retirement Housing Partnership
Michael Stevenson	Chair of Audit and Risk Committee (appointed 1 June 2025)
William Roberts	Chair of Resident Service and Standards Committee, Oldham Retirement Housing Partnership and Kent Community Partnership. Previously Chair of the Extra Care Committee
Keith Carnegie	Chair of Asset Management, Development and Acquisitions Committee
David Clark	Board Member. Previously Chair of Asset Management, Development and Acquisitions Committee
Ian Skipp	Board Member. Previously Chair of Audit and Risk Committee
Rosemarie Jenkins	Board Member
James Bullion	Board Member (appointed 1 October 2025)
Richard Dell	Board Member and Resident
Annette Emanuel	Board Member and Resident (appointed 1 June 2026)
Alistair Brown	Independent Audit and Risk Committee Member (appointed 1 May 2025)
Ian Devereux	Resident Services and Standards Committee co-optee and Resident
Michael Rose	Resident Services and Standards Committee co-optee and Resident
John Bosley	Resident Services and Standards Committee co-optee and Resident (appointed 1 June 2026)
Elizabeth Golledge	Board Member and Resident (resigned 24 September 2025)
Idayat (Bola) Owolabi	Board Member (on sabbatical 24 September 2025)

Executive Directors, Company Secretary and other key stakeholders

Bruce Moore	Chief Executive
Tony Tench	Deputy Chief Executive
Andy Shaw	Chief Financial Officer
Kris Peach	Chief Operations Officer (from 1 August 2025)
Paul Hutton	Director of Legal Services and Company Secretary
Pam Mastrantonio	Managing Director of Retirement Living (resigned 31 July 2025)

Registered office

Tricorn House, 51–53 Hagley Road, Edgbaston, Birmingham B16 8TP

External Auditors

Menzies LLP, One Express, 1 George Leigh Street, Manchester, M4 5DL

Principal Bankers

Barclays Bank plc
Corporate Banking, Level 28, 1 Churchill Place, Canary Wharf, London E15 5HP

Biographies

Biographies of our Board and Executive can be found on our internet page:

[Housing 21 — Housing 21 — Our people](#)

Insurance of Directors and Officers

Directors are covered by Directors and Officers liability insurance to an indemnity limit of £5m in respect of their duties as directors of the Group.

A register of interests is maintained by the Company Secretary and members actively declare any potential or actual conflicts of interest during meetings as and when they arise with declarations of interest found on their individual biography pages:

[Housing 21 Board.](#)

Chair and Chief Executive Statements

The financial year to 31 March 2026 has been another year of significant achievement and positive performance for Housing 21. We have navigated through the challenges of geo-political turbulence, the introduction of new regulatory requirements, additional cost pressures, a tough labour market and ongoing uncertainty across the housing and care sectors. Despite all these difficulties, we remain financially robust and have continued to deliver on our strategies and plans for investing in and improving the quality of our existing homes, whilst also continuing to grow and develop new services.

Our purpose

We have remained true to our core purpose of helping older people to live well with dignity and autonomy, by providing high quality social rent and affordable shared ownership housing services with support and/ or care. We listened to our residents and dropped the terminology of 'modest means', but we remain committed to helping to provide vital housing and services for people who need them most.

Resident satisfaction

Great service and resident satisfaction are at the heart of what we aim to achieve. We were pleased to see a further increase in overall satisfaction as well as in all the contributory elements that really matter to residents (including feeling safe in their homes, the quality and timeliness of repairs and how well we listen and act on feedback) in the annual survey of Tenant Satisfaction Measures. Our overall satisfaction score of 91 per cent (92 per cent for rental residents and 88 per cent for shared owners) shows that we are continuing to listen and respond to the feedback from residents. We make a point of ensuring we ask every one of our residents to provide their views so we get a full picture but can then also identify where there are services or locations with lower scores allowing us to respond and take action to address any concerns.

Investing in existing properties

Investment in our existing homes remains a priority. Significant resources were committed to major works, property safety, compliance and energy efficiency, ensuring our homes remain safe, sustainable and fit for the future. We have continued to set property standards ahead of the requirements for Decent Homes and have engaged with residents to help refine our product specifications and direct our investment programmes towards the things that matter most, whilst still maintaining a commitment to maintaining long-term investment programmes and sound asset management principles.

Increasing provision

In 2024/2025, we started on site for the development of 511 new properties for social rent, which meant Housing 21 was the housing association with the 25th largest development programme and the third largest number of properties being developed for social rent. In 2025/2026 we have increased the number of development starts on site to 566 and we are continuing to pursue further opportunities with the support of Homes England, whilst always ensuring that we have the financial capacity and funds in place to support our ambitions for growth and increased provision.

We have also successfully integrated the 1,567 properties that transferred to Housing 21 from Midland Heart and, whilst we are continuing to invest in them, we are now in a position to consider the acquisition of further properties where we can provide the investment and expertise to improve provision for residents.



Regulatory recognition

We were pleased to have retained our top ratings for governance (G1) and financial viability (V1) following our regulatory inspection in early 2025. Whilst we were disappointed that we did not immediately achieve the top (C1) grading for consumer standards, we were pleased that the regulator recognised Housing 21 has a strong understanding of service delivery and compliance at a local level, supported by good operational controls and third party assurance. We acknowledged there were improvements that could be made to ensure greater visibility and systematic reporting of performance from our devolved service through to the Board, whilst recognising that no concerns had been raised about outcomes for residents.

In response to feedback from the regulator, we implemented new, improved and more robust reporting practices, ensuring the Board had increased transparency and feedback regarding service provision, operations and resident feedback. We continued to engage positively with the regulator throughout the process and following an inspection in early 2026, we were pleased to have been upgraded to the top C1 rating.

Having now achieved the highest ratings for governance (G1), financial viability (V1) and consumer standards (C1), we will look to retain and build on these standards as we focus on continuing to position ourselves as an expert and quality provider of older people's housing.

People potential

Housing 21 is fortunate to have so many capable and committed employees whose hard work and dedication provide the bedrock of Housing 21's success and performance. We are proud to have retained the prestigious Investors in People platinum accreditation, not as a badge, but because of the commitment it represents. We celebrated the achievements of our employees internally at our awards events in June and July 2026, but our people and teams have also achieved external recognition in the form of awards and accreditations.

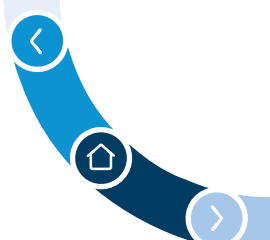
Strengthening leadership

During the year, we have added strength and depth to our leadership structures. We established a new Chief Operations Officer position and Kris Peach was appointed to this role to provide strategic oversight over all our service activities. We also appointed Kate McArdell-Broome and Jamie Lindon-Lewis, as Directors with responsibility for the leadership, guidance and development of the Retirement Living and Extra Care services respectively. This reflects the scale and complexity of the organisation and provides clearer accountability, a stronger grip on performance and more consistent oversight across our local teams and devolved services.

We have also created an expanded Director Leadership Team to involve a broader and more diverse set of leaders in shaping the key decisions and overseeing delivery of our priorities and strategies. This new team is already showing it is effective and making a difference, strengthening the quality, consistency and experience of services for our residents.

Governance

Housing 21 has benefited from the focus and dedication shown by Elaine Elkington since she took on the role of Chair of Housing 21 in May 2024. Elaine will leave a strong legacy when she steps down from the Board in September 2026. We are excited that Jane Holbrook will take over from Elaine as Chair of the Board and we are confident she will bring strong stewardship and governance leadership of the organisation. Two further respected and valued Board Members will also be stepping down in September 2026; David Clark and Ian Skipp, both of whom have played a pivotal role at Board level and who will be greatly missed for their services.



We are looking to recruit new Board Members to ensure we fill the gaps that these departures will leave but we are also delighted to have appointed Annette Emanuel as a second Resident Board Member to ensure the resident perspective is always a key component of the Board's decision making. Notwithstanding these changes, Housing 21's Board remains strong, effective and strategically focused on delivering more and better high-quality services for residents.

Influence and advocacy

As a leading provider of housing with support and care for older people, Housing 21 has also been a strong advocate for better recognition of the importance that housing with support and care can provide for older people. We help sponsor the All Party Parliamentary Group (APPG) on Housing and Care for Older People; we held our annual conference in October 2025 focused on the issues of healthy ageing and we sponsored the Housing LIN conferences in Newcastle and Bristol. We engage actively and have influence with government, both directly and through a multitude of forums and groups, especially the National Housing Federation.

Looking ahead

As we look ahead, we recognise that whilst further challenges will remain, we are optimistic that opportunities will also arise.

The ageing demographic position means it is inevitable that demand for high quality housing with care will continue to grow. Even if pressures on public funding, regulation and workforce remain significant, Housing 21 remains in a strong position to meet these testing conditions. As a financially stable, value-led and resident-focused organisation with strong governance, we will continue to focus on disciplined growth, prudent financial management and investing in the homes, services and people that enable older residents to live independently, with dignity and autonomy.

We would like to thank residents, Board Members, colleagues, partners and all other stakeholders for the continued support and commitment they have shown to Housing 21. I am confident that together, we will remain focused on delivering long term value — not only financially, but socially — for the people and communities we serve.

Elaine Elkington
Chair



Bruce Moore
Chief Executive



Strategic Report

The Group Board presents its report and the audited Financial Statements of Housing 21 (the Association) and its subsidiary undertakings, together forming the Housing 21 Group (the Group) for the year ended 31 March 2026, referred to as 2025/2026 or 2025/2026.

What we do: Housing with support and/ or care

At Housing 21, our business model is simple; we are a specialist provider of older people's housing with on-site support or care and have been for more than 60 years. We do not diversify from this model or offer general needs housing; we focus entirely on our core business model and meeting the specific needs of residents.

Across the sector, older people's housing is referenced by different terminology and offers varying degrees of support. For us, we have two offers: Retirement Living which provides on-site support and Extra Care, which has on-site Care Workers available 24/7. Except for The Watermill in Walsall, which has a Care Quality Commission (CQC) rating of 'Outstanding', we do not manage care homes.





Retirement Living

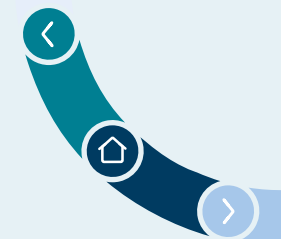
13,961 properties including 1,429 managed properties in Oldham

Average age of residents moving in: 69

Average tenure: **seven years**

Our Retirement Living model is designed to strike the balance between contrasting themes: privacy and community as well as independence and support.





Retirement Living: an overview

Each Retirement Living property offers residents the independence and privacy of their own self-contained apartment, with their own front door. These apartments form part of a wider development designed to support the creation of a localised community through shared spaces such as communal lounges and gardens.

Despite the terminology, many residents in Retirement Living remain in employment, as people want or need to work into their later years, but still welcome the concept of living as part of a community.

At Housing 21, our devolved model means that although we operate nationally, each scheme is managed individually to meet the needs of residents at a local level. Unlike other housing providers, who manage schemes from a centralised head office, in Retirement Living, this involves the appointment of a Local Housing Manager who is based on site throughout the week to oversee the daily running of the scheme, organise repairs and offer support to residents.

Resident satisfaction

Once again satisfaction levels for every Tenant Satisfaction Measure (TSM) increased across Retirement Living, with overall satisfaction rising to 91 per cent, a two per cent increase from the previous year.

Within Retirement Living, the highest satisfaction score was for 'communal areas are clean and well maintained' (93 per cent), followed by 'safe home' (92 per cent).

The lowest scoring questions for Retirement Living mirror the situation across the sector regarding low scores for 'complaint handling', 'positive contributions to the neighbourhood' and 'dealing with antisocial behaviour'. Despite this, all three areas saw increased satisfaction levels compared to 2024/2025, with 'complaint handling' seeing the greatest improvement in satisfaction levels, rising from 53 per cent to 58 per cent year on year.

Whilst 'complaints handling' received the lowest scores across Retirement Living and Extra Care, both were significantly higher than the sector average of 36 per cent. Further information about our approach to improving complaints handling can be found on page 45.

Investing in people

In February 2025 we implemented a new structure for Retirement Living, increasing the number of regions from two to five. The increase in patches has enabled Regional Managers to better support Local Housing Managers and residents within their areas, by enabling increased frequency of visits and transparency which have helped to form stronger relationships and a better understanding of operations at a local level.

The increase in regions has also ensured a more focused and consistent approach to service delivery nationwide, with regional teams working more closely together to provide increased visibility and quality checks at schemes, some of which is reflected in improved TSM scores.

Through this new way of working, we have identified numerous key strategic partners, i.e. large contractors who deliver our responsive repairs, and we are working more closely with them to monitor their performance and achieve best value for money.

Throughout 2025/2026, we have successfully recruited into the new roles and embedded this new way of working, with Kate McArdell-Broome taking over as the new Director of Retirement Living after Pam Mastrantonio was offered a new opportunity as Chief Executive of South Lakes Housing.

Across Retirement Living, we have reviewed the recruitment processes currently in place, with an initial focus on the role of Local Housing Manager and how we look to attract a more diverse talent pool to the business.



To support succession planning and talent pipelines, we are piloting Apprenticeship Assistant Local Housing Manager roles. This enables another route for candidates and Housing 21 to entice and attract people into a career in housing.

Furthermore, we have started building relationships with colleges and are developing our relations with the Career Transition Partnership (CTP) to encourage those ex-military and military families to look to Housing 21 for their next career move.

Increasing the diversity across the Local Housing Manager role supports having a more balanced workforce and may also support a decrease in agency spend if we're able to recruit the right individual first time. It also means by attracting a wider pool of talent, we can help to recruit the right people to deliver the best service to residents.

Investing in quality services

Housing Quality Standard

Our Housing Quality Standards (HQS) replicate the Care Quality Commission (CQC) ratings for care standards, across housing services. We want schemes that show 'Good' or 'Outstanding' qualities to be held up as fantastic examples for other schemes to follow suit and to celebrate our 'Outstanding' housing services. Equally, if there are schemes that are not achieving those standards, or require some support, we are able to easily identify them and create a detailed action plan to offer improved service delivery.

The HQS has proved to be a valuable means of measuring the consistency of quality services delivered to residents, as well as providing clear guidance and expectations for employees. For each service standard, employees are provided with examples, criteria and evidence requirements to support them in delivering 'Outstanding' services to residents.

We are continuing to listen and work with operational colleagues to further improve the Housing Quality Standard, so it becomes a useful and beneficial way of working.

Early warning indicators

We have introduced a dashboard of early warning performance indicators so we can highlight the schemes that could perform more strongly. This is coupled with our introduction of quality assurance meetings within the senior team to review the quality and consistency of services. This combined approach will enable us to intervene and implement any necessary improvements more quickly, ensuring a better experience for residents.

Investing in growth

During 2025/2026 it was Retirement Living, rather than Extra Care, which saw the largest growth levels, with 198 new properties achieving practical completion across four new schemes:

- The Wireworks, Warrington: 45 rental properties
- Lowarth Morbies, Truro: 26 rental and 14 shared ownership properties
- Potter Court, Doncaster: 56 rental properties
- Moorland Pearl Court, Leek: 57 rental properties

In addition to our new developments, in May 2025 we also opened Glen Mill House in West Yorkshire, which we purchased as a vacant completed development in 2024/2025. By the end of August 2025, all 56 rental properties had been fully let.



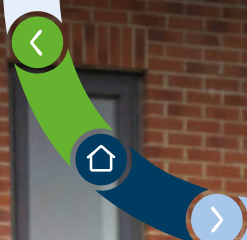
South Hayling Court, Hayling Island

In 2025, Housing 21 introduced its first Retirement Living scheme to Hayling Island with the opening of South Hayling Court.

The scheme comprises 27 one- and two-bedroom apartments which were initially available for social rent through Havant Borough Council via Hampshire Home Choice. In addition to the rented properties, there are also 12 two-bedroom apartments available for shared ownership, subject to meeting the Older Persons Shared Ownership criteria.

The all-electric low carbon scheme was officially opened in November 2025 when new residents and members of the public came together for an afternoon of celebration, alongside Housing 21 colleagues.





Extra Care

10,255 properties

48,000 hours of in-house care each week

93 per cent of schemes rated '**Good**' or '**Outstanding**' by Care Quality Commission (CQC)

Average age of residents moving in: **77**

Average tenure: **3 years, 10 months**

Our Extra Care model supports people to live as independently as possible in the privacy of their own home, but with the reassurance of Care Workers based on site 24/7 to deliver planned and emergency care.



Extra Care: an overview

Extra Care bridges the gap between Retirement Living and care homes, helping residents to live as independently as possible in self-contained properties.

Like Retirement Living, Extra Care residents have their own front door which leads out to a wider scheme designed to create opportunities for engagement, socialising and activities across shared spaces including lounges and gardens. Extra Care schemes also offer on-site salons and, in many cases, a bistro, both of which are open to the local community.

Following the completion of our largest acquisition from Midland Heart in 2024, we also offer five Extra Care villages. The villages are based on the concept of Extra Care but on a much larger scale, comprising significantly more properties and increased communal facilities, including gyms, bars and shops.

Despite Care Workers being based on-site 24/7, not all residents have a care need. Some residents choose Extra Care to futureproof against potential changes in their health needs whilst others feel reassured knowing Care Workers are available in the event of an emergency. For couples, where only one person may have a care need, they can remain together, unlike in care homes where they are often required to separate.

Resident satisfaction

It was another positive year for Extra Care, with satisfaction levels across all TSMs increasing. We saw a higher number of participants (51 per cent) and overall satisfaction rose from 90 per cent to 92 per cent.

Within Extra Care, the highest satisfaction score was for 'communal areas are clean and well maintained' (94 per cent), followed by 'well maintained home' (93 per cent), 'safe home' (93 per cent), and 'treat fairly and with respect' (93 per cent).

Like Retirement Living, the lower satisfaction scores were for 'complaints handling' (69 per cent), 'positive contributions to the neighbourhood' (80 per cent) and 'approach to handling antisocial behaviour' (81 per cent). However, all three did see an increase in satisfaction year on year, with 'complaints handling' and 'positive contribution to the neighbourhood' both recording a three per cent improvement.

Whilst 'complaints handling' received the lowest scores across both Extra Care and Retirement Living, both were significantly higher than the sector average of 36 per cent. Further information about our approach to improving complaints handling can be found on page 45.

Investing in people

Service review

Throughout the financial year, a thorough review and update was conducted on the structures and job roles within all non-integrated schemes. The primary objective of this initiative was to ensure that our organisational framework and workforce arrangements remained current and appropriate in the context of sector developments.

Job profiles were updated to clearly outline roles, responsibilities, and accountabilities. This clarification not only contributes to the smooth running of our services but also ensures employees understand their specific duties and where their accountability lies. We also introduced an operational resourcing model to ensure services are safely resourced but also remain financially sustainable.

Subject matter experts

We invested in subject matter experts for antisocial behaviour, complaints and tenancy sustainment to complement our devolved model, supporting local managers with expertise, case advice, tools and training guidance to ensure we meet legislative and regulatory changes and good practice.



Investing in quality services

Care provision

In 2025/2026, 93 per cent of Extra Care schemes where Housing 21 delivers the care were rated 'Good' or 'Outstanding'. Satisfaction with in-house care provision increased to 95 per cent in 2025/2026, achieving our target of 95 per cent.

We only handed one service back in 2025/2026 but did take on four new services in the financial year: Aldaniti Court (Redcar and Cleveland), Michaelmas Court (Suffolk) and two services with Staffordshire: Brunel Court and School Court.

We have seen a notable reduction in voluntary Care Worker turnover, which is down by 0.9 per cent from last year to 15.9 per cent and well below our target of 17 per cent, which is extremely positive given the external market. We remain focused on positioning care as a viable career by offering career pathways through measures such as our flagship Extra Care Academy.

Investing in growth

During 2025/2026, we achieved practical completion for two new Extra Care schemes, comprising a total of 114 properties:

- Michaelmas Court, Thurston: 30 rental and 24 shared ownership properties
- Fern Meadows, Faringdon (Oxon): 45 rental and 15 shared ownership properties



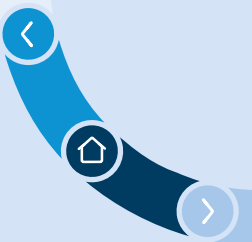
Fern Meadows, Faringdon

In September 2025 we welcomed the first residents to Fern Meadows, a mixed tenure Extra Care development in Faringdon, Oxfordshire.

Comprising 60 one- and two-bedroom apartments available for rent (45 properties) and shared ownership (15 properties), the scheme was delivered in less than two years from the official start on site date in November 2023.

In keeping with our commitment to deliver sustainable, affordable properties, Fern Meadows is an all-electric, low carbon scheme with electric charging points in the car park.





Our strategic direction

Our three core principles remain unchanged and provide the underlying foundation for our overarching strategic direction:



- **21:** being a modern and forward-looking organisation
- **Better:** never being complacent and striving for continuous improvement
- **Experience:** seeking to provide great experience and customer service to residents

Our purpose

We have remained true to our core purpose of helping older people to live well with dignity and autonomy, by providing support or care in quality social rent or shared ownership housing services.

Strategic Framework

The Strategic Framework is now embedded and brings together the key elements that will collectively guide our efforts to provide a clear and cohesive model that will ensure we remain focused on delivering the best possible outcomes for residents.

Residents are at the heart of the framework as we focus on achieving our goal of 95 per cent resident satisfaction. Our core focus is to deliver schemes and services that are co-created with residents and centred around their needs. This commitment to resident-centricity underpins all our work and serves as the benchmark against which we measure our success.

Our Strategic Drivers are the aspects of the framework that have the most direct impact on residents' daily experiences. These drivers influence the areas residents engage with regularly and play a crucial role in determining their overall satisfaction levels.

Supporting the Strategic Drivers are our Essential Enablers, which are the fundamental requirements needed to deliver the drivers effectively at a local level. These enablers provide the organisational infrastructure, processes, and resources that ensure we can consistently deliver high-quality services and experiences for our residents.

Finally, our Ambitions reflect our longer-term goals for Housing 21 and our commitment to the future. They demonstrate our dedication to providing purpose-built housing for older people and ensuring our organisation remains responsive, sustainable, and focused on the evolving needs of those we serve.

By bringing together all these elements, the Strategic Framework establishes the foundation for achieving our objective of 95 per cent resident satisfaction and sets a clear direction for our ongoing work.

Strategic framework: ambitions

The ambitions reflect our longer-term goals for Housing 21 and our commitment to ensuring the provision of purpose-built housing for older people.

Influence

We continue to champion the importance of, and need for, housing with care or support for older people. By working in partnership with key stakeholders across the sector, we remain committed to the need for the government to introduce a housing strategy for our ageing population.

We are active members of many national organisations and networks, working in collaboration with other social housing landlords and relevant organisations to highlight the challenges created by a lack of purpose-built housing for older people and the subsequent strain placed on public sector bodies including the NHS and adult social care.

Although work on the recommendations from the Older People's Housing Taskforce report, 'Our Future Homes', hasn't progressed as much as we hoped, we fundamentally believe in the importance and relevance of them. The recommendations included the need to build 1.5 million homes offering better living standards for older people and ending hospital backlogs.

We support the All Party Parliamentary Group (APPG) on Housing and Care for Older People and their recently launched inquiry report on intergenerational living: 'Creating Intergenerational Communities Housing our Ageing Population: Placemaking Intergenerationally'.



Key:

● Core Focus

● Strategic Drivers

● Essential Enablers

● Ambitions



Housing 21 chairs the National Housing Federation (NHF) Older Persons Housing Group which is a cross-organisational group from social housing providers across the country that is dedicated to working together to break down barriers to developing much-needed homes for older people. This working group offers advice and analysis so that together we can examine the challenges housing associations face when developing or providing homes for older people and support the NHF in engaging with their wider membership on the key challenges and opportunities for older person's housing.

Elsewhere, we chair the Dementia and Housing Working Group which continues to raise awareness amongst developers, local authorities and health professionals of the changes they can make to services and building design to help people affected by dementia to live well.

Sustainability

We are committed to acting ethically and openly in all that we do, striving to 'do the right thing' and being ready to acknowledge and learn from mistakes. Ensuring our schemes and properties are both environmentally and socially sustainable is integral to our decisions and actions.

We are proud to adopt the Sustainability Reporting Standard for Social Housing (SRS). The SRS reporting framework has been developed to establish a transparent, consistent and comparable set of Environmental, Social and Governance (ESG) criteria across the housing sector.

Each year, Housing 21 publishes its ESG report which is a comprehensive document detailing our performance and highlighting the positive work across the organisation. We are dedicated to going beyond legal requirements, exceeding minimum standards and striving to achieve a position of 'doing no harm'.

We have set clear and ambitious targets to support this commitment:

- All properties will achieve a minimum Energy Performance Certificate (EPC) rating of C
- We aim to reach an Environmental Impact Rating (EIR) of C or better across all homes by 2030
- We will reduce energy consumption by 15 per cent (kWh/m²) in communal heating systems and by 10 per cent in individual domestic systems by 2030

We continue to make good progress towards our sustainability commitments. At 31 March 2026, over 99 per cent of our homes achieved a minimum EPC rating of C, while more than 88 per cent achieved an Environmental Impact Rating (EIR) of C or above. We are also making progress towards our energy reduction targets. On a like-for-like basis, comparing schemes with a full year of utility data in both the baseline year and in 2025/2026, communal energy consumption reduced by 5.6 per cent. While newly developed and acquired schemes continue to influence performance across the wider portfolio, the underlying trend is positive and demonstrates continued progress towards our 2030 commitments.

Meeting EPC and energy efficiency standards, alongside longer-term decarbonisation ambitions, remains a significant challenge. Many properties were not designed with modern energy standards in mind, meaning upgrades can be complex and costly. Balancing investment in energy performance with other essential safety and quality works requires careful prioritisation to deliver value for money while supporting sustainability objectives.

In addition, we continue to maintain our building safety obligations and prepare for heat network regulations.



Eric Long Court, Swindon

Eric Long Court is a Retirement Living scheme in Swindon dating back to the 1970s. In 2025/2026, we undertook a major sustainability retrofit to reduce carbon emissions and future proof the building.

The key works included:

- Replacement of the gas heating system with a communal biomass boiler, using sustainably sourced wood pellets to provide heating and hot water across the scheme
- Installation of a solar PV system across suitable roof areas, generating up to 60 per cent of the site's electricity, with benefits shared through a communal electricity meter
- Integration of renewable systems so residents receive lower carbon energy without needing to change how they use heating or electricity, keeping things simple and familiar

As a result of these works:

- Carbon emissions per flat have reduced from 1.9 tonnes to 0.15 tonnes of CO₂ per year, a reduction of over 90 per cent
- The scheme is now one of the lowest carbon Retirement Living schemes in the region
- All flats are achieving the target A rating on the EIR, with updated EPCs in progress
- The scheme is on track to reach net zero by 2035, in line with national decarbonisation targets





Green space and biodiversity

We recognise that well-designed outdoor spaces play a vital role in supporting biodiversity, enhancing wellbeing and providing opportunities for social connection. A desktop survey showed that 98 per cent of existing schemes benefit from communal green space, with 75 per cent incorporating trees and 62 per cent featuring outdoor seating areas. We also ensure that all new developments integrate high-quality outdoor environments within their design principles.

The Environmental Checklist for schemes highlights practical, local actions residents and employees can take to enhance green spaces and promote biodiversity. Measures such as planting native wildflowers, reducing mowing, creating hedgehog passages and installing bird feeders help to create habitats that support a wide range of wildlife. Using water butts, composting and adopting sustainable waste practices also strengthen local ecosystems and improve resource efficiency.



Innovation

The 2025/2026 year was historic for us as we proudly opened our first cohousing scheme, Rupali Court in Birmingham.

The derelict site was purchased from Birmingham City Council in 2023 and has been transformed to offer 25 one- and two-bedroom apartments for social rent.

With our traditional Retirement Living and Extra Care offer, we design a scheme and residents move in upon completion. But with cohousing, residents are actively involved in the process right from the beginning, helping to design a scheme specific to meeting the needs of the local community.

In addition to a communal lounge and garden, residents at Rupali Court championed the creation of a common house area with shared kitchen (in addition to their own private kitchens) and open space, supporting residents to cook and eat together. They also chose to include a community garden for residents to grow their own vegetables, and a multi-faith room that meets the requirements of all faiths, religions and cultures.

Within their own self-contained apartments, residents were also able to collectively influence the finishes and fixtures.

The scheme has been successful in providing a more diverse tenant base to address diversity issues.

As our first project, it has provided an opportunity to shape future cohousing approaches and our new Cohousing Strategy, which has been expanded to cover all of England. Cohousing offers a powerful alternative to traditional housing models, particularly for older adults from under-represented and marginalised communities by supporting ageing in place, fostering mutual support and allowing residents to remain connected to their cultural and social networks.

We are keen to develop a suitable model of cohousing that engages older people in areas of deprivation. This approach will inform both our designs and operating models to meet the changing needs and requirements of older people. Our initial focus is people from minority ethnic backgrounds, and we have another three opportunities in the pipeline to come forward.



Organic growth

	UoM*	Actual	Actual	Target	Target
		2024/25	2025/26	2025/26	2026/27
Number of starts on site	No.	511	566	396	661
Number of completions	No.	255	337	352	482

*UoM – Unit of measurement

We continued to make progress against our development programme in 2025/2026, completing 337 properties across seven schemes: 198 Retirement Living, 114 Extra Care and 25 cohousing properties. This was slightly below our target of 352 properties, but included the completion of Rupali Court, our flagship cohousing development.

During 2025/2026, we achieved 566 starts on site across nine schemes. Looking ahead, a further 588 properties are currently in the pipeline across 11 new sites.

The development market has stabilised over the last 12 months, and the announcement of a new 10-year Affordable Homes Programme has provided greater long-term certainty. This allows us to take a more selective and purposeful approach, focusing on schemes in the right places where local need and demand support significant investment in older people's housing.

While grant funding certainty has improved, the wider economic outlook remains uncertain. The Iran war has increased volatility in global energy markets, with potential knock-on impacts for inflation, interest rates, construction costs and supply chain resilience. Alongside the borrowing requirements of the programme, these pressures require careful management, so we are smoothing delivery, adjusting phasing where needed and maintaining a disciplined approach to forecasting and financial capacity.

Sales

Following a service review, we implemented a new sales structure in June 2025, bringing new homes and resales together into one dedicated team. This was designed to provide a more joined-up, responsive service for our current and future residents, while strengthening our focus, improving consistency and enabling us to respond more effectively.

The benefits of the new structure are already evident. In a challenging external environment, we were delighted to significantly exceed our sales target, completing 57 sales against a target of 29.

In addition, we completed 20 compulsory buybacks during the year and resold 26 compulsory buyback properties.

We also converted 24 voluntary buybacks to rent, 22 of which were let, with an average let time of seven weeks.

This performance is particularly positive given the continued external pressures affecting the sales programme, including unstable global markets, poor industry-wide perceptions of shared ownership and delays to practical completion. We have responded proactively by piloting and adopting the Shared Ownership Code, strengthening marketing campaigns and sales launches, and supporting residents to better understand the shared ownership offer. We continue to deliver mixed-tenure schemes, offering choice to people who do not qualify for social housing while reducing the perceived risk of void properties through our buyback offer.



Partnership delivery

Alongside our own development programme, we are exploring partnership models where they support our purpose, increase delivery capacity and remain consistent with our financial parameters.

In January 2026, we announced a collaboration with Churchill Living Partnerships to deliver over 300 Retirement Living homes for older people across England, starting with schemes in Banbury and Shaftesbury and with further developments expected from 2026.

We will review future partnership opportunities on a case-by-case basis, ensuring they complement our core development programme and support disciplined growth in line with resident need and organisational capacity.

Growth by acquisition

We continue to seek opportunities for growth by acquisition, as general needs providers look to consolidate their portfolios and dispose of older people's housing where this is not their core expertise. As a specialist provider with the financial capacity, operational experience and focus on older people's housing, we are well placed to take on these schemes and invest in improving services and outcomes for residents.

Following a high number of acquisitions over previous years – including our largest transfer of 1,567 properties from Midland Heart in 2024 – we spent much of 2025/2026 embedding these alongside schemes purchased from Notting Hill Genesis, Clarion Housing and Rooftop Housing.

The impact of acquisitions has brought about benefits for both residents and Housing 21. Incoming residents have reported receiving a better service from a specialist provider, with more than 75 per cent of schemes reporting increased overall satisfaction levels, including four schemes where overall satisfaction levels were recorded as 100 per cent.

For us as an organisation, acquisitions provide good value growth, particularly where assets are acquired at a discount to the cost of new development and where the security is efficient because the value of the assets supports the funding required to acquire and invest in them.

We have an Acquisitions Strategy which sets out our core requirements and provides a framework for assessing potential opportunities. During the year, we reviewed several acquisition opportunities received directly from registered providers and through third parties; however, following assessment, these were not considered to be a strong strategic fit with our wider portfolio and were therefore not progressed.

Investment in acquired schemes

During 2025/2026, the Asset Management Team continued to strengthen its approach to integrating newly acquired properties, ensuring that these meet our property standards. As part of this, new acquisitions were assessed on property condition, helping to inform prioritisation and deliver our investment planning.



Redmayne View and Green Lane View, Norwich

A £700k project to transform and improve two Extra Care schemes in Norwich was completed, just two years after being acquired by Housing 21.

Redmayne View and Green Lane View (pictured) both transferred from Clarion Housing as part a large acquisition project in 2023 and shortly after, were subject of a 12-month investment programme which concluded in June 2025.

At Redmayne View, significant investment was made to refurbish and remodel the communal areas including the lounge, kitchen, salon, communal bathrooms and toilets. There was also some internal remodelling to create a new store for residents' electric mobility scooters.

Across all 40 apartments, a new digital call system was installed so in the event of an emergency, residents can raise the alarm to be connected to on-site Care Workers within 60 seconds, or outside of this timeframe, a national call system which is monitored 24/7.

At Green Lane View we undertook a full makeover of communal areas, upgraded fire prevention works and installed the digital call system in all 30 apartments.



Before



After



Strategic framework: essential enablers

The essential enablers are the fundamental requirements that are needed to deliver the strategic drivers at a local level. They provide the foundations for us to deliver the best overall experience to residents, utilising resource from across the wider organisation.

Finance and viability

We continue to operate with strong financial resilience, underpinned by Board-approved golden rules, regular performance monitoring and robust stress testing that helps us understand and respond to the factors that could have the greatest impact on our financial position. In an increasingly volatile, uncertain, complex and ambiguous environment, this disciplined approach ensures we remain financially resilient while continuing to invest in our existing homes and deliver new homes to meet growing demand.

Our approach is recognised by external stakeholders. During the year, S&P reaffirmed our A- credit rating with a stable outlook, and we successfully secured £100 million of new fixed-rate funding, demonstrating continued confidence in Housing 21 from lenders and investors.

We also maintained our V1 viability rating following the Regulator of Social Housing's latest judgement in December 2025. The regulator confirmed that Housing 21 "meets the viability requirements and has the financial capacity to deal with a wide range of adverse scenarios".

In its judgement, the regulator highlighted the financial strength of the organisation, noting that there is capacity built into the Business Plan, strong levels of forecast headroom and no reliance on the sale of homes. It also recognised that Housing 21 continues to maintain sufficient headroom against lender covenants, while its financial position has strengthened compared with previous years, largely due to updated stock investment information. The regulator further noted that Housing 21 continues to invest in existing homes while delivering new homes to meet growing demand.

Looking ahead, we expect to secure additional funding to support our growth ambitions. However, in the context of an increasingly uncertain operating environment, we will continue to grow prudently, maintaining a strong balance sheet, investing within our means and ensuring the organisation remains resilient, sustainable and well positioned to respond to future challenges and opportunities.

Governance and leadership

Governance

In December 2025, we retained our G1 status for governance, with the Regulator of Social Housing confirming Housing 21 meets the governance standards.

In its findings, the regulator stated: "Housing 21's Board has a clear purpose, supported by its Strategic Plan and Business Plan. The strategic direction of Housing 21 is regularly reviewed by the Board.

"There are arrangements in place for the Board to review reporting on its strategic delivery, oversight of its financial risks, success of its development and growth programme, landlord health and safety, and building safety. We saw evidence that the Board, supported by its committees, applies relevant scrutiny and oversight to the performance of the organisation."

Board Members

In September 2026, we will bid farewell to Elaine Elkington, who will be stepping down as Chair of the Board after completing seven years' service (one more than the normal limit of six years).



Throughout her tenure, Elaine has been focused and dedicated to positioning Housing 21 as a leading expert provider of older people's housing with support or care. Since taking on the role of Chair in May 2024, Elaine has created a legacy, having been in post for the delivery of our first cohousing project (Rupali Court), our largest ever acquisition of 1,567 properties from Midland Heart in September 2024 and, most recently, in obtaining our C1 consumer standards status. We will miss Elaine and wish her well in her future endeavours.

In addition to Elaine, two further respected and valued Board Members will also be stepping down in September 2026. David Clark (who has played a particularly pivotal role overseeing our asset management and development activities) and Ian Skipp (who played a valuable role as a member of the Audit and Risk Committee for many years before joining the Board and providing particularly strong housing expertise as well as financial insight and expertise). Both have proved to be fantastic ambassadors for the organisation, and we wish them both the best for their futures.

As we look to the future, we are excited to welcome Jane Holbrook as our new Chair of the Board. A senior business leader with over 20 years of executive and non-executive experience, Jane's career includes chief executive roles within substantial multi-site customer centric businesses. A qualified accountant, Jane has a track record of successful performance improvement and effective governance across multiple complex property- and people-focused organisations. Jane is also qualified in coaching and behavioural change and committed to growing great cultures across the organisations she works with.

Driven by a commitment to social value, Jane is the founder of a charitable trust dedicated to social mobility for disadvantaged children and holds several other voluntary positions.

We are also pleased to have welcomed Annette Emanuel as our second Resident Board Member, ensuring the resident perspective remains heard and represented at Board level.

As we look ahead to future Board recruitment, we do so alongside revised committee titles and membership. Following Board and Governance Committee discussions, it was agreed to undertake a restructure of committee titles to reduce duplication, clarify boundaries between committees, strengthen resident service scrutiny and provide clearer oversight of corporate functions. Committee membership was also reviewed to balance skills, continuity, succession, workload, and forthcoming Board changes as a result of Elaine, Ian and David all stepping down in September.

Leadership

Retirement Living and Extra Care are distinctive services, and we recognise there have been times when the services have had different priorities and wanted to approach an issue in a different way from the other, often with the intention of achieving similar goals.

There are however many areas where the services successfully work together with a unified approach to provide the best outcomes for residents, utilising the benefits of common systems and corporate services, together with the many policies and procedures which apply to both.

In 2025/2026, we introduced a new Chief Operations Officer role across Retirement Living and Extra Care to provide strategic oversight and leadership across both functions. Kris Peach, formerly the Managing Director of Extra Care, took on this role with the aim to balance and coordinate the distinctiveness of each service whilst ensuring they are working together to maximise the potential benefit and impact of Housing 21 for our residents and other stakeholders.

We also recognise the importance of diversity in our senior team and in 2025/2026, took the decision to broaden the senior leadership team to include all Housing 21 Director and Executive roles. This will provide a wider perspective, diversity of thought and experience and create opportunities for directors to develop their leadership skills and be more connected with the Housing 21 Board.

People and culture

	UoM*	Actual	Actual	Target	Target
		2024/25	2025/26	2025/26	2026/27
Employee satisfaction	%	83	82	87	87
Voluntary turnover	%	13	12.7	15	15
Proportion of new employees who are non-white	%	21	25.4	15	15
Sickness — total direct sickness costs	£'m	2.6	2.6	2.1	2.1

*UoM – Unit of measurement

The motivation, commitment and satisfaction of our people is intrinsic to their engagement, performance, and behaviour at work, and this is critical to the organisation's overall success.

Advancing our position as an employer of choice over the last 12 months has continued to help Housing 21 to attract people to join us and motivate them through their employment experience. Our priority has been to enhance our culture through a shared agenda of people priorities informed by our operational activities, ensuring our employees are heard amidst the ever-changing external environment.

Our annual survey continues to be a key performance indicator of our people activities and this year we delivered our annual satisfaction and wellbeing surveys in partnership with Investors in People. This provides us with an independent review and benchmark to best practice that helps us to strive towards being a leading employer of choice.



Our annual satisfaction and wellbeing surveys had a 76 per cent response rate, with 82 per cent employee satisfaction. Overall satisfaction levels were below our target of 87 per cent, so exploring the results with our people has been critical to us understanding and shaping our future people priorities collaboratively so we can achieve increased satisfaction levels going forward.

We recognise the part our data plays in providing insights and we have progressed our digital agenda ensuring that we not only capture information, but we also use it to inform decisions and empower people managers to make evidence-based decisions. Our high-level metrics show that our actions have resulted in us positively performing against targets for turnover, new starter diversity and training compliance.

Whilst our sickness absence is above our stretching target, we remain below the national benchmark in the sector and have targeted plans in place to reduce and prevent sickness absence through a range of proactive wellbeing activities.

Investors in People

Following an assessment, we were delighted to retain our Investors in People Platinum accreditation, something we have held since 2021. After so many years it is easy to become accepting of this accreditation as a standard part of our organisation's culture. However, as explained by our assessor: "Retaining Platinum isn't about staying still or 'maintaining' at Housing 21; it means you have 'upped your game' in the last year." This means at the highest level, we continue to invest in employees, listen to feedback and deliver an improved working environment year on year.

Alongside this, we completed our first Invest in Wellbeing assessment and were delighted to achieve Invest in Wellbeing Gold. This accreditation demonstrates our wellbeing activity is backed by strong organisational infrastructure and inclusive practice, supported through year-round evidence gathering and challenge as part of the IIP partnership approach.

Creating thriving environments

We want to support our people to be engaged at work and perform at their best so we can offer a positive contribution to their lives. We celebrate the diversity of our employees as we recognise this brings positive differences and challenges through allowing us to see the workplace experience through many different lenses.

A sense of belonging has been a focus of the people agenda within the last 12 months, and we have continued to embed the Respect and Inclusion Charter for our employees and residents. The design of our activities has included an elevation of our affinity groups which focus on the agendas of LGBTQ+, women's health, disability, neurodiversity and cultural heritage. These groups are championed by their leadership sponsor and have regular check-ins with the Chief Executive and Board to ensure their opinions are heard and acted upon.

We recognise the challenges of communicating and connecting the people agenda to our disparate workforce and a key enabler to overcoming this is digitalisation. We aim to ensure colleagues have direct access to information, services and benefits to empower them to access the opportunities and offers that are available. Considering their wider family as part of their overall wellbeing enables them to thrive in both their personal and work environments.

To progress this, we have introduced new learning pathways for digital and data skills to remove barriers to ensure new platforms are accessible and utilised. This includes supporting employees to use digital tools safely.

Building on this, 2025 saw the introduction of our Thrive Hive reward and recognition hub which outlines all the available benefits for employees and their families and allows us to embed a culture of appreciation through recognition cards, a social celebration wall, recognition of milestones and performance and the sharing of employee stories.

Financial support

In 2025/2026, we transitioned all weekly paid employees to monthly pay. This change not only streamlined and standardised our processes but also introduced valuable new tools to support people to manage their money. Through engagement from employees to understand what support they needed to help move from weekly to monthly pay, new financial tools were introduced to help bridge the change including earned wage access, a benefits checker and money coach, which supported a smooth transition with positive feedback from employees.

One of the key successes includes the introduction of a savings tool which enables employees to save directly from their pay, further promoting positive financial behaviours.

We have enhanced our employee offer including increasing our family leave paid entitlements and the introduction of a new lifestyle benefits platform. A minimum basic three per cent pay award (or greater where linked to the National Living Wage) was awarded to support colleagues through the challenges presented by the current financial climate.



Employee benefits awards

Housing 21 won an impressive hat-trick of accolades across three categories at the 2025 Employee Benefits Awards.

Our future-proofed approach and proactive environment was recognised in the award for Best Financial Wellbeing Strategy — Large Employer.

The Best Alignment of Benefits to Business Strategy was awarded for reinvesting salary sacrifice savings into wider benefits and maximising resources for a meaningful change.

Finally, the judges praised the workforce-first approach of the team and the commitment to making a real impact in the award for HR or Benefits Team of the Year.

Housing competence and conduct standard

The Competence and Conduct Standard is due to come into force from October 2026 with a three-year transition period (for providers with over 1,000 properties) before senior housing managers and executives must have, or be working towards, a relevant qualification.

The introduction of the standard is part of a range of measures and activities by the government to professionalise social housing and address concerns relating to safety, quality and the relationship between residents and landlords which were uncovered from tragedies within the social housing sector.

Operations Managers will be required to have a Level 4 housing qualification whilst Regional Operations Managers, relevant Heads of and Director level roles will require a Level 5 housing qualification. Employees working in a technical role will be required to have a relevant technical qualification to their role.

The standard is not just concerned with competence (training) but also conduct. Work has been undertaken to identify the roles in scope and to further strengthen our code of conduct.

Although we have a three-year transition period, we have already started to identify those who require training and undertake the necessary steps towards compliance.

Systems and data

The past year has seen the delivery of a wide variety of projects which delivered smaller improvements to existing systems, enhanced the user experience and increased functionality, as well as the implementation of larger, more complex projects providing new systems to the business. Sometimes less visible — but no less important — projects have also been completed which ensure our systems, data and equipment are available, secure, current and working efficiently.



It's been another busy year for colleagues working to improve our systems and data, but our key successes can be summarised as follows:

IT technical services

- Tendering: Successful tendering with architectural improvements for warden call and emergency call
- Cyber Essentials: Accreditation gained in 2025; we are looking at achieving Cyber Essentials Plus in 2026
- Wi-Fi: Retirement Living Wi-Fi infrastructure in place at over 150 schemes
- Integration: Integration platform delivered for Birdie and future projects (compliance and finance)
- Data: Restructuring of the data platforms to provide greater scalability and stability

IT operational services

- Windows 10 to 11: Full transition to Windows 11 across the entire device estate
- Device refresh: Replacement of 565 end-of-life devices (over five years old) completed
- Birdie: Deployment of all Birdie devices completed; ongoing support successfully transitioned from CSSOs to IT
- Value for money: A proactive, managed approach delivered measurable value and cost efficiency, with over £800k in cost savings and avoidance
- Contract and supplier management: Positive audit outcome reflecting strong governance and oversight following the IT contracts and Supplier Manager role in 2024
- FTTP rollout: Fibre broadband offering deployed to residents across 130 schemes

IT business services

- Website rebuild: Design, rebuild and implementation of Housing 21 website
- Birdie phase one: Implementation and rollout of electronic care management across all Extra Care sites
- Hazards module: timely compliance to Awaab's Law
- New finance system: Unit 4: procurement complete and implementation in progress
- Workplace replacement: Viva Engage: Viva Engage has received good feedback as a simple to use platform; part of the standard Microsoft offering therefore at no additional cost
- Power BI reporting dashboards: Repairs, antisocial behaviour, complaints and safeguarding completed, presenting key data in the most helpful format and with visuals to support operational teams in their daily activities and in their reporting responsibilities



Birdie care management system implementation

Over the past financial year, we undertook the implementation of Birdie, our dedicated care management system. This initiative was a significant step forward in our commitment to delivering high-quality care services within the Extra Care business stream.

The introduction of Birdie has provided us with greater oversight across all aspects of our care provision. By streamlining workflows and centralising information, the system enables managers and employees to monitor service delivery more effectively and respond promptly to residents' needs.

One of the most notable benefits realised through Birdie is the additional time it has freed up for our employees. With routine administrative tasks now handled more efficiently, employees can dedicate more of their working hours to meaningful interactions with residents, thereby enhancing the quality of care and overall resident experience.

Looking ahead, our next priority is to further develop the Birdie system by improving its rostering functionality. This enhancement aims to create greater efficiencies in employee scheduling, ensuring that our services remain both effective and sustainable as we continue to evolve.

Looking ahead

Delivery teams are focussing on two core system implementations that are replacing finance and housing management systems. Over time as the business has evolved and system capability has progressed, it has become apparent that these two ageing systems needed to be replaced.

Two core system replacements in reasonably quick succession is a challenge that is being carefully planned for and executed, involving stakeholders and experts across the business and from the new system suppliers. The focus of the IT delivery teams will be on these two implementations.

New finance system launch: following a complex implementation phase, the launch of the new finance system will be the first in over two decades. A new and modern system providing greater functionality and usability enables more processes to be systemised, improving speed and efficiency of processing. We are forecast to go live by April 2027.

Housing management system procurement progress: after a thorough procurement process to ensure the best fit system is selected which will meet the current and future needs of Housing 21 and its residents, the project will move into its implementation phase. Work during the implementation phase will be carefully planned out with timely communications and training to ensure all impacted colleagues and residents will be well prepared and informed.

Hazards phase two: following on from process and system changes to ensure compliance with Awaab's Law, the next phase of regulations come into effect in late 2026 and a project team will work to deliver the required system and process changes so that Housing 21 is fully compliant.





Strategic framework: strategic drivers

Our strategic drivers are the localised elements of the framework that have the most direct impact on residents and which they will come into daily contact with, ultimately determining their satisfaction levels.

Affordability

Rent and service charges

As a not-for-profit provider, we are focused on delivering value for money and ensuring any financial surplus we make is reinvested in the provision of safe, quality homes for residents, and not into the pockets of shareholders.

We continue to offer a social rent policy, which is typically set at about 50 – 60 per cent of market rents. These are significantly lower than affordable rents – which can be charged at 80 per cent of market rent levels – and as such, are more suited to people of lower incomes and our target demographic of older people.

This year, our annual rent increase from April 2025 was 2.7 per cent, compared with 7.7 per cent in April 2024. We continue to set rents in line with the Social Housing Rent Standard, which permits annual increases of up to the Consumer Price Index (CPI) plus one per cent, based on the previous September's CPI figure. From April 2026, we implemented a rent increase of 4.8 per cent (September 2025 CPI of 3.8 per cent, plus one per cent).

We welcome the government's announcement of a new 10-year rent settlement of CPI plus one per cent. The long-term certainty this provides is critical to effective business planning, enabling us to make informed investment decisions with greater confidence. It strengthens our ability to maintain and improve existing homes, invest in services for residents, secure long-term funding and deliver new homes to meet growing demand.

We continue to work with residents to agree service charges at a devolved level. These charges are specific to each individual scheme and contribute towards local charges such as maintaining communal areas, cleaning and gardening. Each year, we host an in-person meeting with residents to discuss the current and upcoming years' service charges, including costs, contracts and services.

Resident Support Trust Fund

The Housing 21 Resident Support Trust Limited ('the Trust') was established to provide independent charitable funding for projects and initiatives that enhance the wellbeing, inclusion, independence and quality of life of Housing 21 residents. The Trust enables investment in resident-focused activities that sit beyond Housing 21's core landlord obligations, supporting community resilience, health and wellbeing, digital inclusion, cost of living initiatives and improvements that contribute to resident satisfaction.

The Resident Support Trust Fund was launched in January 2026, with an initial contribution of £2m from Housing 21. Following another strong financial year a further £1.8m has been donated.

The fund is structured around five categories:

- Scheme investment
- Cost-of-living initiatives
- Health and wellbeing campaigns
- Digital and social inclusion
- Community empowerment and engagement

Since the Resident Support Trust Fund was launched in January 2026, a total of £450k was committed to grant funding and amounts to be paid over for future projects. Health and wellbeing initiatives, such as social activities, games and entertainment equipment and trips, accounted for the largest proportion of grants. This was followed by funding for community empowerment and engagement projects, such as community-led gardening clubs and workshops.

Helping Hands Fund

Alongside the Resident Support Trust Fund, we continue to support residents through the Helping Hands Fund. This fund was set up to provide one-off grants of up to £300 to support residents facing unexpected bills, costs or purchases, such as essential white goods and furniture.

Throughout 2025/2026, we paid out a total of £196.5k in Helping Hands grants to residents.

Devolved decisions

We are proud to operate a devolved model that strikes the balance between decision making at a local level, but with access to the support, resource and knowledge of a nationwide housing provider.

With a portfolio of more than 24,200 properties, we adhere to strict legislation, guidance and best practice so that regardless of where people live, they consistently have access to safe, quality and affordable housing. However, when it comes to lifestyles and choice, we know that every person – and every scheme – is different.

Unlike other housing providers, our devolved model means we have a manager based on site at every scheme who knows the residents, the site and the local area. They are available to support residents with the issues that are relevant to them, be it assistance with benefits entitlement checks, arranging a social event in the communal areas or simply offering reassurance and peace of mind that someone is on hand to help, if needed.

For residents, this bypasses the barriers and frustrations that inevitably occur when dealing with centralised support teams who do not understand the specifics of their scheme or the individual at the other end of the phone or email.

By offering face-to-face support it removes the challenges that may arise through a lack of confidence or understanding of digital platforms and means decisions around the day-to-day running of the scheme can be made with people who have first-hand knowledge and insight. This approach is also useful when fostering relationships with relatives, friends and members of the community, who have a designated point of contact for the scheme and can arrange events or activities at a local level.



Winton Court, Gateshead

An intergenerational project between an Extra Care scheme in Gateshead and a local nursery was shortlisted for a national award.

At the 2025 Great British Care Awards, Winton Court was shortlisted for the Co-Production Award for their Intergenerational Project with Childsplay Nursery.

The project started in 2022 after the nursery reached out directly to Winton Court's Housing and Care Manager, Carole, to discuss the possibility of 12 children visiting residents twice a month. Carole and the residents agreed and since then, the project has developed. Now, 26 children are involved in weekly visits, with firm friendships having been formed between the children and residents.

Carole said: "After their first visit we knew we were involved in something special. Our residents and the young children showed nothing but compassion and kindness.

"They were able to see past the mobility walkers, wheelchairs and walking sticks and began to engage with the wonderfully knowledgeable older people."

The project is also part of research study with Newcastle University which has identified that the interactions between children and older people bring massive benefits to both generations. This work will help form a UK-wide toolkit to show the impact the work has on children and residents.



Quality properties

Investment in our properties

	UoM*	Actual	Actual	Target	Target
		2024/25	2025/26	2025/26	2026/27
Decent Homes	%	100	100	100	100
Schemes with fully digital call systems	%	85.4	88.7	94	94
All kitchens < 25 years	%	99.6	100	100	100
All bathrooms < 25 years	%	99.2	99.6	100	100
All properties at EPC C	%	98.6	99.7	100	100
All scheme makeovers < 10 years	%	92.8	93.9	100	100

*UoM – Unit of measurement

** Housing 21 rented stock excluding Kent and Oldham PFI, Market Rent, Rukba

***Decent Homes excludes Somers Court

We are committed to delivering high-quality, safe and sought-after properties, which helps us retain our position as landlord of choice. In 2025/2026 we invested £42.2 million in stock improvement works and a further £7.4 million on communal makeovers, maintaining the high standard of our accommodation whilst ensuring we respond to changing regulations and resident expectations. Once again, 100 per cent of our properties met the Decent Homes Standard.

Although we fell slightly short of some target areas, we are encouraged that we continued to build on our performance from last year and will continue to review opportunities to improve further.

Learning from our environmentally sustainable pilot and resident feedback, we also began to develop clearer heat agreements, focusing on managing expectations around comfort, overheating, and energy use while reducing cost and carbon emissions. These themes were brought together through our annual Environmental Seminar, which provided a forum for Board Members, senior leaders and colleagues to review progress against sustainability commitments, consider the implications of emerging heat network regulations, and agree next steps.





Jellicoe Court, Scunthorpe

Jellicoe Court is a Retirement Living scheme built in the 1970s, made up of 29 flats across three blocks. The homes were small, poorly insulated and hard to access, which led to low demand and high voids.

We chose a combined retrofit and redevelopment approach to address these challenges. One block of outdated bedsits was demolished and replaced with 12 modern one-bedroom flats, while the remaining two blocks were fully refurbished to the same high standard.

The work transformed Jellicoe Court into a modern, energy efficient and accessible scheme that residents are proud of. Homes now meet national space standards and HAPPI principles, with level access, wider doorways and walk in showers to support independent living.

Thermal performance was significantly improved through new insulation, glazing and heating systems, alongside photovoltaic panels and EV charging points. Resident involvement was central throughout, from design through to delivery, and the scheme remained occupied with careful phasing to minimise disruption.

The result is a futureproofed property that supports wellbeing, reduces energy costs and preserves a thriving community. The project was shortlisted at the 2026 Housing Digital Innovation Awards in the Best Retrofit Innovation or Project category.





Looking ahead

Over the coming year 2026/2027 we will continue to deliver against the key objectives within our Asset Management Strategy. This includes maintaining our enhanced Property Standards through investment in our stock and bringing any additional acquired units up to similar levels.

We will continue to invest in and explore effective means to make our buildings more sustainable to achieve our net zero aspirations. We are committed to ensuring all our accommodation is safe and fully compliant, through undertaking building safety and fire risk assessments, as well as investing in robust service contracts and their administration.

Awaab's Law: damp and mould

The pace and scale of regulatory change continue to increase, placing additional pressure on investment planning and delivery. New and emerging requirements, including Awaab's Law, enhanced expectations around damp and mould, and ongoing fire and building safety obligations, require earlier intervention, faster response times and, in some cases, higher levels of investment than originally planned. This has required the organisation to continually review priorities to ensure resident safety and compliance remain at the forefront.

Housing 21 is committed to providing dry, warm and healthy homes for residents. We have established a combined method to tackling these issues to ensure we effectively resolve known cases and undertake preventative control measures.

Awaab's Law, which came into effect on 27 October 2025, requires social landlords to investigate reports of significant damp and mould within prescribed timescales (24 hours for emergencies and 10 working days for significant hazards) and to make the property safe within a further five working days (or 24 hours if it is an emergency).

To ensure compliance, Housing 21 has introduced a hazard module for Housing Managers to assess and record damp and mould hazards into the housing management system, Aareon. Incidents recorded on the module are checked to ensure a resulting repair has been raised and surveyors are contacted to assess any emergencies which may have underlying structural issues, which can then be addressed. The evidence submitted as part of the module is used to inform further training to increase knowledge around damp and mould.

Our managers visit all our homes at least once per year to complete a People and Property Visit (PPV) during which they proactively check for any indications of damp or mould. Over the last year they noted small amounts of damp in around three per cent of inspected properties. Not all of these reports will be in scope of Awaab's Law and therefore figures will differ from those reported under our Awaab's Law performance. Additionally, our PPV data covers a 12-month period whereas Awaab's Law reporting began in October.

In addition to this process, the Surveying Team undertake annual inspections using the Housing Health and Safety Rating System (HHSRS). Any hazards identified through these inspections are monitored and reviewed until fully resolved. Between April 2025 and March 2026, 12 properties across seven schemes were identified as having damp and mould through the HHSRS survey. As of 31 March 2026, nine cases have been resolved, with three currently having the necessary works completed.

Performance relating to hazards raised by Local Housing Managers and the Surveying Team HHSRS assessments is reported to the Board monthly.

People and Property Visits

The PPVs are designed to support resident wellbeing and check property standards, whilst also capturing evidence required to comply with the regulator's consumer standards. This procedure aims to promote a safe, comfortable, and supportive living environment for residents in Housing 21's properties by conducting thorough inspections and addressing any issues promptly.



The three key benefits of PPV are:

- Resident wellbeing and support: Effective engagement to assess wellbeing, safeguarding and finance maximisation
- Property and safety: Discreet property condition checks, PCFRAs (Person Centred Fire Risk Assessments), up-to-date resident information
- Efficiency: Captures and evidences our current property and resident checks in one place

Feedback on PPVs is that they have provided a means for Local Housing Managers to spend some good quality time with residents to better understand their needs and support. This has included identifying matters that may otherwise have not been addressed, such as aids and adaptations, hoarding and furniture poverty, which we have been able to address through our Helping Hands service.

We introduced a process for managing and complying with the requirements set out in Awaab's Law; this included training our local managers and communicating and raising awareness of the legislation with our residents and contractors.

Heat networks

Heat networks are systems that supply heating and, in some cases, hot water from a central source to multiple homes or buildings through a shared network of insulated pipes. They are particularly relevant to Housing 21 as many of our Retirement Living and Extra Care schemes use communal heating systems, enabling us to provide efficient, reliable and lower-carbon heating to residents.

The regulation of heat networks is changing significantly, introducing new requirements for consumer protection, pricing transparency, service quality and operational oversight. These reforms are designed to give residents greater confidence that heat network services are delivered fairly and efficiently, bringing the sector more closely into line with other regulated utilities.

On 27 January 2026, Ofgem became the regulator for heat networks and all existing heat networks were deemed temporarily authorised as part of a transitional implementation period. Housing 21 has continued to prepare for the new requirements through improvements to governance, data quality, customer information and complaint handling processes.

Our heat networks are now within the jurisdiction of the Energy Ombudsman, providing residents with independent redress where complaints cannot be resolved through our internal processes. This additional oversight supports transparency, accountability and consumer protection while providing assurance to residents, regulators and funders that heat network services are managed effectively.

Ash Grange and Oak Grange

In 2024/2025, we announced the difficult decision to close Ash Grange and Oak Grange, two Retirement Living developments in Liverpool.

The neighbouring schemes are two former local authority buildings comprising two high rise tower blocks that have exceeded their 60-year life expectancy. Although both are currently acceptable, results of a structural survey showed they are expected to erode within the next five to 10 years. Even with significant, multi-million-pound investment which would involve severe disruption to residents, their lifespan could potentially only be increased to a potential of 20 years.

Since advising residents of the closure in April 2025, we have had a dedicated team of employees based on site to support residents with finding suitable alternative accommodation, including assisting with online applications.

These employees have also helped with practical arrangements, such as organising removal companies, issuing financial compensation and managing on-site security measures.



We have successfully supported many residents into new properties, and several other households are in the process of accepting offers on alternative accommodation. Many of the impacted residents accepted offers on three of our newly completed Retirement Living schemes: Pomeroy Court in Huyton, Conefrey Court in Widnes and The Wireworks in Warrington, where we prioritised applications from residents of Ash Grange and Oak Grange.

Our employees will remain on site to continue supporting the remaining households with their search, including identifying vacant properties across Housing 21 and other housing providers in residents' preferred relocation areas.

Once the site is fully vacant, we will demolish both buildings and construct a new Extra Care development.

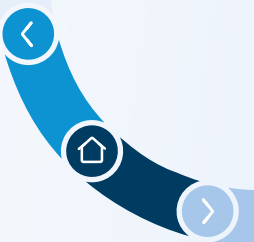
Somers Court

In 2023, we acquired Somers Court in Wisbech from Clarion Housing. None of the 38 apartments offered individual cooking facilities and residents were required to share four communal bathrooms. Not only did this not meet contemporary standards or Decent Homes Standards, but it did also not align with the standard of housing we are proud to offer.

In September 2024 we informed residents of the difficult decision to close the scheme and provided one-to-one support to residents to support them to find suitable, alternative accommodation in partnership with external stakeholders.

We have now identified suitable housing alternatives for all affected residents and are working to pursue planning permission to redevelop the site to provide a new Retirement Living development.





Quality services

Emergency call (digital)

We continue to roll out the digital emergency call systems, replacing the outdated analogue call systems. All schemes will have a digital emergency call system in advance of the digital switchover.

Alongside this, work is ongoing to develop and extend the design of the digital emergency call systems, providing better service and additional functionality. By working with our strategic partners, an enhanced version of our emergency call system has been developed, which includes the ability to directly engage with residents using a messaging service, carry out customer surveys and provide additional functionality for our on-site housing managers, through the Manager app.

Antisocial behaviour

Our increased focus has resulted in a steady increase in the reporting of antisocial behaviour (ASB) cases, particularly Hate Crime matters which were previously under-reported. In response to resident feedback, we have introduced regular case reviews to ensure residents are kept up to date of case progress and as a result, we have also noted a reduction in the length of time taken to resolve and close a case.

Our team also rolled out mediation and training to improve the handling of neighbour disputes, which is one of our most frequent case types.

We were pleased to meet the required standard to commit to signing up to the ASB Help Pledge which demonstrates our commitment to a fair, transparent, and effective antisocial behaviour case review process, recognising that partnership approaches are essential for resolving complex cases and supporting victim wellbeing.





Accountable

We are accountable to residents and are held to account by the Regulator of Social Housing, Housing Ombudsman and legislation which ensures residents have access to safe, quality housing managed by a reputable landlord. Across our Extra Care schemes, we are also inspected and held to account by the Care Quality Commission (CQC).

The consumer standard

Last year we received our first consumer standard grading under the new Social Housing (Regulation) Act. The act contains four consumer standards, underpinned by the code of practice, broken down as follows:

- The Safety and Quality Standard: requires landlords to provide safe and good-quality homes and landlord services to tenants
- The Transparency, Influence and Accountability Standard: requires landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account
- The Neighbourhood and Community Standard: requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes
- The Tenancy Standard: sets requirements for the fair allocation and letting of homes and for how those tenancies are managed and ended by landlords

Following our initial inspection, Housing 21 achieved a compliant C2 rating, and no areas were identified where residents were not receiving the standards of service they deserve and are entitled to expect. However, the inspection did highlight areas where improvements could be made in respect of monitoring and reporting of performance to the Board.

Following the feedback provided, the Board and Executives of Housing 21 undertook a rigorous approach to strengthen the oversight and triangulation of performance data and other feedback mechanisms. We implemented a nine-point improvement plan addressing each of the areas where we could be performing better, focusing on increased performance reporting, performance insight, and adding new layers of performance scrutiny to support the work we do with residents.

We were determined to ensure there was clear oversight of the quality of services that residents receive and any feedback they give, especially if the quality of service does not match their reasonable expectations.

We set ourselves a target to be upgraded to C1 within 12 months of our original rating. Following a renewed inspection in early 2026, we were delighted that the regulator recognised our improvements and upgraded us to C1 in May 2026, when we achieved top gradings across governance (G1), financial viability (V1) and consumer standards (C1) for the first time.

In its latest report, the regulator noted: “During the inspection completed in May 2025, Housing 21 provided evidence to demonstrate that it provides an efficient, effective, and timely repairs service to tenants. Reported satisfaction levels amongst tenants presents as being at relatively high levels and there is limited evidence of issues being found with the service delivery at a local level.

“However, during the inspection, the Board’s oversight of Housing 21’s overall performance reporting did not include a wide range of performance metrics. Through our subsequent responsive engagement, we gained evidence-based assurance that Housing 21 has improved reporting to the Board on the timeliness and effectiveness of its repairs service.

“Housing 21 provided appropriate evidence during the inspection that demonstrated how it makes use of its performance and insight information. Through our responsive engagement, we have seen evidence that Housing 21 has, in line with its plan during the inspection, improved the information it provides to tenants about how it is performing and the action it is taking to improve performance where required.”

The work we implemented to achieve C1 status will now be built into business as usual to ensure we retain our top grading during future inspections.

Care Quality Commission (CQC)

Our Extra Care schemes are subject to inspection by the Care Quality Commission (CQC) who will grade the provision of care as ‘Inadequate’, ‘Requires Improvement’, ‘Good’ or ‘Outstanding’.

We provide in-house care in over 45 per cent of all Extra Care schemes; for the remaining 55 per cent of schemes, care is delivered by a third-party provider. We’re proud that 93 per cent of all Extra Care schemes with in-house care delivery are rated ‘Good’ or ‘Outstanding’ (in-house care and third-party care providers combined).

Where financially viable, Housing 21 will seek to be the in-house care provider as well as the landlord. However, where this is not possible, we will work closely with third party care providers to deliver a seamless experience for residents.

Social Tenant Access to Information Requirements Scheme (STAIRs)

The STAIRs legislation mandates greater transparency and accountability from registered providers of social housing, ensuring residents have access to relevant information about the management of their housing.

There are two parts to the regulations which will come into effect at different times as shown below. We are choosing to be an early adopter of the legislation as this is in line with our aim to be transparent and open with our information and data.



The STAIRs legislation is being introduced in two phases:

- 1 October 2026 (publication scheme): We must proactively publish a wide range of housing management information for residents to access such as policies, performance data, spending, health and safety information, and governance information
- 1 April 2027 (information requests): Tenants gain the right to make information requests, which we must respond to within 30 calendar days

We are committed to openness, accountability, and transparency in how we operate, make decisions, and use our resources.

Residents will be able to ask for a review of any information they think should be published as well as their dissatisfaction on how any request for information has been handled. Following this review, they will have recourse to the Housing Ombudsman.

Further information is available on our website [Social Tenants Access to Information Requirement scheme \(STAIRs\)](#)

Compliments and complaints

We welcome and value compliments about our employees and services, and this year we received a total of 859 compliments from our residents. These were broken down as 80 per cent relating to employees/ teams, 17 per cent about our services and three per cent about our contractors. A total of 153 schemes received compliments without having had any complaints raised.

In the year 2025/2026, we received 286 complaints, compared to 297 in 2024/2025. Whilst our overall performance remains strong and shows improvements, we have seen a small increase in complaints escalating to stage two. We remain focused on learning from these cases to reduce avoidable escalations in future, with quality of complaint handling and enhanced learning forming key components of our service improvement plan.

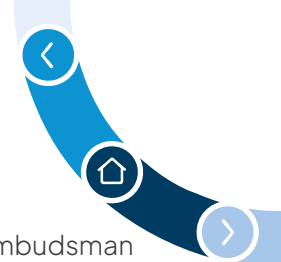
Of the 286 complaints we received this year, the majority continue to be related to employees (30 per cent), repairs (29 per cent) and housing services (19 per cent).

Whilst repairs continue to be one of the predominant themes for complaints, the number of complaints about repairs can be considered low when compared to the number of works orders raised. In Extra Care, there were just 26 complaints from over 32,935 work orders (0.8 per 1,000), while Retirement Living saw 56 complaints from 45,747 work orders (1.2 per 1,000).

Below is a summary of our performance compared to targets:

Measure	UoM*	Target	Performance 2024/2025	Performance 2025/2026
Percentage of complaints acknowledged within five working days (%)	%	100	97	97
Percentage of stage one complaints responded to within timescale*	%	100	94	100
Percentage of stage two complaints responded to within timescale*	%	100	98	100
Number of maladministration findings from Housing Ombudsman	Number	0	2	0
Percentage of stage one complaints not escalating to stage two	%	90	86	84

*Including complaint extensions as per the Complaint Handling Code



Complaint handling

Whilst complaint handling was the lowest scoring Tenant Satisfaction Measure (TSM) for Housing 21, our results do remain stronger than the wider housing sector. The latest published TSM data shows an average sector satisfaction score of 36 per cent for complaint handling, compared with Housing 21's scores of 58 per cent for Retirement Living and 69 per cent for Extra Care.

We do recognise that any dissatisfaction is an opportunity to improve and we have a Service Improvement Plan in place to strengthen both our complaint handling and resident experience.

Our key areas of focus are:

- Strengthening the quality and consistency of complaint investigations through enhanced quality assurance and independent review
- Improving colleague training, guidance and resources to ensure complaints are investigated thoroughly, with clear communication and a stronger focus on early resolution
- Embedding learning from complaints, Housing Ombudsman decisions and resident feedback so that service improvements are identified, monitored and implemented across the organisation
- Enhancing oversight and reporting to identify themes and trends earlier, allowing us to address recurring issues proactively
- Improving communication with residents throughout the complaints process so they feel listened to, understand the outcome of their complaint and can see where learning has been taken forward
- Increasing awareness of the complaints process by helping residents understand the difference between a service request, feedback and a formal complaint, what they can expect from us, and how concerns will be managed

It is important to recognise that the TSM records resident perception of complaint handling, which is influenced not only by how a complaint is investigated, but also by the underlying issue that led to the complaint. Residents do not always distinguish between a complaint that has been

investigated and formally responded to in line with the Housing Ombudsman Code, a service request, or a general expression of dissatisfaction, which can influence the responses and scoring in this area. We hope that by improving communication, consistency and understanding of the process, as well as using complaints to drive service improvement, we will continue to see increase in resident satisfaction.

Housing Ombudsman cases and inquiries

During 2025/2026 we received and submitted 11 case requests (nine Retirement Living and two Extra Care). Over this period, we acknowledged and actioned 19 inquiries (17 for Retirement Living and two for Extra Care).

An inquiry is usually a check from the Housing Ombudsman when a complainant contacts the service as to whether the landlord's complaints process has been completed. If the process has not been followed, this can instigate the process and close the ombudsman inquiry down. A case can be actioned by the ombudsman when both stages of the complaint procedure have been completed, and they are satisfied the complaint falls within their jurisdiction.

Case requests have a target timescale of three weeks for us to submit. However, the timescale for the ombudsman to process and review a case is much longer, so determinations can often relate to a previous financial year. Our target is zero cases at fault of maladministration.

To date, four case requests considered by the Housing Ombudsman have resulted in 11 individual determination outcomes. We received five findings of no maladministration, four of reasonable redress, one finding of service failure and one case found to be outside jurisdiction. There have been no findings of maladministration so far.

Our improvement in outcomes has also been recognised externally. During the year, Housing 21 co-hosted a webinar with the Housing Ombudsman to share learnings from our complaints journey and the progress made in reducing maladministration findings. This provided an opportunity to reflect on the steps taken to strengthen complaint handling and to contribute to wider sector learning.



Strategic framework: core focus

Our core focus represents our overall objective: to achieve 95 per cent resident satisfaction through schemes and services that are co-created and resident centric.

Resident centric

Our purpose is to help older people live well, with dignity and autonomy, by providing support or care in quality social rent and shared ownership housing services.

To do this, we adopt a resident-centric approach where we put residents at the heart of everything we do. It is up to us as an organisation to remain flexible to the needs of residents and ensure our services, communication and housing is accessible to anyone and everyone.

New legislation, such as Awaab's Law and the consumer standards has helped to put a spotlight on social housing landlords, protecting the rights of individuals to live in safe properties managed by reputable providers. We welcome this approach as we work to ensure all older people have access to quality housing, be it with Housing 21 or another provider.

Alongside this legislation, we remain focused on encouraging two-way engagement with residents, providing opportunities to feedback about the things that work well, as well as the issues that can be improved. It is only by listening to our target audience can we deliver the services they truly need – and want.

No two individuals are the same; a service or communication preference that is accessible to one person could be a barrier to another. So, with residents occupying over 24,200 properties, it is important we provide choice to ensure we remain as inclusive as possible.





When it comes to communication, it is easy to only hear the voices of the most vocal; those who are the easiest to engage with or those who shout the loudest. But often, this can overlook those who are most in need of support; people with disabilities, individuals with language barriers or residents with literacy or digital challenges which can make engagement difficult. Whilst they may be harder to reach, it is not an excuse to not engage with them; it simply re-emphasises that we must be flexible in meeting their needs, not the other way around.

To overcome this, we need to provide choice as to how people hear from us and in turn, how we hear from them. Alternative formats such as Braille, audio and translation services can help with some challenges, but only when used alongside the right platform for delivery. Translating a printed document into another language will only assist if the recipient has the literacy skills to receive it; otherwise, it remains a challenge which may be better resolved through the use of a digital screen reader which can speak the content aloud to the user.

We are actively exploring new methods of communication, including digital services such as email and WhatsApp, alongside more traditional channels such as printed material. None of these are in place of each other but instead are intended to complement each other by providing additional choice.

Co-created

Supporting our resident-centric approach is our commitment to delivering schemes and services that are co-created with residents. By providing residents with choice and influence over the things that impact them day to day, we can help to empower residents to retain a sense of independence by shaping their experiences of living with Housing 21.

This year we invested £42.1 million in stock improvement works, which included upgrading kitchens, bathrooms and communal spaces. Wherever possible, we will involve residents in the decision-making process, recognising that these works are not just part of investing in a scheme, but in people's individual homes.



Modular kitchen and bathroom designs

In Stoke-on-Trent, residents were invited to try out modular kitchen bathroom designs at an engagement event hosted at Berry Hill Village.

People living at the Extra Care Village were joined by residents from neighbouring Housing 21 sites to review samples including flooring, ovens and bathroom fittings to provide feedback to the organisation's Asset Management Team.

As well as colour and texture, the practicalities of assets were reviewed by residents, to help shape what products should – and shouldn't – be included when presenting options for future makeovers.

Website

This year provided a unique co-creation opportunity, with residents invited to help shape the design of Housing 21's new website.

This project was delivered through an innovative three-way partnership between Housing 21, website development partner, Spindogs and, crucially, residents.

Residents worked alongside Housing 21 to choose Spindogs as the technology partner and co-design the new platform. They helped shape navigation, search

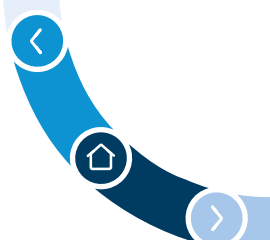
functionality and content structure, and participated in testing, discovery workshops, feedback and suggestions for improvements that would benefit them.

Discovery sessions highlighted barriers in the old site, including poor navigation, difficult document searches and limited property search functionality, and these insights directly informed requirements for the new site. Content, structure, navigation and search were co-designed to reflect the priorities of an older audience, incorporating inclusivity and accessibility requirements.

This three-way partnership demonstrated how combining digital expertise with resident insight can create an inclusive, highly usable platform that improves both customer experience and organisational agility.

By embedding residents in decision-making from the outset, the project ensured the final site reflects real needs, primarily those of older people who are currently living – or hoping to move to – Extra Care or Retirement Living schemes.





Resident satisfaction

Our key objective is to achieve 95 per cent overall resident satisfaction. Whilst some may consider this to be an ambitious target, for us, we believe that this figure is not ambitious, but reflective of our commitment to ensure the provision of safe, quality properties for older people, helping them to live well with dignity and autonomy.

Our Strategic Framework sets the foundations for how we will achieve that goal, by focusing on all the elements required to enable us to uphold our purpose, with resident satisfaction at the centre of everything.

We are committed to doing the right thing and welcome feedback from residents to help us uphold this approach. Without feedback, complaints or engagement, we can only assume we are providing a satisfactory service; it is only by engaging directly with residents can we understand what is working well – and where we can make improvements.

A key source of our feedback is the annual resident satisfaction survey. This anonymous questionnaire is sent to all residents (both rental and shared ownership). The questionnaire seeks feedback about the key services delivered by Housing 21 and incorporates the 12 questions linked specially to the Tenant Satisfaction Measures (TSMs) which all social housing providers are now required to report upon.

This was the second year we have reported against TSMs, and we were thrilled to see an increase in satisfaction across all areas for people living in both rental and shared ownership properties.

There were some parallels in satisfaction levels across the two tenure groups, with complaints handling scoring the lowest for both rented (64.1 per cent) and shared ownership (59.8 per cent). This is not wholly unexpected given the subject matter and is reflective of the sector.

There were also parallels with cleanliness of communal areas scoring the highest satisfaction levels for both rental (93.5 per cent) and shared ownership (92.0 per cent) residents.

Although it achieved the lowest overall satisfaction score, for residents living in rental properties, the greatest increase in satisfaction levels related to complaints handling which increased by 3.8 per cent compared to the previous year. For shared ownership residents, the greatest increase in satisfaction levels related to positive contributions to the local neighbourhood, which increased by 6.8 per cent.

We will always endeavour to get things right first time, but where we don't, we welcome complaints as it provides an opportunity to improve and hopefully provide a positive resolution for residents who may otherwise remain unsatisfied.



LCRA — Low Cost Rented Accommodation	2024/25 (%)	2025/26 (%)	Change (+%)
Satisfaction with the overall service from their landlord	89.8	91.6	1.8
Respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service	90.1	91.8	1.7
Respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair	87.2	88.4	1.2
Satisfaction that their home is well maintained	90.3	92.5	2.2
Satisfaction their home is safe	91.3	92.9	0.7
Satisfaction their landlord listens to tenant views and acts upon them	79.0	82.0	3.0
Satisfaction their landlord keeps them informed about things that matter to them	87.5	89.3	1.8
Respondents who report that they agree their landlord treats them fairly and with respect	90.0	91.3	1.3
Respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling	60.3	64.1	3.8

LCRA — Low Cost Rented Accommodation	2024/25 (%)	2025/26 (%)	Change (+%)
Respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained	92.3	93.5	1.2
Satisfied that their landlord makes a positive contribution to the neighbourhood	74.6	77.0	2.4
Respondents who report they are satisfied with their landlord's approach to handling antisocial behaviour	75.8	76.8	1.0



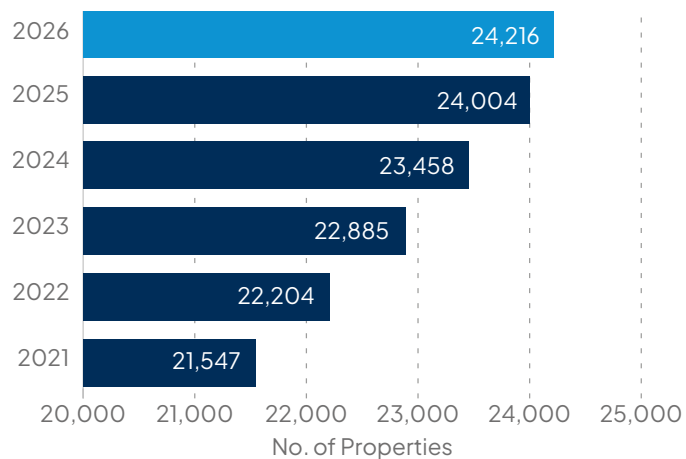
LCHO — Low Cost Home Ownership	2024/25 (%)	2025/26 (%)	Change (+%)
Satisfaction with the overall service from their landlord	83.1	87.8	4.7
Satisfaction that their home is safe	87.4	87.9	0.5
Satisfaction their landlord listens to tenant views and acts upon them	73.7	78.2	4.5
Satisfaction their landlord keeps them informed about things that matter to them	80.6	83.1	2.5
Respondents who report that they agree their landlord treats them fairly and with respect	85.8	87.7	1.9
Respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling	57.2	59.8	2.6
Respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained	87.4	92.0	2.6

LCHO — Low Cost Home Ownership	2024/25 (%)	2025/26 (%)	Change (+%)
Respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood	65.9	72.7	6.8
Respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour	74.0	75.5	1.5

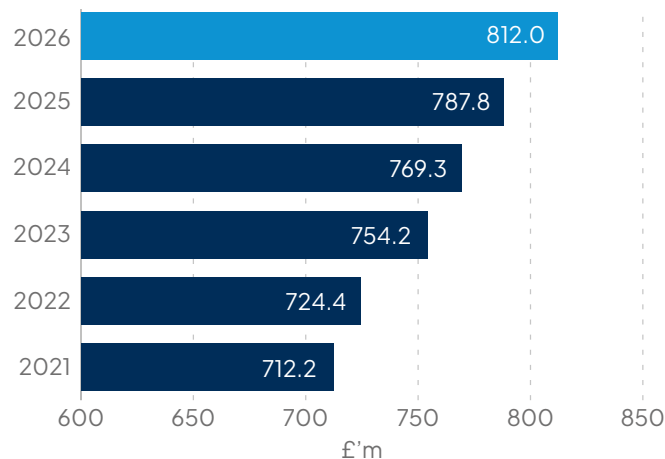


Financial Highlights

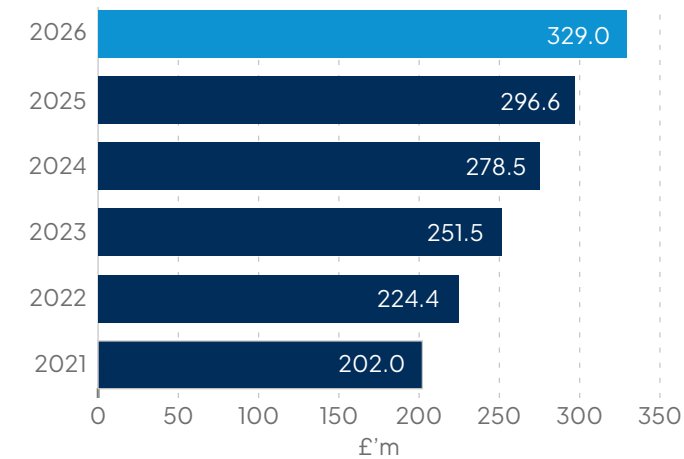
Properties owned and managed



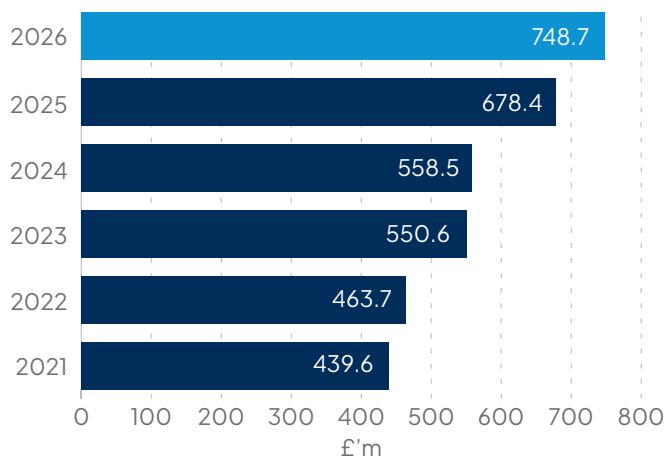
Net assets



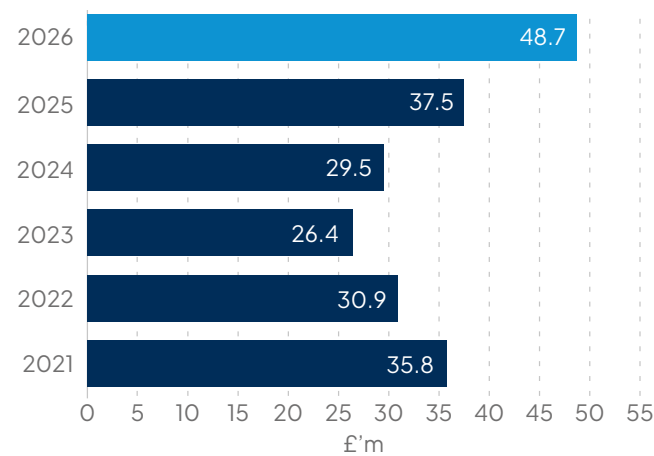
Total revenue



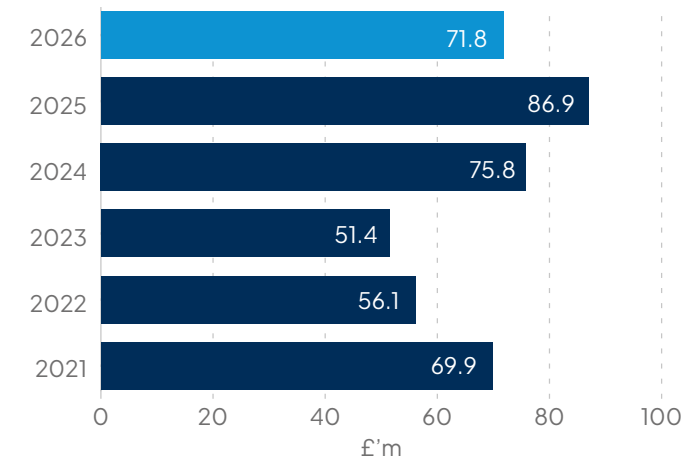
Net debt (excluding derivatives)

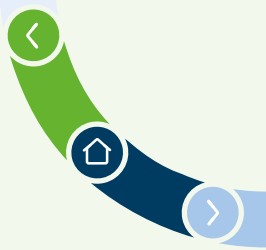


Operating surplus



Cash flow from operations





Environmental Social and Governance Reporting

Ensuring our homes are both environmentally and socially sustainable is central to the decisions we make and the way we operate. We recognise the vital role we play in reducing environmental impact while creating comfortable, efficient homes for our residents.



We have set clear and ambitious targets to support this commitment:

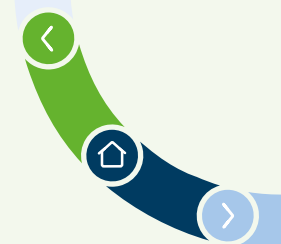
- All properties will achieve a minimum Energy Performance Certificate (EPC) rating of C.
- We aim to reach an Environmental Impact Rating (EIR) of C or better across all homes by 2030.
- We will reduce energy consumption by 15 per cent (kWh/m²) in communal heating systems and by 10 per cent in individual domestic systems by 2030.

These goals reflect our long-term focus on sustainability and our responsibility to future generations. We continue to collaborate with residents, employees, and key stakeholders to embed environmental awareness across Housing 21—ensuring it is reflected in local agreements, day-to-day decisions, and our overarching national strategies.

We are proud adopters of the Sustainability Reporting Standard for Social Housing (SRS). The SRS reporting framework was developed to establish a transparent, consistent and comparable set of Environmental, Social and Governance (ESG) criteria across the housing sector. We will be publishing our fourth ESG report alongside the financial accounts, and the wider document will be available on our [website](#).

Encompassing all aspects of sustainability, our report details our ESG performance highlighting the positive work we do and showing our commitment towards sustainability and the environment. We are dedicated to going beyond legal requirements, exceeding minimum standards and striving to achieve a position of ‘doing no harm’, while understanding our data so that we can make informed decisions which shape our future.

Like last year, we will commission an independent assurance of specific criteria from our 2024/2025 ESG report.



Energy and carbon reporting

The government's Streamlined Energy and Carbon Reporting (SECR) Policy was implemented in 2019. Housing 21 is outside the SECR qualification criteria in the UK but will continue to follow the same protocols in its carbon reporting.

We have opted to use the operational control boundary definition to define our carbon footprint boundary.

The reporting period for this is 1 April 2025 to 31 March 2026. Included within that boundary are Scope 1 and 2 emissions from gas and electricity, as well as emissions from grey fleet, all in the UK.

The Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and government's GHG Conversion Factors for Company Reporting have been used as part of our carbon emissions calculation. For this calculation we have only opted to use energy consumed by Housing 21 and have made no estimates for gas and electricity used in residents' homes where they have their own supplies.

In the majority of schemes, residents have a separate metered supply for energy into their homes (the residential area) and there is a communal supply for other areas such as corridors, lounges, laundries and offices. However, schemes with district heating systems and a few other schemes just have a communal supply and energy used by residents in their homes is estimated and recharged on an apportionment basis.

	2024/2025	2025/2026
Total electricity use	29,697,881 kWh	29,648,154 kWh
Total gas use	41,314,165 kWh	38,118,696 kWh
Total transport fuel	6,532,123 kWh	1,778,651 kWh
Total energy from other fuels	812,800 kWh	988,640 kWh
Total energy use (all sources)	78,356,969 kWh	70,534,140 kWh
Total carbon emissions (electricity)	8,163 tCO ₂ e	5,248 tCO ₂ e
Total carbon emissions (gas)	8,806 tCO ₂ e	6,974 tCO ₂ e
Total carbon emissions (transport fuel)	437 tCO ₂ e*	481 tCO ₂ e
Total carbon emissions (other sources)	36 tCO ₂ e	20 tCO ₂ e
Total carbon emissions (well to tank)	-	2,780 tCO ₂ e
Total carbon emissions (transmission and distribution)	-	549 tCO ₂ e
Total carbon emissions	19,144 tCO₂e	16,052 tCO₂e
Carbon intensity ratio	1.2 tCO₂e per property (restated)	1.0 tCO₂e per property

*Restated from prior year

Our Business Performance

Summary of operating surplus

	Turnover £'m		Surplus/ (deficit) £'m		Margin %	
	2026	2025	2026	2025	2026	2025
Social housing	255.0	226.9	53.7	39.7	21.1	17.5
Development sales	9.8	6.1	0.3	0.9	3.1	14.8
Other activities and costs	7.3	6.5	(3.2)	(2.0)	(43.8)	(30.8)
Other social housing	17.1	12.6	(2.9)	(1.1)	(17.0)	(8.7)
Care	55.7	55.2	(1.9)	(1.8)	(3.4)	(3.3)
Other	1.2	2.0	(0.2)	0.7	(16.7)	35.0
Non-social housing	56.9	57.2	(2.1)	(1.1)	(3.7)	(1.9)
Total	329.0	296.7	48.7	37.5	14.8	12.6

Social housing lettings

Turnover



£146.1m Rental income

£81.0 Service charges

£27.8m Other income

Turnover from social housing lettings increased by £28.2 million to £255.0 million, representing a 12.4 per cent year-on-year growth. This strong performance was driven by a combination of factors: the continued expansion of our portfolio through new developments, the permitted rent increase of 2.7 per cent in line with September 2024's CPI plus one per cent, and higher revenue recognition from our PFI/ PPP contracts.

Service charge income rose by £13.7 million (20.3 per cent) during the year, reflecting both an increase in management fees and utility costs. We apply a variable service charge model across most of our schemes, ensuring residents are only charged for the services they receive. Any surplus or shortfall is reconciled in the following year's charges.

As we purchase utilities for around 40 per cent of our residents' homes, we continue to actively manage procurement to secure favourable rates and protect residents from rising costs. Service charge income increased due to utility costs returning to normal levels following a prior-year surplus and higher management costs after a benchmarking review. While service charges are closely managed with residents to maintain affordability, the timing of costs and recoveries can influence reported income in any given year.

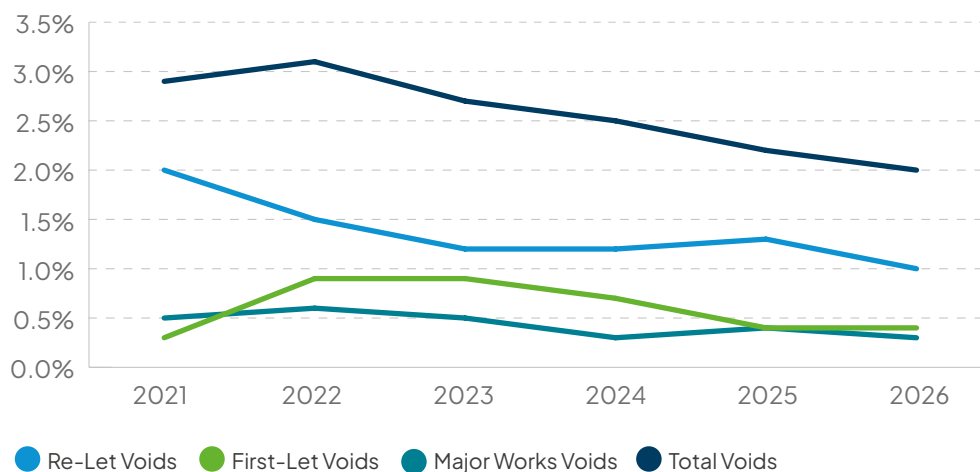
Other income is largely derived from our PFI/ PPP contracts, with revenue recognised in line with the stage of completion. This naturally varies year on year depending on the level of capital and operational expenditure incurred.

Overall voids were 2.0 per cent, an improvement compared to the prior year. Notably, re-let voids remained low at 1.0 per cent, demonstrating continued resilience despite increased rental and service charges. We continue to maintain strong relationships with local authorities and manage our own waiting lists to enable timely lettings and minimise rental loss.

We saw improvements in the time taken to re-let our properties which now stands at 23 days (Extra Care) and 14 days (Retirement Living).

We co-produced a review into how we could improve our pre-allocation process with the aim of better matching residents with the right home and support required for a successful and sustainable tenancy. The findings of this review will begin being implemented in 2026/2027.

Rent and service charge lost through voids as a percentage of our rent and service charge income



Our operating surplus for the year has increased by £11.4 million to £48.7 million, which includes gains on disposals of housing properties of £0.7 million and is after a charitable donation made to Housing 21's charitable trust of £1.8 million.

The key points to note on our cost base are in relation to:

Management costs increased by £2.7 million compared to the prior year, primarily driven by the growth of our business and increasing regulatory costs. In addition, we remain committed to attracting and retaining high-quality employees and awarded a three per cent pay increase at the start of the financial year.

Maintenance costs increased by £2.0 million year on year. This includes a reduction of £0.3 million on planned maintenance but an increase of £2.7 million relating to day-to-day responsive repairs, including upgrades and updates to heating systems and warden call systems. Planned maintenance expenditure varies each year depending on the timing of scheme refurbishments. Our property standards ensure that every scheme undergoes a communal makeover at least once every 10 years to maintain high living standards.

The rise in day-to-day maintenance costs reflects the enlarged property portfolio, inflationary cost pressures, and an overall increase in repair volumes. This is in part due to the natural ageing of our stock and newly acquired schemes reaching the point where repairs are required.

Major repair expenditure continues to relate primarily to our PFI/ PPP schemes and is funded through the associated unitary charge income.

Depreciation has increased year on year by £3.0m partly due to there being a full year of depreciation charged for Midland Heart properties acquired during 2024/2025, and general growth in the estate.



Other social housing lettings

Other social housing activities include:

- The support charge and social leasehold services, both of which are costs incurred on behalf of residents and passed on as part of their service charge
- The back-office costs to support our development and sales activities
- Sales properties, primarily through first tranche low-cost home ownership

Development sales

We continue to operate a modest sales programme and will only develop shared ownership where it is appropriate, rather than as a default position. We will never use shared ownership as a means of cross-subsidy and remain non-reliant on sales for maintaining compliance with our banking covenants.

Overall, during the year, we sold 56 shared ownership properties (2024/2025: 33) at an average equity share of 36 per cent (2024/2025: 52 per cent) because of a lower minimum purchase percentage of 10 per cent. We also had one outright sale property (2024/2025: two).

At year end, we held 53 unsold sales properties.

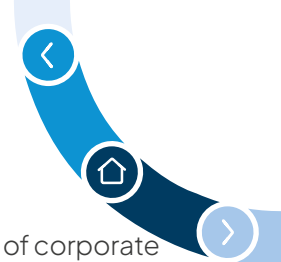
During the year, we repurchased 20 properties and subsequently resold 26 (10 shared ownership and 16 outright sales).

As part of our ongoing review to improve the customer experience, we continued our assisted move proposition in partnership with the New Homes Group on selected shared ownership schemes. This initiative aims to help prospective buyers who may face challenges in selling their existing homes.

Other activities

To improve services and resident satisfaction, Housing 21 has again donated funds to the Housing 21 Resident Support Trust Limited. In 2025/2026, £1.8m (2024/2025: £2 million) was donated to the charity, with the aim to support the health and wellbeing of Housing 21 residents.





Non-social housing lettings

We remain firmly committed to the provision of housing for older people and have no plans to diversify away from this core purpose. We recognise the significant benefits of being a specialised provider, enabling us to deliver high-quality services tailored to residents' needs.

Our non-social housing activities primarily relate to delivering social care services within our Extra Care schemes, ensuring an integrated approach to housing and care. In addition, we own and manage a small portfolio of non-social rented properties for older people. However, we continue to actively progress the disposal of these properties as part of our strategic focus.

Care services

In Extra Care, a dedicated Care Team is available 24/7, to allow residents to remain independent with the assurance they can access support if they need it. Our care is commissioned from local authorities, typically on a three to five-year agreement, and rate increases are negotiated each year. We continue to deliver care for over 45 per cent of our Extra Care schemes, with the remainder provided by third party care providers. Where we do not provide the care into our schemes, we continue to provide a housing only service and work in partnership with the third-party care provider.

Our turnover has grown in the year, partly due to the rate increases negotiated with local authorities but also through increased hours. We deliver on average, 48,000 hours of social care a week.

The overall loss generated from our care provisions, after allocation of corporate overheads, has increased marginally compared to last year. We have taken steps to continue to reduce the use of more expensive agency employees, and we continue to work with local authorities to ensure we receive a fair charge rate for the quality service we provide. However, our cost base increased because of the ongoing implementation of Birdie, the Extra Care rostering and care management system. The investment in Birdie does bring efficiencies and reduces the administration time and effort associated with rostering.

Our aim is to not make a loss on our care provision, but we continue to have several loss-making contracts. As such we have had to make some difficult decisions and in the current financial year, we had to hand back a few care contracts where they continued to make financial losses despite our efforts to turn them around. When we transfer contracts to a new provider, existing employees will transfer across as well, meaning relatively little exit costs are incurred. Where we have to do this, we will continue to work with the local authorities and the new care providers to ensure there is minimal disruption to residents.

Other housing provision

We continue to own a small portfolio of non-social rented properties, spread across several schemes. In some instances, these properties are located within wider schemes that we do not own.

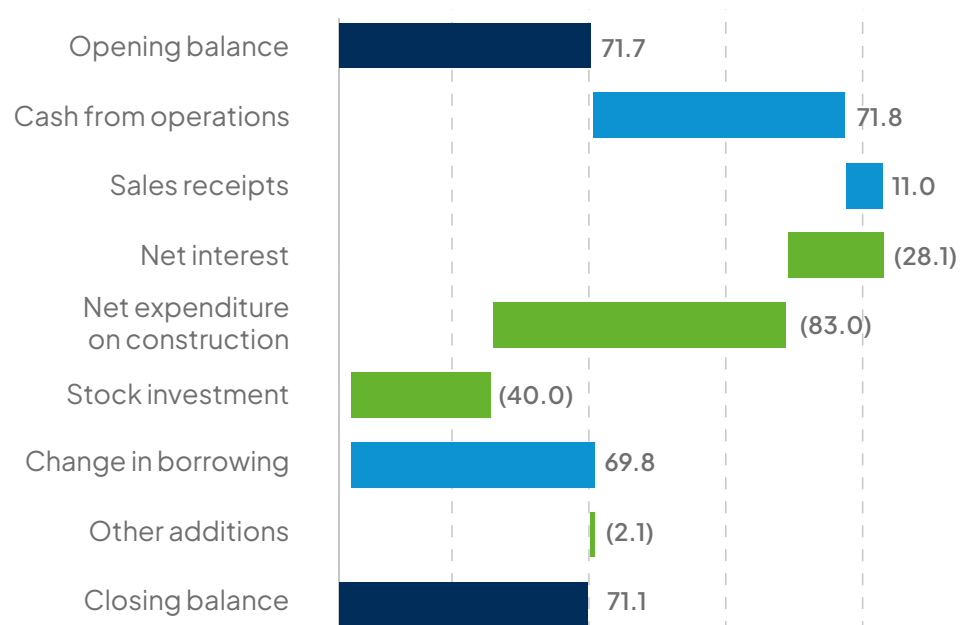
In line with our strategy to dispose of our non-social rent portfolio, we sold 25 properties during the year and will continue to market further properties as they become void. At year-end, 54 properties were void and available for sale. In addition, we hold 104 properties that remain tenanted; these will be marketed for sale once they become vacant. The cash proceeds and surplus generated from these sales will be reinvested into developing new social housing and enhancing the quality of our services.

Cash flow

At year end, we held £71.1 million in cash and cash equivalents, including amounts held on deposit. Of this total, £34.8 million is ringfenced for our PFI projects in accordance with contractual obligations, and £16.6 million is held in trust on behalf of our shared owners and leaseholders. This leaves £19.7 million of unrestricted cash available to support the delivery of our services and progress our growth ambitions.

Overall, our cash balance has decreased by £0.5 million compared to the previous year. The breakdown of how cash has been utilised is set out below.

Cash flow



During the year, we generated £71.8 million in cash from operating activities. This is largely attributable to our strong in-year financial performance and the continued amortisation of our PFI/ PPP finance assets. We also generated £11.0 million in cash proceeds from the sale of development properties.

These funds have been used to service debt and reinvest in our existing homes. Importantly, we continue to fund these activities through internally generated cash and remain non-reliant on external borrowing for day-to-day operations.

On a cash flow basis, and in line with our strategic growth ambitions, we made significant investment during the year. This included £120.1 million in the development of new homes, supported by £38.9 million of grant funding received from Homes England and local authority partners. We also invested £40.0 million in our existing homes and £1.9 million in the repurchase of leasehold properties from existing residents.

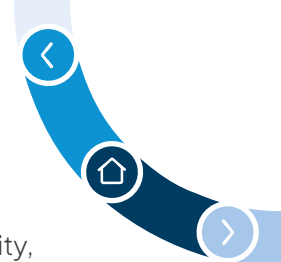
This has been funded through external borrowings, which is covered in further detail in the Treasury section below.

Treasury

We have a long-dated and diverse funding portfolio across several traditional high street banks, comprising a mix of term loans, revolving credit facilities, syndicated debt supporting our PFI projects, and a £500 million listed bond, of which £450 million has been sold to date.

Our loan book and financing arrangements remain relatively straightforward, ensuring we are not subject to onerous financing terms. We have three derivative swap instruments, all of which are embedded within our PFI contract structures, and we hold no complex loans that require measurement at market value.

Our Treasury Strategy is designed to maintain ongoing compliance with our financial “golden rules” while ensuring we retain sufficient liquidity headroom. We routinely stress-test our forward forecasts to ensure financial resilience under a range of scenarios. This contributed to the reaffirmation of our VI rating from the Regulator of Social Housing and in July 2026 S&P reaffirmed our credit rating of A-, with a stable outlook.



Our long-term funding requirements are forecast through our Business Plan, which is underpinned by our strategic framework and growth ambitions. We assume that all investment in our existing stock will be funded from operational cash flows, with external borrowing required to support growth, refinance existing facilities, or meet contractual loan repayments.

While the preference over the last two years has been to take advantage of shorter-term floating-rate debt, interest rates have stabilised over the last 12 months, and the Board has been keen to increase the level of fixed-rate debt. This is intended to provide greater certainty over future interest costs, reduce exposure to rate volatility and support long-term financial planning, while retaining sufficient flexibility through revolving credit facilities to draw funds only when required.

During the year, we secured a new 10-year fixed-rate loan with Nationwide (£100 million) and extended our existing revolving credit facility with Barclays (£25 million). These facilities supported both our growth ambitions and scheduled debt repayments. We drew down the full Nationwide facility, using part of the proceeds to repay variable-rate revolving credit facility drawings (£24 million), which remain available to be redrawn in future, and to meet contractual repayments to lenders in line with our funding agreements (£6.2 million). The balance was used to support growth over the last 12 months.

Our golden rule governing the proportion of fixed to variable-rate debt ensures protection against interest rate volatility. As at year-end, 12.0 per cent (2025/2026: 16.3 per cent) of the Group's debt was on variable rate of interest, well below our golden rule of a maximum of 30 per cent.

Going concern

After making enquiries, the Board is satisfied that Housing 21 has adequate resources to continue in operational existence for the foreseeable future. The Board obtains assurance over financial viability through annual budgeting, reforecasting and long-term business planning.

As part of this process, we review and stress-test funding availability, liquidity and compliance with lender covenants, alongside other key metrics considered by external stakeholders including our regulators and credit rating agencies. This provides the Board with a continuous and rolling assessment of our financial strength and viability.

Based on our cash holdings, short-term investments and secured facilities, we have sufficient liquidity to meet contractual obligations as they fall due and remain compliant with our 18-month liquidity golden rule. We also have sufficient security available to obtain further funding if required. All lender covenants were met during the year, with healthy levels of headroom.

The Board-approved Business Plan shows continued compliance with our golden rules, healthy covenant headroom and a minimum EBITDA MRI of 120 per cent. If we experience cost pressures from rising inflation, the Board has several mitigating actions available to manage the potential financial impact.

For these reasons, the going concern basis has been adopted in these Financial Statements.

Creditor payment policy

We agree payment terms with our suppliers when we enter binding contracts. We continue to seek to abide by these terms when we are satisfied that the supplier has provided the goods or services in accordance with such agreed terms.

Charitable and political gifts

During 2025/2026, we donated £1.8 million (2024/2025: £2 million) to the Housing 21 Resident Support Trust Limited. This Trust will continue to operate and be governed independently from Housing 21.

We also continue to support the work undertaken by employees and residents in their various charitable initiatives.

Value For Money

Our approach to value for money

Our approach to Value for Money (VFM) is firmly rooted in delivering our strategic priorities while making the best use of our resources to create value for residents.

VFM is about securing the most economic, efficient and effective way of delivering services. It considers not only the costs and resources required to provide services, but also the outcomes achieved for the people and communities we serve.

Our strategic framework

Our approach to VFM is underpinned by strong financial management, effective governance and a culture of performance management and continuous improvement.

Through our devolved operating model, residents are encouraged to provide feedback and work with us to shape and improve services. This engagement helps ensure we deliver value for the rent and service charges residents pay. Investing in the quality and responsiveness of our services remains a strategic priority, and we continue to see the benefits of this approach through strong resident satisfaction and service performance.

Effective governance

The Group Board recognises its responsibility to comply with the Regulator of Social Housing's Value for Money Standard and adopts a strategic approach to optimising the use of resources and managing the performance of the Group's assets.

Value for Money considerations are embedded within our governance framework. All Board and committee papers are required to explicitly assess the VFM implications of recommendations and decisions, ensuring that value remains central to planning, investment and operational decision-making.

Performance against the regulator's VFM metrics

The Regulator of Social Housing has established seven Value for Money metrics that enable registered providers to assess and benchmark performance. Our targets for these measures are aligned to our approved budget and long-term Business Plan, and performance is regularly monitored by the Board.

Performance in year

Overall performance across the Value for Money metrics was positive, with most measures improving year on year. Improvements in operating margin, return on capital employed and EBITDA MRI reflect increased operating surpluses, growth in the housing portfolio and continued financial discipline. We also maintained low levels of gearing, demonstrating the strength of our balance sheet and prudent approach to funding growth.

Our social housing cost per property remains above the sector average, reflecting the specialist nature of our housing for older people, the enhanced services we provide, and the additional obligations associated with our PFI schemes. However, these investments contribute to high levels of resident satisfaction, strong asset quality and long-term sustainability.

Taken together, the metrics demonstrate a financially-resilient organisation that continues to balance investment in existing homes, growth in new supply and high-quality services, while delivering increasing value for residents and stakeholders.

Benchmarking

Housing 21 is a specialist provider, owning and managing housing exclusively for older people. This distinguishes us from most registered providers, many of whom operate a broader range of housing tenures and services, including general needs housing, care homes or supported housing. As a result, direct comparison with sector peers can be challenging, as differences in business models often lead to different cost structures, operating margins and returns.

While there are a small number of organisations defined as providers of older persons housing, these providers typically manage a more diverse portfolio than Housing 21. In previous years, we benchmarked our performance against these organisations; however, the differences in operating models and service mix limited the value of the comparisons and did not provide meaningful insight into relative performance. We have therefore adopted a different approach this year, benchmarking our performance against both the sector as a whole and a cohort of large national registered providers managing between 15,000 and 30,000 homes.

While some metrics compare less favourably with sector peers, this is largely a consequence of deliberate strategic choices. Housing 21 continues to prioritise social rented housing, operates service charges on a cost-recovery basis and provides integrated care services, all of which support resident outcomes but result in lower margins and returns than organisations with a greater focus on higher-margin tenures and housing-only services.

The table below sets out our performance against internal targets and benchmarks and provides further commentary on the factors influencing performance during the year. As our development programme matures and new schemes become fully operational, we expect most of these metrics to strengthen further over the medium term.

Value for money metrics	Actual		Target	Budget
	2025	2026	2026	2027
1. Reinvestment (%)	8.0	8.8	9.8	9.7
2a. New supply social housing (%)	1.1	1.6	1.3	2.3
3. Gearing (%)	41.1	42.0	41.5	41.6
4. EBITDA MRI interest cover (%)	104.6	134.8	130	131
5. Headline cost per unit (£)	8,467	9,192	9,495	10,216
6a. Operating margin – social housing (%)	17.5	21.1	15.7	17.3
6b. Operating margin – overall (%)	11.4	14.6	13.4	14.9
7. Return on capital employed (%)	2.1	2.6	2.3	2.4



Metric 1: Reinvestment percentage

We continue to expand our development programme, with reinvestment levels increasing year on year. The certainty provided by the 10-year rent settlement of CPI plus one per cent has enabled us to increase investment in new homes, with plans to deliver around 2,000 properties over the next five years. This growth is being delivered at a pace that maintains financial resilience and remains fully aligned to the assumptions within our Business Plan.

Housing 21 remains one of the largest developers of housing for older people in the sector, and we continue to assess opportunities to meet growing demand.

Alongside investment in new homes, we continue to invest in our existing properties, all of which exceed the Decent Homes Standard, helping to ensure ongoing compliance, maintain asset quality and improve energy efficiency through the adoption of new technologies.





Metric 2A: New supply delivered percentage (social housing)

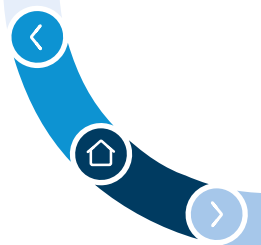
Our schemes typically take up to 24 months to develop and, as a result, completion volumes are generally lower than those of mainstream general needs providers. However, our level of new supply has continued to increase and is moving closer to the median for both the wider sector and larger providers. We expect this trend to continue, with 462 properties forecast for delivery in FY2027.

Overall, we delivered broadly in line with expectations, completing 337 properties during the year. The completion of 15 bungalows adjacent to Fry Court, Great Ayton, had been expected within the financial year but has been delayed and is now anticipated to complete in FY2027.

Metric 2A: New supply delivered (non-social housing)

We have not developed any non-social housing in the year; our development focus continues to be on those of modest means.

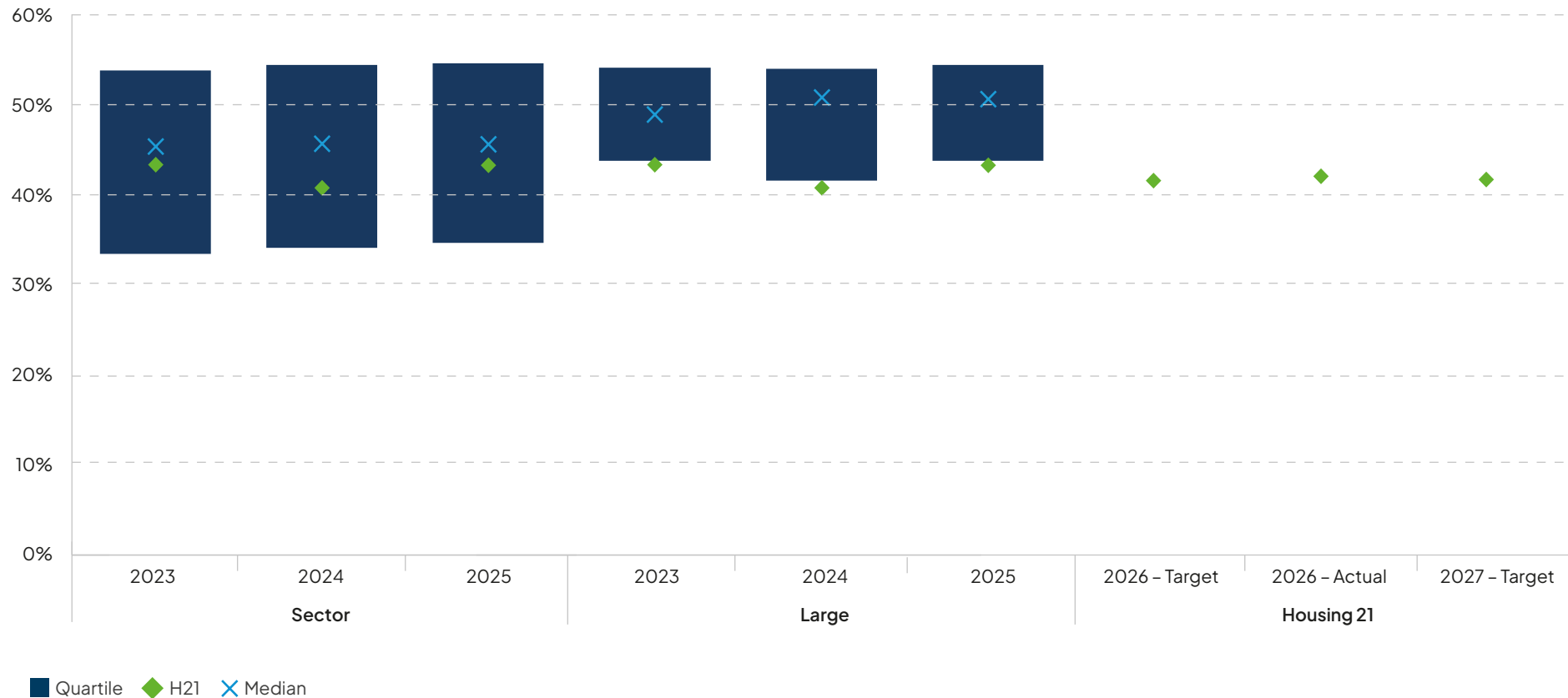


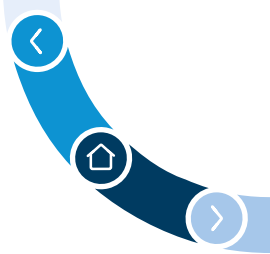


Metric 3: Gearing

Our gearing has remained relatively stable year on year and largely in-line with target, reflecting the fact that borrowings have been invested in the development and acquisition of new properties, increasing our asset base alongside debt. As a result, our gearing remains within the lower quartile when compared to sector peers.

The metric would be lower still if it reflected cash held in short-term deposits and the finance lease asset associated with the Oldham PFI contract, both of which are excluded from the gearing calculation. This demonstrates the strength of our balance sheet and the prudent approach taken to funding growth.





Metric 4: EBITDA MRI Interest cover

The Board recognises the importance of maintaining a strong EBITDA MRI, as it is a key measure of Housing 21's financial resilience and an important indicator for lenders, credit rating agencies and other external stakeholders. Accordingly, the Board has established a 'golden rule' of maintaining EBITDA MRI at or above 120 per cent.

The metric has continued to perform strongly year on year. Excluding the impairment recognised in 2024, performance has consistently been within the top quartile. This reflects our long-term approach to investment, ensuring that homes and services remain well maintained, regulatory requirements are met without the need for significant catch-up investment, and growth is delivered at a pace that is both sustainable and financially resilient.



Metric 5: Headline social housing cost per property

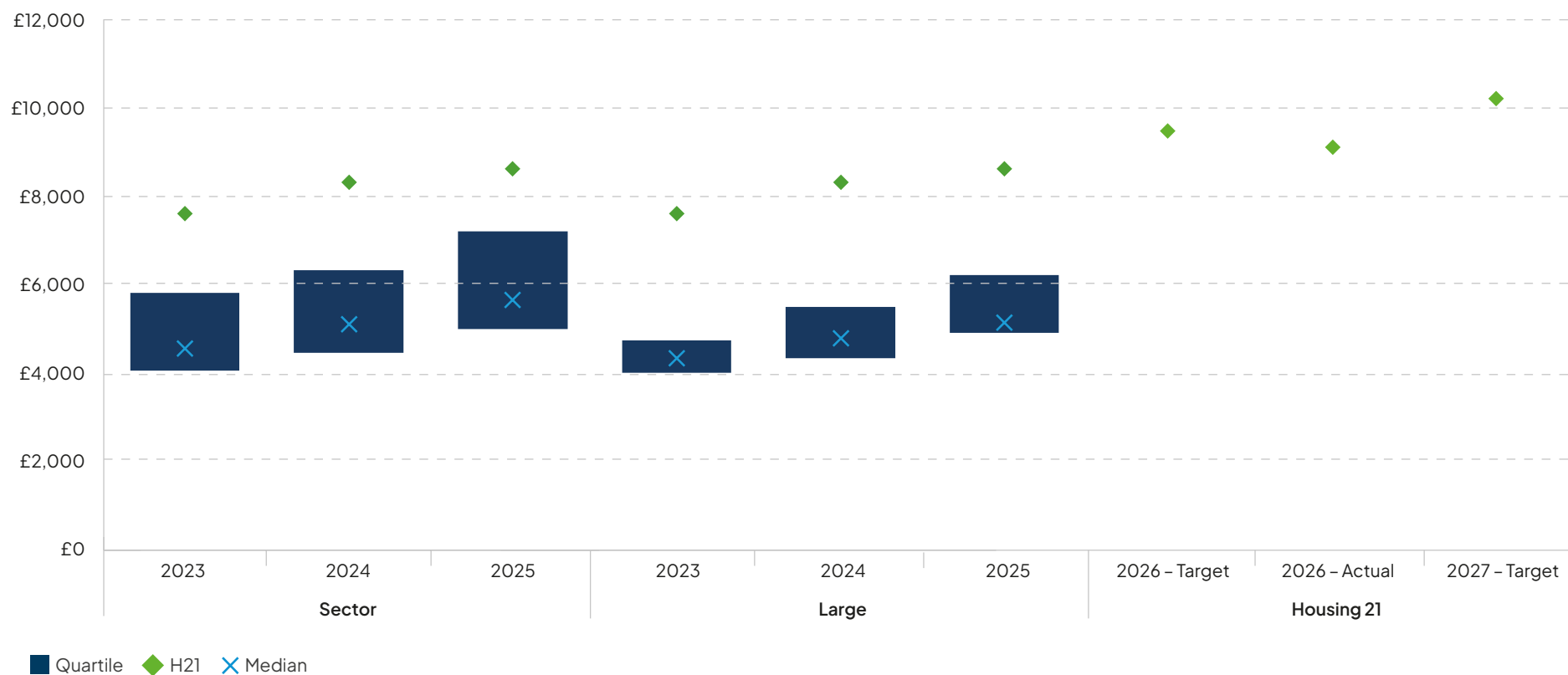
Our headline social housing cost per property increased by 6.4 per cent during the year, from £8,641 to £9,192. The increase was primarily driven by inflationary pressures, particularly higher utility costs. Due to the nature of our schemes, Housing 21 procures energy on behalf of a significant proportion of residents. We work closely with specialist advisers and use forward purchasing arrangements where appropriate to secure competitive rates and help mitigate the impact of energy price volatility.

As a specialist provider of housing for older people, our cost base is typically higher than that of the wider sector, reflecting both the enhanced services we provide, and the additional support required by residents. As a point of

comparison, the average social housing cost per property for providers of older persons and supported housing in 2025 was £12,657.

Our costs are also influenced by the enhanced management and maintenance obligations associated with our PFI contracts, although these are recovered through the related unitary charge arrangements.

While our cost per property is higher than general needs housing providers, it reflects the specialist nature of our housing offer, our continued investment in high-quality homes and services, and our commitment to maintaining strong resident outcomes. Consequently, we expect our cost base to remain above the sector average.



Metric 6A: Operating margin (social housing lettings only)

Despite the economic uncertainty of recent years, our operating margin has increased year on year, driven by regulatory rent increases, continued growth in our housing portfolio and strong cost control.

Our operating margin remains lower than many sector peers, primarily due to the nature of our service charge model. Service charges are charged on

a cost-recovery basis and therefore generate little or no surplus. While we recovered £81 million of service charge income during the year, this income is largely offset by the associated costs of providing services, with only a modest administration fee contributing towards central overheads. As a result, our operating margin is not directly comparable with organisations whose service charge income is considerably less.



Metric 6B: Operating margin (overall)

In addition to the impact of service charges on our operating margin, the delivery of care services also affects our overall return. The care sector is characterised by low margins, and we invest in our workforce by paying above the National Living Wage and offering a broader package of benefits to attract and retain high-quality Care Workers. While this reduces margins, it contributes to lower employee turnover than sector averages and supports the high levels of resident satisfaction that we achieve.

Our preference is to provide both housing and care services, as we believe this delivers better outcomes for residents through an integrated service model. However, we will not continue to operate loss-making care contracts. Where

commissioning arrangements do not provide adequate funding to deliver sustainable, high-quality services, we will either choose not to rebid when contracts are retendered or seek to exit contracts in accordance with their terms.

While these factors are expected to result in an operating margin below the lower quartile compared with sector peers, they reflect strategic choices that support resident outcomes, service quality and long-term sustainability.

Despite these challenges, our operating margin has improved compared with the previous year and is expected to strengthen further over the medium term as the benefits of growth, operational efficiencies and disciplined contract management continue to be realised.



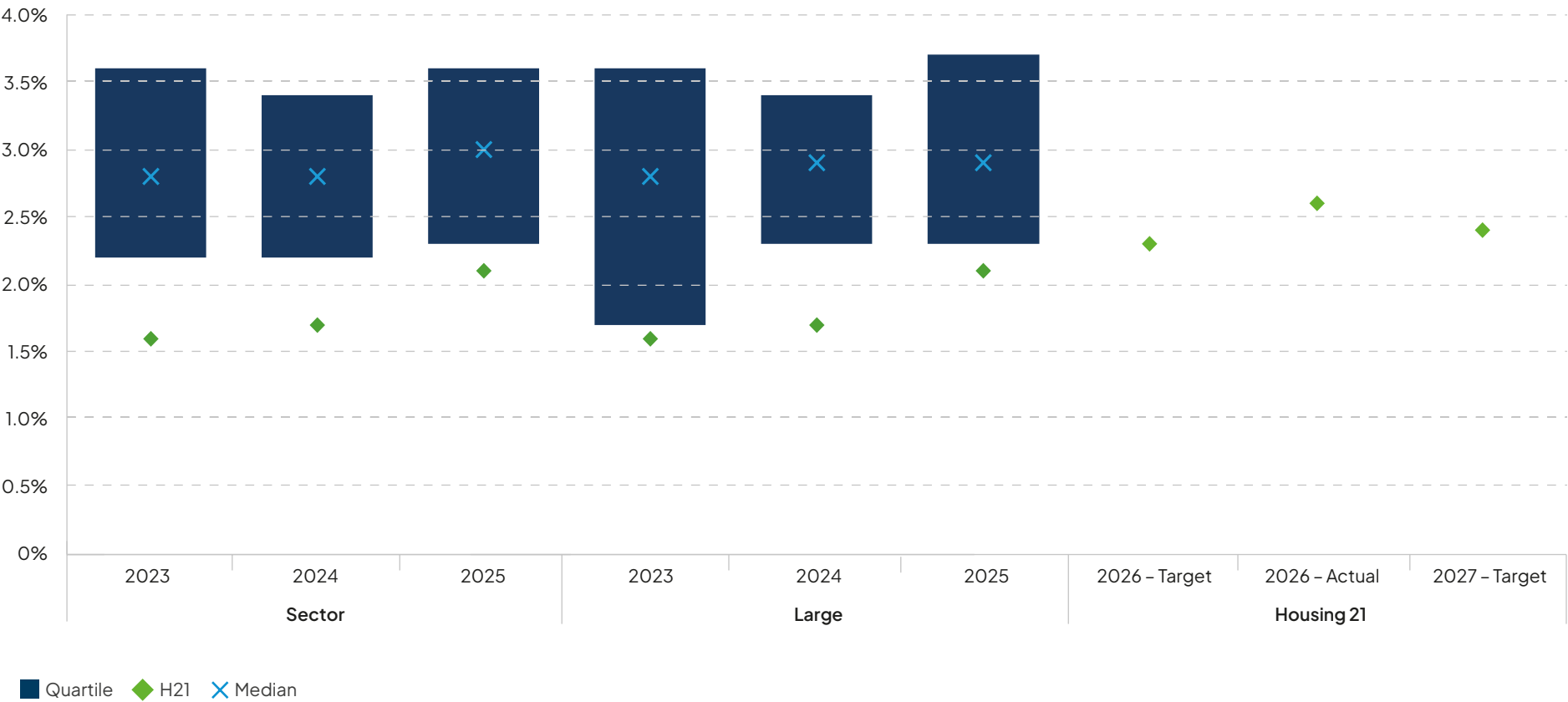


Metric 7: Return on capital employed (ROCE)

The increase in operating surplus and growth in net assets have contributed to an improvement in our ROCE during the year.

As new developments become operational and begin generating income, we expect this metric to improve further. However, our ROCE is likely to remain below that of many sector peers, reflecting our continued focus on delivering social rented housing rather than higher-return tenures such as affordable rent and shared ownership.

In addition, as outlined above, our commitment to providing cost-recovery service charges and delivering integrated care services also moderates our returns when compared with organisations whose business models are focused solely on housing provision.



Report of the Board

Group structure and active companies as at 31 March 2026:



Housing 21 is a Community Benefit Society with exempt charitable status. As a Registered Provider of Social Housing, it provides care and housing with associated amenities. It is registered with the Financial Conduct Authority (FCA), its housing activities are regulated by the Regulator of Social Housing and its care activities are regulated by the Care Quality Commission (CQC). Its constitution is contained in its Rule Book.

The Group's active subsidiaries are:

Housing 21 Guernsey LBG (Housing 21G) is a private company limited by guarantee and incorporated under, and subject to, the law of the States of Guernsey. The purpose of this subsidiary is the ownership and management of an Extra Care scheme in Guernsey.

Kent Community Partnership Limited (KCP) is a Community Benefit Society with exempt charitable status. It is a special purpose vehicle set up under the Private Finance Initiative (PFI) to build and manage Extra Care properties in Kent under a contract of 30 years with Kent County Council.

Oldham Retirement Housing Partnership Limited (ORHP) is a Community Benefit Society with exempt charitable status. It is a special purpose vehicle set up under the PFI to refurbish and manage Retirement Living properties in Oldham under a contract of 30 years with Oldham Metropolitan Borough Council.

Group governance report

The Board of Housing 21 plays a crucial role in ensuring the organisation achieves the highest standards of governance. It acts both collectively and individually in the best interests of Housing 21, serving as an ambassador and custodian of the organisation.

The Board formulates strategy directly and through delegation to its committees, considering a wide range of matters that safeguard the organisation while positively impacting current and future residents and employees.

Housing 21's Board has adopted the National Housing Federation (NHF) 2020 Code of Governance. It has established guiding principles for governance, with detailed roles and responsibilities documented within its Governance Handbook.

Board and committee structure:





Housing 21's governance guiding principles:

1. Mission and values

The Board sets and actively drives Housing 21's social purpose, mission, values and ambitions, and through these, embeds a positive culture with high standards of probity and conduct, protecting the organisation's reputation while being accountable to residents and customers.

2. Strategy and delivery

The Board sets ambitions, plans and strategies and monitoring mechanisms which enable the organisation to fulfil its social purpose, legal and regulatory responsibilities. It ensures plans are financially viable, with consideration of value for money and environmental and social sustainability.

3. Board effectiveness

The Board is appropriately structured with clear roles and responsibilities which enable good governance. The Board ensures that it is skilled and diverse, considering the impact of its decisions on the communities within which Housing 21 works.

4. Control and assurance

The Board actively manages risks faced by the organisation, and obtains robust assurance that controls are effective. Opportunities are available for concerns to be raised without fear of reprisal.





Key roles and responsibilities

Board

- Set and drive Housing 21's social purpose, mission, values, ambitions and related strategies
- Embed a positive culture with high standards of probity, conduct, effective risk management and internal control
- Consider the impact of its decisions on residents and communities

Audit and Risk Committee (previously the Audit and Assurance Committee)

- Oversee the integrity of the Financial Statements, significant accounting judgements and financial reporting
- Oversee external audit, internal audit, risk management and internal controls
- Provide scrutiny of treasury, funding, financial resilience and covenant compliance

Governance, People and Systems Committee (previously the Governance Committee)

- Oversee governance arrangements, Board effectiveness and succession planning
- Oversee remuneration and people strategy, including workforce capacity and culture
- Oversee the strategic direction and resilience of key IT systems and digital infrastructure

Asset Management, Development and Acquisitions Committee (previously the Investment and Development Committee)

- Oversee development, acquisitions and asset management activity
- Review major investment proposals and monitor delivery against financial and strategic objectives
- Oversee property compliance, building safety and long-term asset sustainability

Resident Services and Standards Committee (previously the Extra Care/ Retirement Living Committee)

- Oversee service quality, resident experience, safeguarding and operational performance
- Monitor resident satisfaction, complaints and service-related risks
- Oversee governance and performance of subsidiary and managed entities on behalf of the Board

Subsidiary Committees

- Ensure continued viability and compliance with requirements
- Monitor the strategic and operational performance



Effectiveness of governance

The Board remains committed to maintaining the highest standards of governance and undertook its annual review of compliance with the National Housing Federation (NHF) Code of Governance 2020 during the year. The review concluded that Housing 21 continued to comply with the Code and highlighted further strengthening of governance arrangements, including Board effectiveness, succession planning, committee governance, risk management and assurance.

The effectiveness of Housing 21's governance framework was independently recognised by the Regulator of Social Housing through the reaffirmation of its G1 Governance grading in December 2025. In its regulatory judgement published in May 2026, the regulator confirmed that Housing 21 meets its governance requirements and recognised the improvements made across governance, assurance and oversight arrangements.

The Board remain committed to continuous improvement and to ensuring the organisation's governance framework continues to support effective decision-making, accountability and long-term sustainability.



Key attributes of Housing 21's governance process

Governing rules

Governance handbook

Governance framework

Scheme of delegation





Key activities of the Board in the year

Along with considering routine items which include reviewing organisational performance and risk mitigation, approving policies as per the policy framework, and reviewing decisions and recommendations from each committee, the Board has discussed a wide range of topics with examples as follows:

Strategy and growth		Quality of properties	
Strategic direction and Board away days	Undertook in-depth discussions on Housing 21's long-term strategic direction, operating model, growth ambitions, strategic principles and future priorities.	Asset Management Strategy	Approved the Asset Management Strategy and reviewed long-term investment requirements and stock condition intelligence.
Statement of purpose	Reviewed Housing 21's purpose and strategic positioning, agreeing a revised Statement of Purpose to support future strategic development.	Building safety and compliance	Reviewed fire, water, gas, electrical and other compliance performance, together with assurance over data quality and property safety.
Development, acquisitions and cohousing	Considered development capacity, acquisition opportunities, cohousing initiatives and future growth opportunities.	Awaab's Law and property standards	Monitored readiness for Awaab's Law and investment priorities to maintain safe, modern and sustainable homes.
Customer and service quality		Financial viability	
Consumer regulation and assurance	Strengthened assurance arrangements and oversight in response to regulatory feedback and progression towards a C1 consumer grading.	Budget and Business Plan	Approved the Budget and Business Plan, considering assumptions, stress testing, sensitivities and mitigation strategies.
Tenant satisfaction and complaints	Reviewed Tenant Satisfaction Measures, complaints performance, resident feedback and associated improvement plans.	Treasury and funding	Approved significant new funding arrangements and reviewed Treasury Strategy, liquidity and covenant compliance.
Resident engagement	Considered resident scrutiny, transparency, access to information and opportunities to strengthen resident influence in decision making.	Value for money	Reviewed value for money performance, affordability and opportunities to improve efficiency and resident outcomes.



Risk and governance

Strategic risk oversight	Reviewed strategic risks, risk appetite, emerging risks and mitigation plans.
Board assurance framework	Enhanced assurance reporting and performance monitoring across key operational, financial and regulatory activities.
Governance and Board effectiveness	Considered Board succession planning, Chair recruitment, governance arrangements and Board effectiveness.
Technology and transformation	Oversaw continued delivery of the Technology and Business Systems Strategy, including major systems replacements, cyber security and digital transformation.

People, technology and sustainability

People and culture	Undertook a dedicated workshop on workforce challenges, leadership, culture, wellbeing, diversity and future workforce sustainability.
Technology and transformation	Oversaw delivery of the Technology and Business Systems Strategy, including major systems replacements, cyber security and digital transformation.
Sustainability and ESG	Reviewed environmental performance, social value, sustainability priorities and ESG reporting.



Our Board members: An active and engaged Board

The following is the Board attendance from 1 September 2025 to 1 August 2026.

Board/ committee	Board	AAC	ARC	Gov	IDC	ADAC	RL	EC	RSSC
Number of meetings	7	3	1	5	5	1	3	3	1
Elaine Elkington	7 of 7	1*	*	5 of 5	*	*	*	*	*
Jane Holbrook ¹	1 of 1	-	-	-	-	-	-	-	-
Suki Kalirai	7 of 7	-	-	4 of 5	5 of 5	1 of 1	3 of 3	-	-
David Clark	7 of 7	-	-	5 of 5	5 of 5	1 of 1	-	2 of 3	-
Michael Stevenson	7 of 7	3 of 3	1 of 1	5 of 5	4 of 5	-	-	-	1 of 1
William Roberts	7 of 7	3 of 3	1 of 1	5 of 5	-	-	-	3 of 3	1 of 1
Ian Skipp ²	7 of 7	2 of 3	1 of 1	1 of 1	-	-	3 of 3	-	-
Richard Dell	7 of 7	3 of 3	1 of 1	-	5 of 5	-	-	-	1 of 1
Keith Carnegie	7 of 7	-	-	-	5 of 5	1 of 1	3 of 3	-	0 of 1
Rosemarie Jenkins	7 of 7	3 of 3	-	-	5 of 5	1 of 1	-	-	-
James Bullion ³	5 of 6	-	-	-	-	-	3 of 3	3 of 3	1 of 1
Annette Emanuel ⁴	1 of 1	-	-	-	-	-	-	-	1 of 1
Alistair Brown	-	2 of 3	1 of 1	-	-	-	-	-	-
Ian Devereux	-	-	-	-	-	-	-	3 of 3	-
Michael Rose	-	-	-	-	-	-	3 of 3	-	-
Idayat (Bola) Owolabi ⁵	1 of 1	-	-	-	1 of 1	-	-	-	-
Elizabeth Golledge ⁶	-	-	-	-	-	-	-	-	-
John Bosley	-	-	-	-	-	-	-	-	1 of 1

Notes:

*Attendance by invitation

¹Jane Holbrook appointed on 8 June 2026.

²Ian Skipp stepped down as Chair of the Audit and Assurance Committee in September 2025, therefore was no longer required to attend the Governance Committee.

³James Bullion appointed on 1 October 2025.

⁴Annette Emanuel appointed on 1 June 2026.

⁵Idayat (Bola) Owolabi went on sabbatical on 24 September 2025.

⁶Elizabeth Golledge resigned on 24 September 2025.



Key activities of committees:

The Audit and Risk Committee ('ARC'): overseeing internal control and assurance

During the year, the committee considered routine matters, including approving plans and receiving reports from internal and external audit on the control environment and the implementation of related recommendations.

In addition, the committee reviewed the following:

Strategic risk profile reviews and gap analysis	Board Assurance Framework development	Risk deep dives and emerging risk assessment
Internal audit reviews and action taking	Annual head of internal audit opinion	External audit oversight and effectiveness review
Review of key accounting judgements and Financial Statements	Fraud, whistleblowing and incident reporting	Information governance, cyber security and data protection
Regulatory and treasury returns assurance	Review of financial delegated authority and key governance policies	External audit tender and auditor appointment

Governance Committee: maintaining an effective and competent Board

During the year, the committee focused on maintaining an effective governance framework and ensuring the Board had the leadership, skills and structures required to support Housing 21's strategic objectives.

The committee provided oversight of succession planning, Board effectiveness, governance arrangements and remuneration matters, supporting strong governance and effective decision making. The committee reviewed the following:

Chair recruitment	Board Member recruitment	Board skills, experience and behaviours review
Governance compliance	Board and Executive remuneration	Committee structures and terms of reference
Board and Chair appraisals	Board induction training and development	



Asset Management, Development and Acquisitions ('ADAC'): maintaining oversight of investments in new and existing properties

During the year, the committee focused on reviewing progress with strategies relating to new developments, acquisitions, cohousing, asset management, and property compliance. The committee reviewed the following:

Development programme oversight	Development and acquisition business cases	Asset Management Strategy and investment plans
Property compliance and building safety assurance	Stock condition and investment programme monitoring	Development cost, sales and financial performance reviews
MEES and energy efficiency improvements	Decent Homes, sustainability and net zero initiatives	Resident-focused property standards and asset performance
Construction quality and post-investment reviews	Health and safety compliance monitoring	Major capital investment and regeneration proposals

Retirement Living ('RL') Committee: maintaining oversight of operational performance

During the year, the committee provided assurance to the Board on the quality, performance and effectiveness of Retirement Living services, with a focus on resident outcomes, service delivery and continuous improvement. In addition to routine performance reporting, the committee also focused on:

Resident satisfaction and feedback	Complaints performance and learning	Service performance and key operational metrics
Resident engagement and scrutiny activities	Safeguarding assurance and oversight	Housing Ombudsman and lessons learned
Tenancy sustainment and void performance	Scheme performance and quality reviews	Affordability, rents and service charges
Resident safety and wellbeing	Complex needs and changing resident demographics	Consumer standards and regulatory readiness



Extra Care ('EC') Committee: maintaining oversight of operational performance

The committee provided oversight and challenge across Extra Care services, supporting the Board in maintaining high standards of care, quality and resident wellbeing. The committee considered emerging operational challenges, the changing needs of residents and the effectiveness of actions taken to support continuous improvement. The committee also focused on:



Subsidiary committees: ensuring continued viability and compliance with requirements

During the year, the subsidiary boards of KCP, Housing 21 Guernsey LBG, and ORHP met to review financial and operational performance, ensure ongoing compliance with the contractual requirements of our Public Finance Initiatives, managing risks related to contract deductions, and approving the statutory Financial Statements.

Given the alignment with Extra Care and Retirement Living operations, these meetings take place following routine committee business, with the same committee members in attendance.

Committee structure review and governance enhancements

In March 2026, the Governance Committee reviewed and refreshed its committee structure to ensure governance arrangements remained effective as the organisation evolved. The changes were designed to reduce duplication, strengthen accountability and ensure that key areas of activity received appropriate scrutiny.

The former Retirement Living Committee and Extra Care Committee were replaced by a single Resident Standards and Services Committee ('RSSC'), creating a more consistent focus on service quality, performance and resident outcomes across all service areas. The remit of the Governance Committee was expanded to include People and Systems responsibilities, and it was renamed the Governance, People and Systems Committee, while treasury oversight was incorporated into the remit of the renamed Audit and Risk Committee.

Together, these changes support a more integrated approach to governance, risk management, organisational performance and assurance, while providing clearer accountability and more effective oversight across Housing 21.

The new committee structure was implemented in May 2026.



Group internal control and assurance

Internal control statement by the Board.

Purpose

The statement of internal control provides assurance to stakeholders on how effectively the organisation governs its business so as to manage the key risks which aid the successful delivery of strategic aims and objectives. The Board, in making the following statement, has drawn upon a variety of sources of assurance which supports the Internal Control Framework. This assurance includes routine management oversight processes and independent assurance through internal audit and other third-party assurance providers.

Board statement

The Board acknowledges it has overall responsibility for establishing and maintaining the system of internal control and for reviewing its adequacy and effectiveness. The Board retaining ultimate responsibility for the organisation's compliance with all legal, statutory, regulatory and constitutional requirements. This applies in respect of all companies and subsidiaries within the Group. While the Board is responsible for overall strategy and policy of Housing 21, the day-to-day running of the Group is delegated to the Chief Executive and other executives.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. However, the system of internal control adopted by the Board is designed to manage risk and to provide reasonable, but not absolute assurance that key business objectives and expected outcomes will be achieved. The Board has agreed that the adopted framework of internal control is appropriate for the size, nature and complexity of the Group and is overall adequate.

As a result of the activities of the Board and its committees, the Board can confirm to the best of its knowledge it has complied with its adopted code of governance (2020 NHF Code), and the regulatory requirements as established by the Regulator of Social Housing including the Governance and Viability standard and material compliance with all aspects of relevant law.

Board risk appetite statement

In putting residents at the heart of quality, service and growth, the Board is ambitious in its outlook for the organisation, customers and employees. It has agreed that it will:

- Provide a contemporary forward thinking 21st Century Service
- Be focused on continuous improvement and innovation to achieve excellent services and value for money
- Achieve high levels of satisfaction and positive experience for the people we serve

These principles guide decision making alongside the desire to do the right thing and be better than 'just good enough'.

With the exception of those areas agreed where there is a wholly averse appetite for risk taking (compliance with law and regulation, and achievement of good governance, internal control, financial viability), the Board has agreed that it will take a measured approach to risk.

The measured approach balances the need to be innovative in pursuit of the organisation's overall aims for our customers and employees, whilst overall maintaining the financial viability and reputation of the organisation, through robust decision making based on sound information, options appraisals, and assumptions.



The Board, supported by the Audit and Risk Committee, regularly reviews the organisation's risk profile and the effectiveness of the risk management framework to ensure it remains appropriate for the nature, scale and complexity of Housing 21's activities. During the year the Board reviewed strategic risks under following themes:

Governance and leadership

Potential impact	Mitigation
Failure to maintain Board and leadership capacity, capability, succession planning and diversity could affect strategic decision-making, organisational resilience, service quality and regulatory compliance.	Ongoing Board and executive succession planning, recruitment activity, skills assessments, appraisals, leadership development programmes and implementation of the People and Culture Strategy.
Board succession and recruitment activities present a short-term risk of reduced stability and continuity.	Regular governance reviews and Board effectiveness assessments provide additional assurance.

Financial resilience and funding

Potential impact	Mitigation
Economic uncertainty, inflation, interest rate movements, cost pressures and income under performance could reduce financial capacity and flexibility. Constraints on funding capacity and asset security could limit future investment and growth opportunities.	Robust business planning and stress testing, regular reforecasting, treasury management, covenant monitoring, cost control, active management of liquidity and funding requirements, and ongoing review of assets available to secure future borrowing.

Strategic effectiveness

Potential impact	Mitigation
Failure to align strategic ambitions with organisational capacity, or respond effectively to legislative and regulatory change, could lead to non-compliance, reduced service quality, delivery delays and failure to realise strategic objectives.	Business planning and prioritisation processes, programme and change Board oversight, horizon scanning, dedicated research and influence activity, monitoring of emerging legislation and structured implementation programmes for regulatory change.

Quality and safety of homes

Potential impact	Mitigation
Failure to maintain property standards or meet statutory compliance obligations could result in health and safety incidents, resident harm, regulatory action, reputational damage and financial penalties.	Enhanced property standards, comprehensive compliance frameworks, stock investment programmes, independent assurance, specialist compliance teams, regular safety inspections and ongoing implementation of Awaab's Law requirements.



Quality services and resident needs

Potential impact	Mitigation
Increasing resident complexity, affordability pressures and inconsistency in service delivery could adversely affect resident outcomes, satisfaction and regulatory compliance.	Performance monitoring, resident satisfaction measures, complaints analysis, targeted improvement plans, reviews of service models, partnership working, resident support frameworks and a new Resident Experience Strategy.

Quality services and resident needs

Potential impact	Mitigation
Poor quality data, cyber incidents or weaknesses in information governance could impair decision-making, disrupt services, compromise sensitive information, harm residents and employees, and result in regulatory penalties.	Data improvement programmes, governance frameworks, cyber monitoring and response arrangements, Cyber Essentials accreditation, vulnerability management, employee awareness training, incident testing and investment in technology and reporting capability.

Evolution of the risk management framework

Housing 21 continues to enhance its risk management framework to ensure it remains aligned to the organisation's strategy and operating environment. New categories covering growth and emerging and systemic risks have been introduced to strengthen oversight of future risks and opportunities. Growth focuses on risks associated with delivering the organisation's development and expansion ambitions, while emerging and systemic risks provide a framework for monitoring longer-term external factors such as regulatory change, technological developments, workforce challenges and wider economic uncertainty. These areas will continue to be developed and embedded as part of Housing 21's forward-looking approach to risk management.

Internal audit: providing effective assurance over key risks and internal control

Housing 21's internal audit function is co-delivered through a combination of third-party providers and an in-house team. In 2025/2026, third-party assurance was provided by RSM, alongside various subject matter experts engaged for specific areas.

The in-house function holds operational responsibility for risk management, anti-fraud and whistleblowing. For these areas, external third parties provide independent assurance over controls and the achievement of good practice standards.

A self-assessment review of the internal audit service was conducted, drawing in part on stakeholder feedback. The ARC concluded that the service, overall, is effective.

Internal audit annual opinion

Based on the internal audit work undertaken during the year, together with our review of key aspects of governance, risk management and internal control, it is our opinion that Housing 21 has an adequate framework in place.

Several internal audit reviews resulted in partial assurance opinions, highlighting areas where controls require further strengthening. These findings primarily relate to the consistency of control application rather than fundamental weaknesses in the overall framework. Follow-up work has confirmed that good progress has been made in addressing areas previously assessed as negative assurance, demonstrating a positive trajectory in the maturity of the control environment.

While some recommendations remained in progress during the year, action tracking and oversight arrangements have strengthened significantly. As at the year end, no overdue actions were reported and there is improved confidence that actions are being effectively managed and delivered in line with agreed timescales.

The Board Assurance Framework continues to provide an appropriate structure for identifying and monitoring key risks and controls. Overall, governance and risk management arrangements are operating effectively, although further development of second line of defence activities would enhance the consistency, depth and formalisation of management oversight.

Whilst some variability in control outcomes has been identified, this reflects the scale and devolved nature of operations rather than systemic control failure. Where oversight is well established, outcomes are demonstrably more consistent.

Accordingly, adequate assurance can be provided that the organisation's control environment is operating effectively and continues to develop in line with the scale and complexity of its operations.

Anti-fraud and corruption: creating an open and honest culture

The Group is committed to always acting with honesty and integrity in safeguarding the resources for which it is responsible and expects the same standards from its employees and contractors.

The Group maintains a fraud risk register and a register of reported fraud incidents, both of which are regularly reported to the ARC. The top inherent fraud risks identified include cyber fraud, payment fraud, asset abuse, and financial abuse of residents.

All employees are required to complete mandatory fraud awareness training, which encourages the reporting of concerns either directly to management or through the Group's confidential reporting line. This training is further supported by additional employee sessions aimed at raising awareness of the types of concerns that should be reported and the processes for raising them, both informally with management and formally via the organisation's Whistle-blowing Policy.

Information Governance: committed to protecting personal and sensitive information

The organisation places significant importance on the privacy and security of personal and sensitive data. The Group has a well-established Information Governance Steering Group responsible for overseeing the effectiveness of information governance and security controls. The Deputy Chief Executive serves as the organisation's Senior Information Risk Owner.

Subject access requests and data breaches or near misses are effectively managed by the Data Protection Officer and are responded to within statutory timescales. No significant breaches were identified during the year. Breaches and near misses are reported to the ARC.

The Group's core data protection risks relate to employees inadvertently sharing data with third parties. To safeguard data subjects, the organisation has invested in email monitoring tools, encryption software, and targeted awareness campaigns addressing this risk. Additional investments include robust information security defences, intrusion monitoring and reporting, mandatory training, and regular employee phishing exercises.

This Strategic Report and Report of the Board was approved by order of the Board on 6 August 2026 and signed on its behalf by



Paul Hutton
Secretary

Responsibilities in respect of the Report of the Board and the Financial Statements

Board Members are responsible for preparing the Report of the Board and the Financial Statements in accordance with applicable law and regulations. Co-operative and Community Benefit Society law and social housing legislation require the Board Members to prepare Financial Statements. Financial Statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these Financial Statements, the Board Members:

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

Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Disclosure of information to the auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.



Independent Auditor's Report to the Members of Housing 21 for the year ended 31 March 2026

Opinion

We have audited the financial statements of Housing 21 (the Association) and its subsidiaries (the Group) for the year ended 31 March 2026 which comprise the Group and Association Comprehensive Income Statements, Group and Association Balance Sheets, Group and Association Statements of Changes in Reserves, Group and Association Cash Flow Statements and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2026 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022

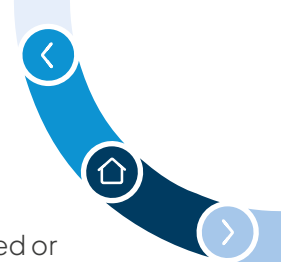
Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent Association's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the assumptions used in the budget for the financial year 2026–27
- Reviewing the long term business plan and assessing the reasonableness of the assumptions used within it, along with reviewing the results of the various stress testing scenarios on loan covenant compliance, and the reasonableness of mitigating actions identified by management
- Considered the facilities and loans in place against capital commitments and expected loan repayment dates and considered recoverability of inter group lending
- Reviewed the disclosures around going concern within the financial statements



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

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

Our application of materiality and an overview of the scope of the audit

Our audit work is based upon an assessment of materiality to identify misstatements contained in the financial statements considered fundamental to the reader. We consider the materiality of a misstatement to the class of transaction or balance to which it belongs and the overall impact of the balance on the Group and Association Comprehensive Income Statements and the Group and Association Balance Sheets. An item would be considered material to the financial statements if, through error or non-disclosure, the financial statements would no longer show a true and fair view.

Materiality for the Group financial statements as a whole was set at £4,887k, determined with reference to a benchmark of Group turnover (of which it represents 1.5 per cent).

Materiality for the parent Association financial statements as a whole was set at £4,643k, determined with reference to a benchmark of Association turnover (of which it represents 1.5 per cent, although capped at 95 per cent of Group materiality).

We consider turnover to be the most appropriate benchmark, and more appropriate than a profit-based benchmark as the Group is a not-for-profit organisation that reinvests all surpluses generated from its activities within the Group and does not make any distributions of profit to external parties.

Performance materiality was set at 70 per cent of materiality for the financial statements as a whole for both Group and Association, which equates to £3,421k for Group and £3,250k for Association. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £244k in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's reporting components, we subjected all to full scope audits for group purposes. The work on all components, including the audit of the parent Association, was performed by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address these matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Valuation and impairment of assets under construction – Group and Association

The risk of assets under construction being misstated on the Statement of Financial Position was considered to represent an elevated audit risk because, in addition to it being high value, impairment and capitalisation of development costs are significant management judgements and estimates.

The Group and parent Association recognised additions to properties under construction of £117,985k (2025: £96,459k). In addition, £10,126k was transferred from current assets to fixed assets in respect of construction costs, following the Group's and parent Association's reassessment of the anticipated percentage of first-tranche sales. Refer to pages 102–105 for the relevant accounting policies and page 119 for the related financial disclosures.

The development of properties for housing is a key activity for the Group and parent Association. Significant judgements are required in allocating costs to mixed-tenure schemes, capitalising overhead costs and assessing schemes for impairment. Given the value of the balances and the level of judgement involved, we considered additions to new-build development costs and the impairment of schemes under construction to represent an elevated risk of material misstatement in our audit.

Our response

Our procedures included:

- Controls review: We considered management's processes for preparing and reviewing development appraisals
- Test of detail: We agreed a sample of capital additions recognised during the year to purchase contracts, invoices or certificates of stage completion
- Test of detail: We evaluated management's assessment of whether there were indicators of impairment for schemes under development. This included comparing the latest forecast expenditure with the approved budget and testing a sample to the relevant appraisals and supporting information
- Test of detail: We reviewed management's impairment assessment and agreed the values to supporting documentation. For schemes identified as impaired, we agreed management's calculations to the relevant appraisals. We also assessed whether the related disclosures complied with FRS 102 and the 2018 Statement of Recommended Practice
- Test of detail: To assess whether the related costs had been recognised in the correct period, we agreed a sample of development accruals to supporting evidence and a sample of invoices received after the year end
- Test of detail: We assessed management's approach to capitalising staff costs and agreed a sample of the amounts capitalised to supporting payroll records

- Test of detail: We reviewed the Group's policy for capitalising interest and recalculated a sample of capitalised interest using the weighted average cost of capital
- Test of detail: We assessed the reasonableness of the percentage of completed and work-in-progress shared ownership properties classified as held for sale based on anticipated first-tranche sales. This included reviewing management information and testing a sample of sales completed during and after the year. We also corroborated the percentage against that used in the business plan
- Review against accounting standards: We tested a sample of capitalised amounts against the requirements of FRS 102 and the guidance in the 2018 Statement of Recommended Practice

Our results

We identified no material exceptions from the procedures performed.

Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Groups and Associations have not kept adequate accounting records; or
- the Groups and Associations financial statements are not in agreement with books of account; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the Board

As explained more fully in the Responsibilities of the Board set out on page 87, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, the National Housing Federation 2020 Code of Governance, tax legislation, health and safety legislation and employment legislation
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance

- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above
- We enquired of the Board about actual and potential litigation and claims
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias

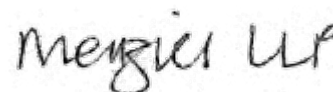
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Other matters which we are required to address

We were first appointed as auditor of Housing 21 by the Board for the period ending 31 March 2022. The period of total uninterrupted engagement for the Group is for five financial years ending 31 March 2026. We have fulfilled our ethical responsibilities under, and we remain independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.



Menzies LLP

Statutory Auditor

Address:
One Express
1 George Leigh Street
Ancoats
Manchester
M4 5DL

Date: 2026

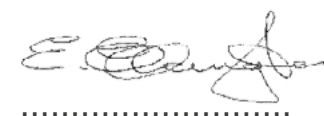
Group Comprehensive Income Statement

		2026	2025
	Note	£'000	£'000
Turnover	2	329,050	296,631
Operating costs and cost of sales	2	(281,072)	(263,259)
Gains on disposal of housing properties	2/4	746	4,129
Operating surplus	2	48,724	37,501
Other interest receivable and similar income	7	6,705	7,281
Interest and financing costs	8	(32,945)	(28,973)
Movement in fair value of financial instruments	18	141	(23)
Surplus before taxation		22,625	15,786
Tax on surplus	9	-	-
Surplus for the financial year		22,625	15,786
Other Comprehensive Income			
Actuarial gains in respect of pensions	25	86	437
Effective movement in fair value of hedged financial instrument	18	1,514	4,007
Total comprehensive income for the financial year		24,225	20,230

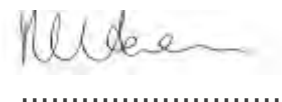
All amounts relate to continuing activities except for activities relating to Housing 21's non-social rent which are in the process of being disposed when they become void. The gross income associated with the properties being disposed of is £1,167k (2025: £1,320k), with an associated deficit before gain on disposal of properties of £538k (2025: £28k). Further details are included in note 2.

The notes on pages 99 to 140 form part of the Financial Statements.

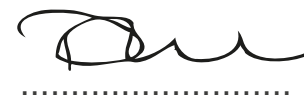
These Financial Statements were approved and authorised for issue by the Board on 6 August 2026 and are signed on behalf of the Board by:



Elaine Elkington
(Chair)



Mike Stevenson
(Chair of Audit and Risk Committee)



Paul Hutton
(Secretary)

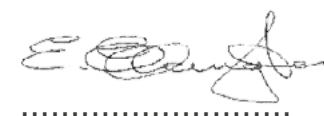
Association Comprehensive Income Statement

		2026	2025
	Note	£'000	£'000
Turnover	2	322,893	290,379
Operating costs and cost of sales	2	(279,369)	(261,621)
Gains on disposal of housing properties	2/4	746	4,129
Operating surplus	2	44,270	32,887
Other interest receivable and similar income	7	2,163	2,347
Interest and financing costs	8	(27,429)	(23,446)
Surplus before taxation		19,004	11,788
Tax on surplus	9	-	-
Surplus for the financial year		19,004	11,788
Other Comprehensive Income			
Actuarial gains in respect of pensions	25	86	437
Total comprehensive income for the financial year		19,090	12,225

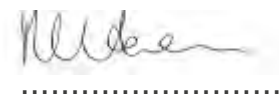
All amounts relate to continuing activities except for activities relating to Housing 21's non-social rent which are in the process of being disposed when they become void. The gross income associated with the properties being disposed of is £1,167k (2025: £1,320k), with an associated deficit before gain on disposal of properties of £538k (2025: £28k). Further details are included in note 2.

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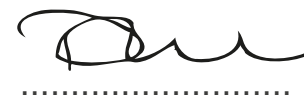
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Mike Stevenson
(Chair of Audit and Risk Committee)



Paul Hutton
(Secretary)

Group Statement of Changes in Reserves

	2026				2025			
	Income and expenditure reserve	Cash flow hedge reserve	Revaluation reserve	Total	Income and expenditure reserve	Cash flow hedge reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	490,120	(3,293)	300,974	787,801	473,526	(7,300)	301,345	767,571
Surplus for the financial year	22,625	-	-	22,625	15,786	-	-	15,786
Actuarial gains on defined benefit schemes	86	-	-	86	437	-	-	437
Movement in the fair value of financial instruments	-	1,514	-	1,514	-	4,007	-	4,007
Other comprehensive income for the year	86	1,514	-	1,600	437	4,007	-	4,444
Transfer from revaluation reserve to income and expenditure reserve	1,319	-	(1,319)	-	371	-	(371)	-
Balance at 31 March	514,150	(1,779)	299,655	812,026	490,120	(3,293)	300,974	787,801

The notes on pages 99 to 140 form part of the Financial Statements.

Association Statement of Changes in Reserves

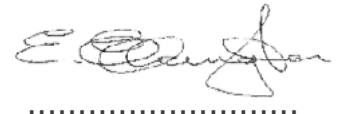
	2026				2025			
	Income and expenditure reserve	Cash flow hedge reserve	Revaluation reserve	Total	Income and expenditure reserve	Cash flow hedge reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	456,803	-	283,400	740,203	444,207	-	283,771	727,978
Surplus for the financial year	19,004	-	-	19,004	11,788	-	-	11,788
Actuarial gains on defined benefit schemes	86	-	-	86	437	-	-	437
Other comprehensive income for the year	86	-	-	86	437	-	-	437
Transfer from revaluation reserve to income and expenditure reserve	1,319		(1,319)	-	371		(371)	-
Balance at 31 March	477,212	-	282,081	759,293	456,803	-	283,400	740,203

The notes on pages 99 to 140 form part of the Financial Statements.

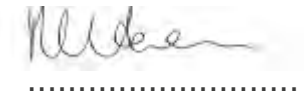
Group and Association Balance Sheets

Registered number 16791R	Note	Group		Association	
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Housing properties	11	1,830,454	1,697,964	1,754,855	1,621,198
Other fixed assets	13	3,390	3,076	3,390	3,076
		1,833,844	1,701,040	1,758,245	1,624,274
Current assets					
Housing properties and stock for sale	14	7,430	19,064	7,430	19,064
Debtors: receivable after one year	15	92,424	97,382	34,351	36,239
Debtors: receivable within one year	15	49,564	26,389	47,880	24,345
Short-term investments	21	20,000	20,000	-	-
Cash and cash equivalents	21	51,143	51,683	36,294	41,497
		220,561	214,518	125,955	121,145
Creditors: amounts falling due within one year	16	(135,676)	(147,981)	(107,293)	(118,418)
Net current assets		84,885	66,537	18,662	2,727
Total assets less current liabilities		1,918,729	1,767,577	1,776,907	1,627,001
Creditors: amounts falling due after more than one year	17	(1,102,520)	(974,025)	(1,013,431)	(881,047)
Provision for defined benefit pension liabilities	25	(4,183)	(5,751)	(4,183)	(5,751)
Net assets		812,026	787,801	759,293	740,203
Capital and reserves					
Cash flow hedge reserve		(1,779)	(3,293)	-	-
Revaluation reserve		299,655	300,974	282,081	283,400
Income and expenditure reserve		514,150	490,120	477,212	456,803
		812,026	787,801	759,293	740,203

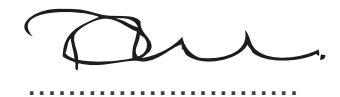
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Elaine Elkington
(Chair)



Mike Stevenson
(Chair of Audit and Risk Committee)



Paul Hutton
(Secretary)

The notes on pages 99 to 140 form part of the Financial Statements.

Group and Association Cash Flow Statements

	Note	Group		Association	
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
Cash from operations	20	71,839	86,865	63,531	81,671
Net cash generated from operating activities		71,839	86,865	63,531	81,671
Cash flow from investing activities					
Net proceeds from the sale of housing properties		11,037	12,701	11,037	12,701
Expenditure on housing properties		(161,907)	(235,007)	(162,274)	(234,492)
Expenditure on other fixed assets		(2,012)	(2,391)	(2,012)	(2,391)
Receipt of Capital Grants		38,895	40,544	38,895	40,544
Interest received		7,432	8,694	2,701	2,942
Maturity of short-term investments		-	(2,200)	-	-
Net cash outflow from investing activities		(106,555)	(177,659)	(111,653)	(180,696)
Cash flow from financing activities					
Repayment of bank borrowings		(6,248)	(38,724)	(2,691)	(33,747)
Net (repayment)/ drawdown from revolving credit facilities		(24,000)	122,000	(24,000)	122,000
New loans		100,000	-	100,000	-
Interest paid		(35,576)	(31,318)	(30,390)	(25,656)
Net cash inflow/ (outflow) from financing activities		34,176	51,958	42,919	62,597
Net (decrease) in cash and cash equivalents		(540)	(38,836)	(5,203)	(36,428)
Cash and cash equivalents at the beginning of the year		51,683	90,519	41,497	77,925
Cash and cash equivalents at the end of the year		51,143	51,683	36,294	41,497

The notes on pages 99 to 140 form part of the Financial Statements.



Notes to the Financial Statements

1a. Principal accounting policies

The Financial Statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Housing 21 includes the:

- Cooperative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969
- Housing and Regeneration Act 2008
- FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland”
- Statement of Recommended Practice (SORP) for Registered Social Housing Providers, “Accounting by registered social housing providers” 2018
- Accounting Direction for Private Registered Providers of Social Housing 2022

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group’s accounting policies.

The Group and Association are Public Benefit Entities (PBEs) for the purpose of the application of certain accounting policies.

1.1. Parent Association disclosure exemptions

In preparing the separate Financial Statements of the parent Association, 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 Association would be identical.

No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Association, because their remuneration is included in the totals for the Group as a whole.

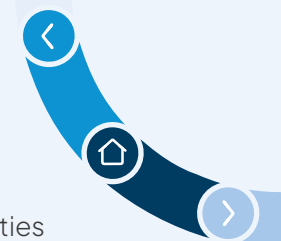
1.2. Basis of preparation including going concern

Financial Statements are prepared on a going concern basis and under the historic cost basis, as modified for (a) the valuation of derivative financial instruments; and (b) the deemed cost basis of valuation of housing properties upon transition to FRS 102 on 1 April 2014.

After making enquiries, the Board has a reasonable expectation that Housing 21 has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these accounts. The Board obtains further assurance of financial viability through the annual budgeting, quarterly re-forecasting and long-term business planning exercises. Within all these exercises, the Board assesses and stress-tests the availability of funding, liquidity, and assesses with lenders’ covenants over at least a three-year period.

These stresses typically include:

- Increase in inflation and interest rates
- Sales prices are reduced or all properties for sale are converted to rent
- Increase in construction costs and reduction in grant rates
- Reduction in operating surpluses though either decrease in rents or increase in voids or bad debts
- Combination of the above in a perfect storm or the most conceivable combination



This ensures the Board has a continual and rolling process of reviewing and assessing the financial strength and viability of Housing 21. For this reason, the going concern basis has been adopted in these Financial Statements.

1.3. Basis of consolidation

The consolidated Financial Statements present the results of Housing 21 – registered provider of social housing and its subsidiary companies (“the Group”) as if they formed a single entity. Transactions and balances between Group companies are therefore eliminated in full to show transactions and balances with third parties only.

As at 31 March, two Housing 21 Board Members were Directors of Housing 21 Resident Support Trust Limited (the Trust). Housing 21 continues to make donations to the Trust. Housing 21 has no ownership, control, rights, or financial interest in the Trust, and no formal or informal arrangements exist that confer influence over it. It neither benefits from nor bears financial risk relating to the Trust Company, and as such the results of the Trust are not consolidated into the Housing 21 Group Financial Statements. During the year Housing 21’s Chair and Chief Executive resigned as Directors of the Trust.

The consolidated Financial Statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the identifiable assets, liabilities, and contingent liabilities of the acquired entity are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Comprehensive Income Statement from the date on which control is obtained (usually also the acquisition date). They are de-consolidated from the date control ceases.

1.4. Turnover

Turnover is measured at the fair value of the cash consideration received or receivable. The Group generates the following material income streams:

- Rental income receivable (after deducting lost rent from empty properties available for letting)
- Service charges receivable (see service charges)

- First tranche sales of low-cost home ownership housing properties developed for sale
- Sales of outright sale housing properties
- Invoiced amounts receivable from the delivery of care services
- Invoiced amounts receivable from the delivery of housing and care services under PFI and PPP contract arrangements (see long term PFI and PPP contracts – Note 1.5)

Rental income is recognised from the point when properties under development reach practical completion and are let.

Income from first tranche sales and sales of properties built for sale is recognised in full at the point of legal completion of the sale.

Income from care is recognised at the point of delivery of the service to the service user.

1.5. Long term PFI and PPP contracts

Income and profit from Private Finance Initiative (PFI) contracts are recognised over the life of the arrangement, reflecting the value of services provided in each period, independent of the timing or amount of cash payments received. Differences between amounts received (unitary charge payments) and income recognised are accounted for as either deferred income or accrued income, as appropriate.

Profits are recognised evenly over the life of the contract, aligned to the ongoing delivery of contracted services. As soon as a contract is determined to be loss making, a provision is made for those losses.

1.6. Service charges

The Group adopts the variable method for calculating and charging service charges to its residents 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 amount of service charge receivable from residents, including sinking fund contributions from rental tenants for future capital works.



Any excess of service charge receivable over service costs is deferred to the Balance Sheet as deferred income and is used to offset future years' charges. Any shortfall between service charge receivable and service costs is accrued and recognised as a debtor on the Balance Sheet and recovered from residents in future years' charges.

1.7. Taxation

The Group is exempt from Corporation Tax on income and gains to the extent that these are derived from the Group's charitable objectives.

1.8. Value Added Tax (VAT)

Most services supplied by the Group are exempt from VAT. However, the Group does charge VAT on its management contracts and PFI unitary charge income. This enables the Group to recover part of the VAT it incurs on expenditure under a Partial Exemption Special Method (PESM) calculation agreed with HM Revenue & Customs (HMRC).

Under the same PESM, VAT incurred on the construction of new housing properties can be recovered at a ratio of the number of sale units, shared ownership, and outright sales, in comparison to total units on individual schemes.

The Financial Statements include VAT to the extent that it is incurred by the Group and not recoverable from HMRC. All expenditure is shown inclusive of VAT and the recoverable VAT arising from partially exempt activities is netted off in the Comprehensive Income Statement against management costs.

1.9. Interest and financing costs

Finance costs are charged to the Comprehensive Income Statement based on the interest rate applicable on the debt in the year. Loan issue costs (including costs associated with arranging security charges on properties for new loans) are initially capitalised as an offset against the principal and then subsequently amortised to the Comprehensive Income Statement over the life of the new loan facility. Non-utilisation and other loan fees for existing debt are charged to the Comprehensive Income Statement.

Loan premiums received on the issue of new debt finance are deferred to the Balance Sheet and included in long-term creditors and initially recognised as the amount received. This amount is amortised using the effective interest rate method and charged to the Comprehensive Income Statement over the life of the loan.

1.10. Interest receivable on finance lease assets

The Group's finance lease assets represent the capital costs incurred on its PFI and PPP contracts – where the underlying properties and associated services are fundamentally controlled by another party. The debt is recovered via the unitary charge contract income over the remaining life of the contract. Until the debtor is fully recovered, an interest credit is released to the Comprehensive Income Statement which is based upon the value of the financial debt outstanding. This interest is included within interest receivable.

1.11. Pension costs

The Group participates in several defined contribution and closed defined benefit pension schemes. Of the defined benefit schemes, three are Local Government Pension schemes where the Group's liability in relation to its employees is capped and are accounted for as defined contribution schemes (see note 25 for further information). The other two defined benefit schemes are the Social Housing Pension Schemes and the London Borough of Lewisham Pension scheme, which are both closed to further accruals. Interest on the scheme liabilities and expected return on scheme assets are included net in other finance costs/ income. Actuarial gains and losses are reported in Other Comprehensive Income.

Contributions to the Group's defined contribution pension schemes are charged to the Comprehensive Income Statement in the year in which they become payable.



1.12. Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement for care employees which has accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement at the Balance Sheet date.

1.13. Tangible fixed assets: housing properties

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for employee costs and other costs of developing the property.

Directly attributable costs of acquisition include capitalised interest calculated on a proportional basis, using finance costs on borrowing which has been drawn to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

Planned expenditure on refurbishments to properties is capitalised where the works:

- Increase the rental stream over the life of the property
- Reduce the future maintenance costs of the property
- Subsequently extend the life of the property

Planned expenditure on a major component is capitalised where the component is expected to provide incremental future benefits to the Group, or the replaced component can be identified and written off (see also Depreciation of housing property – note 1.14).

All other repair and replacement expenditure is charged to the Comprehensive Income Statement.

Mixed developments, excluding the estimated cost of the element of shared ownership properties held for sale (if any) as first tranche, are held within fixed asset housing properties and accounted for at cost less depreciation.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche (see shared ownership properties and staircasing – note 1.16), are included in fixed asset housing properties and held at cost less any impairment, and are transferred to completed properties when ready for letting. If a housing property within fixed assets is found to be impaired (once an impairment assessment has been made), this will be expensed in the Comprehensive Income Statement. Conversely where, in certain circumstances, a previously impaired property meets the criteria as per the FRS 102 guidance of the reason for impairment no longer existing, a reversal may be allowed, crediting the Comprehensive Income Statement and restating the value on the Balance Sheet.

1.14. 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. Land is not depreciated on account of its indefinite useful economic life. The portion of shared ownership property retained or expected to be retained is depreciated over 100 years.

Assets in the course of construction are not depreciated until they are ready for letting to ensure that they are depreciated only in periods in which economic benefits are expected to be materially consumed.

The cost of housing property (net of accumulated depreciation to date and impairment, where applicable) and components are depreciated over the useful economic lives of the assets on the following basis:

Component	Years
Land	Infinite
Structure	100
Roof	50
Windows and doors	30
Kitchens and bathrooms	20–25
Mechanical services	20
Emergency call systems	20
Heating and plumbing	25
Fit out costs	25

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life. Where a major component is replaced before the end of its economic useful life and is not fully depreciated, an additional charge (accelerated depreciation), equivalent to the remaining net book value of the component, is recognised in the Comprehensive Income Statement.

1.15. Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the asset at the time of the donation. The donation is treated as a non-monetary grant and recognised in the Balance Sheet as a liability.

Where the donation is from a non-public source the value of the donation is included as income.

1.16. Shared ownership properties and staircasing

All the Group's shared ownership properties are low-cost home ownership properties. Under low-cost home ownership arrangements, the Group disposes of a long lease on low-cost home ownership housing properties for a share ranging between 10 per cent, or 25 per cent depending on when the property was built, and 75 per cent equity. The buyer has the right to purchase further proportions up to 75 per cent based on the market valuation of the property at the time each purchase transaction is completed.

Low-cost home ownership properties are split proportionately between current and fixed asset housing properties based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset with related sales proceeds included in turnover. The remaining element, staircasing element, is classed as fixed asset housing properties and included in completed housing property at cost and any provision for impairment. If a housing property within fixed assets is found to be impaired (once an impairment assessment has been made), this will be expensed in the Comprehensive Income Statement. Conversely where, in certain circumstances, a previously impaired property meets the criteria as per the FRS 102 guidance of the reason for impairment no longer existing, a reversal may be allowed, crediting the Comprehensive Income Statement and restating the value on the Balance Sheet.

Costs are allocated to the appropriate tenure on a floor area or unit basis depending on the appropriateness for each scheme. When a sale occurs of a property, a proportionate amount is written off to the Comprehensive Income Statement as a cost of sale based on the number of properties and equity percentage sold. Low-cost home ownership properties are depreciated over 100 years. Any impairment in the value of such properties is charged to the Comprehensive Income Statement.

Sales and marketing costs incurred on low-cost home ownership properties under construction at the year-end is deferred and included in debtors due within one year until the scheme reaches practical completion and sales commence. At this point, the associated sales and marketing expenditure previously deferred is recognised in the Comprehensive Income Statement.



1.17. Tangible fixed assets – other

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical 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.

Expenditure on cloud-based arrangements, including Software as a Service solutions, is not considered to give rise to a separately identifiable intangible asset. Accordingly, costs associated with the implementation and configuration of such arrangements are recognised in the Comprehensive Income Statement as incurred and are not capitalised.

1.18. Depreciation of other tangible fixed assets

Depreciation on other assets is charged 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 as follows:

Component	Years
Leasehold office	Over the remaining period of the lease
Office furniture and equipment	10
Motor vehicles	4
Computer software	5
Computer hardware	3

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. Surpluses and losses on disposals are determined by comparing the proceeds with the carrying amount. The gain/loss on disposal of housing properties is shown separately in the Comprehensive Income Statement.

1.19. Government grants

Grants received in relation to those properties that are presented at deemed cost at the date of transition (1 April 2014) have been accounted for using the performance model as required by Housing SORP 2018. In applying this model, the grant has been presented as if it were originally recognised as income within the Comprehensive Income Statement in the year the associated housing properties were completed and is therefore included within brought forward reserves (£455,720k).

Grant received since the transition date in relation to newly acquired or developed housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Balance Sheet and released to the Comprehensive Income Statement 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 the housing property structure has been selected (100 years).

Where Social Housing Grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a Recycled Capital Grant Fund until it is reinvested in a replacement property (see Recycled Capital Grant Fund – note 1.20). The accounting treatment depends on when the underlying grant was received:

- Any grant recycled that was received before 1 April 2014 is recognised as an expense in the Comprehensive Income Statement and included within the gain/loss on the disposal of housing properties
- Any grant received that was received post 1 April 2014 is transferred from Deferred Capital Grants within long-term liabilities

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 Comprehensive Income Statement.



Grants relating to revenue are recognised in the Comprehensive Income Statement over the same period as the expenditure to which they relate once performance-related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities, respectively.

Where properties are acquired from other providers and social housing grants are transferred to Housing 21, no accounting adjustment is made for the grant. The acquired grant is disclosed as a contingent liability in note 19.

1.20. Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of properties, Homes England can direct the Group to recycle Capital Grants, or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it may become repayable to Homes England with interest. Any unused Recycled Capital Grant held within the Recycled Capital Grant Fund, which it is anticipated will not be used or repaid within one year, is disclosed in the Balance Sheet under creditors due after more than one year.

1.21. Impairments of fixed assets

The housing property portfolio for the Group is assessed for indicators of impairment at each Balance Sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of the assets to whichever is higher of the following:

- Net realisable value based on social housing market sale (if known)
- Value in use based on the net present value of future cash flows
- Value in use based on the depreciated replacement cost of a similar asset (which reflects the social purpose of holding the asset)

Impairment assessments are undertaken on 'cash generating units.' The Group defines cash generating units as individual schemes.

Depreciated replacement cost is calculated based on the rebuild cost of a similar asset, adjusted for the same period of depreciation of the asset being assessed. The Group uses information on current and recently completed developments in order to establish a build cost relevant to the property being tested, based on size, location, and other factors.

Where the carrying value is higher than all three of the assessment outcomes listed above, an impairment charge is recognised for the difference in the Comprehensive Income Statement and the carrying value of the asset adjusted on the Balance Sheet accordingly.

Conversely where the indicators for impairment no longer exist, a reversal may be allowed for part or all of the previously recognised impairment, crediting the Comprehensive Income Statement and restating the value on the Balance Sheet.

1.22. Housing properties and stock for sale

Housing properties and stock for sale represents work in progress and completed properties developed for outright sale and shared ownership. For shared ownership properties, the value held as stock is the estimated cost to be sold as a first tranche.

The stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour, and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

1.23. Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Comprehensive Income Statement.



1.24. Recoverable amount of rental and other trade debtors

The Group estimates the recoverable value of rental and other debtors and impairs the debtor by appropriate amounts. When assessing the amount to impair, it also reviews the age profile of the debt, historical collection rates, and the class of debt.

The Group has agreed repayment plans for certain residents and service users on their rent arrears and care services. These arrangements represent financing arrangements (in that they are credit terms outside the normal course of business, therefore representing interest free loans) that should be discounted using an equivalent market rate of interest for a similar loan.

However, no adjustments have been made in the Financial Statements. This is because discounting would result in the applicable debt being carried on the Balance Sheet at virtually nil, but debts where payment plans are in place would invariably be impaired through a bad debt provision resulting in a materially similar net balance.

1.25. Provisions

A provision is recognised where the Group has a present obligation, be that legal or constructive, that has arisen because of a past event and where the payment is probable and can be estimated reliably. Management determines the level of an obligation by considering the range of possible outcomes and estimating the probable financial effect of settlement using judgement based on past experience and, where applicable, information provided by independent experts.

Conversely, where a provision that has been previously recognised but no longer meets the recognition criteria, all or part of the provision may be de-recognised, with a credit charged to the Comprehensive Income Statement.

1.26. Loans, investments and short-term investments

All loans, investments and short-term deposits held by the Group are classified as 'basic' financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however, the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost.

Loans and investments that are payable or receivable on demand or within one year are not discounted.

1.27. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet consist of cash at bank, in hand, deposits and short-term investments which can be accessed instantly. Cash that is held on deposit for more than three months is disclosed as a short-term investment in the Balance Sheet.

1.28. Derivative instruments and hedge accounting

The Group holds some floating rate loans which expose the Group to interest rate risk. To mitigate against this risk the Group uses interest rate swap instruments which fix the amount payable over a certain period of time. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Group has designated each of the swaps against drawn floating rate debt.

To the extent to which the hedge is effective in mitigating interest rate risk, the movements in fair value (other than adjustments for own or counter party credit risk) are not recognised in the Comprehensive Income Statement but adjusted directly on the Balance Sheet via Other Comprehensive Income, and presented in a separate Cash Flow Hedge Reserve, which represents all effective cumulative movements in fair value. Any movements in fair value relating to ineffectiveness (and adjustments for Housing 21's own or counter party credit risk) are recognised in the Comprehensive Income Statement.



1.29. Leases

Where assets are financed by leasing agreements that, to all intents and purposes, give rights of ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable (excluding the interest). Depreciation on the relevant assets is charged to the Comprehensive Income Statement over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Comprehensive Income Statement over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable on the Balance Sheet.

All other leases are treated as operating leases. Their annual rentals are charged to the Comprehensive Income Statement on a straight-line basis over the term of the lease.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered before the date of transition to the standard (1 April 2014) to continue to be charged over the period to the first break clause rather than the term of lease. For leases entered into on or after 1 April 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to the Comprehensive Income Statement over the term of the lease.

1.30. Leasehold sinking funds

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

1.31. Contingent liabilities

A contingent liability is disclosed for a possible obligation, for:

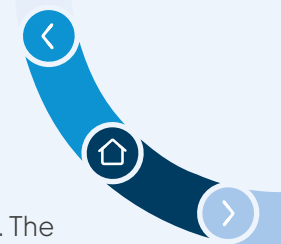
- When it is not yet confirmed that a present obligation exists that could lead to an outflow of resources
- Where a present obligation that does not meet the definitions of a provision as it is not probable that an outflow of resources will be required
- When a sufficiently reliable estimate of the amount cannot be made

Contingent liabilities exist on grants which are dependent on the disposal or cessation for the social letting of related properties.

1.32. Reserves

On transition to FRS 102 the Group took the option of freezing its valuation of housing properties and using that amount as deemed cost. To determine the deemed cost at 1 April 2014, the Group utilised its valuation as at 31 March 2014 which was undertaken by Deloitte Real Estate to value housing properties on an EUV-SH basis. Housing properties will subsequently be measured at cost less depreciation. The deemed cost approach has resulted in a Revaluation Reserve remaining on the Balance Sheet. On disposal of a property or scheme, a transfer is made from the Revaluation Reserve to the Income and Expenditure Reserve of an amount equal to the difference between the historical cost and the deemed cost.

The Cash Flow Hedge Reserve is created from the movements in the fair value of hedging derivatives that are assessed as effective (see Derivative instruments and hedge accounting – note 1.28).



1b. Judgements in applying accounting policies and key sources of estimation

In preparing these Financial Statements, the key judgements and estimations have been made in respect of the following:

Judgements

Housing properties

All housing properties are classified as property, plant and equipment, including shared ownership and non-social rent properties as opposed to investment properties. This is because these assets are held for their social benefit, and the Group does not hold these assets for capital appreciation which is a key criterion in FRS 102. Furthermore, the rents charged on the non-social rented portfolio are uplifted in April each year by the inflationary measure as the social rent portfolio and are not re-assessed against market rents upon re-let.

Impairment assessments

An impairment assessment is undertaken when an indicator of impairment is identified in the year.

When undertaking impairment assessments on housing properties, it is judged that an active market does not exist for the sale of housing properties between registered social providers. Therefore, value in use on the a) net present value of future cash flows or b) depreciated replacement cost ('DRC') is used.

The net present value of future cash flows is based on the current rentals and cost base of the scheme. These are uplifted by the same inflationary assumptions used in new development appraisals. The cash flows are discounted using the Group's current weighted average cost of capital of its debt. The period over which the cash flows are projected and discounted is based on the estimated remaining useful economic life determined on a case-by-case basis. The depreciated replacement cost is ascertained by the latest average build cost determined by the Group's development team for a similar property.

Housing 21 has not identified any general indicators of impairment. The impairment of £4,746k on the two schemes recognised in the previous financial year which are scheduled for demolition and redevelopment remains.

Housing 21 has reviewed assets under construction to determine whether their DRC, or for properties held for sale their net realisable value, is lower than their carrying value. As a result, an impairment of £1,199k (2025: £412k) has been recognised. This comprises £336k (2025: £nil) relating to the rented properties, £777k (2025: £nil) relating to retained shared ownership properties and £86k (2025: £412k) relating to properties held for sale.

In addition, an impairment of £149k recognised in previous years in relation to sales at one scheme has been released. The impairment was originally recognised because an overall loss on sales was anticipated; however, the loss was not as significant as first forecast.

Housing 21 has also reviewed its non-social rented portfolio, which is in the process of being disposed of as properties become vacant. This review considered schemes that are slow selling or where losses have been recognised in the current financial year. Consequently, an impairment charge of £387k (2025: £54k) has been recognised relating to three schemes.

Development sales

The sales of first tranche shared ownership, outright sale and sale of other properties (including staircasing) are reported in the Comprehensive Income Statement as part of Operating Surplus in accordance with the SORP. However, the associated cash flows are judged to meet the FRS 102 criteria of cash flow from Investing Activities, as opposed to Cash from Operations, because of their association and relationship with the wider development-related capital cash flows. Therefore, they are reported in the Cash Flow Statement as Investing Activities. The surpluses on sale are shown as an adjustment when reconciling the Operating Surplus to Cash from Operations (note 20).



Concessionary loans

As part of the PFI contracts, the parent Association has provided loan funding to the special purpose vehicles holding the PFI contracts. These are judged to meet the FRS 102 criteria of concessionary loans to public benefit entities and have therefore been accounted as the amount receivable to the Association.

System implementation

For the development and implementation of cloud-based products, such as software as a service, expenditure is recognised in the Statement of Comprehensive Income when incurred. This differs from traditional software products where a separately identified asset is created and associated expenditure is capitalised.

Estimates

Component accounting

Group housing property components have been identified (as shown in note 1.14) with reference to the National Housing Federation and Savills' 2011 publication on national property component matrix for sheltered flats. The useful economic lives of components are aligned to the Group's replacement cycle in its stock condition survey.

Depreciation is charged on each component based on the estimated useful economic life. Where the useful economic life is amended, the net book value is written off over remaining useful life.

When a component is replaced, the remaining net book value is charged to Statement of Comprehensive Income in the year of disposal and treated as accelerated depreciation. Where part of component is replaced, the value of the asset to be written off is estimated based on the replacement cost for a like-for-like component.

Allocation of construction costs and grant funding

For mixed tenure housing developments, an estimate is made to allocate the appropriate element of cost between the following categories:

- Fixed asset housing properties: rented accommodation
- Fixed asset housing properties: shared ownership accommodation
- Current asset housing properties held for sale: shared ownership and outright sale accommodation

Construction costs are for the scheme as a whole and are not split between the different tenures. The apportionment is based on the property sizes for each tenure type and the expected first tranche sales equity, both with reference to the final completed tenure mix or the latest development appraisal (if under construction).

Any associated Homes England (HE) Grant is assigned to individual properties in the HE's Investment Management System (IMS); therefore, this is split based on actual allocations. Any grants from non-HE sources are all allocated to the rented properties unless specifically for the development of a different tenure. No grant is assumed to be associated with first tranche sales.

Development sales

Housing 21 allocates the cost of shared ownership properties between housing properties and housing properties and stock for sale based on the equity reserved by future residents, or an estimate informed by historic purchase levels or other applicable data where properties are not yet reserved.

During the year, initial equity purchases were lower than previously assumed. Housing 21 has therefore revised the estimate used for first tranche sales, reducing the assumed initial purchase for unreserved properties from 60 per cent to 25 per cent. As a result, £10.1 million has been transferred from housing properties and stock for sale to housing properties, reflecting both actual sales compared with previous estimates and the lower forecast level of initial purchase for schemes under development or not yet reserved.



Pension schemes

The defined benefit accounting liability for the SHPS pension scheme has been provided by the scheme administrator, The Pensions Trust ('TPT'). The accounting liability has been formulated based on a series of assumptions which are set out in note 25 in the Financial Statements. TPT provide a standard set of assumptions which it deems are appropriate, however, these are adjustable by individual providers to meet their own circumstances. The standard assumptions have been adopted by the Group as they are judged to be appropriate and reasonable. Details of the estimates used are included in the pensions note. Sensitivity analysis for these key estimates is included in note 25 to the Financial Statements.

Housing 21 was notified in 2021 by the Trustee of the scheme that it had identified uncertainty surrounding the validity of certain historic amendments to the scheme's benefits. The Trustee referred these matters to the High Court for determination. The hearing took place in early 2025; however, at the date these Financial Statements were approved, judgment has not yet been issued and the outcome remains uncertain. Until the Court's decision is available and its implications can be assessed, it is not possible to determine whether any additional liabilities will arise or to measure them reliably. Accordingly, no adjustment has been recognised in these Financial Statements. The Group continues to monitor developments and will assess any accounting implications once the judgment is available.

It was estimated that this could potentially increase the value of the full scheme liabilities by £155m, of which Housing 21's contribution could be up to £2m. The Group notes that this estimate has been calculated as at 30 September 2022 on the scheme's technical provisions basis.

Hedge accountings

Hedge accounting effectiveness is determined by use of the 'critical terms method'. It is deemed effective where the terms of the underlying loan match the swap instrument exactly. Where it is not possible, all hedging instruments are judged to be in accordance with the risk management strategies of the Group regarding interest rate cash flow risk, and therefore, the 'hypothetical derivative method' is used to assess effectiveness.

The hypothetical value is assessed against the actual fair value of the instrument. Where the fair value is favourable to the hypothetical value, the hedge is deemed to be effective. Where the fair value is adverse to the hypothetical value, the cumulative difference between the two is taken to be ineffective, and this portion taken through the Comprehensive Income Statement.

Fair value estimates of derivatives are based on relevant market information and information about the financial instruments which are subjective in nature. The fair value of these financial instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate forward curves. The forward and discount curves are derived from various raw yield curves. Movements in these forward curves will impact the fair value and to show the sensitivity to these movements. Analysis is shown in note 18 to the Financial Statements.

Income recognition

The level of income (and surpluses) recognised on the PFI and PPP contracts is based on the estimated stage of completion, which is based on the total expenditure incurred to date compared to the total amount of expenditure expected to be incurred over the life of the contract, and the probability of any losses being incurred on the contract.

Income recognition is also impacted by changes to inflation forecasts, with higher inflation resulting in more income being deferred to compensate for higher costs. Housing 21 has used latest forecasts provided by the Group's treasury advisors and Housing 21 refreshes every six months.

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

Group	2026				2025			
	Turnover	Operating costs and cost of sales	Other income	Operating surplus	Turnover	Operating costs and cost of sales	Other income	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 3)	255,021	(201,284)	-	53,737	226,854	(187,140)	-	39,714
Other social housing activities								
Support charge	6,565	(6,704)	-	(139)	5,176	(5,291)	-	(115)
Leasehold services	497	(281)	-	216	1,094	(706)	-	388
First tranche low-cost home ownership and outright sales	9,821	(9,490)	-	331	6,137	(5,195)	-	942
Development services	173	(2,220)	-	(2,047)	215	(1,757)	-	(1,542)
Gain on disposal of housing properties (see note 4)	-	-	480	480	-	-	3,486	3,486
Other	87	(1,811)	-	(1,724)	(22)	(4,234)	-	(4,256)
	17,143	(20,506)	480	(2,883)	12,600	(17,183)	3,486	(1,097)
Total social housing activities	272,164	(221,790)	480	50,854	239,454	(204,323)	3,486	38,617
Non-social housing activities								
Care services	55,658	(57,512)	-	(1,854)	55,203	(56,986)	-	(1,783)
Non-social rent	1,167	(1,705)	-	(538)	1,320	(1,372)	-	(52)
Gain on disposal of housing properties (see note 4)	-	-	266	266	-	-	643	643
Leasehold services	61	(65)	-	(4)	654	(578)	-	76
	56,886	(59,282)	266	(2,130)	57,177	(58,936)	643	(1,116)
Total	329,050	(281,072)	746	48,724	296,631	(263,259)	4,129	37,501

First tranche shared ownership sales and outright sales included a net credit of £63k arising from the reversal of previously recognised impairments on shared ownership properties held for sale (2024/2025: £412k impairment charge), as explained in Note 1b. Other social housing activities included a £1,800k donation to Housing 21 Resident Support Trust Limited (2024/2025: £2,000k) and £nil (2024/2025: £2,234k) celebrating the Group's 60th anniversary and investment in enhancing residents' quality of life.

2. Turnover, cost of sales, operating costs and operating surplus (cont)

Association	2026				2025			
	Turnover	Operating costs and cost of sales	Other income	Operating surplus	Turnover	Operating costs and cost of sales	Other income	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 3)	248,916	(199,638)	-	49,278	220,656	(185,521)	-	35,135
Other social housing activities								
Support charge	6,556	(6,695)	-	(139)	5,169	(5,284)	-	(115)
Leasehold services	454	(233)	-	221	1,047	(694)	-	353
First tranche low-cost home ownership and outright sales	9,821	(9,490)	-	331	6,137	(5,195)	-	942
Development services	173	(2,220)	-	(2,047)	215	(1,757)	-	(1,542)
Gain on disposal of housing properties (see note 4)	-	-	480	480	-	-	3,486	3,486
Other	87	(1,811)	-	(1,724)	(22)	(4,234)	-	(4,256)
	17,091	(20,449)	480	(2,878)	12,546	(17,164)	3,486	(1,132)
Total social housing activities	266,007	(220,087)	480	46,400	233,202	(202,685)	3,486	34,003
Non-social housing activities								
Care services	55,658	(57,512)	-	(1,854)	55,203	(56,986)	-	(1,783)
Non-social rent	1,167	(1,705)	-	(538)	1,320	(1,372)	-	(52)
Gain on disposal of housing properties (see note 4)	-	-	266	266	-	-	643	643
Leasehold services	61	(65)	-	(4)	654	(578)	-	76
	56,886	(59,282)	266	(2,130)	57,177	(58,936)	643	(1,116)
Total	322,893	(279,369)	746	44,270	290,379	(261,621)	4,129	32,887

First tranche shared ownership sales and outright sales included a net credit of £63k arising from the reversal of previously recognised impairments on shared ownership properties held for sale (2024/2025: £412k impairment charge), as explained in Note 1b. Other social housing activities included a £1,800k donation to Housing 21 Resident Support Trust Limited (2024/2025: £2,000k) and £nil (2024/2025: £2,234k) celebrating the Group's 60th anniversary and investment in enhancing residents' quality of life.

3. Turnover, operating costs and operating surplus from social housing lettings

	Group				Association			
	Retirement Living	Extra Care	2026 Total	2025 Total	Retirement Living	Extra Care	2026 Total	2025 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover on social housing lettings								
Rents net of identifiable service charges	76,080	70,067	146,147	135,376	76,080	69,606	145,686	134,935
Service and utility charges	33,708	47,338	81,046	67,365	33,708	47,019	80,727	67,107
Amortisation of government grants	178	970	1,148	999	178	970	1,148	999
Other income	11,703	14,977	26,680	23,114	11,074	10,281	21,355	17,615
	121,669	133,352	255,021	226,854	121,040	127,876	248,916	220,656
Expenditure on social housing lettings								
Management	(24,066)	(27,681)	(51,747)	(49,071)	(23,493)	(30,255)	(53,748)	(51,912)
Service and utility costs	(26,913)	(41,118)	(68,031)	(58,743)	(26,913)	(40,807)	(67,720)	(58,492)
Routine maintenance	(11,967)	(11,247)	(23,214)	(20,478)	(11,967)	(10,117)	(22,084)	(19,399)
Planned maintenance	(6,787)	(8,207)	(14,994)	(15,279)	(6,787)	(7,186)	(13,973)	(14,131)
Major repairs	(6,785)	(2,240)	(9,025)	(7,821)	(6,785)	(2,229)	(9,014)	(7,016)
Bad debts	629	54	683	(826)	629	50	679	(825)
Depreciation of housing properties	(14,801)	(16,989)	(31,790)	(28,748)	(14,801)	(15,811)	(30,612)	(27,572)
Impairments of housing properties	(206)	(906)	(1,112)	(4,746)	(206)	(906)	(1,112)	(4,746)
Lease costs	(273)	(137)	(410)	(401)	(273)	(137)	(410)	(401)
Other depreciation	(748)	(896)	(1,644)	(1,027)	(748)	(896)	(1,644)	(1,027)
	(91,917)	(109,367)	(201,284)	(187,140)	(91,344)	(108,294)	(199,638)	(185,521)
Operating surplus on social housing lettings	29,752	23,985	53,737	39,714	29,696	19,582	49,278	35,135
Void losses	(1,638)	(3,080)	(4,718)	(4,909)	(1,638)	(3,074)	(4,712)	(4,904)

4. Gain on disposal of housing properties

Group and Association	2026			2025
	Staircasing £'000	Other £'000	Total £'000	£'000
Disposal proceeds	486	2,520	3,006	7,047
Cost of sale	(353)	(1,895)	(2,248)	(2,751)
Surplus excl. Recycled Grant	133	625	758	4,296
Recycled grant	(12)	-	(12)	(167)
Surplus	121	625	746	4,129

The gain on disposal of housing properties, excluding first tranche and outright sale, is split between £121k (2025: £449k) generated from staircasing sales and £625k (2025: £3,680k) from the sale of a non-social housing, leaseholder properties and other one-off disposals.

5. Executive Team and Directors' remuneration

The Executive Team received the following emoluments during the financial year:

	2026	2025
	£'000	£'000
Emoluments	874	977
Pension contributions	69	76
Total	943	1,053

During the year, the aggregate compensation for loss of office of key management personnel was £nil (2025: £nil).

The highest paid director in the year was the Chief Executive. His emoluments were as follows:

	2026	2025
	£'000	£'000
Emoluments	288	280
Pension contributions	35	34
Total	323	314

The Chief Executive is an ordinary member of the SHPS (Defined Contribution) pension scheme as set out in note 25. Employer's contribution in respect of the Chief Executive's pension in the year was £35k (2025: £34k), of which £25k (2025: £23k) was taken as cash. The above remuneration excludes any employer's social security costs.

The Directors of Housing 21 are defined as Members of the Board and the Executive Team.

The Board consists of 11 Non-Executive Members (2025: 10). In addition, there is one Independent Audit and Risk Committee Member (2025: nil), and two Resident Committee Co-optees (2025: two).

5. Executive Team and Directors' remuneration (cont)

The Non-Executive Board Members received emoluments totalling £183k (2025: £166k).
The emoluments were:

	2026	2025
	£'000	£'000
Elaine Elkington (Chair)	28	27
Jane Holbrook (Chair designate, appointed 8 June 2026)	-	-
Suki Kalirai (Deputy Chair)	17	15
David Clark	17	15
William Roberts	17	15
Ian Skipp	16	11
Richard Dell	15	10
Keith Carnegie	15	8
Rosemarie Jenkins	15	8
Michael Stevenson (appointed 1 June 2025)	13	-
James Bullion (appointed 1 October 2025)	8	-
Annette Emanuel (appointed 1 June 2026)	-	-
Ian Devereux (Resident Committee co-optee)	4	4
Michael Rose (Resident Committee co-optee)	-	-
John Bosley (Resident Committee co-optee, appointed 1 June 2026)	-	-
Alistair Brown (Audit and Risk Committee co-optee appointed 1 May 2025)	4	-
Elizabeth Golledge (resigned 24 September 2025)	7	10
Idayat (Bola) Owolabi (resigned 24 September 2025)	7	8
Gurpreet Dehal (resigned 3 May 2024)	-	3
Catherine Dugmore (resigned 13 May 2024)	-	2
Christina Law (resigned 20 September 2024)	-	2
Michael McDonagh (resigned 19 September 2024)	-	7
Lara Oyedele (resigned 29 September 2024)	-	7
Sandra Stark (resigned 28 February 2025)	-	14
	183	166

Richard Dell and Annette Emanuel are Resident Board Members of Housing 21. Elizabeth Golledge, who stepped down from the Board during the year, was also a resident of Housing 21 while serving as a Board Member. Their tenancies were on the same terms and conditions as other residents, and neither could use their Board position to gain any advantage in their relationship with the Association as residents.

Ian Devereux, John Bosley and Michael Rose are Resident Members of the Resident Services and Standards Committee. They do not attend Board meetings and do not have voting rights but provide valuable resident insight and contribute to the committee's decision-making process.

Further details of the Board and the Executive Team are outlined on page three.

6. Employee information

The average number of people employed (including the Executive Team) expressed as full-time equivalents (calculated on a standard working week of 35 hours) during the year was as follows:

	Group		Association	
	2026 No.	2025 No.	2026 No.	2025 No.
Management, scheme managers and administration	1,469	1,408	1,468	1,406
Care and ancillary	1,842	1,793	1,840	1,792
	3,311	3,201	3,308	3,198

Employee costs (including the Board and the Executive Team) consist of:

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Wages and salaries	102,427	97,835	102,302	97,713
Redundancy and other costs	319	178	319	178
Social security costs	11,961	8,545	11,951	8,536
Pension costs	4,924	4,632	4,916	4,629
	119,631	111,190	119,488	111,056

Detailed below is the number of employees whose remuneration payable (including employer pension contributions) in relation to the period was more than £60,000:

Group and Association			2026 No.	2025 No.
310,000–319,999			1	-
300,000–309,999			-	1
210,000–219,999			1	-
200,000–209,999			-	1
190,000–199,999			1	-
180,000–189,999			1	-
170,000–179,999			-	3
130,000–139,999			5	3
120,000–129,999			2	5
110,000–119,999			13	7
100,000–109,999			7	7
90,000–99,999			9	7
80,000–89,999			16	12
70,000–79,999			44	46
60,000–69,999			79	88
			179	180

7. Interest receivable and similar income

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Interest received on cash deposits	1,553	1,890	499	644
Finance asset interest	5,152	5,391	271	227
Interest receivable from group undertakings	-	-	1,279	1,308
Gift aid	-	-	114	168
	6,705	7,281	2,163	2,347

Finance asset interest of £5,152k (2025: £5,391k) for the Group and £271k (2025: £227k) for the Association is generated from the finance asset associated with the Walsall PPP contract (Group and Association) and Oldham Retirement Housing Partnership PFI project (Group only).

Until the finance asset receivable is fully settled, interest receivable is generated on the outstanding balance. This is recovered via the Unitary Charge payable by the local authority.

8. Interest and financing costs

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	(18,258)	(13,916)	(12,859)	(8,506)
All other loans	(14,819)	(14,820)	(14,819)	(14,820)
Other financing fees and charges	(1,910)	(1,541)	(1,793)	(1,424)
Amortisation of loan premium	1,184	1,160	1,184	1,160
Net interest on pension liabilities	(282)	(330)	(282)	(330)
	(34,085)	(29,447)	(28,569)	(23,920)
Interest capitalised on construction of housing properties	1,140	474	1,140	474
	(32,945)	(28,973)	(27,429)	(23,446)

The total amount of interest capitalised in the year was £1,140k (2025: £474k) and interest was capitalised at a rate of 3.7 per cent (2025: 3.7 per cent). The cumulative value of capitalised interest included in the net book value in note 11 and properties held for sale in note 14 is not separately recorded.

9. Taxation

Housing 21, Kent Community Partnership Limited and Oldham Retirement Housing Partnership Limited have charitable status and therefore are exempt from Corporation Tax on their income and gains to the extent that these are derived from their charitable objectives.

Housing 21 Guernsey Limited by Guarantee — the Administrator of Income Tax in Guernsey has agreed that the company's surpluses are exempt from Guernsey tax due to the company's charitable activities.

The company is managed in such a way that it is treated as being a UK tax resident and will be subject to UK tax. However, as a wholly owned subsidiary of a charitable parent, Housing 21 Guernsey can make gift aid payments that enable it to reduce its corporation tax liability to £nil.

10. Operating surplus after tax

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
This is arrived at after (charging)/ crediting				
Depreciation of housing properties	(31,861)	(28,866)	(30,682)	(27,689)
(Impairment) of housing properties	(1,500)	(4,800)	(1,500)	(4,800)
(Impairment)/ release of impairment of low-cost home ownership and outright sale properties	63	(412)	63	(412)
Depreciation on other fixed assets	(1,726)	(1,087)	(1,726)	(1,087)
Amortisation of grants	1,148	999	1,148	999
Payments under operating leases				
Land and buildings	(414)	(416)	(414)	(416)
Other	(115)	(98)	(114)	(97)
Auditor's remuneration (all excluding VAT):				
In their capacity as Financial Statement auditors	(165)	(162)	(128)	(128)
Leasehold audit	(14)	(13)	(14)	(13)

The impairment of housing properties in 2026 consisted of £1,112k (2025: £4,746k) disclosed within note 3 associated with the Housing 21 social rented portfolio, £387k (2025: £54k) disclosed in note 2 associated with the Housing 21 non-social rented portfolio and a release of £63k (2025: £412K impairment) recognised in surplus on first tranche and outright sales in note 2.

11. Housing properties

Group	Retirement Living		Extra Care		Assets Under Construction		Total
	Rented	Shared Ownership	Rented	Shared Ownership	Rented	Shared Ownership	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
1 April 2025	950,959	2,629	929,342	70,313	94,856	7,675	2,055,774
Acquisitions and construction costs	-	-	2,201	-	112,081	5,903	120,185
Works to existing properties	23,305	-	18,906	-	-	-	42,211
Transfers from/ (to) current assets	-	(1,668)	-	(1,713)	-	10,126	6,745
Reclassifications	851	245	(1,100)	-	7	(7)	(4)
Completed property transfers	44,157	6,588	31,998	11,428	(76,155)	(18,016)	-
Disposals	(4,124)	-	(622)	(773)	(231)	17	(5,733)
31 March 2026	1,015,148	7,794	980,725	79,255	130,558	5,698	2,219,178
Accumulated depreciation and impairments							
1 April 2025	(200,137)	(52)	(153,493)	(3,871)	(257)	-	(357,810)
Charge in the year	(14,805)	(66)	(16,290)	(759)	-	-	(31,920)
Impairment	(387)	(206)	(336)	(571)	-	-	(1,500)
Transfers (from)/ to current assets	-	(464)	-	-	-	-	(464)
Reclassifications	(266)	-	9	-	257	-	-
Eliminated on disposals	2,450	-	520	-	-	-	2,970
31 March 2026	(213,145)	(788)	(169,590)	(5,201)	-	-	(388,724)
Net book value							
31 March 2026	802,003	7,006	811,135	74,054	130,558	5,698	1,830,454
31 March 2025	750,822	2,577	775,849	66,442	94,599	7,675	1,697,964
Land tenure							
Freehold	746,183	7,006	566,652	67,820	130,558	5,698	1,523,917
Long leasehold	55,820	-	244,483	6,234	-	-	306,537
31 March 2026	802,003	7,006	811,135	74,054	130,558	5,698	1,830,454

Housing properties include a non-social rent portfolio, which has a net book value of £9,538k. (2025: £11,078k).

11. Housing properties (cont)

Association	Retirement Living		Extra Care		Assets Under Construction		Total
	Rented	Shared Ownership	Rented	Shared Ownership	Rented	Shared Ownership	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
1 April 2025	950,959	2,629	833,825	70,313	94,856	7,675	1,960,257
Acquisitions and construction costs	-	-	2,201	-	112,081	5,903	120,185
Works to existing properties	23,305	-	18,892	-	-	-	42,197
Transfers from/(to) current assets	-	(1,668)	-	(1,713)	-	10,126	6,745
Reclassifications	851	245	(1,100)	-	7	(7)	(4)
Completed property transfers	44,157	6,588	31,998	11,428	(76,155)	(18,016)	-
Disposals	(4,124)	-	(622)	(773)	(231)	17	(5,733)
31 March 2026	1,015,148	7,794	885,194	79,255	130,558	5,698	2,123,647
Accumulated depreciation and impairments							
1 April 2025	(200,137)	(52)	(134,742)	(3,871)	(257)	-	(339,059)
Charge in the year	(14,805)	(66)	(15,109)	(759)	-	-	(30,739)
Impairment	(387)	(206)	(336)	(571)	-	-	(1,500)
Transfers (from)/ to current assets	-	(464)	-	-	-	-	(464)
Reclassifications	(266)	-	9	-	257	-	-
Eliminated on disposals	2,450	-	520	-	-	-	2,970
31 March 2026	(213,145)	(788)	(149,658)	(5,201)	-	-	(368,792)
Net book value							
31 March 2026	802,003	7,006	735,536	74,054	130,558	5,698	1,754,855
31 March 2025	750,822	2,577	699,083	66,442	94,599	7,675	1,621,198
Land tenure							
Freehold	746,183	7,006	491,053	67,820	130,558	5,698	1,448,318
Long leasehold	55,820	-	244,483	6,234	-	-	306,537
31 March 2026	802,003	7,006	735,536	74,054	130,558	5,698	1,754,855

Housing properties include a non-social rent portfolio, which has a net book value of £9,538k. (2025: £11,078k).

11. Housing properties (cont)

Works to existing properties

Expenditure on existing properties, other than on routine and planned maintenance, was as follows:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
New components capitalised	34,610	31,850	34,596	31,856
Capitalised enhancements	7,601	6,959	7,601	6,959
	42,211	38,809	42,197	38,815
Major repairs expensed (see note 3)	9,025	7,821	9,014	7,016
	51,236	46,630	51,211	45,831

Historic cost (including assets under the course of construction)

If housing property had been accounted for under historic cost accounting rules, the properties would have been measured as follows:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Historic cost	2,077,288	1,912,989	1,998,725	1,834,437
Accumulated depreciation	(384,471)	(357,802)	(364,546)	(339,060)
	1,692,817	1,555,187	1,634,179	1,495,377

12. Housing accommodation

	Group		Association	
	2026	2025	2026	2025
	No.	No.	No.	No.
Retirement Living				
Rented	12,284	11,964	12,284	11,964
General needs/ family	26	26	26	26
Non-social rented	104	116	104	116
Shared ownership	62	48	62	48
Leasehold: social	12	17	12	17
Leasehold: non social	-	23	-	23
Employee accommodation	27	36	27	36
Owned but managed by others	17	-	17	-
Managed for others	1,429	1,429	1,429	1,429
	13,961	13,659	13,961	13,659
Extra Care				
Rented	8,409	8,504	8,019	8,114
General needs/ family	2	1	2	1
Shared ownership	1,558	1,547	1,558	1,547
Leasehold: social	241	248	206	213
Employee accommodation	1	1	-	-
Managed for others	44	44	470	470
	10,255	10,345	10,255	10,345
Total	24,216	24,004	24,216	24,004
Properties in development				
For rent	1,215	933	1,215	933
For shared ownership	27	80	27	80
Total	1,242	1,013	1,242	1,013

General needs/ family properties are designated for older persons housing, but these properties do not have access to a warden call system and are not supported by a scheme manager.

12. Housing accommodation (cont)

	Group								Association							
	1 April 2025	New develop-ments	Additional homes on existing schemes	Acquisitions	Awaiting disposal/ disposed	Transfers between tenures	Reclass	31 March 2026	1 April 2025	New develop-ments	Additional homes on existing schemes	Acquisitions	Awaiting disposal/ disposed	Transfers between tenures	Reclass	31 March 2026
Retirement Living																
Rented	11,964	209	16	-	-	9	86	12,284	11,964	209	16	-	-	9	86	12,284
General needs/ family	26	-	-	-	-	-	-	26	26	-	-	-	-	-	-	26
Non-social rented	116	-	-	-	(12)	-	-	104	116	-	-	-	(12)	-	-	104
Shared ownership	48	14	-	-	-	-	-	62	48	14	-	-	-	-	-	62
Leasehold: social	17	-	-	-	(17)	-	12	12	17	-	-	-	(17)	-	12	12
Leasehold: non social	23	-	-	-	(23)	-	-	-	23	-	-	-	(23)	-	-	-
Employee accommodation	36	-	-	-	-	(9)	-	27	36	-	-	-	-	(9)	-	27
Owned but managed by others	-	-	-	-	17	-	-	17	-	-	-	-	17	-	-	17
Managed for others	1,429	-	-	-	-	-	-	1,429	1,429	-	-	-	-	-	-	1,429
	13,659	223	16	-	(35)	-	98	13,961	13,659	223	16	-	(35)	-	98	13,961
Extra Care																
Rented	8,504	75	-	-	(107)	23	(86)	8,409	8,114	75	-	-	(107)	23	(86)	8,019
Rented: general needs/ family	1	-	-	1	-	-	-	2	1	-	-	1	-	-	-	2
Shared ownership	1,547	39	-	-	-	(28)	-	1,558	1,547	39	-	-	-	(28)	-	1,558
Leasehold	248	-	-	-	-	5	(12)	241	213	-	-	-	-	5	(12)	206
Employee accommodation	1	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Managed for others	44	-	-	-	-	-	-	44	470	-	-	-	-	-	-	470
	10,345	114	-	1	(107)	-	(98)	10,255	10,345	114	-	1	(107)	-	(98)	10,255
Total	24,004	337	16	1	(142)	-	-	24,216	24,004	337	16	1	(142)	-	-	24,216

As of the year end, the non-social rented portfolio consists of 116 tenanted properties, and we have a further 63 void properties pending sale (2024: 69 properties). The tenanted properties continue to generate rental income, while the void properties are actively being marketed for sale.



13. Other fixed assets

Group and Association	Leasehold offices and improvements	IT and other equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2025	672	9,566	10,238
Additions	45	1,995	2,040
At 31 March 2026	717	11,561	12,278
Accumulated depreciation			
At 1 April 2025	(381)	(6,781)	(7,162)
Charge for the year	(43)	(1,683)	(1,726)
At 31 March 2026	(424)	(8,464)	(8,888)
Net book value			
At 31 March 2026	293	3,097	3,390
At 31 March 2025	291	2,785	3,076

14. Housing properties and stock for sale

Group and Association	2026	2025
	£'000	£'000
Low-cost home ownership and outright sale properties available for sale	5,379	9,006
Low-cost home ownership and outright sale properties under construction	2,051	10,058
	7,430	19,064

Included within low-cost home ownership and outright sale properties under construction is an impairment release of £63k (2025: charge £412k). The cumulative impairment charge included in the balance is £931k (2025: £1,649k).

15. Debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Greater than one year				
Finance asset receivable	82,576	87,827	4,335	4,576
Prepayments, accrued income and other debtors	9,848	9,555	-	-
Amounts owed by group undertakings	-	-	2,129	2,129
Amounts owed by group undertakings — concessionary loans	-	-	27,887	29,534
	92,424	97,382	34,351	36,239
Within one year				
Rent and service charge arrears	5,494	6,539	5,494	6,537
Less provision for bad debts	(2,670)	(4,366)	(2,670)	(4,365)
	2,824	2,173	2,824	2,172
Trade debtors	7,913	7,174	4,308	5,424
Amounts owed by group undertakings	-	-	2,213	2,055
Amounts owed by group undertakings — concessionary loans	-	-	1,648	1,837
Prepayments, accrued income and other debtors	18,380	14,127	16,440	9,942
Social Housing Grant receivable	20,447	2,915	20,447	2,915
	49,564	26,389	47,880	24,345
Total	141,988	123,771	82,231	60,584

Housing 21 provides concessionary loan funding to the following subsidiaries:

	Rate of interest	1 April 2025	Repayment	31 March 2026
		£'000	£'000	£'000
Kent Community Partnership Limited ('KCP')	11%	6,976	-	6,976
Oldham Retirement Housing Partnership Limited ('ORHP')	2%	24,395	(1,837)	22,558
		31,371	(1,837)	29,534

Concessionary loan receipts are due as follows:

	KCP		ORHP	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
In one year or less, or on demand	-	-	1,648	1,837
In more than one year and less than two years	-	-	1,715	1,648
In more than two years and less than five years	-	-	4,839	5,319
More than five years	6,976	6,976	14,356	15,591
Total	6,976	6,976	22,558	24,395

16. Creditors: amounts falling due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans and borrowings (Note 17)	(2,422)	(6,248)	(215)	(2,691)
Loans premium	(1,214)	(1,186)	(1,214)	(1,186)
	(3,636)	(7,434)	(1,429)	(3,877)
Trade creditors	(8,344)	(11,902)	(8,337)	(11,902)
Amount owed to Group undertakings	-	-	(1,153)	(1,076)
Other creditors	(28,805)	(29,766)	(22,601)	(27,182)
Interest rate swaps	(511)	(410)	-	-
Deferred Capital Grants (Note 19)	(1,894)	(1,240)	(1,894)	(1,240)
Leasehold sinking fund balances	(58)	(88)	(58)	(88)
Accruals and deferred income	(92,428)	(97,141)	(71,821)	(73,053)
	(135,676)	(147,981)	(107,293)	(118,418)

Leasehold sinking fund balances falling due within one year represent the balances due to be transferred/ transferred upon the sale of Housing 21's leasehold portfolio.

Deferred Capital Grants disclosed within one year is the amount forecast to be amortised to the Comprehensive Income Statement in next financial year.

Included within accruals and deferred income is a provision of £275k (2025: £2,283k) in respect of potential home loss payments and a dispute regarding additional works undertaken outside the scope of an agreed contract. During the year, £2,008k was released following resolution of the dispute and home loss payments being made. The balance at 31 March 2026 relates solely to potential home loss payments.

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

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans and borrowings	(817,386)	(743,808)	(729,957)	(654,172)
Loans premium	(32,189)	(33,401)	(32,189)	(33,401)
	(849,575)	(777,209)	(762,146)	(687,573)
Less: funding costs to be amortised	5,027	4,360	4,287	3,546
Interest rate swaps	(1,787)	(3,543)	-	-
Deferred Capital Grants (Note 19)	(238,664)	(181,127)	(238,664)	(181,127)
Recycled Capital Grants Fund	(653)	(579)	(653)	(579)
Leasehold sinking fund balances	(16,632)	(15,670)	(16,255)	(15,314)
Deferred income	(236)	(257)	-	-
	(1,102,520)	(974,025)	(1,013,431)	(881,047)

Loans are secured by charges on the assets of the Association including specific charges on certain housing properties.

Repayment of loans within the PFI special purpose vehicles are secured through charges on the income of the underlying PFI contract over their lifetime. Kent Community Partnership Limited loans are also secured by charges on the assets of the company.

The weighted average interest rate is shown in the table below:

	Group		Association	
	2026	2025	2026	2025
Weighted average interest rate	3.93%	3.96%	3.71%	3.71%

17. Creditors: amounts falling due after more than one year (cont)

At the 31 March 2026, the Group and Association had undrawn loan facilities of £237,000k (2025: £188,000k) consisting of a fully secured unsold bond of £50,000k (2025: £50,000k) and revolving credit facilities of £187,000k (2025: £138,000k).

The loans repayments are due as follows:

Group			2026	2025
	Bank loans	Other loans	Total	Total
	£'000	£'000	£'000	£'000
In one year or less, or on demand (see Note 16)	(2,416)	(6)	(2,422)	(6,248)
In more than one year and less than two years	(43,187)	(8)	(43,195)	(4,923)
In more than two years and less than five years	(75,196)	(33)	(75,229)	(143,278)
More than five years	(248,872)	(450,090)	(698,962)	(595,607)
Total	(369,671)	(450,137)	(819,808)	(750,056)

Association			2026	2025
	Bank loans	Other loans	Total	Total
	£'000	£'000	£'000	£'000
In one year or less, or on demand (see Note 16)	(209)	(6)	(215)	(2,691)
In more than one year and less than two years	(40,233)	(8)	(40,241)	(2,715)
In more than two years and less than five years	(58,879)	(33)	(58,912)	(130,313)
More than five years	(180,714)	(450,090)	(630,804)	(521,144)
Total	(280,035)	(450,137)	(730,172)	(656,863)

The Recycled Capital Grant Fund ('RCGF') balance consists of:

Group and Association	2026	2025
	£'000	£'000
At 1 April	(579)	(299)
Grants recycled	(52)	(261)
Interest accrued	(22)	(19)
At 31 March	(653)	(579)
Amounts three years old or older where repayment may be required	(180)	-

No RCGF has been allocated to schemes in development in the financial year. Six staircasing sales in the year have increased the balance by £52k (2025: £261k).

18. Financial instruments

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets measured at historical cost				
- Rental and service charge debtors	2,824	2,173	2,824	2,172
- Trade debtors	7,913	7,174	4,308	5,424
- Other debtors	35,238	14,649	33,781	10,824
- Cash and cash equivalents	51,143	51,683	36,294	41,497
- Short term investments	20,000	20,000	-	-
- Amounts owed from group undertakings	-	-	2,129	2,129
- Amounts owed from group undertakings: concessionary loans	-	-	27,887	29,534
Total financial assets	117,118	95,679	107,223	91,580
Financial liabilities				
Financial liabilities measured at amortised cost				
- Loans payable within one year	(2,422)	(6,248)	(215)	(2,691)
- Loans payable after one year	(817,386)	(743,808)	(729,957)	(654,172)
Financial liabilities measured at historic cost				
- Trade creditors	(8,344)	(11,902)	(8,337)	(11,902)
- Other creditors	(77,115)	(55,565)	(64,228)	(53,130)
- Amounts owed to group undertakings	-	-	(1,153)	(1,076)
- Loan premium due within one year	(1,214)	(1,186)	(1,214)	(1,186)
- Loan premium due after one year	(32,189)	(33,401)	(32,189)	(33,401)
Derivative financial instruments designated as hedges of variable interest rate risk				
— Interest rate swaps due within one year	(511)	(410)	-	-
— Interest rate swaps due after one year	(1,787)	(3,543)	-	-
Total financial liabilities	(940,968)	(856,063)	(837,293)	(757,558)

Hedges

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the Group has the following floating to fixed interest rate swaps.

The Group's hedging instruments qualify for hedge accounting as they are in accordance with the objectives of managing interest rate cash flow risk. As a result, while the derivatives are recognised on the Balance Sheet, movements are taken straight to reserves through Other Comprehensive Income to the extent they are effective. The element that is not effective is taken through the Statement of Comprehensive Income. The method of assessing hedge effectiveness is disclosed within the accounting policies.

Entity	Notional value	Underlying loan	Fair value of swap	Interest rate swap	Maturity of swap
	£'000	£'000	£'000		
Oldham Retirement Housing Partnership Limited	(41,982)	(35,411)	(542)	Receive SONIA pay a fixed 4.8%	October 2034
Kent Community Partnership Limited	(21,618)	(21,618)	(866)	Receive SONIA pay a fixed 5.3%	September 2037
Kent Community Partnership Limited	(32,607)	(32,607)	(889)	Receive SONIA pay a fixed 5.0%	March 2039
Total	(96,207)	(89,636)	(2,297)		

18. Financial instruments (cont)

The fair value of the swaps is subjective and is reliant on making certain assumptions about the future interest rates. The table below provides an indication of the impact to the fair value from movement in interest rates. However, it is worth noting that due to the hedging relationship, most of the fair value movement would be recognised directly in the cash-flow hedge reserve, with only a small proportion, the ineffective element, being recognised in the Statement of Comprehensive Income.

Entity	Fair value of swap	+ 50 basis points	- 50 basis points
	£'000	£'000	£'000
Oldham Retirement Housing Partnership Limited	(542)	1,549	(1,647)
Kent Community Partnership Limited	(866)	595	(620)
Kent Community Partnership Limited	(889)	866	(896)
Total	(2,297)	3,010	(3,163)

19. Deferred capital grants

Group and Association	Retirement Living	Extra Care	Assets under construction	Total
	£'000	£'000	£'000	£'000
Grants				
1 April 2025	(24,949)	(99,991)	(62,343)	(187,283)
Grants received	-	-	(59,379)	(59,379)
Transfer from RCGF	-	52	-	52
Completions	(16,287)	(9,540)	25,827	-
31 March 2026	(41,236)	(109,479)	(95,895)	(246,610)
Accumulated amortisation				
1 April 2025	145	4,771	-	4,916
Charge for the year	178	970	-	1,148
Disposal of property	-	(12)	-	(12)
31 March 2026	323	5,729	-	6,052
Net book value				
31 March 2026	(40,913)	(103,750)	(95,895)	(240,558)
31 March 2025	(24,804)	(95,220)	(62,343)	(182,367)

The Group receives grants from Homes England, Greater London Authority and local authorities, which are used to fund the development of housing properties.

The Group may have future obligations to recycle such grant if the associated properties are disposed of. At 31 March 2026, the total value of grants in the Recycled Capital Grant Fund is £653k (2025: £579k). See note 17 for more information.

20. Reconciliation of operating surplus to cash from operations

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Operating surplus	48,724	37,501	44,270	32,887
Depreciation of housing properties	31,861	28,866	30,682	27,689
Depreciation of other fixed assets	1,726	1,087	1,726	1,087
Impairment of housing properties	1,438	5,213	1,438	5,213
Abortive costs	228	35	228	35
Grant amortisation	(1,148)	(999)	(1,148)	(999)
Property sales included in operating surplus	(1,044)	(5,573)	(1,044)	(5,573)
SHPS deficit contributions paid	(1,763)	(1,785)	(1,763)	(1,785)
Decrease/ (increase) in debtors	1,836	6,744	(1,676)	6,184
(Decrease)/ increase in creditors	(10,019)	15,776	(9,182)	16,933
Cash from operations	71,839	86,865	63,531	81,671

21. Analysis of the changes in net debt

Group	At 1 April 2025	Cash flows	Non-cash movement	At 31 March 2026
	£'000	£'000	£'000	£'000
Cash	51,683	(540)	–	51,143
Short-term investments	20,000	–	–	20,000
Bank loans and bonds (excl. capitalised debt issue costs)	(750,056)	(69,752)	–	(819,808)
Net debt (excluding derivatives)	(678,373)	(70,292)	–	(748,665)
Interest rate swaps	(3,953)		1,655	(2,298)
Net debt	(682,326)	(70,292)	1,655	(750,963)

Association	At 1 April 2025	Cash flows	Non-cash movement	At 31 March 2026
	£'000	£'000	£'000	£'000
Cash	41,497	(5,203)	–	36,294
Short-term investments	–	–	–	–
Bank loans and bonds (excl. capitalised debt issue costs)	(656,863)	(73,309)	–	(730,172)
Net debt (excluding derivatives)	(615,366)	(78,512)	–	(693,878)
Interest rate swaps	–	–	–	–
Net debt	(615,366)	(78,512)	–	(693,878)

21. Analysis of the changes in net debt (cont)

Further analysis of the movement of bank loans and bonds (excluding capitalised debt issue costs) for the year are shown below:

	At 1 April 2025	Contractual repayments	New drawdowns	At 31 March 2026
	£'000	£'000	£'000	£'000
Housing 21	(656,863)	24,691	(98,000)	(730,172)
Kent Community Partnership Limited	(55,572)	1,347	-	(54,225)
Oldham Retirement Housing Partnership Limited	(37,621)	2,210	-	(35,411)
Group	(750,056)	28,248	(98,000)	(819,808)

22. Share capital

	2026	2025
	£	£
Start of year	13	13
New members	2	6
Death/ resignation	(2)	(6)
Allotted, issued and fully paid	13	13

Each member of the Association holds a non-equity share of £1 in the Association. The shares carry no right to dividends. The shares are cancelled on the resignation of members from the Association. The shares carry the right to vote at meetings of the Association on the basis of one share one vote. No rights to participate in the net assets of the Association in the event of a winding up are conferred by the shares.

23. Capital commitments

Group and Association	2026	2025
	£'000	£'000
Capital expenditure contracted but not provided for	169,682	132,484
Capital expenditure approved but not contracted for	31,846	2,785
Total	201,528	135,269

Capital expenditure contracted but not provided for represents the amount committed to development sites for which the Group has a contractual obligation.

Capital expenditure approved but not contracted represents potential commitments to develop schemes which have been approved by Housing 21's Development Steering Group and ADA. Where a scheme is at lockdown investment stage, the tender spend is included or where at initial feasibility stage, the budget to progress the scheme to lockdown is included. A formal investment appraisal is conducted on each development scheme before the Group enters a contractual obligation.

Acquisitions contracted or approved but not provided for are properties where the Board has approved the acquisition from another registered provider and contracts have been exchanged.

The capital commitments at 31 March 2026 will be funded by:

Group and Association	2026	2025
	£'000	£'000
Grants	65,824	21,429
Existing cash, short-term investment and debt facilities agreed but not yet drawn.	135,704	113,840
Total	201,528	135,269

24. Commitments under operating leases

Amounts payable as lessee	Group and Association	
	2026	2025
	£'000	£'000
On land and buildings		
Not later than one year	242	286
Later than one year and not later than five years	877	936
Later than five years	596	806
	1,715	2,028
On other assets		
Not later than one year	32	37
Later than one year and not later than five years	-	-
Later than five years	-	-
	32	37

25. Pensions

The provision for defined benefit pension liabilities consists of:

	2026			2025		
	SHPS £'000	Lewisham £'000	Total £'000	SHPS £'000	Lewisham £'000	Total £'000
At 1 April	(5,745)	(6)	(5,751)	(7,589)	(46)	(7,635)
Actuarial gains/(losses) recognised within OCI	91	(5)	86	393	44	437
Interest and other charges	(337)	(1)	(338)	(370)	(3)	(373)
Pension deficit contributions and expenses paid	1,820	6	1,826	1,821	7	1,828
Current service costs	-	(6)	(6)	-	(8)	(8)
At 31 March	(4,171)	(12)	(4,183)	(5,745)	(6)	(5,751)

Housing 21 participates in several defined benefit and defined contribution schemes. At the Balance Sheet date 3,833 (restated 2025: 3,615) employees contributed to a defined contribution scheme with most employees being a member of the National Employment Savings Trust (NEST). At the Balance Sheet date 50 (2025: 53) employees were members of a defined benefit scheme. All schemes' assets are held in separate funds administered by the Trustees of each scheme.

All defined benefit schemes are closed to existing and new employees. Housing 21 participates in three defined benefit schemes where the Association's liability in relation to its employees is capped. Therefore, these schemes are accounted for as a defined contribution schemes in accordance with Section 28 of FRS 102.

25. Pensions (cont)

Social Housing Pension Scheme: Defined Benefit (administered by The Pensions Trust)

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

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 2024. The liability figures from this valuation were rolled forward for accounting year ends from the following 31 March 2025 to 28 February 2026 inclusive.

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

The Board decided to close the scheme to new employees at 30 June 2002 and to existing employees at 31 December 2002. Since then, employees have been offered the opportunity to join the group stakeholder pension plan, which is now closed to new members, the SHPS Defined Contribution plan or the NEST defined contribution scheme.

The Board also decided to close the scheme to active members from 1 April 2015. This means that Housing 21 is no longer accruing benefits in this scheme but retains responsibility for deferred and pensioner benefits earned up to 31 March 2015.

Accordingly, Housing 21 is still responsible for meeting deficit payments and expenses for its proportion of SHPS liabilities relating to past membership up to this date (see below).

Housing 21 accounts for less than one per cent of the SHPS total membership.

Present values of defined benefit obligation, fair value assets and defined benefit liability

	31 March 2026	31 March 2025
	£'000	£'000
Fair value of plan assets	33,728	32,574
Present value of defined benefit obligation	(37,899)	(38,319)
Deficit in plan	(4,171)	(5,745)

25. Pensions (cont)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2026	31 March 2025
	£'000	£'000
Defined benefit obligation at start of period	38,319	40,868
Expenses	56	44
Interest expense	2,151	1,945
Actuarial losses/ (gains) due to scheme experience	(854)	1,398
Actuarial (gains) due to changes in demographic assumptions	377	-
Actuarial losses/ (gains) due to changes in financial assumptions	(37)	(4,082)
Benefits paid and expenses	(2,113)	(1,854)
Defined benefit obligation at end of period	37,899	38,319

Reconciliation of opening and closing balances of the fair values of plan assets

	31 March 2026	31 March 2025
	£'000	£'000
Fair value of plan assets at start of period	32,574	33,279
Interest income	1,870	1,619
Experience on plan assets (excluding amounts included in interest income): (loss)	(423)	(2,291)
Contributions by the employer	1,820	1,821
Benefits paid and expenses	(2,113)	(1,854)
Fair value of plan assets at end of period	33,728	32,574

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was a gain of £1,447k (2025: loss of £672k).

Defined benefit costs recognised in the Comprehensive Income Statement

	31 March 2026	31 March 2025
	£'000	£'000
Expenses	56	44
Net interest expense	281	326
Defined benefit costs recognised in the Comprehensive Income Statement	337	370

Defined benefit costs recognised in Other Comprehensive Income

	31 March 2026	31 March 2025
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost): (loss)	(423)	(2,291)
Experience gains and losses arising on the plan liabilities: (loss)/ gain	854	(1,398)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation: gain	(377)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation: gain	37	4,082
Total amount recognised in Other Comprehensive Income — gain	91	393

25. Pensions (cont)

Assets

	31 March 2026	31 March 2025
	£'000	£'000
Global equity	3,738	3,649
Liquid alternatives	6,006	6,040
Insurance-linked securities	50	100
Property	1,646	1,632
Infrastructure	1	6
Private equity	73	29
Real assets	3,176	3,900
Private Credit	4,072	3,987
Credit	1,343	1,246
Investment Grade Credit	1,983	1,003
Cash	6	442
Long lease property	-	9
Secured income	1,023	544
Liability driven investment	10,284	9,865
Currency hedging	(1)	52
Net current assets	328	70
Total assets	33,728	32,574

None of the fair values of assets shown above include any direct investments in the Housing 21's own financial instruments or any property occupied by, or other assets used by Housing 21.

Key assumptions

	31 March 2026 % per annum	31 March 2025 % per annum
Discount rate	5.95	5.77
Inflation (RPI)	3.34	3.11
Inflation (CPI)	3.02	2.78
Salary growth	4.02	3.78
Allowance for commutation of pension for cash at retirement	75 per cent of maximum allowance	75 per cent of maximum allowance

The mortality assumptions adopted imply the following life expectancies at age 65 years:

	31 March 2026 (Years)	31 March 2025 (Years)
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

25. Pensions (cont)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure the scheme liability is set out below:

Changes in assumptions at year end	Increase to employer liability	Increase to employer liability £'000
0.1 per cent decrease in real discount rate	1.12%	428
One year increase in member life expectancy	2.71%	1,037
0.1 per cent increase in salary increase rate	0.01%	4
0.1 per cent increase in the pension increase/ revaluation rate (CPI)	0.96%	366

Social Housing Pension Scheme: Defined Contribution (administered by The Pensions Trust)

Following the closure of the SHPS Defined Benefit structure to new members, employees can join the SHPS Defined Contribution scheme. The pension cost of this scheme for the Association in the year was £4,494k (2025: £4,036k) with 968 employee members at the year end (restated 2025: 1,031). This includes £572k (2025: £363k) outstanding contributions at the Balance Sheet date.

Group Stakeholder Plan with Axa Sun Life

Following the closure of the Social Housing Pension Scheme ('SHPS') defined benefit scheme to new members, employees were offered the opportunity to join the Group Stakeholder Plan. This is closed to new members. The pension cost of this scheme for the Association was £312k (2025: £296k) with 33 employee members at the year end (2025: 37). This includes £33k (2025: £27k) outstanding contributions at the Balance Sheet date.

National Employment Savings Trust

To meet the requirements of auto-enrolment in October 2013 all employees not part of one of the existing schemes were enrolled into the NEST. This is a defined contribution scheme.

The pension cost of this scheme for Association was £3,016k (2025: £3,002k) with 2,832 employee members at the year end (restated 2025: 2,547). This includes £256k (2025: £258k) outstanding contributions at the Balance Sheet date.

Local authority pension schemes

Due to the TUPE transfer of employees, the Association participates in the following multi-employer defined benefit pension schemes:

Oldham Metropolitan Borough Council Pension Scheme

Oldham Metropolitan Borough Council's Pension Scheme is a defined benefit scheme. However, Housing 21's liability in relation to its employees is capped at 20 per cent. The scheme is therefore accounted for as a defined contribution scheme in accordance with Section 28 of FRS 102 as the charge in the Comprehensive Income Statement represents the employer contribution payable.

During the financial year Housing 21 paid contributions at 19.0 per cent (2025: 20.6 per cent) totalling £18k (2025: £19k). This includes £2k (2025: £0k) outstanding contributions at the Balance Sheet date. There were three employee members at the year-end (2025: three). Employee contributions were between 5.8 per cent and 6.5 per cent (2025: 5.8 per cent to 6.5 per cent).

25. Pensions (cont)

Walsall Metropolitan Borough Council Pension Scheme

Walsall Metropolitan Borough Council's Pension Scheme is a defined benefit scheme. However, Housing 21's liability in relation to its employees is capped at 14.7 per cent. The scheme is therefore accounted for as a defined contribution scheme in accordance with Section 28 of FRS 102 as the charge in the Comprehensive Income Statement represents the employer contribution payable.

During the financial year Housing 21 paid contributions at 11.6 per cent (2025: 11.6 per cent) totalling £133k (2025: £136k). There were 43 employee members at the year end (2025: 46). This includes £17k (2025: £13k) outstanding contributions at the Balance Sheet date.

The 3.1 per cent difference between Housing 21's capped employer contributions (14.7 per cent) and actual employer contributions (11.6 per cent) is payable to Walsall Metropolitan Borough Council. Employee contributions were between 5.5 per cent and 6.5 per cent (2025: 5.5 per cent – 6.5 per cent).

Suffolk County Council Pension Scheme

The Association is an admitted body to the Suffolk County Council Pension Scheme which is administered by Suffolk County Council. Suffolk County Council's pension scheme is a defined benefit scheme. However, Housing 21's liability in relation to its employees is capped at 20.8 per cent. The scheme is therefore accounted for as a defined contribution scheme in accordance with Section 28 of FRS 102 as the charge in the Comprehensive Income Statement represents the employer contribution payable.

During the financial year Housing 21 paid contributions at 20.8 per cent (2025: 20.8 per cent) totalling £10k (2025: £9k). This includes £1k (2025: £1k) outstanding contributions at the Balance Sheet date. There were three (2025: three) employee members at the year end. Employee contributions were 5.5 per cent (2025: 5.5 per cent).

London Borough of Lewisham Pension Scheme

The Association is an admitted body to Lewisham Pension Schemes (the Fund) which is administered by the London Borough of Lewisham under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

The most recent formal funding valuation of the Fund was carried out as at 31 March 2025, with such valuations undertaken every three years. An accounting valuation, which is required annually, is also prepared. The impact of the next formal valuation will become known during the coming year.

To calculate Housing 21's asset share at the 31 March 2026, the actuary has rolled forward Housing 21's assets calculated at the latest funding valuation allowing for investment returns, employer and employee contributions paid in, and estimated benefits paid out by fund. Likewise for Housing 21's liability share, the actuary has rolled forward the value of Housing 21's obligations calculated at the latest funding valuation allowing for the financial assumptions required under the Accounting Standard. Included in this is estimated benefit accrual for current employees and estimated benefits paid out to Housing 21's former employees.

Reconciliation of defined benefit contributions

	31 March 2026	31 March 2025
	£'000	£'000
Opening defined benefit obligation	375	413
Current service costs	6	8
Interest cost on defined benefit obligation	22	20
Contributions by members	1	2
Actuarial gains	12	(51)
Benefits paid	(12)	(17)
Closing defined benefit obligation	404	375

25. Pensions (cont)

Reconciliation of fair value of assets employed

	31 March 2026	31 March 2025
	£'000	£'000
Opening fair value of assets employed	369	367
Interest income on plan assets	21	17
Contributions by members	1	2
Contributions by employers	6	7
Actuarial (losses)/ gains	7	(7)
Benefits paid	(12)	(17)
Closing fair value of assets employed	392	369

	31 March 2026	31 March 2025
	£'000	£'000
Fair value of plan assets	392	369
Present value of plan liabilities	(404)	(375)
Net pension scheme liability	(12)	(6)

Analysis of actuarial loss recognised in Other Comprehensive Income

	31 March 2026	31 March 2025
	£'000	£'000
Changes in financial assumptions	4	47
Changes in demographic assumptions	8	1
Other experience	(29)	3
Return on assets excluding amounts included in net interest	12	(7)
	(5)	44

Composition of plan assets

	31 March 2026	31 March 2025
Equities	69%	66%
Bonds	19%	21%
Property	8%	9%
Cash	4%	4%

Principal actuarial assumptions used at the Balance Sheet date

	31 March 2026	31 March 2025
Pension increase rate	3.0%	2.8%
Salary increase rate	4.0%	3.8%
Discount rate	6.1%	5.8%

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2023 model, standard smoothing, initial adjustment of 0.25 per cent and a long-term rate of improvement of 1.5 per cent p.a. for males and females.

	31 March 2026		31 March 2025	
	Males	Females	Males	Females
Current pensioners	21.4 years	22.9 years	19.2 years	22.1 years
Future pensioners*	19.6 years	25.5 years	19.1 years	25.2 years

* Figures assume members aged 45 as at the last formal valuation date.

The pension cost of this scheme to the Association for the year was £6k (2025: £7k). This includes £0k (2025: £nil) outstanding contributions at the Balance Sheet date. There was one employee member at the end of the year (2025: one). The average contribution rate of the Association for the year ended 31 March 2026 was 22.9 per cent (2025: 22 per cent) and for employees 5.8 per cent (2025: 5.8 per cent).

26. Investments and subsidiary undertakings

The following comprise the subsidiary undertakings for incorporation into the consolidated accounts for the Group in accordance with the Co-operative and Community Benefit Societies Act and Financial Reporting Standards.

Active trading subsidiary companies

Name and principal activity	Country of registration	Status	Basis of control
Housing 21 Guernsey LBG Development and management of Extra Care properties in Guernsey	Guernsey	Private company limited by guarantee	Housing 21 is a member and controls the composition of the Board
Kent Community Partnership Limited Building and managing Extra Care properties in Kent	England and Wales	Co-operative and Community Benefit Society	Housing 21 is a member and controls the composition of the Board
Oldham Retirement Housing Partnership Limited Management of Retirement Living properties in Oldham	England and Wales	Co-operative and Community Benefit Society	Housing 21 is a member and controls the composition of the Board

Dormant subsidiary companies

Name	Country of registration	Status	Basis of control
Housing 21 Development Services Limited	England and Wales	Private limited company	Ownership of one £1 share being 100 per cent of the issued share capital
Housing 21 Property Services Limited	England and Wales	Private limited company	Ownership of two £1 shares being 100 per cent of the issued share capital

Transactions with non-regulated entities

Housing 21 provides services to its subsidiaries under a management agreement. The services are recharged based on the actual or estimated use of Housing 21's resources. These services are apportioned as follows:

	2026				2025
	Turnover	Operating costs	Interest payable	Total	Total
	£'000	£'000	£'000	£'000	£'000
Kent Community Partnership Limited	3,249	(786)	(767)	1,696	1,614
Housing 21 Guernsey LBG	-	(193)	-	(193)	(189)
Oldham Retirement Housing Partnership Limited	-	(10,654)	(512)	(11,166)	(7,975)
Total	3,249	(11,633)	(1,279)	(9,663)	(6,550)

- Kent Community Partnership Limited: rent associated with the properties owned by Kent Community Partnership Limited is set, managed and collected by Housing 21 and is recorded in Housing 21's income accordingly. As part of the contract, Housing 21 pays Kent Community Partnership Limited an agreed level of rent each year. Any difference between rent collected by Housing 21 and paid over to Kent Community Partnership Limited creates a gain or loss in Housing 21. In addition, housing management services have been sub-contracted to Housing 21 and Kent Community Partnership Limited has outstanding concessionary loans of £6,976k (2025: £6,976k), on which interest is charged at 11 per cent (2025: 11 per cent).
- Housing 21 Guernsey LBG: Corporate support services and operational management are provided by Housing 21 under a management contract.

26. Investments and subsidiary undertakings (cont)

Oldham Retirement Housing Partnership Limited: Maintenance, lifecycle works, and housing management are sub-contracted to Housing 21 under an operating contract. In addition, Oldham Retirement Housing Partnership Limited has outstanding concessionary loans of £22,559k (2025: £24,395k), in which interest is charged at two per cent (2025: two per cent).

27. Guarantees

The Association is a party to a guarantee of £551k (2025: £551k) in favour of Warwickshire County Council within their banking facility and £50k (2025: £50k) with London Borough of Merton.

28. Related party transactions

At the end of the year one resident was also a Board Member. This is a reduction from the previous year as Elizabeth Golledge resigned from the Board during the year and as such, Housing 21 is not required to disclose the balances at the end of the year. On the 1 June 2026, Annette Emanuel, was appointed to replace Elizabeth Golledge.

Resident Board Member tenancies are held on the same terms and conditions as those of other residents, and they are unable to use their position as Board Members to gain any advantage in their relationship with the Association as residents. The rent and service charges paid by Resident Board Members during the year were as follows:

	2025/2026 Rent and Service charges (£)	Balance prepaid at 31 March 2026 (£)	2024/2025 Rent and Service charges (£)	Balance prepaid at 31 March 2025 (£)
Richard Dell	7,963	476	7,768	460
Elizabeth (Anne) Golledge	10,169	n/a	9,555	n/a

There were also three Resident Co-opted Committee Members who are not Board Members and therefore do not have voting rights on key matters but nonetheless provide valuable contributions. Resident Committee Members also hold tenancies on the same terms and conditions as other residents and, like Board Members, are unable to use their positions to secure any advantage in their dealings with the Association.

During 2025/2026, Housing 21 made a £1,800k donation (2025: £2,000k) to an independent charitable trust called Housing 21 Resident Support Trust Limited ('the Trust'), which is a company limited by guarantee without share capital. At the Balance Sheet date the value of the funds held by the Trust was £3,400k (2025: £2,000k).

At 31 March 2025, Housing 21's Chair and Chief Executive were directors of Housing 21 Resident Support Trust Limited (the Trust). However, during 2025/2026, they have stepped down and are no longer directors of the Trust. Suki Kalirai and Richard Dell were appointed as Board Members of the Trust along with two independent Board Members.

The Trust was created to promote the wellbeing and benefit of Housing 21 residents, with a particular focus on relieving hardship and distress. It operates as an independent charitable entity governed by a trust deed. While Housing 21 itself does not directly benefit from the activities of the Trust, its residents will do.

During 2025/2026 grants of £450k (2025: £nil) were distributed by the Trust to Housing 21. At the balance sheet date, an amount of £384k relating to unspent grants has been deferred and will be applied to future resident projects in accordance with the Trust's charitable objectives.

No other related party transactions were entered into during the year other than those disclosed in note 26 which might reasonably affect any decision made by the users of these Consolidated Financial Statements.



29. Contingent assets and liabilities

Certain lease agreements include an obligation for Housing 21 to buy back leasehold properties. The buy-back price is either the market value or a discounted value, depending on the terms stipulated in the lease. Once these properties are bought back, they are held as stock until they are resold.

In addition, Housing 21 may offer to buy back properties from residents even where there is no contractual obligation to do so. This discretionary buyback is offered to residents having trouble selling their properties and is subject to individual investment appraisals at the time of each transaction. The purchase price in these cases would be up to 80 per cent of the original sales price. Once repurchased, the property will either be held as stock until resale or converted to a social rent property.

As the timing and value of these transactions are uncertain and cannot be reliably measured, Housing 21 has not provided for these amounts in the Financial Statements.

During the year, the Group and Association have spent £1,895k on buying back 22 properties from leaseholders/ shared owners (2025: £1,478k on 17 buybacks). These have subsequently been rented out.

30. Post-balance sheet events

There are no other post Balance Sheet events.





Tricorn House | 51-53 Hagley Road | Birmingham B16 8TP
0370 192 4000

housing21.org.uk   

Registered Office: Tricorn House | 51-53 Hagley Road | Edgbaston | Birmingham B16 8TP
Regulated by the Regulator of Social Housing Reg. No. L0055
Community Benefit Society FCA Reg. No. 16791R / Chief Executive: Bruce Moore

