



## **Places for People Homes Limited**

### **Financial Statements**

**For the year ending 31 March 2025**

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Places for People Homes Limited  
Board of Management, Executives and Advisers  
For the year ending 31 March 2025

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**Board of Management**

**Non Executives**

R Gregory (Chair)  
V Bonner (Appointed 16 April 2024)  
R Cartwright  
A Daniel  
M Dunn  
R Finn  
G Kitchen  
G Waddell  
P Denton (Appointed 1 March 2025)

**Executives**

S Black  
G Reed  
A Winstanley

**Secretary**

K Deacon

**Registered Office**

305 Gray's Inn Road  
London  
WC1X 8QR

**Banker**

Barclays Bank Plc  
38 Fishergate  
Preston  
PR1 2AD

**Registered Auditor**

MHA  
2 London Wall Place  
London  
EC2Y 5AU

**Registration of the Association**

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 (Registered number 19447R) and the Housing and Regeneration Act 2008 (Number L0659). It is also affiliated to the National Housing Federation.

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**Places for People Homes Limited**  
**Strategic Report**  
**For the year ending 31 March 2025**

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The Board of Directors have pleasure in submitting their Strategic Report and audited financial statements as at 31 March 2025

**Principal activities**

Places for People Homes Limited is a not-for-profit Registered Society and registered provider of social housing whose primary business is the provision of housing at affordable rents for those in most need. In addition, the Association provides market rented housing and develops low-cost housing for sale and offers open market sales on mixed tenure developments.

**Business review**

The Association's profit for the year before taxation was £24.9m (2024: Profit £7.9m). During the year, £422.4m (2024: £222.2m) was invested in the development of additional housing, while a further £162.6m (2024: £129.0m) was reinvested in existing stock through maintenance, major repairs, and improvements.

The Association's key performance indicators and principal risks and uncertainties are aligned with those of the ultimate parent undertaking, Places for People Group Limited, and are included in the consolidated Group accounts.

The Association's strategy is aligned to that of the parent company Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 305 Grays Inn Road, London, WC1X 8QR.

**Going Concern**

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

The directors of the Places for People Group (the Group) have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

In order to settle its own obligations and meet the compliance requirements of the Places for People Group's external borrowings, the Association is dependent on the Places for People Group (the Group) generating sufficient cashflows to enable it to meet those obligations. Those forecasts are dependent on the Group having adequate resources to continue in business over the going concern assessment period. Places for People Homes Limited is dependent on the ability of the Places for People Group to secure finance in support of its delivery activities and therefore the liquidity position of the Group supports the going concern assumption for the Association.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. In line with the majority of businesses within the UK the Places for People Group is faced with the need to address the consequences of sequence of severe and ongoing macroeconomic shocks over the past three years, including resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Group's business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2025 the Group had cash and undrawn facilities of £1.0bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group and the Association will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. The Group has confirmed that adequate funding will be given to the Association to enable it to meet its liabilities as they fall due.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the financial statements for the Association.

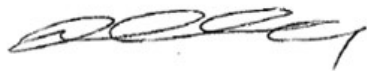
**Principal risks and uncertainties**

The principal risks to the Association are the same as those identified as the principal risks to the Places for People Group, which are disclosed in the Annual Report of the Group.

**Future developments**

It is anticipated that the Association will continue to provide new and existing social housing and related activities. Details of planned strategic developments are provided in the Places for People Group Annual Report.

**By order of the Board**



**A Winstanley**

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**Places for People Homes Limited**  
**Report of the Board**  
**For the year ending 31 March 2025**

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**Report of the Board**

The board of Directors is pleased to present its report and the audited financial statements for the year ended 31 March 2025.

**Nature of the Association**

Places for People Homes Limited is a not-for-profit Registered Society and registered provider of social housing whose primary business is the provision of housing at affordable rents for those in most need. In addition, the Association provides market rented housing and develops low-cost housing for sale and offers open market sales on mixed tenure developments.

**Review of the year**

The turnover for the Association for the year ended 31 March 2025 was £392.5m (2024: £330.9m), the majority of the movement relates to an increase in social housing lettings activity. The operating profit has increased year on year to £150.7m (2024: £122.2m), with growth in non-social housing activity more than offsetting the rise in operating costs.

**Customer Participation**

A comprehensive set of structures exists to ensure that there is effective communication between the Association and its customers. Our National Customer Group (NCG) has continued to challenge and scrutinise our operational delivery and in doing so, help influence and strengthen critical issues and policies affecting the customer experience. The NCG's primary remit is to hold our board to account — a challenge our board welcomes — and members are involved in recommending service improvements, highlighting best practice and working with our colleagues to check services meet, and exceed, their priorities.

Over the past year, a Chair of the NCG has been elected and we have established processes and routines that will ensure proactive NCG and board collaboration, all leading to better customer outcomes.

**Internal Control**

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2025 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

**Board and Committee Structure**

The board of Directors of Places for People Group ("the Group") is responsible for setting strategies and budgets for the whole Group and co-ordinating the Group's activities. Places for People Group Limited exercises control over Places for People Homes Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to Places for People Group Limited in its rules.

The Group board has delegated certain matters to committees of the board of Places for People Group.

**Corporate Governance**

The Board of Places for People Group Limited has regard to the UKCG code when setting its corporate governance, by which it governs the organisation. In doing so the Board closely follows the principles followed by Group.

Linked to the above, the Association has adhered to these principles except for Code provisions 3, 4, 5 and 18.

Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors.

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**Places for People Homes Limited**  
**Report of the Board**  
**For the year ending 31 March 2025**

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**Corporate Governance (continued)**

The Group has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board. The Group Board takes direct responsibility for oversight of the Affordable Housing business conducted through the Group's regulated subsidiaries. Group Board members are also appointed members of the board of the Association and have full oversight of the operations of the Association. This further ensures that the provisions of the Code are met in respect of the Association.

Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. The Association is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, the Association's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including the Association.

Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms.

The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at Group Board level.

Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

**Streamlined Energy and Carbon Reporting and climate-related risks**

The Group Annual Report contains the Group's SECR disclosures and details the Group's approach to climate-related risks, including highlighting key risks and the mitigations in place to manage them.

**Going concern statement**

A detailed going concern statement is contained in the strategic report on page 4.

**Viability statement**

The Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment.

The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements. The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from years four to ten.

In assessing the Group's prospects and resilience, the management produced projections which considered the current business position and risk appetite. Despite the rent reductions imposed by the Government on social housing rents which came to an end in 2020, the Group has continued to undertake rigorous single and multi-variate stress testing exercises on its projections, which have included considering the impact of challenging economic conditions including a downturn in the housing market. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period.

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**Places for People Homes Limited**  
**Report of the Board**  
**For the year ending 31 March 2025**

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Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

For the purposes of both Viability and Going Concern, an annual Stress Testing exercise is undertaken as part of the Business Planning process to assess the financial strength and robustness of the Group's plan. Using the ten year business plan, it aims to identify the circumstances which would push the Group to breaking point and the options available to mitigate such circumstances and ensure the Group meets all of its key financial metrics and loan covenants. The tests applied include amongst others, rent restrictions, housing market downturn, high inflation rates and sustained high interest rates. They show that with appropriate mitigations applied, the Group is able to meet all external loan covenants, even in the most extreme circumstances modelled.

The Board continuously monitors changes in internal and external indicators which could suggest that there is an increased risk of the stress test scenarios arising. These "stress test triggers" are an early warning mechanism enabling decisions to be made in relation to the potential deployment of mitigations.

On the basis of these assessments, the Board is confident that the Group will remain financially viable for the three year period covered by this statement and beyond.

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On the basis of these assessments, the Board is confident that the Group will remain financially viable for the three year period covered by this statement and beyond.

**Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard 2015**

The Association has assessed the position and confirms that it has complied with The Regulator of Social Housing's Governance and Financial Viability Standard.

**Statement of Disclosure to the Auditor**

At the time of approval of this report:

- a) so far as the Board Members are aware, there is no relevant audit information of which the Association's auditor is unaware, and
- b) the Board Members have taken all steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

**Statement of Board's responsibilities in respect of the Board's report and the financial statements**

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

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

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

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

**Statement for Independent auditors**

MHA has signified its willingness to continue in office as Auditors to the Association. The Group is satisfied that MHA is independent and there are adequate safeguards in place to protect its objectivity. Resolution to reappoint MHA as independent Auditor will be proposed at the next annual General Meeting. The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

**By order of the Board**



**K Deacon**  
**Secretary**

**26 September 2025**





## Independent auditor's report to the members of Places for People Homes Limited

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Places for People Homes Limited. For the purposes of the table on pages 10 to 11 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The "Association" is defined as Places for People Homes Limited. The relevant legislation governing the Association is the Co-operative and Community Benefit Societies Act 2014.

### Opinion

We have audited the financial statements of Places for People Homes Limited for the year ended 31 March 2025. The financial statements that we have audited comprise:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Reserves, and
- Notes 1 to 31 of the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Association's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

### Basis for opinion

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

Now, for tomorrow

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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 Board’s assessment of the Association’s ability to continue to adopt the going concern basis of accounting included:

- Undertaking an assessment at the planning stage of the audit to identify any events or conditions that may impact on the Association’s ability to continue as a going concern
- The consideration of inherent risks to the Association’s and parent group’s operations and specifically their business models.
- The evaluation of how those risks might impact on the Association’s and parent group’s available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Board when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of the Association’s and parent group’s cash flow projections.
- The evaluation of the base case scenario and stress tested scenarios and the respective sensitivities and rationale carried out at parent group level.
- Viability assessment including consideration of reserve levels and business plans.

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

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

Overview of our audit approach

|       |                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Scope | Our audit was scoped by obtaining an understanding of the Association and its environment, including the Association’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement. |  |  |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

| Overall Materiality | 2025  | 2024  |                             |
|---------------------|-------|-------|-----------------------------|
|                     | £5.8m | £3.3m | 1.5% (2024: 1%) of Turnover |

Key audit matters

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recurring | <ul style="list-style-type: none"><li>• Recoverable amount of development programme schemes and associated land (Note 15).</li></ul> <p>Our assessment of the Association’s key audit matters is consistent with 2024 with the exception of Value of defined benefit pensions scheme obligations, which is no longer considered a key audit matter following it being established that the relevant scheme deed for the Places for People Group Retirement Benefit Scheme identifies Places for People Group Limited and not the Company as the principal employer thus resulting in a prior year adjustment as detailed in note 30.</p> |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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**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) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Recoverable amount of development programmes schemes and associated land (Note 15)**

**Key audit**

**matter description**

The Association has significant development programmes in place across a range of property types for both outright sales and sale of shared ownership first tranches. At 31 March 2025, stock amounted to £239.8 million (2024: £172.9 million) (Note 15). The recoverability of these balances requires management to exercise significant judgement, particularly in relation to assessing impairment risks on a site-by-site basis.

Key areas of judgement and estimation uncertainty include:

- **Assessment of recoverable amount** – Assessing whether forecast revenues and costs support the carrying values, which are sensitive to external factors (such as the impact of the cost-of-living crisis, interest rate environment and housing market conditions) and internal factors (such as delivery assumptions and margin estimates).
- **Appropriateness of allocated costs** – There is a risk that costs incurred on individual schemes are misallocated between the various schemes which could affect individual project margins.
- **Interpretation of contractual arrangements** – The complexity of certain development contracts with external suppliers creates a risk that contractual terms are not accurately reflected in the carrying value of development assets.

Given the scale of the balances and the degree of judgement required, we identified the recoverable amount of development programme schemes and associated land as a key audit matter.



**How the scope of our audit responded to the key audit matter**

Our audit procedures included, but were not limited to:

- **Assessment of recoverable amount:**
  - Evaluating the Association's appraisal and impairment review process and underlying data used to support recoverability.
  - Benchmarking sales values, against external market data and valuers' reports.
  - Assessing management's total project cost estimates against stage of project completion and changes from initial project appraisal and assessed current predicted margin for additional cost headroom
  - Comparing management's total project cost estimates to stage of completion for a sample of project and initial appraisal.
  - Reviewing a sample of pre and post year-end sales to assess whether actual selling prices and margins supported management's assumptions.
- **Appropriateness of allocated costs:**
  - Testing a sample of capitalised costs to corroborate that they were directly attributable to development activities and the specific scheme.
- **Interpretation of contractual arrangements:**
  - Reviewing a sample of development appraisals and contracts to assess whether costs and obligations were appropriately recognised.

**Key observations communicated to the Association's Audit and Risk Committee**

Based on the procedures performed, we have nothing to report on this matter.

**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Association was set at £5,800,000 (2024: £3,305,000) which was determined on the basis of 1.5% (2024: 1%) of the Association's revenue. This was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

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Performance materiality for the Association was set at £4,060,000 (2024: £2,313,500) which represents 70% (2024: 70%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £290,000 (2023: £165,250) to the Audit and Risk Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

#### **The control environment**

We evaluated the design and implementation of those internal controls of the Association which are relevant to our audit, such as those relating to the financial reporting cycle.

We deployed our internal IT audit specialists to get an understanding of the general IT environment.

#### **Climate-related risks**

In planning our audit and gaining an understanding of the association, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We specifically considered the physical and transition climate risks impacting the financial statements. The material balances were reviewed. We critically reviewed management's assessment of climate risk and challenged the assumptions underlying the assessment. We designed our audit procedures to specifically consider those assets and liabilities which were, based upon the work completed, that the highest impact arising from climate thematic risk might fall. We did not identify any material inconsistencies or inaccuracies between management's assessment and our audit findings.

We engaged internal specialists to assess, amongst other factors, the external data used by management, the nature of the business activities, its processes and the geographic distribution of its activities. We also held discussions with management regarding the governance and controls over their ESG reporting processes and the subsequent effect on the financial reporting of the Association.

#### **Reporting on other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Now, for tomorrow**



## Report of the Board

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

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board.

## 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 requires us to report to you if, in our opinion:

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

## Responsibilities of board

As explained more fully in the directors' responsibilities statement, the board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in 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 financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Now, for tomorrow



These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

#### **Identifying and assessing potential risks arising from irregularities, including fraud**

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Association's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Board, we obtained an understanding of the legal and regulatory frameworks applicable to the Association focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008, Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and the Accounting Direction for Private Registered Providers of Social Housing 2022, UK tax legislation or those that had a fundamental effect on the operations of the Association including the regulatory and supervisory requirements of the Financial Conduct Authority (FCA).
- We enquired of the Board and management including the in-house legal counsel, compliance, risk and internal audit, audit committee concerning the Association's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries.

#### **Audit response to risks identified**

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Association's Board and audit and risk committee meetings, inspection of legal and regulatory correspondence and correspondences from the regulators FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims; and

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- challenging the assumptions and judgements made by management in its significant accounting estimates.
- the Association operates in a highly regulated industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### Other requirements

We were appointed by the Board on 4 January 2023. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Association, and we remain independent of the Association in conducting our audit.

### Use of our report

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

The Association is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements

A handwritten signature in black ink, appearing to read 'T. Stephenson'.

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**Tobias Stephenson BA ACA**  
(Senior Statutory Auditor)  
for and on behalf of MHA, Statutory Auditor  
London, United Kingdom

26 September 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)



Places for People Homes Limited  
Statement of Comprehensive Income  
For the year ending 31 March 2025

|                                                            | Notes | 2025<br>£m   | As restated<br>(see note 30)<br>2024<br>£m |
|------------------------------------------------------------|-------|--------------|--------------------------------------------|
| Turnover                                                   | 2     | 392.5        | 330.9                                      |
| Cost of sales                                              | 2     | (51.7)       | (23.6)                                     |
| Operating costs                                            | 2     | (244.9)      | (201.5)                                    |
| Surplus on sale of fixed assets                            | 4     | 48.2         | 15.0                                       |
| Gain on revaluation of investment properties               | 13    | 1.7          | 1.4                                        |
| <b>Operating surplus</b>                                   |       | <b>145.8</b> | 122.2                                      |
| Impairment of investments                                  | 13    | (1.4)        | -                                          |
| Interest receivable and similar income                     | 7     | 37.3         | 25.8                                       |
| Interest payable and similar charges                       | 8     | (159.2)      | (140.1)                                    |
| <b>Surplus on ordinary activities before taxation</b>      |       | <b>22.5</b>  | 7.9                                        |
| Tax on surplus on ordinary activities                      | 10    | (5.4)        | (2.5)                                      |
| <b>Surplus for the year</b>                                |       | <b>17.1</b>  | 5.4                                        |
| Fair value gain/(loss) on interest rate and currency swaps |       | (3.5)        | (30.6)                                     |
| Debt revaluation on interest rate and currency swaps       |       | 14.1         | 22.6                                       |
| Deferred tax on interest rate and currency swaps           | 10    | (2.6)        | 2.0                                        |
| Actuarial gain recognised in the pension scheme            | 26    | 0.2          | 0.1                                        |
| Deferred tax arising on pension scheme                     | 10    | (0.1)        | (0.4)                                      |
| <b>Total comprehensive income for the year</b>             |       | <b>25.2</b>  | (0.9)                                      |

The notes on pages 19 to 53 form an integral part of these financial statements.

The financial statements on pages 16 to 53 were approved by the Board on 23 September 2025, and signed on its behalf by:

**R Gregory**  
Chair

**G Reed**  
Board Member

**K Deacon**  
Secretary

Places for People Homes Limited  
Statement of Financial Position  
At 31 March 2025

|                                                             |      |            | As restated<br>(see note 30) |            |
|-------------------------------------------------------------|------|------------|------------------------------|------------|
|                                                             | Note | 2025<br>£m | 2025<br>£m                   | 2024<br>£m |
| <b>Fixed assets</b>                                         |      |            |                              |            |
| Housing properties                                          | 11   | 3,092.8    |                              | 2,679.2    |
| Other fixed assets                                          | 12   | 129.6      |                              | 102.0      |
| External investments and investment in related undertakings | 13   | 700.9      |                              | 679.7      |
| Investment property                                         | 13   | 248.1      |                              | 262.7      |
| HomeBuy                                                     | 14   | 31.3       |                              | 33.4       |
|                                                             |      |            | 4,202.7                      | 3,757.0    |
| <b>Current assets</b>                                       |      |            |                              |            |
| Stock                                                       | 15   | 239.8      |                              | 172.9      |
| Debtors: amounts falling due within one year                | 17   | 197.7      |                              | 129.5      |
| Debtors: amounts falling due after more than one year       | 16   | 34.7       |                              | 41.7       |
| Investments                                                 | 18   | 2.5        |                              | 1.3        |
| Cash and cash equivalents                                   |      | 12.2       |                              | 12.7       |
|                                                             |      | 486.9      |                              | 358.1      |
| Creditors: amounts falling due within one year              | 19   | (340.3)    |                              | (186.3)    |
| Provisions for liabilities and charges                      | 22   | -          |                              | 1.6        |
| <b>Net current assets</b>                                   |      |            | 146.6                        | 173.4      |
| <b>Non-current liabilities</b>                              |      |            |                              |            |
| Creditors: amounts falling due after more than one year     | 20   | (4,036.6)  |                              | (3,640.8)  |
| Pension liability                                           | 26   | (1.4)      |                              | (1.8)      |
|                                                             |      |            | (4,038.0)                    | (3,642.6)  |
| <b>Net assets</b>                                           |      |            | 311.3                        | 287.8      |
| <b>Capital and reserves</b>                                 |      |            |                              |            |
| Income and expenditure reserve                              |      |            | 343.7                        | 314.1      |
| Cash flow hedge reserve                                     |      |            | (32.4)                       | (26.3)     |
| <b>Total capital and reserves</b>                           |      |            | 311.3                        | 287.8      |

The notes on pages 19 to 53 form an integral part of these financial statements.

The financial statements on pages 16 to 53 were approved and authorised for issue by the Board on 23 September 2025, and signed on its behalf by:

R Gregory  
Chair

G Reed  
Board Member

K Deacon  
Secretary

Places for People Homes Limited  
Statement of Changes in Reserves  
For the year ending 31 March 2025

|                                                            | Income and<br>expenditure<br>reserve | Cash Flow<br>Hedge<br>Reserve | Total<br>Reserves |
|------------------------------------------------------------|--------------------------------------|-------------------------------|-------------------|
|                                                            | £m                                   | £m                            | £m                |
| Balance at 1 April 2023 (as originally stated)             | 288.2                                | 2.3                           | 290.5             |
| Restatement adjustment (see note 30)                       | (1.9)                                | -                             | (1.9)             |
| <b>Balance at 1 April 2023 (as restated)</b>               | <b>286.3</b>                         | <b>2.3</b>                    | <b>288.6</b>      |
| <b>Total comprehensive income for the year</b>             |                                      |                               |                   |
| Profit for the year                                        | 5.6                                  | -                             | 5.6               |
| Fair value (loss)/gain on interest rate and currency swaps | -                                    | (30.6)                        | (30.6)            |
| Revaluation gain on interest rate and currency swaps       | 22.6                                 | -                             | 22.6              |
| Deferred tax on interest rate and currency swaps           | -                                    | 2.0                           | 2.0               |
| Actuarial gain recognised in the pension scheme            | 0.1                                  | -                             | 0.1               |
| Deferred tax arising on pension scheme                     | (0.5)                                | -                             | (0.5)             |
| <b>Balance at 31 March 2024</b>                            | <b>314.1</b>                         | <b>(26.3)</b>                 | <b>287.8</b>      |
| <b>Total comprehensive income for the year</b>             |                                      |                               |                   |
| Profit for the year                                        | 17.1                                 | -                             | 17.1              |
| Fair value gain/(loss) on interest rate and currency swaps | -                                    | (3.5)                         | (3.5)             |
| Revaluation gain on interest rate and currency swaps       | 14.1                                 | -                             | 14.1              |
| Deferred tax on interest rate and currency swaps           | -                                    | (2.6)                         | (2.6)             |
| Actuarial gain recognised in the pension scheme            | 0.2                                  | -                             | 0.2               |
| Deferred tax arising on pension scheme                     | (0.1)                                | -                             | (0.1)             |
| Transfer of gift aid to related undertaking                | (1.7)                                | -                             | (1.7)             |
| <b>Balance at 31 March 2025</b>                            | <b>343.7</b>                         | <b>(32.4)</b>                 | <b>311.3</b>      |

The notes on pages 19 to 53 form an integral part of these financial statements.

## 1. PRINCIPAL ACCOUNTING POLICIES

### Basis of accounting

A summary of the principal accounting policies, which have been applied consistently, is set out below.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator Social Housing (RSH) as a housing provider.

The Association's ultimate parent undertaking, Places for People Group Limited, includes the Association in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Gray's Inn Road, London, England, WC1X 8QR. The Association is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12 (preparation of statement of a cash flows and related notes).

The financial statements are presented in Sterling (£m's).

### Going Concern

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

The directors of the Places for People Group (the Group) have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

In order to settle its own obligations and meet the compliance requirements of the Places for People Group's external borrowings, the Association is dependent on the Places for People Group (the Group) generating sufficient cashflows to enable it to meet those obligations. Those forecasts are dependent on the Group having adequate resources to continue in business over the going concern assessment period. Places for People Homes Limited is dependent on the ability of the Places for People Group to secure finance in support of its delivery activities and therefore the liquidity position of the Group supports the going concern assumption for the Association.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. In line with the majority of businesses within the UK the Places for People Group is faced with the need to address the consequences of sequence of severe and ongoing macroeconomic shocks over the past three years, including resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Group's business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2025 the Group had cash and undrawn facilities of £1.0bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group and the Association will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. The Group has confirmed that adequate funding will be given to the Association to enable it to meet its liabilities as they fall due.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the financial statements for the Association.

### Significant Judgements

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### *Going Concern*

In order to assess whether it is appropriate for the Association to be reported as a going concern, management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. As a result of these considerations the financial statements have been prepared on a going concern basis.

### *Recognition of deferred tax assets*

Deferred tax assets are only recognised to the extent that it is deemed more likely than not that the benefit of the asset will be recoverable against future taxable profits. In determining the probability of recoverability, management considers future business plans and forecast results. Unrecognised deferred tax assets are disclosed in note 10.

### *Lease classification*

During the year ending 31 March 2019, the Association purchased the freeholds of a number of properties and assessed that the arrangement should be classified as a finance lease.

The Association considered the requirements of FRS 102 Section 20 which requires that, if a lease substantially transfers all the risks and rewards of ownership, it should be treated as a finance lease. It was determined that because the Association will retain ownership of the properties at the end of the 45 year lease period, alongside holding the risks and rewards of owning and managing the properties during this period, the Association substantially holds the risks and rewards of ownership.

The Association has reviewed this assessment for the year ended 31 March 2025 and concluded the arrangement should continue to be classified as a finance lease.

### *Investment properties*

The Association owns a range of different property types. This requires the Association to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Association considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Association has also reviewed both Section 16 of FRS 102 and Section 8 of the Housing SORP which preclude the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this requirement by judging, amongst other things, that rental properties without public subsidy attached to them, unless there are other reasons, should be classified as investment properties.

### **Accounting estimates**

The nature of estimation means that actual outcomes may differ from the estimates made.

### *Residual value of social housing properties*

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £3,097.7m. The residual value of social housing property structure is £365.0m above the carrying value as at 31 March 2025.

### *Defined benefit pension schemes*

The Association has defined benefit obligations relating to one pension scheme. Note 26 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Association engages qualified actuaries to advise on an appropriate discount rate and all other assumptions. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total surplus by £0.1m.

The Group is party to legal action arising from the scheme rules on the Group Retirement Benefit Scheme as a result of the Association having previously been principal employer of that scheme. More detail can be found in note 27.

### *Investment properties*

In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Association and its parent Group engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Group's investment properties. A discounted cash flow method was used to estimate the fair value of the portfolio. This used up-to-date information on net operating cash flows and applied an appropriate yield to this data based on an understanding of the market and the individual circumstances of each part of the portfolio. Comparisons have also been made with similar properties in recent transactions to give additional comfort around the valuations. Where applicable, an assessment is made on a similar basis for any related commercial income in respect of these properties. Management interrogation and challenge has been applied to both the valuation method and the assumptions used, including in respect of cash flows, CPI and HPI as appropriate.

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### *Recoverability of Stock*

The Association has £239.8m of stock at 31 March 2025 (2024: £172.9m), comprising land of £80.0m, properties in construction of £99.0m, completed properties of £59.0m and other stock of £1.8m. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell.

The Association monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. The Association makes judgements to assess the achievable selling price for properties including assessing the views of specialist advisers on the UK housing market and future house price inflation. Management also consider detailed information relating to geographical area and property type. As such the Association judges that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

The Association also undertakes sensitivity analysis and has assessed that a short-term drop in expected selling prices of our completed properties of 5% would not result in a material impairment charge.

### **Turnover**

Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees, grant amortisation and revenue grants from local authorities and Homes England, mortgage broker fees, equity loan fee income, personal loans interest and loan service delivery fees and other income.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Long term contract revenue is recognised based on the total contract value and the stage of completion of the contract. Mortgage fee income is recognised over the term of the contract. Other income is recognised upon the delivery of services.

All turnover arises from activities within the United Kingdom.

### **Corporation tax**

The Association is liable to United Kingdom Corporation Tax.

The charge for taxation for the year is based on the profit for the year end and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised at the effective rate enacted at the balance sheet date in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the statement of financial position date.

### **VAT**

The majority of the Association's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

### **Pensions**

There are two pension schemes, one of which is defined benefit pension schemes based on final pensionable salary. Details of the schemes are set out in Note 26. The prior year has been restated to correct disclosure of a third scheme, the Places for People Group Retirement Benefits Scheme, which should have been accounted in Places for People Group Limited. Further details of the restatement are in note 30.

Employees joining the Association have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Association and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme where the assets and liabilities can be identified by employer. The in-year movement in the scheme deficit/surplus is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Defined benefit pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme surpluses are recognised where there is an unconditional right to a refund of that surplus. Pension scheme deficits are recognised in full. The movement in scheme surplus or deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Housing Properties

Housing properties are those held primarily for the provision of social benefits. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Association capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

### Investment properties

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income.

### Land

Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Association is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

### Other fixed assets

Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

### Depreciation

Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table below.

| <b>Assets</b>                                      | <b>Depreciation period (years)</b> |
|----------------------------------------------------|------------------------------------|
| <u>Rented housing &amp; commercial properties:</u> |                                    |
| Kitchens                                           | 20                                 |
| Bathrooms                                          | 30                                 |
| Boilers                                            | 15                                 |
| External windows & doors                           | 30                                 |
| Roofs                                              | 60                                 |
| Fire safety systems                                | 30                                 |
| Fencing                                            | 30                                 |
| Digital TV aerials                                 | 10                                 |
| Lifts                                              | 30                                 |
| Social Alarms                                      | 20                                 |
| Surveys                                            | 5-15                               |
| Adaptations                                        | 10                                 |
| Other elements (new build)                         | 100                                |
| Other elements (rehab)                             | 80                                 |
| Other elements (leasehold)                         | Lesser of term                     |
| <u>Shared Ownership housing:</u>                   |                                    |
| All elements (new build)                           | 35                                 |
| All elements (rehab)                               | 35                                 |
| All elements (leasehold)                           | Lesser of term                     |
| <u>Other fixed assets:</u>                         |                                    |
| Offices (new build)                                | 100                                |
| Offices (rehab)                                    | 80                                 |
| Office refurbishment                               | From 10-20                         |
| Offices (long leasehold)                           | Lesser of term                     |
| Offices (short leasehold)                          | Terms of lease                     |
| Plant & Equipment                                  | 5                                  |
| Cars and commercial vehicles                       | 5                                  |
| Computer hardware, software and infrastructure     | From 3-15                          |



## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use.

### Stock

Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes land and property held with the intention to sell, including assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

All land and property held within stock is subject to regular appraisal to confirm the assets are recoverable at least at the carrying value.

Included within stock are amounts in respect of the expected percentage of sales under first tranche disposal for shared ownership properties. Proceeds from first tranche disposals are recognised in turnover. The unsold equity of shared ownership properties is recognised within housing properties.

### Impairment

An impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost, depreciated replacement cost or recoverable amount, recoverable amount. Recoverable amount is the higher of value in use, normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value, or as fair value less cost to sell.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Association defines cash generating units as housing schemes except where its schemes are not sufficiently large in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

### Social Housing Grant and Other Capital Grant

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where SHG or other grants are retained following the disposal of property, it is shown under the Recycled Capital Grant Funds within creditors. These funds will be used for the provision of new social housing for rent and sale and become repayable if unutilised within 3 years.

### Concessionary Loans

The Association has a HomeBuy arrangement which is considered to be a concessionary loan.

Under the HomeBuy scheme, the Association receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Group meet the definition of concessionary loans and are shown as Equity Loans in fixed asset investments on the statement of financial position. The HomeBuy grant provided by the Government to fund all or part of a HomeBuy loan is classified as HomeBuy Grant in creditors due in more than one year.

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Provisions

A provision is recognised where a present obligation has arisen as a result of a past event for which settlement is probable and can be reliably estimated. The amount recognised is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate, and the subsequent unwinding of the discount is recognised as a finance cost.

### Financial Instruments

The Association has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Debt service reserves held in trust as security against debt holdings are categorised as held-to-maturity and measured at amortised cost using the effective interest method.
- Loans and mortgages receivable are categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Amounts recoverable on long term contracts are included with debtors.
- Other assets, including assets that are short-term in nature such as cash and receivables, are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.
- Discounted bonds are shown at their redemption value less deferred interest. Deferred interest represents the discount on the issue of the discounted bonds. Discounts are recognised in the statement of comprehensive income on an effective yield basis.
- Derivatives, comprising interest rate and currency swaps, are held at fair value with movements in fair value recognised in profit and loss except where the instrument is designated as a hedge.

<sup>1</sup>- For derivative financial instruments designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income in the statement of comprehensive income and held in a cash flow hedge reserve. Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income.

- The cost of raising finance is amortised over the period of the associated financial instrument. The deferred cost is offset against the liability recognised in the statement of financial position.
- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Derivatives require fair value measurement each year and consequently they are subject to categorisation under the hierarchy approach.

Cash at bank and in hand in the statement of financial position comprises all cash and cash equivalents that mature or are convertible within one month or less.

The Association is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, 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 statement of comprehensive income.

## **1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

### **Foreign Currency**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date and gains or losses on translation are included in the statement of comprehensive income.

### **Leases**

The Association classifies finance leases as those where the risk and reward of ownership of the leased asset has transferred to the Association. Other leases are classified as operating leases.

Assets obtained under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their economic useful lives. Obligations under finance leases are included in creditors net of the finance charge allocated to future periods. The finance element of the rental is charged to the statement of comprehensive income using the effective interest rate method.

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. Income in respect of operating leases where the Association is the lessor is recognised in the statement of comprehensive income on a straight line basis over the lease term, reduced by the cost of any lease incentives.

## 2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

|                                                     | 2025         |               |                 |                       |                              | 2024     |               |                 |                       |                   |
|-----------------------------------------------------|--------------|---------------|-----------------|-----------------------|------------------------------|----------|---------------|-----------------|-----------------------|-------------------|
|                                                     | Turnover     | Cost of sales | Operating costs | Other operating items | Operating surplus/ (deficit) | Turnover | Cost of sales | Operating costs | Other operating items | Operating surplus |
|                                                     | £m           | £m            | £m              | £m                    | £m                           | £m       | £m            | £m              | £m                    | £m                |
| <b>Social housing lettings (note 3)</b>             | <b>299.1</b> | <b>-</b>      | <b>(179.9)</b>  | <b>-</b>              | <b>119.2</b>                 | 263.6    | -             | (163.3)         | -                     | 100.3             |
| <b>Other social housing activities</b>              |              |               |                 |                       |                              |          |               |                 |                       |                   |
| Shared Ownership property sales                     | 34.3         | (30.0)        | (2.4)           | -                     | 1.9                          | 25.5     | (22.0)        | (1.6)           | -                     | 1.9               |
|                                                     | 333.4        | (30.0)        | (182.3)         | -                     | 121.1                        | 289.1    | (22.0)        | (164.9)         | -                     | 102.2             |
| Non-social housing activities                       | 59.1         | (21.7)        | (62.6)          | -                     | (25.2)                       | 41.8     | (1.6)         | (36.6)          | -                     | 3.6               |
|                                                     | 392.5        | (51.7)        | (244.9)         | -                     | 95.9                         | 330.9    | (23.6)        | (201.5)         | -                     | 105.8             |
| Surplus on sale of fixed assets (note 4)            | -            | -             | -               | 48.2                  | 48.2                         | -        | -             | -               | 15.0                  | 15.0              |
| Gain/(loss) on revaluation of investment properties | -            | -             | -               | 1.7                   | 1.7                          | -        | -             | -               | 1.4                   | 1.4               |
|                                                     | 392.5        | (51.7)        | (244.9)         | 49.9                  | 145.8                        | 330.9    | (23.6)        | (201.5)         | 16.4                  | 122.2             |
|                                                     | <b>2025</b>  | 2024          |                 |                       |                              |          |               |                 |                       |                   |
|                                                     | £m           | £m            |                 |                       |                              |          |               |                 |                       |                   |
| <b>Social housing activities</b>                    | <b>333.4</b> | 289.1         |                 |                       |                              |          |               |                 |                       |                   |
| <b>Non-social housing activities</b>                |              |               |                 |                       |                              |          |               |                 |                       |                   |
| Non-social housing property sales                   | 33.5         | 15.3          |                 |                       |                              |          |               |                 |                       |                   |
| Non-social construction                             | 0.1          | 0.8           |                 |                       |                              |          |               |                 |                       |                   |
| Non-social housing lettings                         | 19.9         | 20.3          |                 |                       |                              |          |               |                 |                       |                   |
| Mortgages and Equity loans                          | 2.3          | 2.6           |                 |                       |                              |          |               |                 |                       |                   |
| Other                                               | 3.3          | 2.8           |                 |                       |                              |          |               |                 |                       |                   |
|                                                     | 392.5        | 330.9         |                 |                       |                              |          |               |                 |                       |                   |

### 3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

|                                                          | 2025                  |                                              |                         |              | 2024           |                |
|----------------------------------------------------------|-----------------------|----------------------------------------------|-------------------------|--------------|----------------|----------------|
|                                                          | General needs housing | Supported housing & housing for older people | Low Cost Home Ownership | Other        | Total          | Total          |
|                                                          | £m                    | £m                                           | £m                      | £m           | £m             | £m             |
| <b>Income</b>                                            |                       |                                              |                         |              |                |                |
| Rent receivable net of identifiable service charges      | 209.1                 | 9.1                                          | 12.6                    | 3.3          | 234.1          | 205.4          |
| Service charge income                                    | 15.3                  | 5.2                                          | 3.0                     | 0.5          | 24.0           | 20.3           |
| Amortised government grants                              | 9.5                   | 1.0                                          | 3.2                     | -            | 13.7           | 13.5           |
| Other income                                             | 22.7                  | 1.9                                          | 2.4                     | 0.3          | 27.3           | 24.4           |
| <b>Turnover from social housing lettings</b>             | <b>256.6</b>          | <b>17.2</b>                                  | <b>21.2</b>             | <b>4.1</b>   | <b>299.1</b>   | <b>263.6</b>   |
| <b>Expenditure on social housing lettings activities</b> |                       |                                              |                         |              |                |                |
| Management                                               | (27.5)                | (2.0)                                        | (2.3)                   | (0.6)        | (32.4)         | (42.9)         |
| Service charge costs                                     | (16.6)                | (5.4)                                        | (3.0)                   | (0.3)        | (25.3)         | (20.8)         |
| Routine maintenance                                      | (61.4)                | (3.8)                                        | (2.6)                   | (0.9)        | (68.7)         | (48.1)         |
| Planned maintenance                                      | (6.1)                 | (0.8)                                        | -                       | -            | (6.9)          | (10.2)         |
| Major repairs expenditure                                | (8.4)                 | (0.3)                                        | (0.3)                   | (0.1)        | (9.1)          | (5.6)          |
| Bad debts                                                | (1.1)                 | (0.1)                                        | -                       | -            | (1.2)          | (2.4)          |
| Depreciation                                             | (25.8)                | (2.2)                                        | -                       | (0.1)        | (28.1)         | (26.9)         |
| Other costs                                              | (0.9)                 | (0.1)                                        | (0.1)                   | -            | (1.1)          | (0.7)          |
| <b>Operating costs on social housing lettings</b>        | <b>(153.8)</b>        | <b>(15.2)</b>                                | <b>(8.9)</b>            | <b>(2.1)</b> | <b>(179.9)</b> | <b>(163.3)</b> |
| <b>Operating surplus on social housing lettings</b>      | <b>102.9</b>          | <b>2.0</b>                                   | <b>12.3</b>             | <b>2.0</b>   | <b>119.3</b>   | <b>100.3</b>   |
| <b>Void Losses</b>                                       | <b>(2.8)</b>          | <b>-</b>                                     | <b>-</b>                | <b>(0.1)</b> | <b>(2.9)</b>   | <b>(2.4)</b>   |

### 4. SALE OF FIXED ASSETS

|                                 | 2025          |               |                      |             |
|---------------------------------|---------------|---------------|----------------------|-------------|
|                                 | Sale proceeds | Cost of sales | Other sales expenses | Surplus     |
|                                 | £m            | £m            | £m                   | £m          |
| Sale of housing assets          | 111.0         | (60.4)        | (2.1)                | 48.5        |
| Sale of fixed asset investments | 15.0          | (14.9)        | (0.4)                | (0.3)       |
|                                 | <b>126.0</b>  | <b>(75.3)</b> | <b>(2.5)</b>         | <b>48.2</b> |

|                                 | 2024          |               |                      |             |
|---------------------------------|---------------|---------------|----------------------|-------------|
|                                 | Sale proceeds | Cost of sales | Other sales expenses | Surplus     |
|                                 | £m            | £m            | £m                   | £m          |
| Sale of housing assets          | 53.8          | (38.0)        | (1.2)                | 14.6        |
| Sale of fixed asset investments | 22.6          | (21.7)        | (0.5)                | 0.4         |
|                                 | <b>76.4</b>   | <b>(59.7)</b> | <b>(1.7)</b>         | <b>15.0</b> |

## 5. DIRECTORS' EMOLUMENTS

The ultimate Group parent, Places for People Group Limited, has determined that subsidiary governance is achieved through functional management arrangements.

The Group has created posts for functional managers, whose responsibilities may cover more than one Group member. Executive Directors' emoluments during the year were met by Places for People Group Limited.

Aggregate emoluments, excluding pension contributions, paid to Non-Executive Directors in the year was £nil (2024: £nil). This excludes any emoluments that were met by Places for People Group Limited.

Board members are remunerated by the parent company for their work for the Places for People Group as a whole. Their emoluments for the Association cannot be disaggregated.

## 6. EMPLOYEE INFORMATION

The average number of employees (including the Executive Directors) employed during the year was:

|                               | Average number of employees |              | Average number of full-time equivalents |              |
|-------------------------------|-----------------------------|--------------|-----------------------------------------|--------------|
|                               | 2025                        | 2024         | 2025                                    | 2024         |
|                               | No.                         | No.          | No.                                     | No.          |
| Managing housing services     | 1,323                       | 1,333        | 1,294                                   | 1,298        |
| Developing and selling houses | 76                          | 61           | 75                                      | 57           |
| Care services                 | 14                          | 14           | 10                                      | 12           |
|                               | <b>1,413</b>                | <b>1,408</b> | <b>1,379</b>                            | <b>1,367</b> |

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the company. The monthly numbers are then added together and divided by the number of months in the financial year.

|                                      | 2025        | 2024        |
|--------------------------------------|-------------|-------------|
|                                      | £m          | £m          |
| Staff costs (for the above persons): |             |             |
| Wages and salaries                   | 59.5        | 52.7        |
| Severance costs                      | 0.2         | 0.1         |
| Social security costs                | 6.3         | 5.3         |
| Other pension costs                  | 6.2         | 5.3         |
|                                      | <b>72.2</b> | <b>63.4</b> |

Remuneration banding for key management personnel, which is considered by the Places for People Group to be Executive Directors and members of the Places for People Homes Ltd management team, which includes staff with authority and responsibility for planning, directing and controlling activities of the Places for People Homes Limited's operations is disclosed below:

|                     | 2025 | 2024 |
|---------------------|------|------|
|                     | No.  | No.  |
| £80,000 - £89,999   | -    | 1    |
| £90,000 - £99,999   | -    | 1    |
| £100,000 - £109,999 | 1    | -    |
| £120,000 - £129,999 | 1    | 3    |
| £140,000 - £149,999 | 1    | 1    |
| £150,000 - £159,999 | 1    | 1    |
| £160,000 - £169,999 | -    | 1    |
| £240,000 - £249,999 | 1    | -    |
| £250,000 - £259,999 | -    | 1    |
| £270,000 - £279,999 | 1    | -    |
| £280,000 - £289,999 | -    | 1    |
| £300,000 - £309,999 | 1    | -    |
| £330,000 - £339,999 | -    | 1    |

## 7. INTEREST RECEIVABLE AND SIMILAR INCOME

|                                                                   | 2025        | 2024        |
|-------------------------------------------------------------------|-------------|-------------|
|                                                                   | £m          | £m          |
| On financial assets not at fair value through income and expense: |             |             |
| Interest receivable on loans to related undertakings              | 33.0        | 19.6        |
| Other interest receivable                                         | 2.7         | 1.1         |
| Dividend receivable                                               | 1.6         | 5.1         |
|                                                                   | <b>37.3</b> | <b>25.8</b> |

## 8. INTEREST PAYABLE AND SIMILAR CHARGES

|                                                                                                                                                                                                         | 2025         | 2024         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                                                                         | £m           | £m           |
| On financial liabilities not at fair value through income and expense:                                                                                                                                  |              |              |
| On loans from related undertakings                                                                                                                                                                      | 124.3        | 83.1         |
| On bank loans and overdrafts                                                                                                                                                                            | 35.1         | 50.6         |
| On finance leases                                                                                                                                                                                       | 12.5         | 11.9         |
| In respect of Recycled Capital Grant Fund                                                                                                                                                               | 0.9          | 1.6          |
|                                                                                                                                                                                                         | <b>172.8</b> | <b>147.2</b> |
| On defined benefit retirement schemes:                                                                                                                                                                  |              |              |
| Expected return on pension assets                                                                                                                                                                       | 0.3          | (0.3)        |
| Interest on scheme liabilities                                                                                                                                                                          | (0.4)        | 0.4          |
|                                                                                                                                                                                                         | <b>(0.1)</b> | <b>0.1</b>   |
| Less: Capitalised interest                                                                                                                                                                              | (13.5)       | (7.2)        |
|                                                                                                                                                                                                         | <b>159.2</b> | <b>140.1</b> |
| The total debt outstanding at 31 March 2025 in respect of such guarantees was £3,434.7m (2024: £2,556.0m). The total interest accrued at 31 March 2025 relating to this debt was £42.9m (2024: £33.5m). | <b>5.03%</b> | <b>4.41%</b> |

## 9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

|                                                                          | 2025 | 2024 |
|--------------------------------------------------------------------------|------|------|
|                                                                          | £m   | £m   |
| Surplus on ordinary activities before taxation is stated after charging: |      |      |
| <i>Depreciation and impairment:</i>                                      |      |      |
| Tangible fixed assets                                                    | 39.1 | 29.2 |
| <i>Payments under operating leases:</i>                                  |      |      |
| Motor vehicles                                                           | 4.9  | 3.7  |
| Housing properties                                                       | 0.9  | 0.9  |

Auditor's remuneration in relation to audit services in the year was £161,000 (2024: £129,000).

Fees for non-audit services in respect of assurance services provided amounted to £25,000 (2024: £16,000).

## 10. TAXATION

|                                                                                                                                         | 2025         | 2024         |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                         | £m           | £m           |
| <b>a) Analysis of charge in period</b>                                                                                                  |              |              |
| <b>Current tax</b>                                                                                                                      |              |              |
| UK corporation tax on surplus of the period                                                                                             | 7.5          | 4.0          |
| Adjustments in respect of prior periods                                                                                                 | 1.9          | -            |
| Group relief payable                                                                                                                    | 3.6          | (1.5)        |
| <b>Total current tax on surplus on ordinary activities</b>                                                                              | <b>13.0</b>  | <b>2.5</b>   |
| <b>Deferred tax (note 10e)</b>                                                                                                          |              |              |
| Origination and reversal of timing differences                                                                                          | (8.4)        | -            |
| Adjustments in respect of prior periods                                                                                                 | 0.8          | -            |
| <b>Total deferred tax</b>                                                                                                               | <b>(7.6)</b> | <b>-</b>     |
| <b>Tax on surplus on ordinary activities (note 10c)</b>                                                                                 | <b>5.4</b>   | <b>2.5</b>   |
| <b>b) Tax included in statement total other comprehensive income</b>                                                                    |              |              |
| The tax charge/(credit) is made up as follows:                                                                                          | 2025         | 2024         |
|                                                                                                                                         | £m           | £m           |
| Pension surplus                                                                                                                         | 0.1          | 0.4          |
| Fair value adjustment on swaps                                                                                                          | 2.6          | (2.0)        |
|                                                                                                                                         | <b>2.7</b>   | <b>(1.6)</b> |
| <b>c) Factors affecting tax charge for period</b>                                                                                       |              |              |
| The tax assessed is higher than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below: |              |              |
| Surplus on ordinary activities before tax                                                                                               | 27.1         | 8.1          |
| Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)                          | 6.8          | 2.0          |
| Effects of:                                                                                                                             |              |              |
| Fixed asset differences                                                                                                                 | -            | (1.4)        |
| Income not deductible for tax purposes                                                                                                  | (22.4)       | (9.0)        |
| Expenses not deductible for tax purposes                                                                                                | 7.8          | 17.2         |
| Movement in unrecognised deferred tax                                                                                                   | 10.5         | (9.6)        |
| Adjustments in respect of prior periods                                                                                                 | 2.7          | 2.6          |
| Deferred tax credited                                                                                                                   | -            | 0.7          |
| <b>Tax charge for period (note 10a)</b>                                                                                                 | <b>5.4</b>   | <b>2.5</b>   |



## 10. TAXATION (Continued)

|                                                                                        | 2025         | 2024       |
|----------------------------------------------------------------------------------------|--------------|------------|
|                                                                                        | £m           | £m         |
| <b>e) Provision for deferred tax</b>                                                   |              |            |
| Accelerated capital allowances                                                         | 16.9         | 11.2       |
| Other short term timing differences                                                    | 18.5         | 13.0       |
| Losses                                                                                 | (42.9)       | (24.2)     |
| Interest rate and currency swaps gains/losses taken through other comprehensive income | 2.6          | 2.0        |
| Pension actuarial gains/losses taken through other comprehensive income                | 0.1          | (0.4)      |
| <b>Provision for deferred tax</b>                                                      | <b>(4.8)</b> | <b>1.6</b> |
| Provision at 1 April                                                                   | 1.6          | -          |
| Expense in the year in statement of comprehensive income                               | (7.6)        | 1.6        |
| Expense in the year in statement of comprehensive income in other comprehensive income | 2.8          | -          |
| Adjustments in respect of prior periods                                                | (1.6)        | -          |
| <b>Provision at 31 March at 25% (2024: 25%) (note 22)</b>                              | <b>(4.8)</b> | <b>1.6</b> |

There is also a deferred tax asset of £8.4m (2024: £14.6m) which has not been recognised due to management not expecting reversal in the foreseeable future. This deferred tax asset is in relation to accumulated corporate interest restriction deductions that do not expire.

## 11. HOUSING PROPERTIES

|                                        | Housing<br>properties<br>and land | Completed<br>LSE & Shared<br>Ownership<br>housing<br>properties | Housing<br>properties<br>in the<br>course of<br>constructi<br>on | LSE & Shared<br>Ownership<br>properties in<br>the course of<br>construction | Total<br>housing<br>properties |
|----------------------------------------|-----------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------|
|                                        | £m                                | £m                                                              | £m                                                               | £m                                                                          | £m                             |
| <b>Cost</b>                            |                                   |                                                                 |                                                                  |                                                                             |                                |
| At 1 April 2024                        | 2,583.3                           | 242.4                                                           | 136.4                                                            | 70.1                                                                        | <b>3,032.2</b>                 |
| Development additions                  | -                                 | -                                                               | 290.1                                                            | 132.3                                                                       | <b>422.4</b>                   |
| Major work additions                   | 77.9                              | -                                                               | -                                                                | -                                                                           | <b>77.9</b>                    |
| Change of tenure                       | (1.4)                             | (0.8)                                                           | (10.4)                                                           | 5.0                                                                         | <b>(7.6)</b>                   |
| Transfer to completed schemes          | 228.5                             | 70.0                                                            | (228.5)                                                          | (70.0)                                                                      | -                              |
| Transfer to sales account on disposal  | (54.6)                            | (7.6)                                                           | -                                                                | -                                                                           | <b>(62.2)</b>                  |
| <b>At 31 March 2025</b>                | <b>2,833.7</b>                    | <b>304.0</b>                                                    | <b>187.6</b>                                                     | <b>137.4</b>                                                                | <b>3,462.7</b>                 |
| <b>Depreciation and impairment</b>     |                                   |                                                                 |                                                                  |                                                                             |                                |
| At 1 April 2024                        | (342.1)                           | (10.9)                                                          | -                                                                | -                                                                           | <b>(353.0)</b>                 |
| <i>Charge for year:</i>                |                                   |                                                                 |                                                                  |                                                                             |                                |
| Depreciation                           | (28.1)                            | -                                                               | -                                                                | -                                                                           | <b>(28.1)</b>                  |
| Change of tenure:                      |                                   |                                                                 |                                                                  |                                                                             |                                |
| Depreciation                           | 0.3                               | -                                                               | -                                                                | -                                                                           | <b>0.3</b>                     |
| <i>Eliminated on disposal:</i>         |                                   |                                                                 |                                                                  |                                                                             |                                |
| Depreciation                           | 10.3                              | 0.6                                                             | -                                                                | -                                                                           | <b>10.9</b>                    |
| <b>At 31 March 2025</b>                | <b>(359.6)</b>                    | <b>(10.3)</b>                                                   | <b>-</b>                                                         | <b>-</b>                                                                    | <b>(369.9)</b>                 |
| <b>Net book value at 31 March 2025</b> | <b>2,474.1</b>                    | <b>293.7</b>                                                    | <b>187.6</b>                                                     | <b>137.4</b>                                                                | <b>3,092.8</b>                 |
| Net book value at 1 April 2024         | 2,241.2                           | 231.5                                                           | 136.4                                                            | 70.1                                                                        | 2,679.2                        |

LSE denotes Leasehold Schemes for the Elderly.

Housing properties comprise:

|                 | 2025           | 2024    |
|-----------------|----------------|---------|
|                 | £m             | £m      |
| Freehold        | <b>2,977.1</b> | 2,566.8 |
| Long leasehold  | <b>479.3</b>   | 459.2   |
| Short leasehold | <b>6.4</b>     | 6.2     |
|                 | <b>3,462.8</b> | 3,032.2 |

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities, which is derived using a percentage of development activity spend, amounting to £17m (2024: £11.2m). The appropriateness of the percentage applied is reviewed annually.

Additions to housing properties in the course of construction during the year include capitalised interest of £13.5m (2024: £7.2m).

## 12. OTHER FIXED ASSETS

|                                        | Commercial & Office Properties |                                    |                       |              |                   |                    |                        | Total<br>£m   |
|----------------------------------------|--------------------------------|------------------------------------|-----------------------|--------------|-------------------|--------------------|------------------------|---------------|
|                                        | Vehicles                       | Plant &<br>Specialist<br>Equipment | Computer<br>equipment | Freehold     | Long<br>leasehold | Short<br>leasehold | Fixtures &<br>Fittings |               |
|                                        | £m                             | £m                                 | £m                    | £m           | £m                | £m                 | £m                     |               |
| <b>Cost</b>                            |                                |                                    |                       |              |                   |                    |                        |               |
| At 1 April 2024                        | 0.4                            | 1.1                                | 105.8                 | 13.1         | 16.4              | 1.0                | 1.6                    | <b>139.4</b>  |
| Additions                              | 0.1                            | -                                  | 23.4                  | 0.1          | 8.6               | 0.1                | -                      | <b>32.3</b>   |
| Change of tenure                       | -                              | -                                  | 0.2                   | -            | 5.2               | -                  | -                      | <b>5.4</b>    |
| <b>At 31 March 2025</b>                | <b>0.5</b>                     | <b>1.1</b>                         | <b>129.4</b>          | <b>13.2</b>  | <b>30.2</b>       | <b>1.1</b>         | <b>1.6</b>             | <b>177.1</b>  |
| <b>Depreciation</b>                    |                                |                                    |                       |              |                   |                    |                        |               |
| At 1 April 2024                        | -                              | (0.9)                              | (29.6)                | (1.8)        | (3.0)             | (0.5)              | (0.7)                  | <b>(36.5)</b> |
| Charge for year                        | (0.1)                          | (0.2)                              | (8.5)                 | (0.5)        | (0.4)             | (0.2)              | (0.2)                  | <b>(10.1)</b> |
| <b>At 31 March 2025</b>                | <b>(0.1)</b>                   | <b>(1.1)</b>                       | <b>(38.1)</b>         | <b>(2.3)</b> | <b>(3.4)</b>      | <b>(0.7)</b>       | <b>(0.9)</b>           | <b>(46.6)</b> |
| <b>Impairment</b>                      |                                |                                    |                       |              |                   |                    |                        |               |
| At 1 April 2024                        | -                              | -                                  | -                     | (0.4)        | (0.5)             | -                  | -                      | <b>(0.9)</b>  |
| <b>At 31 March 2025</b>                | <b>-</b>                       | <b>-</b>                           | <b>-</b>              | <b>(0.4)</b> | <b>(0.5)</b>      | <b>-</b>           | <b>-</b>               | <b>(0.9)</b>  |
| <b>Net book value at 31 March 2025</b> | <b>0.4</b>                     | <b>-</b>                           | <b>91.3</b>           | <b>10.5</b>  | <b>26.3</b>       | <b>0.4</b>         | <b>0.7</b>             | <b>129.6</b>  |
| Net book value at 1 April 2024         | 0.4                            | 0.2                                | 76.2                  | 10.9         | 12.9              | 0.5                | 0.9                    | 102.0         |

### 13. FIXED ASSET INVESTMENTS

|                                                                        | 2025<br>£m         | 2024<br>£m         |
|------------------------------------------------------------------------|--------------------|--------------------|
| External investments and investment in related undertakings (a)        | <b>700.9</b>       | 679.7              |
| Investment property (b)                                                | <b>248.1</b>       | 262.7              |
| <b>Total fixed asset investments</b>                                   | <b>948.9</b>       | 942.4              |
| <br>                                                                   |                    |                    |
| <b>(a) External investments and investment in related undertakings</b> | <b>2025<br/>£m</b> | <b>2024<br/>£m</b> |
| <b>Cost</b>                                                            |                    |                    |
| At 1 April                                                             | <b>685.8</b>       | 669.8              |
| At 31 March                                                            | <b>708.4</b>       | 685.8              |
| <b>Accumulated impairment</b>                                          |                    |                    |
| At 1 April                                                             | <b>(6.1)</b>       | (6.1)              |
| Charge for the year                                                    | <b>(1.4)</b>       | -                  |
| <b>At 31 March</b>                                                     | <b>(7.5)</b>       | (6.1)              |
| <b>Net book value at 31 March</b>                                      | <b>700.9</b>       | 679.7              |
| <br>                                                                   |                    |                    |
| Equity investments in related undertakings                             | <b>395.3</b>       | 395.3              |
| Investments in joint venture undertakings                              | <b>45.1</b>        | 45.1               |
| External investments                                                   | <b>31.1</b>        | 30.7               |
| Cash deposits                                                          | <b>9.6</b>         | 9.5                |
| Amounts due from related undertakings                                  | <b>195.9</b>       | 188.2              |
| Amounts due from joint venture undertakings                            | <b>23.9</b>        | 10.9               |
|                                                                        | <b>700.9</b>       | 679.7              |

The cash deposits are as follows:-

Investments in a Debt Servicing Reserve are held in trust for the Association by the Prudential Trustee Company as security against the 6.625% Eurobond 2038. The reserves equate to one year's payment of interest and principal.

Amounts due from related undertakings and joint ventures are included as investments where they relate to long-term funding

### 13. FIXED ASSET INVESTMENTS (Continued)

Places for People Homes Limited equity investments at cost are analysed as follows:

|                                                   | 2025<br>£m   | 2024<br>£m   |
|---------------------------------------------------|--------------|--------------|
| <u>Investments in subsidiary undertakings</u>     |              |              |
| Cityscape Edinburgh LLP                           | 5.8          | 5.8          |
| Lighthouse Court LLP                              | 2.7          | 2.7          |
| Places for People Financial Services Limited      | 0.5          | 0.5          |
| Places for People Landscapes Limited              | 0.3          | 0.3          |
| Places for People Scotland Limited                | 1.0          | 1.0          |
| Places for People Ventures Limited                | 185.0        | 185.0        |
| Places for People Ventures Operations Limited     | 200.0        | 200.0        |
|                                                   | <b>395.3</b> | <b>395.3</b> |
| <u>Investments in joint venture undertakings</u>  |              |              |
| Eastwick & Sweetwater Projects (Holdings) Limited | 44.9         | 43.5         |
| NG PFP JV LLP                                     | -            | 1.4          |
| Countryside Places for People (Lower Herne) LLP   | 0.2          | 0.2          |
|                                                   | <b>45.1</b>  | <b>45.1</b>  |
| <u>External investments</u>                       |              |              |
| Picture Living LP                                 | 31.1         | 30.7         |
|                                                   | <b>31.1</b>  | <b>30.7</b>  |

The investment in NG PFP JV LLP has been fully impaired during the year. The investment is in the process of being wound up and it has been determined that the value is not recoverable as part of that process.

Charge of £1.4m has been recognised in the statement of comprehensive income for this impairment.

| (b) Investment properties | £m           |
|---------------------------|--------------|
| At 1 April 2024           | 262.7        |
| Additions                 | 2.6          |
| Change of tenure          | (4.1)        |
| Revaluation in year       | 1.7          |
| Disposals                 | (14.8)       |
| <b>At 31 March 2025</b>   | <b>248.1</b> |

#### 14. EQUITY LOANS

|                                     | 2025<br>£m    | 2024<br>£m    |
|-------------------------------------|---------------|---------------|
| <b>Gross valuation</b>              |               |               |
| At 1 April                          | 45.4          | 47.3          |
| Net appreciation in year            | 0.9           | 0.8           |
| Disposals in year                   | (3.0)         | (2.7)         |
| <b>At 31 March</b>                  | <b>43.3</b>   | <b>45.4</b>   |
| <b>Other associated liabilities</b> |               |               |
| At 1 April                          | (12.0)        | (12.0)        |
| Net appreciation in year            | (0.7)         | (0.6)         |
| Disposals in year                   | 0.7           | 0.6           |
| <b>At 31 March</b>                  | <b>(12.0)</b> | <b>(12.0)</b> |
| <b>Net book value at 31 March</b>   | <b>31.3</b>   | <b>33.4</b>   |

Equity loans are provided to customers to assist with the purchase of their own homes. Loans are secured against customer's homes and have a variety of maturity terms, some of which are indeterminate.

Equity loans include loans that charge interest at below market rate, with a total gross valuation of £7.9m (2024: £8.1m) and net book value of £11.1m (2024: £11.1m). Of 188 (2024: 454) such loans, 167 are offered at a below market rate of interest of 3.75% (2024: 432) and a further 21 (2024: 22) at 1.75% + (RPI + 1%)

#### 15. STOCK

|                                    | 2025<br>£m   | 2024<br>£m   |
|------------------------------------|--------------|--------------|
| <b>Housing properties for sale</b> |              |              |
| Land                               | 80.0         | 20.9         |
| Buildings - In Progress            | 99.0         | 59.4         |
| Buildings - Completed              | 59.0         | 90.8         |
| Other                              | 1.8          | 1.8          |
|                                    | <b>239.8</b> | <b>172.9</b> |

#### 16. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                                                                             | 2025<br>£m  | 2024<br>£m  |
|---------------------------------------------------------------------------------------------|-------------|-------------|
| Revaluation of foreign currency denominated debt                                            | 24.7        | 23.8        |
| Mortgages                                                                                   | 0.5         | 0.8         |
| Derivative financial instruments held to manage the interest rate profile and currency risk | 9.5         | 17.1        |
|                                                                                             | <b>34.7</b> | <b>41.7</b> |

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**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                                                                             | 2025         | 2024         |
|---------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                             | £m           | £m           |
| Rental debtors                                                                              | 14.0         | 12.2         |
| Less: provision for bad and doubtful debts                                                  | (3.0)        | (3.1)        |
|                                                                                             | <u>11.0</u>  | <u>9.1</u>   |
| Agency leases                                                                               | 0.1          | 0.2          |
| Other trade debtors                                                                         | 50.5         | 20.3         |
| Development debtor                                                                          | 12.8         | 21.0         |
| Amounts due from related undertakings                                                       | 66.9         | 38.4         |
| Corporation Tax                                                                             | 11.1         | 8.5          |
| Deferred tax (notes 10 & 22)                                                                | 4.8          | -            |
| Other taxes                                                                                 | 9.4          | 2.2          |
| Sundry debtors, prepayments and accrued income                                              | 27.2         | 28.4         |
| Derivative financial instruments held to manage the interest rate profile and currency risk | 3.9          | 1.4          |
|                                                                                             | <u>197.7</u> | <u>129.5</u> |

Amounts due from related undertakings represent amounts payable on demand. Interest is not charged on these balances

**18. CURRENT ASSET INVESTMENTS**

|                       | 2025       | 2024       |
|-----------------------|------------|------------|
|                       | £m         | £m         |
| Cash held as security | <u>2.5</u> | <u>1.3</u> |

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                                  | 2025         | 2024         |
|--------------------------------------------------|--------------|--------------|
| <b>Debt</b>                                      | £m           | £m           |
| Housing and bank loans                           | 1.8          | 33.6         |
| Debenture stocks and bonds                       | 3.1          | 4.3          |
| Discount on bond issue                           | (3.9)        | (3.7)        |
| Revaluation of foreign currency denominated debt | -            | 1.1          |
| Amounts owed to related undertakings             | 99.5         | -            |
| Finance lease                                    | 1.3          | 1.3          |
|                                                  | <u>101.8</u> | <u>36.6</u>  |
| <b>Other financial liabilities</b>               |              |              |
| Deferred Government Grant                        | 14.4         | 13.9         |
| Recycled Capital Grant Fund                      | 3.6          | 4.1          |
| Interest on loans                                | 37.0         | 37.2         |
| Trade creditors                                  | 14.4         | 14.5         |
| Development creditor                             | 107.5        | 33.4         |
| Accruals                                         | 33.1         | 32.5         |
| Other creditors                                  | 22.0         | 8.3          |
| Prepaid rent                                     | 6.3          | 5.8          |
|                                                  | <u>340.3</u> | <u>186.3</u> |

Amounts owed to related undertakings represent amounts payable on demand. These amounts attract interest at various rates as set out in note 25

## 20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                                                                        | 2025           | 2024           |
|----------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                        | £m             | £m             |
| <b>Debt</b>                                                                            |                |                |
| Housing and bank loans                                                                 | 101.3          | 103.3          |
| Debenture stocks and bonds                                                             | 487.1          | 490.3          |
| Discount on bond issue                                                                 | (11.2)         | (15.1)         |
| Amounts due to related undertakings                                                    | 2,223.1        | 1,933.2        |
| Obligations under finance lease                                                        | 148.9          | 150.2          |
| Derivative financial instruments to manage the interest rate profile and currency risk | 44.2           | 45.2           |
|                                                                                        | <b>2,993.4</b> | <b>2,707.1</b> |
| <b>Other financial liabilities</b>                                                     |                |                |
| Deferred Income                                                                        | 1.8            | -              |
| Recycled Capital Grant Fund                                                            | 21.7           | 34.6           |
| Deferred government grant                                                              | 1,005.4        | 883.0          |
| HomeBuy grant                                                                          | 14.3           | 16.1           |
|                                                                                        | <b>4,036.6</b> | <b>3,640.8</b> |

The total value of the loans subject to a guarantee is £Nil (2024: £nil).

All secured loans are supported by specific charges on the Group or Associations' housing properties and are repayable at varying rates of interest from 6.63% - 10.99% in instalments.

Included within housing and bank loans is £1.9m (2024: £2.2m) which relates to the cost of debt issue.

Amounts due to related undertakings represent balances due after more than one year. These amounts attract interest at various rates as set out in note 25



## 21. RECYCLED CAPITAL GRANT FUND

### RECYCLED CAPITAL GRANT FUND

|                                                              |                                  | Homes England |             | Greater London Authority |            |
|--------------------------------------------------------------|----------------------------------|---------------|-------------|--------------------------|------------|
|                                                              |                                  | 2025          | 2024        | 2025                     | 2024       |
|                                                              |                                  | £m            | £m          | £m                       | £m         |
| At 1 April                                                   |                                  | 33.2          | 38.3        | 5.5                      | 5.5        |
| Inputs to RCGF:                                              | Grant recycled                   | 2.8           | 2.7         | 3.3                      | 0.9        |
|                                                              | Interest Accrued                 | 0.8           | 1.4         | 0.2                      | 0.2        |
| Recycling of grant:                                          | New Build                        | (19.2)        | (9.2)       | -                        | -          |
|                                                              | Transfers to other Group members | -             | -           | -                        | -          |
| Repayment of grant to the HE/GLA                             |                                  | -             | -           | (1.3)                    | (1.1)      |
| <b>At 31 March</b>                                           |                                  | <b>17.6</b>   | <b>33.2</b> | <b>7.7</b>               | <b>5.5</b> |
| Amounts 3 years old or older where repayment may be required |                                  | 4.3           | 21.2        | 1.8                      | 1.3        |
| <b>Total recycled capital grant fund</b>                     |                                  | <b>25.3</b>   | <b>38.7</b> |                          |            |

## 22. PROVISION FOR LIABILITIES AND CHARGES

|                               | At 1 April 2024 | Addition al provision | Utilised | At 31 March 2025 |
|-------------------------------|-----------------|-----------------------|----------|------------------|
|                               | £m              | £m                    | £m       | £m               |
| Deferred tax assets (note 10) | (1.6)           | (3.2)                 | -        | (4.8)            |
|                               | (1.6)           | (3.2)                 | -        | (4.8)            |

## 23. NON-EQUITY SHARE CAPITAL

|                                                   | 2025     | 2024     |
|---------------------------------------------------|----------|----------|
|                                                   | £        | £        |
| Issued, allotted and fully paid shares of £1 each |          |          |
| At 31 March                                       | <u>8</u> | <u>8</u> |

The shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules.

On a return of capital on a winding-up, no member shall receive any property or sum beyond their £1 entitlement.

## 24. CAPITAL COMMITMENTS

|                                                                                                    | 2025           | 2024           |
|----------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                    | £m             | £m             |
| Capital expenditure authorised and contracted but not provided for within the financial statements | <u>259.9</u>   | <u>196.3</u>   |
| Additional expenditure authorised by the Board                                                     | <u>1,070.4</u> | <u>1,528.6</u> |

The above commitments will be financed in accordance with the Group Treasury management policy which is detailed in the Places for People Group consolidated accounts.

Non-cancellable operating lease rentals are payable as follows:

|                                              | 2025        | 2024        |
|----------------------------------------------|-------------|-------------|
|                                              | £m          | £m          |
| <b>Motor vehicles and equipment</b>          |             |             |
| In one year or less                          | 4.6         | 2.1         |
| In one year or more but less than five years | <u>11.8</u> | <u>2.1</u>  |
|                                              | <u>16.4</u> | <u>4.2</u>  |
| <b>Land and buildings</b>                    |             |             |
| In one year or less                          | 1.3         | 0.9         |
| In one year or more but less than five years | 5.1         | 3.8         |
| In more than five years                      | <u>6.4</u>  | <u>5.6</u>  |
|                                              | <u>12.8</u> | <u>10.3</u> |

## 25. FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

The Places for People Group board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit & Risk Committee oversees how management monitors compliance with the Association's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Association. The Group Audit & Risk Committee is assisted in its oversight role by Business Assurance. That team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Association's Treasury function is responsible for the management of funds and control of the associated risks. Its activities are governed in accordance with Board approved policy and are subject to regular audit. The function does not operate as a profit centre. The Association's policy is to retain minimal cash whilst targeting facilities to finance 1 year's cash flow. Cash projections cover a 3 year period to continuously monitor future borrowing requirements.

Places for People Homes had further available facilities of £913m (2024: £975m) and the Group has established a European Medium Term Note Programme of £982.1m (2024: £1,448.3m) for future fundraising.

### Market risk

Market risk comprises interest rate risk, currency risk and other price risk.

### Interest rate risk

The Association's strategy is to contain interest rate risk within 30% of the loan book, with the Board exercising a strict control over derivative transactions; currently 75% of debt is either held at fixed rates of interest or hedged against adverse rate movements.

The Association manages its exposure to this risk through a mix of debt at fixed rates of interest and interest rate hedging techniques.

It is estimated that each quarter percent increase in interest rates would increase interest payable costs by £2.34m per annum. Due to the low levels of cash and cash deposits held, the impact of a change in the interest rate on interest receivable is insignificant.

### Currency risk

The Association has no overseas subsidiaries and trades only in sterling. The Association has some bonds which are denominated in foreign currency. The Association's strategy is to mitigate currency risk arising from foreign currency denominated debt. This is achieved using cross currency swaps. Currency cash flows exposure is fully hedged, therefore a change in the foreign currency rate would be fully offset by the swaps.

## 25. FINANCIAL INSTRUMENTS (Continued)

### Other price risk

The Association is impacted by general changes in price levels and specifically the Retail Price Index (RPI). This is because some payments to retail bond holders are directly linked to the RPI.

It is estimated that each quarter percent increase in RPI would increase interest payable costs by £0.18m per annum. This is capped at £3.6m

### Credit risk

Credit risk arises from exposure to the risk of a loss if a counterparty fails to perform its obligations to the Group. This relates to exposures to financial institutions for investments and cash deposits placed, with corporates for credit granted in the course of operations and with individuals for rent receivable and loans granted.

The Association's credit exposure is virtually nil all within the United Kingdom.

Whilst the Association's maximum exposure to credit risk is best represented by the carrying value of the individual assets, in most cases the likely exposure is far less due to the nature of the debt held, credit status of counterparties, security held and other actions taken to mitigate the risk to the Association as described below:

- In respect of investments and deposits placed, the Association has established strict counterparty credit limits based on the overall level of its investment activity and the credit quality of the institutions with which investments are placed. External fund managers are employed to manage investment in government securities which are held as debt reserves to credit enhance certain loan stocks; these reserves are held at levels in excess of covenanted requirements in order to manage against the risk of short-term movements in financial markets.
- In respect of financial derivative instruments, the Association treasury team currently performs a weekly review of the credit ratings of all its financial institution counterparties. The credit risk on liquid funds and derivative financial instruments is managed through the Association's policies of monitoring counterparty exposure, concentration of credit risk through the use of multiple counterparties and the use of counterparties of investor grade quality.
- In respect of individuals, tenants arrears are reported each working day and dedicated teams are assigned to maximise debt recovery. In addition more than half of arrears are collected directly from local authorities reducing the Association's exposure to individual tenant's credit risk.
- Loans made to customers to purchase Association developed houses are secured by a charge against the relevant property.

### Liquidity risk and refinancing exposure

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Interest rate risk is considered to be a key component of both market and liquidity risk.

The Association policy is to minimise liquidity and refinancing risk, with the aim to hold facilities which cover the first 12 months of its 36 month cash requirement projections. The Association is in compliance with all of its financial covenants contained within its loan documents and loan stocks trust deeds. The Association defines its refinancing risk as loans which do not include some form of amortisation or sinking fund.

The Association utilises short-term revolving bank debt as a consequence of its sales programme. Currently 36.4% of debt matures within the next 5 years, of which 3.5% of debt matures during the next financial year.

### Hedging

The Association hedges its currency risk by taking out fixed/fixed cross currency interest swaps to fix the GBP value of both interest and principal repayable under the foreign currency denominated debt. As at 31st March 2024 the Association held cross currency interest rate swaps with an adverse mark to market value of £30.8m (2024: £26.6m adverse) and no interest rate swaps (2024: £nil). The currency swaps are held at fair value as disclosed in notes 16, 17, 19 & 20. The cash flows associated with these instruments are shown in the table on the next page.

### Liquidity Risk

The interest rate risk analysis below is considered to be a key component of the Association's liquidity risk.

## 25. FINANCIAL INSTRUMENTS (Continued)

### Ageing Profile and Interest Rate Risk of Financial Instruments

For each class of interest bearing financial asset and financial liability, the following tables indicate the range of interest rates effective at the statement of financial position date, the carrying amount on the statement of financial position and the periods in which they reprice, if earlier than the maturity date. The tables take into account interest-bearing assets and liabilities only.

The ageing profiles below include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

### Ageing profile and Interest Rate Risk of Financial Assets as at 31 March 2025

|                                                                                                | Effective<br>interest<br>rate<br>% | Total<br>carrying<br>amount<br>£m | Within 1<br>year<br>£m | 1-2<br>years<br>£m | 2-3<br>years<br>£m | 3-4<br>years<br>£m | 4-5<br>years<br>£m | Over 5<br>years<br>£m |
|------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Fixed asset investments:                                                                       |                                    |                                   |                        |                    |                    |                    |                    |                       |
| Fixed rate                                                                                     | 6.64%                              | 158.7                             | 17.9                   | 35.8               | 74.2               | 21.2               | -                  | 9.6                   |
| Floating rate                                                                                  | 8.21%                              | 51.9                              | -                      | -                  | -                  | 51.9               | -                  | -                     |
| Amounts due<br>from related undertakings                                                       | 9.11%                              | 23.9                              | -                      | -                  | -                  | -                  | -                  | 23.9                  |
|                                                                                                |                                    | <b>234.5</b>                      | <b>17.9</b>            | <b>35.8</b>        | <b>74.2</b>        | <b>73.1</b>        | <b>-</b>           | <b>33.5</b>           |
| Mortgages and loans                                                                            |                                    | -                                 | -                      | -                  | -                  | -                  | -                  | -                     |
| Derivative financial instruments held to manage<br>the interest rate profile and currency risk |                                    | 13.4                              | 3.9                    | 6.1                | -                  | 0.8                | -                  | 2.6                   |
|                                                                                                |                                    | <b>247.9</b>                      | <b>21.8</b>            | <b>41.9</b>        | <b>74.2</b>        | <b>73.9</b>        | <b>-</b>           | <b>36.1</b>           |

All financial assets carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2024 were, as follows:

|                                                                                                | Effective<br>interest<br>rate<br>% | Total<br>carrying<br>amount<br>£m | Within 1<br>year<br>£m | 1-2<br>years<br>£m | 2-3<br>years<br>£m | 3-4<br>years<br>£m | 4-5<br>years<br>£m | Over 5<br>years<br>£m |
|------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Fixed asset investments:                                                                       |                                    |                                   |                        |                    |                    |                    |                    |                       |
| Fixed rate                                                                                     | 4.46%                              | 101.3                             | 16.8                   | -                  | 42.7               | -                  | 32.3               | 9.5                   |
| Floating rate                                                                                  | 8.99%                              | 100.8                             | 62.2                   | -                  | -                  | -                  | 38.6               | -                     |
| Amounts due<br>from related undertakings                                                       | 9.04%                              | 10.2                              | -                      | -                  | -                  | -                  | -                  | 10.2                  |
|                                                                                                |                                    | 212.3                             | 79.0                   | -                  | 42.7               | -                  | 70.9               | 19.7                  |
| Mortgages and loans                                                                            |                                    | 1.3                               | -                      | -                  | -                  | -                  | -                  | 1.3                   |
| Derivative financial instruments held to manage<br>the interest rate profile and currency risk |                                    | 18.6                              | 1.4                    | 9.0                | 7.2                | -                  | 0.9                | 0.1                   |
|                                                                                                |                                    | <b>232.2</b>                      | <b>80.4</b>            | <b>9.0</b>         | <b>49.9</b>        | <b>-</b>           | <b>71.8</b>        | <b>21.1</b>           |

## 25. FINANCIAL INSTRUMENTS (Continued)

### Ageing Profile and Interest Rate Risk of Financial Liabilities as at 31 March 2025

The tables in respect of financial assets and liabilities include undiscounted future contractual payments including interest. As a result, the amounts reported here are not comparable with the balances reported in notes 16, 17, 19 and 20.

|                          | Effective<br>interest<br>rate<br>% | Total<br>£m    | Within 1<br>year<br>£m | 1-2<br>years<br>£m | 2-3<br>years<br>£m | 3-4<br>years<br>£m | 4-5<br>years<br>£m | Over 5<br>years<br>£m |
|--------------------------|------------------------------------|----------------|------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Stocks and bonds:        |                                    |                |                        |                    |                    |                    |                    |                       |
| Fixed rate               | 4.83%                              | 632.8          | 26.7                   | 26.7               | 26.7               | 273.0              | 17.7               | 262.0                 |
| Discount on bond issue   |                                    | (14.9)         | (3.9)                  | (2.8)              | (2.8)              | (2.8)              | (2.8)              | 0.2                   |
|                          |                                    | <b>617.9</b>   | <b>22.9</b>            | <b>23.9</b>        | <b>23.9</b>        | <b>270.2</b>       | <b>14.8</b>        | <b>262.1</b>          |
| Housing and other loans: |                                    |                |                        |                    |                    |                    |                    |                       |
| Fixed rate               | 5.03%                              | 3,268.9        | 219.5                  | 220.6              | 90.6               | 160.2              | 124.1              | 2,453.9               |
| Floating rate            | 5.80%                              | 439.8          | -                      | -                  | 439.8              | -                  | -                  | -                     |
| Index linked             | 5.00%                              | 55.0           | 0.3                    | 0.3                | 0.3                | 54.1               | -                  | -                     |
|                          |                                    | <b>4,381.6</b> | <b>242.6</b>           | <b>244.8</b>       | <b>554.6</b>       | <b>484.5</b>       | <b>139.0</b>       | <b>2,716.1</b>        |
| Finance leases           | 6.00%                              | 496.8          | 14.2                   | 14.2               | 14.2               | 14.2               | 14.2               | 425.9                 |

The total debt outstanding at 31 March 2025 in respect of such guarantees was £3,434.7m (2024: £2,556.0m). The total interest accrued as at 31 March 2025 was £1,000.0m (2024: £1,000.0m). Comparative figures as at 31 March 2024 were, as follows:

|                                                                       | interest<br>rate | Total          | Within 1<br>year | 1-2<br>years | 2-3<br>years | 3-4<br>years | 4-5<br>years | Over 5<br>years |
|-----------------------------------------------------------------------|------------------|----------------|------------------|--------------|--------------|--------------|--------------|-----------------|
|                                                                       |                  |                |                  |              |              |              | £m           | £m              |
| Stocks and bonds:                                                     |                  |                |                  |              |              |              |              |                 |
| Fixed rate                                                            | 4.84%            | 663.1          | 30.4             | 26.7         | 26.7         | 26.7         | 273.0        | 279.6           |
| Discount on bond issue                                                |                  | (18.7)         | (3.7)            | (3.8)        | (3.8)        | (3.8)        | (3.8)        | 0.2             |
|                                                                       |                  | <b>644.4</b>   | <b>26.7</b>      | <b>22.9</b>  | <b>22.9</b>  | <b>22.9</b>  | <b>269.2</b> | <b>279.8</b>    |
| Housing and other loans:                                              |                  |                |                  |              |              |              |              |                 |
| Fixed rate                                                            | 4.68%            | 2,959.7        | 133.8            | 188.4        | 304.3        | 73.3         | 143.2        | 2,116.7         |
| Floating rate                                                         | 6.53%            | 283.3          | 65.0             | -            | 218.3        | -            | -            | -               |
| Index linked                                                          | 5.00%            | 54.0           | 0.3              | 0.3          | 0.3          | 0.3          | 52.8         | -               |
|                                                                       |                  | <b>3,941.4</b> | <b>225.8</b>     | <b>211.6</b> | <b>545.8</b> | <b>96.5</b>  | <b>465.2</b> | <b>2,396.5</b>  |
| Finance leases                                                        | 6.00%            | 472.3          | 13.1             | 13.1         | 13.1         | 13.1         | 13.1         | 406.8           |
| Derivative financial instruments held to manage<br>interest rate risk |                  | 45.2           | -                | -            | -            | -            | 13.4         | 31.8            |
|                                                                       |                  | <b>4,458.9</b> | <b>238.9</b>     | <b>224.7</b> | <b>558.9</b> | <b>109.6</b> | <b>491.7</b> | <b>2,835.1</b>  |

Trade and other payables are not included in the above tables as they are non-interest bearing and are not subject to interest rate risk.

### Borrowing facilities

|                                                                                                     | 2025<br>£m   | 2024<br>£m |
|-----------------------------------------------------------------------------------------------------|--------------|------------|
| At 31 March Places for People Homes had undrawn committed borrowing facilities expiring as follows: |              |            |
| In one year or less, or on demand                                                                   | -            | -          |
| In more than one year but not more than two years                                                   | -            | -          |
| In more than two years                                                                              | <b>975.0</b> | 975.0      |
|                                                                                                     | <b>975.0</b> | 975.0      |

£nil of the undrawn committed borrowing facilities require fixed charge security to be placed with lenders (2024: £Nil).

## 25. FINANCIAL INSTRUMENTS (Continued)

### Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying values and fair values of all of the Association's financial instruments. None of the financial assets or liabilities have been reclassified during the year.

|                                                                    | Note    | 2025           |                | 2024       |            |
|--------------------------------------------------------------------|---------|----------------|----------------|------------|------------|
|                                                                    |         | Book value     | Fair value     | Book value | Fair value |
|                                                                    |         | £m             | £m             | £m         | £m         |
| <b>Financial assets</b>                                            |         |                |                |            |            |
| Fixed asset investments                                            | 13 & 14 | <b>732.2</b>   | <b>730.9</b>   | 713.1      | 712.0      |
| Current asset investments                                          | 18      | <b>2.5</b>     | <b>2.5</b>     | 1.3        | 1.3        |
| Cash at bank and in hand                                           |         | <b>12.2</b>    | <b>12.2</b>    | 12.7       | 12.7       |
| Mortgages                                                          | 16 & 17 | <b>0.5</b>     | <b>0.5</b>     | 0.8        | 0.8        |
| Revaluation of foreign currency denominated debt                   | 16 & 17 | <b>24.7</b>    | <b>24.7</b>    | 23.8       | 23.8       |
| Derivative financial instruments held to manage interest rate risk | 16 & 17 | <b>13.4</b>    | <b>13.4</b>    | 18.6       | 18.6       |
| Financial assets falling due within one year                       | 17      | <b>178.0</b>   | <b>178.0</b>   | 112.9      | 112.9      |
|                                                                    |         | <b>963.5</b>   | <b>962.2</b>   | 883.2      | 882.1      |
| <b>Financial liabilities</b>                                       |         |                |                |            |            |
| Debenture stocks and bonds                                         | 19 & 20 | <b>490.2</b>   | <b>484.6</b>   | 494.6      | 723.0      |
| Discount on bond issue                                             | 19 & 20 | <b>(15.1)</b>  | <b>(15.1)</b>  | (18.8)     | (18.8)     |
| Housing and bank loans                                             | 19 & 20 | <b>103.1</b>   | <b>103.1</b>   | 136.9      | 136.9      |
| Prepaid rent                                                       | 19      | <b>6.3</b>     | <b>6.3</b>     | 5.8        | 5.8        |
| Amounts owed to related undertakings                               | 19 & 20 | <b>2,322.6</b> | <b>2,322.6</b> | 1,933.2    | 1,933.2    |
| Revaluation of foreign currency denominated debt                   | 19 & 20 | -              | -              | -          | -          |
| Derivative financial instruments held to manage interest rate risk | 19 & 20 | <b>44.2</b>    | <b>44.2</b>    | 45.2       | 45.2       |
| Other financial liabilities                                        | 19 & 20 | <b>175.6</b>   | <b>175.6</b>   | 190.2      | 190.2      |
| Financial liabilities falling due within one year                  | 19      | <b>230.3</b>   | <b>230.3</b>   | 143.2      | 143.2      |
|                                                                    |         | <b>3,357.2</b> | <b>3,351.6</b> | 2,930.3    | 3,158.7    |

Of the financial assets above £13.4m (2024: £18.6m) are derivative financial instruments and £24.7m (2024: £23.8m) is revaluation of foreign currency denominated debt with the remaining amounts being measured at amortised cost.

Of the financial liabilities above £44.2m (2024: £45.2m) are derivative financial instruments and £nil (2024: £nil) is revaluation of foreign currency denominated debt with the remaining amounts being measured at amortised cost.

## 25. FINANCIAL INSTRUMENTS (Continued)

### **Investments in debt and equity securities**

The fair value of held-to-maturity investments is determined by reference to their quoted bid price at the statement of financial position date. The fair value of held-to-maturity investments after initial recognition is determined for disclosure purposes only.

### **Financial assets falling due within one year, long term debtors and mortgages**

The fair value of these assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

### **Financial liabilities**

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

### **Cash at bank and in hand and bank balances**

The fair value of cash is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date.

### **Interest-bearing borrowings**

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the statement of financial position date.

### **Derivative financial instruments**

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

### **Fair value hierarchy**

The measurement of fair value for financial instruments has been done using a level 2 valuation technique. The definition of this technique per the standard is a valuation using inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.



## 26. PENSION OBLIGATIONS

The pension costs for Places for People Homes relate to three schemes of which employees and former employees are members. Details of each scheme are set out below.

### **The Places for People Group Stakeholder Scheme**

Employees joining the Association from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme - the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the statement of comprehensive income of £6.0m (2024: £5.4m) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

### **The Places for People Group Retirement Benefit Scheme (GRBS)**

The Group operates a defined benefit pension arrangement called the Places for People Group Retirement Benefit Scheme (GRBS).

During the year ended 31 March 25, it has been established that the relevant pension scheme deeds for the Places for People Group Retirement Benefit Scheme identify Places for People Group Limited as the principal employer for the scheme. A subsequent deed identified Places for People Homes Limited as the principal employer and this led to Places for People Homes Limited accounting for the scheme, rather than Places for People Group Limited. Professional advice has confirmed that Places for People Group Limited is, and always has been, the principal employer and so the scheme should be accounted for in Places for People Group Limited. On this basis a prior period adjustment is required to account for the scheme in Places for People Group Limited, rather than Place for People Homes Limited. The prior year has been restated for this correction and details of the restatement can be found in note 30.

### **Social Housing Pension Scheme**

Places for People Homes Limited participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

SHPS is a defined benefit scheme in the UK and 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 triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £700m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

## 26. PENSION OBLIGATIONS (Continued)

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SHPS 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.

The mortality assumption used at 31 March 2025 is that a male currently aged 65 years old has a life expectancy of 20.5 years (2024: 20.5 years), a female currently aged 65 years old has a life expectancy of 23.0 years (2024: 23.0 years), a male currently aged 45 years old has a life expectancy of 41.7 years (2024: 41.8 years) and a female currently aged 45 years old has a life expectancy of 44.5 years (2024: 44.4 years).

The major assumptions used by the actuary were:

|                       | 2025  | 2024  |
|-----------------------|-------|-------|
|                       | SHPS  | SHPS  |
| Discount rate         | 5.60% | 4.70% |
| Price inflation (RPI) | 3.20% | 3.30% |
| Price inflation (CPI) | 2.70% | 2.80% |
| Salary growth         | 3.75% | 3.75% |

### Amounts recognised in the Statement of Financial Position

#### Value at 31 March 2025

|                                                                 | SHPS  |
|-----------------------------------------------------------------|-------|
|                                                                 | £m    |
| Fair value of plan assets                                       | 7.1   |
| Present value of defined benefit obligation                     | (8.5) |
| Net liability recognised in the statement of financial position | (1.4) |

|                                                                         | SHPS  |
|-------------------------------------------------------------------------|-------|
|                                                                         | £m    |
| Value at 31 March 2024                                                  |       |
| Fair value of plan assets                                               | 7.2   |
| Present value of defined benefit obligation                             | (9.0) |
| Net asset/(liability) recognised in the statement of financial position | (1.8) |

The major categories of assets as a percentage of total assets are as follows:

|                              | 2025  | 2024  |
|------------------------------|-------|-------|
|                              | SHPS  | SHPS  |
| Diversified growth funds     | 18.6% | 14.6% |
| Equities                     | 11.3% | 10.0% |
| Liability driven investments | 47.0% | 52.8% |
| Absolute return bonds        | 0.0%  | 3.9%  |
| Cash                         | 1.5%  | 1.9%  |
| Other fixed interest         | 0.2%  | 7.6%  |
| Insurance linked securities  | 0.3%  | 0.5%  |
| Direct lending               | 16.1% | 3.9%  |
| Property                     | 5.1%  | 4.8%  |
|                              | 100%  | 100%  |

## 26. PENSION OBLIGATIONS (Continued)

### Analysis of amounts recognised in the Statement of Comprehensive Income

|                                | SHPS         |
|--------------------------------|--------------|
| Year ending 31 March 2025      | £m           |
| Expected return on plan assets | 0.3          |
| Interest on scheme liabilities | (0.4)        |
|                                | <u>(0.1)</u> |

|                                        | SHPS  |
|----------------------------------------|-------|
| Year ending 31 March 2024              | £m    |
| Expected return on plan assets         | 0.3   |
| Interest on scheme liabilities         | (0.4) |
| Amounts charged to other finance costs | (0.1) |

### Amounts recognised in Other Comprehensive Income

| Year ending 31 March 2025        | SHPS       |
|----------------------------------|------------|
|                                  | £m         |
| Actuarial gain in pension scheme | <u>0.2</u> |

|                                  | SHPS       |
|----------------------------------|------------|
| Year ending 31 March 2024        | £m         |
| Actuarial gain in pension scheme | <u>0.1</u> |

### Movement in fair value of plan assets

|                                     | SHPS              |
|-------------------------------------|-------------------|
|                                     | £m                |
| As at 1 April 2024                  | 7.2               |
| Interest on plan assets             | 0.3               |
| Company contributions               | 0.4               |
| Benefits paid                       | (0.4)             |
| Return on plan assets less interest | (0.4)             |
| <b>As at 31 March 2025</b>          | <b><u>7.1</u></b> |

### Movement in present value of defined benefit obligation

|                                                        | SHPS              |
|--------------------------------------------------------|-------------------|
|                                                        | £m                |
| As at 1 April 2024                                     | 9.0               |
| Interest costs                                         | 0.4               |
| Benefits paid                                          | (0.4)             |
| Losses/(gains) from changes to demographic assumptions | -                 |
| Gains from changes to financial assumptions            | (0.7)             |
| Actuarial (gain)/loss on obligation                    | 0.3               |
| <b>As at 31 March 2025</b>                             | <b><u>8.4</u></b> |

## 27. CONTINGENT LIABILITIES

The Association is party to legal action arising from the scheme rules on the Group retirement benefit pension scheme, of which was it was previously the principal employer. A non-binding mechanism for resolving this matter has been proposed which would establish the basis for determining the financial effect of this liability, however this would still be subject to significant variation based on parameters outside the Association's control and was also yet to be ratified at the time these statements were approved. It is therefore not possible to determine a reliable estimate of the possible financial effects to determine a provision. More detail can be found in the Places for People Group Annual Report for the year ended 31 March 2025.

The total debt outstanding at 31 March 2025 in respect of such guarantees was £3,434.7m (2024: £2,556.0m). The total interest accrued at 31 March 2025 relating to this debt was £42.9m (2024: £33.5m).

These represent the maximum exposure for the Association.

The directors consider it extremely unlikely that the company would be required to make any payments in respect of this guarantee.

The Association assesses the fire risk of external wall construction and cladding of its housing properties through PAS9980 assessments. There is a possible but uncertain obligation to remediate any fire safety defects relating to buildings where a PAS9980 assessment has not yet been conducted and therefore any defects are not known. It is not possible to reliably estimate this possible obligation as there is no information available on whether such defects exist and therefore what the cost of any remediation would be.

## 28. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 26.

Places for People Homes Limited is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE.

No tenants served on the Board of Places for People Homes Limited during the year.

The Association had the following transactions during the year with joint ventures, associates and other external investments.

|                                                     | Services<br>provided | Services<br>received | Amounts<br>outstanding at<br>31 March 2025 | Interest<br>received | Dividends<br>received |
|-----------------------------------------------------|----------------------|----------------------|--------------------------------------------|----------------------|-----------------------|
|                                                     | £000's               | £000's               | £000's                                     | £000's               | £000's                |
| Brooklands LLP                                      | 6,530                | -                    | -                                          | -                    | -                     |
| East Wick & Sweetwater Projects (Holdings) Limited  | 564                  | -                    | 50                                         | -                    | -                     |
| East Wick and Sweetwater Projects (Phase 1) Limited | 111                  | -                    | 1                                          | -                    | -                     |
| Global Habitat Housing SL                           | -                    | 103                  | (29)                                       | -                    | -                     |
| PFP US JV LLP                                       | -                    | -                    | -                                          | 1,288                | 1,219                 |
| Picture Living                                      | -                    | -                    | -                                          | -                    | 859                   |

## 29. HOUSING STOCK

The Association owns or manages 51,573 housing properties, a breakdown of these housing properties is shown below:

|                                                                                  | 2024          | Units<br>developed<br>or newly<br>built units<br>acquired | Units sold/<br>demolished | Transfers<br>(to)/from<br>other RPs | Other<br>movements | 2025          |
|----------------------------------------------------------------------------------|---------------|-----------------------------------------------------------|---------------------------|-------------------------------------|--------------------|---------------|
|                                                                                  | No.           | No.                                                       | No.                       | No.                                 | No.                | No.           |
| <b>Social housing owned</b>                                                      |               |                                                           |                           |                                     |                    |               |
| - General Needs Housing                                                          | 31,698        | 169                                                       | (101)                     | (544)                               | 9                  | <b>31,231</b> |
| - Affordable Housing                                                             | 3,087         | 901                                                       | -                         | (28)                                | 14                 | <b>3,974</b>  |
| - Supported Housing                                                              | 451           | -                                                         | (8)                       | (7)                                 | (11)               | <b>425</b>    |
| - Housing for Older people                                                       | 2,310         | -                                                         | -                         | -                                   | -                  | <b>2,310</b>  |
| - Low cost home ownership accommodation                                          | 2,839         | 347                                                       | (49)                      | (17)                                | -                  | <b>3,120</b>  |
| <b>Total social housing owned</b>                                                | <b>40,385</b> | <b>1,417</b>                                              | <b>(158)</b>              | <b>(596)</b>                        | <b>12</b>          | <b>41,060</b> |
| <b>Social housing managed</b>                                                    |               |                                                           |                           |                                     |                    |               |
| - General Needs Housing                                                          | 32,846        | 169                                                       | (80)                      | -                                   | 26                 | <b>32,975</b> |
| - Affordable Housing                                                             | 3,614         | 879                                                       | -                         | -                                   | 14                 | <b>4,507</b>  |
| - Supported Housing                                                              | 2             | -                                                         | -                         | -                                   | (19)               | <b>-2</b>     |
| - Housing for Older people                                                       | 1,892         | -                                                         | -                         | -                                   | -                  | <b>1,892</b>  |
| - Low cost home ownership accommodation                                          | 542           | 63                                                        | -                         | -                                   | -                  | <b>605</b>    |
| <b>Total social housing managed</b>                                              | <b>38,896</b> | <b>1,111</b>                                              | <b>(80)</b>               | <b>-</b>                            | <b>21</b>          | <b>39,964</b> |
|                                                                                  |               |                                                           |                           |                                     | <b>2025</b>        | 2024          |
|                                                                                  |               |                                                           |                           |                                     | <b>No.</b>         | No.           |
| Total social housing units managed but not owned                                 |               |                                                           |                           |                                     | <b>4,355</b>       | 3,755         |
| Total social housing units owned but not managed                                 |               |                                                           |                           |                                     | <b>5,467</b>       | 5,244         |
|                                                                                  |               |                                                           |                           |                                     | <b>2025</b>        | 2024          |
|                                                                                  |               |                                                           |                           |                                     | <b>No.</b>         | No.           |
| <b>Non-social housing managed</b>                                                |               |                                                           |                           |                                     |                    |               |
| - Market rent                                                                    |               |                                                           |                           |                                     | <b>348</b>         | 622           |
| - Leased housing - freehold only                                                 |               |                                                           |                           |                                     | <b>1,155</b>       | 1,424         |
| - Student accommodation                                                          |               |                                                           |                           |                                     | <b>35</b>          | 84            |
| <b>Total non-social housing managed</b>                                          |               |                                                           |                           |                                     | <b>1,538</b>       | 2,130         |
| Total social housing managed                                                     |               |                                                           |                           |                                     | <b>39,948</b>      | 38,896        |
| <b>Total housing managed</b>                                                     |               |                                                           |                           |                                     | <b>41,486</b>      | 41,026        |
| Total non-social housing owned but managed by another body                       |               |                                                           |                           |                                     | <b>10,087</b>      | 9,521         |
| <b>Total housing owned or managed</b>                                            |               |                                                           |                           |                                     | <b>51,573</b>      | 50,547        |
| Garages, commercial premises and other non-residential units managed or serviced |               |                                                           |                           |                                     | <b>1,526</b>       | 1,334         |
| <b>Total residential and non-residential units managed or serviced</b>           |               |                                                           |                           |                                     | <b>53,099</b>      | 51,881        |

### 30 PRIOR PERIOD ADJUSTMENT

During the year ended 31 March 2025, it has been established that the relevant pension scheme deeds for the Places for People Group Retirement Benefit Scheme identify Places for People Group Limited as the principal employer for the scheme. Places for People Homes Limited was the original principal employer and so Places for People Homes Limited has been accounting for the scheme, rather than Places for People Group Limited. Professional advice has confirmed that Places for People Group Limited is, and has since 2004 been, the principal employer and management has therefore concluded that the scheme should be accounted for in Places for People Group Limited. On this basis a prior period adjustment is required to account for the scheme in Places for People Group Limited, rather than Place for People Homes Limited. The Group consolidated position is unchanged by this adjustment.

The following Company financial statements and notes have been restated for the year ended 31 March 2024:

|  | 2024 | Restatement<br>Adjustment | 2024<br>Restated |
|--|------|---------------------------|------------------|
|  | £m   | £m                        | £m               |

#### COMPANY STATEMENT OF FINANCIAL POSITION EXTRACT

##### Current assets

|                                                           |       |        |       |
|-----------------------------------------------------------|-------|--------|-------|
| Pension surplus <sup>1</sup>                              | 11.2  | (11.2) | -     |
| Debtors: amounts falling due within one year <sup>2</sup> | 122.9 | 6.6    | 129.5 |
|                                                           | 362.7 | (4.6)  | 358.1 |

##### Net current assets

|  |       |       |       |
|--|-------|-------|-------|
|  | 178.0 | (6.2) | 171.8 |
|--|-------|-------|-------|

##### Net assets

|  |       |       |       |
|--|-------|-------|-------|
|  | 292.4 | (4.6) | 287.8 |
|--|-------|-------|-------|

##### Capital and reserves

|                               |       |       |       |
|-------------------------------|-------|-------|-------|
| Revenue reserves <sup>3</sup> | 292.4 | (4.6) | 287.8 |
|                               | 292.4 | (4.6) | 287.8 |

#### COMPANY STATEMENT OF COMPREHENSIVE INCOME EXTRACT

|                                                   |         |       |         |
|---------------------------------------------------|---------|-------|---------|
| Interest payable and similar charges <sup>4</sup> | (139.9) | (0.2) | (140.1) |
|---------------------------------------------------|---------|-------|---------|

##### Profit on ordinary activities after taxation

|  |     |       |     |
|--|-----|-------|-----|
|  | 5.6 | (0.2) | 5.4 |
|--|-----|-------|-----|

Actuarial gain on pension scheme<sup>5</sup>

|  |     |       |     |
|--|-----|-------|-----|
|  | 2.8 | (2.7) | 0.1 |
|--|-----|-------|-----|

##### Total comprehensive income for the year

|  |     |       |       |
|--|-----|-------|-------|
|  | 2.0 | (2.9) | (0.9) |
|--|-----|-------|-------|

#### COMPANY STATEMENT OF CHANGES IN RESERVES EXTRACT

Balance at 1 April 2023<sup>3</sup>:

|                                |       |     |       |
|--------------------------------|-------|-----|-------|
| Income and expenditure reserve | 288.2 | 2.3 | 290.5 |
| Cash flow hege reserve         | 2.3   | -   | 2.3   |
| Total reserves                 | 290.4 | 2.3 | 292.8 |

#### NOTE 8 - INTEREST PAYABLE AND SIMILAR CHARGES EXTRACT

|                                                | 2024  | 2024  | 2024<br>Restated |
|------------------------------------------------|-------|-------|------------------|
|                                                | £m    | £m    | £m               |
| Expected return on pension assets <sup>4</sup> | (8.7) | 8.4   | (0.3)            |
| Interest on scheme liabilities <sup>4</sup>    | 8.6   | (8.2) | 0.4              |
|                                                | (0.1) | 0.2   | 0.1              |
| Total interest payable and similar charges     | 139.9 | 0.2   | 140.1            |

30 PRIOR PERIOD ADJUSTMENT (continued)

NOTE 17 - DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR EXTRACT

|                                                    |       |         |     |
|----------------------------------------------------|-------|---------|-----|
| Amounts due from related undertakings <sup>2</sup> | 31.8  | (30.5)  | 1.3 |
|                                                    | 122.9 | (121.7) | 1.1 |

<sup>1</sup> Statement of financial position adjusted to derecognise pension surplus

<sup>2</sup> Places for people Homes Limited met the obligations of Places for People Group Limited in respect of payment of deficit contributions under the agreed schedule. These amounts had not been reimbursed to Places for People Homes Limited at 31 March 2024 and so the prior year balance for amounts due from group undertakings in current assets has been restated to include that amount

<sup>3</sup> The opening reserves have been restated to derecognise the impact of the pension balances from prior periods. This has the effect of improving the reserves balance at 1 April 2023 by £1.7m and a further £2.9m at 31 March 2024 as a result of adjustments 4 and 5 below

<sup>4</sup> Interest payable and similar charges have been adjusted to recognise the effect of net interest on scheme assets and liabilities

<sup>5</sup> Statement of comprehensive income adjusted to derecognise actuarial gain on pension scheme

31 EVENTS AFTER THE REPORTING DATE

The Directors have considered events subsequent to the reporting date and confirm that there have been no events since the reporting date up to the date of approval of these financial statements that require adjustment to, or disclosure in, the financial statements.