

Annual Report and Financial Statements Choices Housing Association Limited

For the year ended 31 March 2026

Registration Number: L4178
Co-operative and Community Benefit Society Registration No: 26995R

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Board members, executive officers and advisors

Board Members

The Board Members who served during the year and up to the date of approval of the financial statements were as follows:

Graeme Betts-Chair	Paul Riley
Helen Hackney	Rosalind Preen

Company Secretary:

Angelina Hicklin	Appointed 04 June 2026
Suzanne Forster	Appointed 11 December 2025, resigned 03 June 2026
Janet Lycett	Appointed 12 April 2025, resigned 10 December 2025
Irene Molyneux	Retired 11 April 2025

Registered Office:	Northfield Centre Magnolia Avenue Cooperative Street Stafford ST16 3DU
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Auditors:	KPMG LLP Chartered Accountants and Statutory Auditors One Snowhill Birmingham B4 6GH
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Principal Solicitors:	Devonshires LLP 30 Finsbury Circus, London, EC2M 7DT
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Bankers:	Lloyds TSB Bank plc Fountain Square Hanley Stoke-on-Trent ST1 1LE
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Registration No:	L4178
Community Benefit Society Registration No.	26995R

Report of the Board

Introduction

The board presents its report and the audited financial statements of Choices Housing Association Limited (the Association) for the year ended 31 March 2026. On 6 January 2025 the parent company, The Wrekin Housing Group Limited merged with Housing Plus Group Limited. The association remains a direct subsidiary of The Wrekin Housing Group Limited, with the ultimate parent being The Housing Plus Group Limited.

The Association is a wholly owned subsidiary of the Wrekin Housing Group Limited, a Co-operative and Community Benefit Society (registration number: 8067).

Principal Activity and Business Review

The principal activity of Choices is the provision of registered care and supported housing for adults with a learning disability. In addition, Choices operates a domiciliary care service which delivers care to tenants of the Group's 'ShireLiving' Extra Care schemes and to other tenants who live in both Choices and Wrekin Housing Group properties.

All services are delivered in the Staffordshire and Shropshire areas. At the end of the financial year the Association operated:

- 12 learning disability registered care homes (68 beds)
- 10 learning disability supported housing schemes (74 beds/apartments)
- A domiciliary care service to 291 customers (2,515 hours per week)

Choices is committed to providing quality services in all its care and support activities which are regulated by the Care Quality Commission.

Of the 12 schemes managed by Choices Housing Association, 11 hold the CQC rating of Good (service is performing well and meeting expectations) and one holds the CQC rating of Outstanding (service is performing exceptionally well).

In terms of safeguarding issues, although there were a number of reportable incidents in 2025/26, none resulted in prosecutions, improvement notices, or wider-ranging safeguarding investigations and there were no Duty of Candour breaches during the year.

During 2023/24 the parent company advanced an interest-free loan in the sum of £1.6m to Choices Housing Association, repayable at the end of a three-year term. Current cashflow indicates that Choices is unlikely to have sufficient cash resources available to repay the loan on the repayment date. The parent company, The Wrekin Housing Group has confirmed its intention to provide ongoing support as necessary while the review of Learning and Disability care is completed and the service transformation is implemented. This is expected to deliver future efficiencies and improve financial performance. The plan agreed by the legacy Board was for Choices to achieve the following returns:

Financial year	2024/25	2025/26	2026/27
Approved deficit budget	(£681,240)	(£340,000)	£0

Since the approval of that strategy, Choices Housing Association has experienced a number of adverse financial pressures, resulting in a revised budget for 2026/27 approved by the Group Board in March 2026. The approved budget reflected a deficit of £303k and assumed a transitional year following the merger and the implementation of the Group's care strategy.

For the year ended 31 March 2026, Choices Housing Association reported a deficit of £311,000 (2025: surplus of £271,000), compared with a budgeted deficit of £340,000. Included within the reported deficit is a gain of £180,000 arising from the disposal of a supported housing scheme. Excluding this one-off gain, the underlying deficit for the year would have been £491,000.

Principal Activity and Business Review (continued)

The increase in employer National Insurance contributions and the reduction in the earnings threshold at which such contributions become payable have had a significant adverse impact on the financial performance of the organisation during 2025/26 and are expected to continue to impact future financial results.

Unforeseen delays in the handover of the latest ShireLiving Extra Care scheme, Walkers Wood, resulted in additional staffing costs being incurred within the domiciliary care service during the year. Staffing resources were recruited in anticipation of an expected handover in early summer 2025; however, practical handover did not occur until February 2026. As a result, the domiciliary care service reported a deficit before overhead allocation of £361k (2025: surplus of £309k), compared with a budgeted surplus of £156k.

The learning disability care home service generated a surplus of £773k during the year, while the learning disability supported housing portfolio, comprising ten schemes, generated a surplus of £206k.

Management continues to focus on improving operational efficiency through effective service delivery, cost control and the implementation of enhanced systems and processes. These initiatives are expected to support the long-term financial sustainability of the organisation and help mitigate the impact of external cost pressures.

Quality and Performance

As at 31 March 2026, all 12 registered care locations had achieved an overall 'good' rating from the care regulator, The Care Quality Commission (CQC), with one care home achieving overall 'outstanding'. This meant that 11 of the 12 (91.7%) were rated as good and 1 outstanding (8.3%). These ratings were unchanged from the position at 31 March 2025. The Care Quality Commission (CQC) reported that approximately 83% of services were rated Good or Outstanding based on ratings data available in 2024. More recent reports (2025) have been published; however, due to the introduction of the CQC's new Single Assessment Framework and a risk-based approach to inspections, updated ratings are not yet directly comparable to earlier national benchmarks. When compared to the earlier national benchmarks, Choices is rated above that benchmark. The individual ratings for each care home, together with the full CQC reports, can be accessed via the CQC website.

Our own internal quality and performance processes remain robust in ensuring high levels of compliance against the regulations and maintaining high levels of quality. Our Regional Managers (RMs) work closely with the on-site management teams to ensure people's needs are being met and this is further strengthened by the use of specialist external third-party auditors.

Regional Managers report directly to the Director of Care with Accommodation and oversee the delivery of care across our domiciliary registration and our care home services. They work with scheme managers to ensure each service has an annual improvement plan in place formulated on the basis of recommendations arising from both internal and external inspections. Regular performance and compliance updates are presented to the board in order to provide assurance, in addition a regular report is presented to the Audit and Risk Committee on a quarterly basis. The measures used within these reports are to a large extent framed around CQC Key Lines of Enquiry measures.

Board Members

All board appointments are made based on the succession plan and a skills audit of board members in order to strengthen the range of skills and experience of the board. There is a regular board appraisal process in place for all Independent and full Board Members. The board members who served during the year and to the present date are set out on page 1.

Board Membership Indemnity

The Association has insurance policies in place which indemnify its board members and executive directors against liability when acting for the organisation.

Health and Safety

The organisation's health and safety performance and processes remain robust and continue to benefit from the close working relationships with the Health and Safety team at Wrekin Housing Group, the immediate parent company.

There have been no prosecutions or notices served by the HSE or local authorities.

Finance

The Association's financial performance in 2025/26 has resulted in a deficit of £311k (2024/25: surplus £271k). Choices' financial circumstances remain unusual within the sector in that it has no borrowing other than the intra group loan. This means that it does not have to meet financial loan covenants or manage the risk of revisions to terms and conditions. Income derived from investments remains comparatively low, but cash deposits are prudently invested in accordance with a robust treasury management policy, supported by independent treasury advisors.

Value for Money

Choices is not required to publish its own regulatory value for money metrics as its data is included in the metrics published in the consolidated accounts of the ultimate parent company, The Housing Plus Group Limited. Choices remains part of that group for narrative reporting purposes.

Tangible Assets

Details of changes in fixed assets are given in notes 11, 12, and 13 of the financial statements.

NHF Code of Governance

The board confirms that, having adopted the NHF Code of Governance (2020) in April 2021, the Association complies with the requirements of that code.

The board recognises its responsibilities for ensuring that arrangements are made for keeping proper books of account with respect to the company's transactions and its assets and liabilities and for maintaining a satisfactory system of internal controls over the company's books of account and transactions and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is satisfied that there are appropriate arrangements in place with respect to its transactions, assets and liabilities and that there is a satisfactory system of internal control in place to prevent and detect fraud and other irregularities.

The parent company, The Housing Plus Group Limited, remains compliant with the Regulator of Social Housing's Governance and Financial Viability Standard and other regulatory requirements as established by the Regulator of Social Housing, including compliance with all aspects of law. The board further confirms that the Group has complied with the requirements of the Social Housing Regulator Governance and Financial Viability Standard, currently holds a G1/V2 rating and has the required register of assets and liabilities in place.

Going Concern

Following appropriate enquiries and cashflow projections, the Board has a reasonable expectation that the Association has sufficient resources to continue operating for the foreseeable future with the ongoing support of the parent company, Wrekin Housing Group Limited. This assessment covers a period of at least twelve months from the date of approval of these financial statements. In practice, the Board's assessment has extended to the period ending 30 September 2027.

A review of the Association's learning disability registered care services remains ongoing. Until this review is concluded, the parent company, Wrekin Housing Group Limited, has committed to providing ongoing financial support as required. This support commenced during the 2023/24 financial year and has included both management of operational cash flows and the provision of an intercompany loan. The loan of £1.6 million was advanced in July 2023, with a three-year term and a bullet repayment due at the end of the term. To further assist the Association, the loan has been made available on an interest-free basis. It is expected that Choices will have insufficient cash to cover the loan repayment at July 2026, however, the Parent company has made a Letter of Support available to the auditors to demonstrate on-going financial support to Choices and an option to extend the loan beyond the agreed repayment date.

The financial outturn for 2025/26 reflects a deficit position, largely due to the impact of government-mandated increases to employer National Insurance contributions. The Association's business plan projection shows a return to a break-even position within a three-year forecast period. In light of these considerations, the Board continues to adopt the going concern basis in preparing the financial statements.

Financial Instruments

The Association does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading or investment activities.

Charitable Donations

During the year the Association made no charitable donations.

Information for Auditors

We the members of the Board who held office at the date of approval of these Financial Statements as set out above confirm, so far as we are aware, that there is no relevant audit information of which the Association's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report of the board was approved by the board on 01 September 2026 and signed on its behalf by:



Angelina Hicklin
Company Secretary

Statement of responsibilities of the Board

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[, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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.

Independent auditor's report to the members of Choices Housing Association Limited

Opinion

We have audited the financial statements of Choices Housing Association Limited ("the Association") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Association as at 31 March 2026 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of management, directors, and internal audit as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit and risk committee and treasury committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unusual characteristics compared to the total journal population.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

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

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative and community benefit societies legislation), distributable profits legislation, taxation legislation, pension legislation and specific disclosure required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation, Fraud, Corruption and Bribery and Money Laundering, recognising the regulated nature of the Association's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information

The Association's Board is responsible for the other information, which comprises the Chair's Report, Report of the Chief Executive, Strategic Report, the Chief Finance Officers' Report, the Corporate Governance Statement, and the Internal Control Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 6, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at

www.frc.org.uk/auditorsresponsibilities.

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

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



Sarah Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

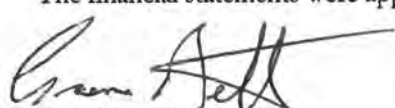
KPMG LLP
One Snowhill
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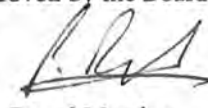
25 September 2026

Statement of comprehensive income

		2026	2025
	Note	£'000	£'000
Turnover	3	14,346	12,611
Operating costs	3	(14,742)	(12,471)
Gain/(loss) on disposal of fixed assets	3	-	224
Gain/(loss) on disposal of housing assets	3,4	180	-
Operating (loss)/ surplus	3,5	(216)	364
Interest receivable and similar income	6	1	1
Interest payable and similar charges	7	(96)	(94)
(Deficit)/ surplus before and after tax and total comprehensive income for the year	3	(311)	271

The financial statements were approved by the Board on 01 September 2026 and were signed on its behalf by:


Board Member


Board Member


Company Secretary

Statement of changes in reserves

	Share Capital	Income and expenditure reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2024	-	(1,895)	(1,895)
Total comprehensive income for the year	-	271	271
Other comprehensive income	-	2,575	2,575
Balance at 31 March 2025	-	951	951
Total comprehensive income for the year	-	(311)	(311)
Balance at 31 March 2026	-	640	640

The accompanying notes on pages 13 to 25 form part of these financial statements.

Statement of financial position as at 31 March 2026

	Note	2026 £'000	2025 £'000
Fixed assets			
Housing properties	11	1,972	1,998
Other fixed assets	13	<u>22</u>	<u>12</u>
Total fixed assets		<u>1,994</u>	<u>2,010</u>
Current assets			
Properties held for sale	14	-	44
Debtors	15	727	788
Cash at bank and short term deposits	16	<u>2,026</u>	<u>1,965</u>
		2,753	2,797
Creditors: amounts falling due within one year	17	<u>(2,758)</u>	<u>(976)</u>
Net current (liabilities)/assets		(5)	1,821
Total assets less current liabilities		<u>1,989</u>	<u>3,831</u>
Creditors: amounts falling due after more than one year	18	<u>(1,112)</u>	<u>(2,643)</u>
Net assets		<u>877</u>	<u>1,188</u>
Capital and reserves			
Called up share capital	20	-	-
Capital Contribution	20	237	237
Revenue reserves	21	<u>640</u>	<u>951</u>
Association's funds		<u>877</u>	<u>1,188</u>

The financial statements were approved by the Board on 01 September 2026 and were signed on its behalf by:



Board Member



Board Member



Company Secretary

The accompanying notes on pages 13 to 25 form part of these financial statements.

Notes to the financial statements

1. Legal status

The Association is registered under the Cooperative and Community benefits Society Act 2014 and is a registered housing association. The registered address of the Association is Northfield Centre, Magnolia Avenue, Cooperative Street, Staffordshire, ST16 3DU.

2. Accounting policies

Basis of accounting

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Housing SORP2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Association is a public benefit entity in accordance with FRS102.

The financial statements are presented in sterling (£)

Disclosure exemptions

The accounts of Choices have adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks

These disclosures are included in the accounts of the parent company, The Housing Plus Group Limited.

Going concern

Following appropriate enquiries and cashflow projections, the Board has a reasonable expectation that the Association has sufficient resources to continue operating for the foreseeable future with the ongoing support of the parent company, Wrekin Housing Group Limited. This assessment covers a period of at least twelve months from the date of approval of these financial statements. In practice, the Board's assessment has extended to the period ending 30 September 2027.

A review of the Association's learning disability registered care services remains ongoing. Until this review is concluded, the parent company, Wrekin Housing Group Limited, has committed to providing ongoing financial support as required. This support commenced during the 2023/24 financial year and has included both management of operational cash flows and the provision of an intercompany loan. The loan of £1.6 million was advanced in July 2023, with a three-year term and a bullet repayment due at the end of the term. To further assist the Association, the loan has been made available on an interest-free basis. It is expected that Choices will have insufficient cash to cover the loan repayment at July 2026, however, the Parent company has made a Letter of Support available to the auditors to demonstrate ongoing financial support to Choices and an option to extend the loan beyond the agreed repayment date.

The financial outturn for 2025/26 reflects a deficit position, largely due to the impact of government-mandated increases to employer National Insurance contributions. The Association's business plan projection shows a return to a break-even position within a three-year forecast period. In light of these considerations, the Board continues to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

Going concern (continued)

In light of these considerations, the Board continues to adopt the going concern basis in preparing the financial statements.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of Choices that have the most significant effect on the financial statements:

Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the statement of comprehensive income.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standards which may require more frequent replacement of key components.

Turnover

Turnover represents rents and revenue grants receivable and amounts invoiced in respect of the provision of services and other income.

Rental income is recognised from the point when the properties under development reach practical completion or otherwise become available for letting. Income from care activities in units owned and managed for others is recognised when the activities in question have been delivered under the contractual arrangements with commissioning authorities, where service users are funded by such bodies, or individuals, where they pay for their own care. Revenue grants are receivable when the conditions for the receipt of agreed grant funding have been met. Charges for support services are recognised as they fall due under the contractual arrangements with administering authorities.

Housing properties

Housing properties are principally properties for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Depreciation of housing properties

The Association separately identifies the major components which comprise its housing properties and charges depreciation so as to write down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

Notes to the financial statements (continued)

The structural components of the Association's housing properties are depreciated over 100 years. Freehold land is not depreciated.

Depreciation of housing properties (continued)

The Association depreciates the other major components of its housing properties using the following depreciable lives:

Roof	70 years
Boiler	15 years
Mechanical systems	30 years
Kitchens	20 years
Bathrooms	30 years
Windows	30 years
Doors	25 years
Electrics	40 years

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model. Grant is allocated to the land and structure components of the associated asset in proportion to their cost. Grant due from Homes England or received in advance is included as a current asset or liability.

Grant released on the sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the statement of comprehensive income.

Other grants

Grants in respect of revenue expenditure are recognised in income and expenditure over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that funds will be received.

Pension costs

The Association operates a defined contribution pension scheme. Contributions payable to the Association's pension scheme are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Value added tax

The Association's main income streams are exempt for VAT purposes. The majority of expenditure is subject to VAT, which the Association is unable to reclaim. This expenditure is therefore shown inclusive of VAT. VAT can be reclaimed under the partial exemption method for certain activities, and this is credited to the income and expenditure account.

Notes to the financial statements (continued)

Other tangible fixed assets

Depreciation is provided on a straight-line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful economic lives. No depreciation is provided on freehold land. The principal annual rates for other assets are:

Freehold property	2%
Leasehold property	10%
Office Fixtures and fittings	10-25%
Scheme fixtures	33%

Corporation tax

The Association has been granted charitable status by HMRC and as such is not liable for corporation tax on its charitable activities.

Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Financial Instruments

All financial instruments have been classified as basic financial instruments. Basic financial instruments are recognised at amortised historical cost.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements (continued)

3. Turnover, operating costs and operating surplus / (deficit)

	2026 Turnover £'000	2026 Operating costs £'000	2026 Operating surplus /(deficit) £'000
Social housing lettings			
Supported Housing	1,562	(698)	864
Activities other than social housing			
Care	12,781	(14,044)	(1,263)
Other non-social housing activities	3	-	3
	<u>14,346</u>	<u>(14,742)</u>	<u>(396)</u>
Gain on disposal of housing assets	-	-	180
	<u>14,346</u>	<u>(14,742)</u>	<u>(216)</u>
Total Operating surplus / (deficit)	<u>14,346</u>	<u>(14,742)</u>	<u>(216)</u>

	2025 Turnover £'000	2025 Operating costs £'000	2025 Operating surplus /(deficit) £'000
Social housing lettings			
Supported Housing	1,501	(748)	753
Activities other than social housing			
Care	11,105	(11,723)	(618)
Other non-social housing activities	5	-	5
	<u>12,611</u>	<u>(12,471)</u>	<u>140</u>
Gain on disposal of other fixed assets	-	-	224
	<u>12,611</u>	<u>(12,471)</u>	<u>364</u>
Total Operating surplus / (deficit)	<u>12,611</u>	<u>(12,471)</u>	<u>364</u>

Notes to the financial statements (continued)

3. Turnover, operating costs and operating surplus (continued)

Particulars of income and expenditure from social housing lettings

	2026 Supported Housing £'000	2025 Supported Housing £'000
Rents receivable net of identifiable service charges	1,216	1,138
Service charge income	295	314
Amortised government grants	2	2
Supporting People	49	47
Turnover from social housing lettings	1,562	1,501
Expenditure		
Management	218	178
Services	189	229
Routine maintenance	185	224
Supporting people	106	117
Operating costs on social housing lettings	698	748
Operating surplus from lettings	864	753
Rent losses from voids	46	69

4. Surplus on disposal of housing property

	2026 £'000	2025 £'000
Disposal Proceeds	225	-
Carrying value of housing property	(45)	-
	180	-

Notes to the financial statements (continued)

5. Operating surplus

	2026 £'000	2025 £'000
The operating surplus is arrived after crediting:		
Gain on disposal of other fixed asset	-	224
Gain on disposal of housing asset	180	-
And after charging:		
Depreciation of housing properties	32	59
Depreciation of other tangible owned fixed assets	17	15
Auditors' remuneration (excluding VAT):		
In their capacity as auditors	31	31

6. Interest receivable and similar income

	2026 £'000	2025 £'000
Interest received from temporary investments with banks and building societies	1	1

7. Interest payable and similar charges

	2026 £'000	2025 £'000
Bank charges	13	15
Intra Group Loan charges	83	79
	96	94

8. Taxation

No taxation charge arises on charitable activities (2025: £nil) as the Association has been granted charitable status by HMRC.

9. Staff costs

	2026 £'000	2025 £'000
Staff costs including directors:		
Wages and salaries	11,263	9,502
Social security costs	1,273	743
Other pension costs	261	231
	12,797	10,476

Notes to the financial statements (continued)

	2026 No.	2025 No.
Average number of full-time equivalent persons employed during the year:		
Management	-	1
Administration	-	4
Care	353	305
Total employees	353	310

9. Staff costs (continued)

The following full-time equivalent numbers of staff, including executive directors, received emoluments, including compensation for loss of office, of:

	2026 No.	2025 No.
£70,001-£80,000	-	-
£80,001-£90,000	-	1
Total employees	-	1

10. Key management personnel, board members and executive directors

Expenses paid during the period to Board Members amounted to £nil (2025: £nil).

The total cost of key management personnel to the business (including benefits in kind and pension contributions) paid to or receivable by the board members and executive officers of Choices during the year was £Nil (2025: £nil). The executive directors are those of the parent company. All costs associated with those executive directors are borne by the parent company. The costs associated with the coterminous board are also met by the parent company.

The emoluments of the executive directors are disclosed in the financial statements of the parent company, The Wrekin Housing Group Limited.

Notes to the financial statements (continued)

11. Tangible fixed assets - freehold housing properties

	Social Housing properties held for letting £'000	Total Housing Properties £'000
Cost		
At 1 April 2025	2,503	2,503
Additions – Component replacement	6	6
Transfer to assets held for sale	-	-
Disposals	-	-
At 31 March 2026	2,509	2,509
Depreciation		
At 1 April 2025	505	505
Charged in the year	32	32
Transfer to assets held for sale	-	-
Disposals	-	-
At 31 March 2026	537	537
Net book value		
At 31 March 2025	1,998	1,998
At 31 March 2026	1,972	1,972

Included in depreciation charge for the year is £0k of accelerated depreciation on components disposed before the end of their useful economic lives (2025: £5k)

Expenditure on works to existing properties

	2026 £,000	2025 £,000
Amounts capitalised – component replacement	6	13
Total	6	13
	2025 £'000	2025 £'000
Total accumulated SHG receivable at 31 March:		
Recognised in the statement of comprehensive income	906	892
Held as deferred grant income (note 17)	1,126	1,140
	2,032	2,032

Notes to the financial statements (continued)

12. Housing stock

		Number of units in management	
		2026	2025
Social Housing			
	Housing for letting		
	Care homes	37	37
	Supported housing	16	19
Managed for other organisations			
	Care homes	31	30
	Supported housing	58	58
		<u>142</u>	<u>144</u>

13. Tangible fixed assets - other

	Scheme fixtures	Total
	£'000	£'000
Cost		
At 1 April 2025	362	362
Additions	27	27
Disposals	(1)	(1)
At 31 March 2026	<u>388</u>	<u>388</u>
Depreciation		
At 1 April 2025	350	350
Charge for year	17	17
Written out on disposals	(1)	(1)
At 31 March 2026	<u>366</u>	<u>366</u>
Net book value		
At 31 March 2025	<u>12</u>	<u>12</u>
At 31 March 2026	<u>22</u>	<u>22</u>

Notes to the financial statements (continued)

14. Properties held for sale

	2026 £'000	2025 £'000
Properties held for sale	-	44
	<u>-</u>	<u>44</u>

15. Debtors

	2026 £'000	2025 £'000
Amounts falling due in less than one year		
Rental debtors	195	175
Less: Provision for doubtful debts	(119)	(138)
Net rental debtors	<u>76</u>	<u>37</u>
Other debtors	187	349
Amounts owed by group undertakings	433	379
Prepayments and accrued income	<u>31</u>	<u>23</u>
	<u>727</u>	<u>788</u>

There are no special payment terms, interest or security arrangements in place with regard to amounts owed by other group undertakings.

16. Cash at bank and in hand

	2026 £'000	2025 £'000
Bank accounts	2,015	1,952
Petty cash	11	13
	<u>2,026</u>	<u>1,965</u>

17. Creditors amounts falling due within one year

	2026 £'000	2025 £'000
Other taxation and social security payable	211	153
Pension	42	36
Trade creditors	227	219
Deferred grant income (note 17)	14	14
Amounts owed to group undertakings	2,119	391
Other creditors	10	1
Accruals and deferred income	<u>135</u>	<u>162</u>
	<u>2,758</u>	<u>976</u>

There are no special payments terms, interest or security arrangements with regard to amounts owed to other group undertakings.

Notes to the financial statements (continued)

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

	2026 £'000	2025 £'000
Deferred grant income (note 18)	1,112	1,126
Intra Group Loan-parent company	-	1,517
	<u>1,112</u>	<u>2,643</u>

In 2023/2024 the parent company made an advance in the form of an intra group loan to the association in the sum of £1.6m. The loan is repayable over three years and is at a zero rate of interest.

19. Deferred grant income

	2026 £'000	2025 £'000
At 1 April	1,140	1,154
Released to income in the year	<u>(14)</u>	<u>(14)</u>
	<u>1,126</u>	<u>1,140</u>
Amounts to be released in one year	14	14
Amounts to be released in more than one year	<u>1,112</u>	<u>1,126</u>
	<u>1,126</u>	<u>1,140</u>

20. Called up share capital

When the Association registered as a Co-operative and Community Benefit Society its rules were drafted such that there is a single class of shareholder. Each share has the nominal value of £1 and carries no right to any interest, dividend or bonus. The independent shareholders are the board members. There are 4 shares in issue following the merger and restructure of the Board (2025: 4).

21. Revenue reserves

Revenue reserves include all retained surpluses and deficits in relation to current and prior periods.

22. Pension obligations

The Association operates a defined contribution scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension charge represents contributions payable by the Association to the fund and amounted to £261k (2025: £231k).

23. Capital commitments

Notes to the financial statements (continued)

There were no capital commitments at 31 March 2026 or 31 March 2025.

24. Ultimate parent undertaking

The Association's ultimate parent company is The Housing Plus Group Limited. Its immediate parent is The Wrekin Housing Group Limited, which is a community benefit society registered with the Financial Conduct Authority in England. The Housing Plus Group Limited heads the largest and smallest group of undertakings for which financial statements have been prepared. A copy of the group accounts is available from Colliers Way, Old Park, Telford, Shropshire TF3 4AW.

25. Related party disclosures

As a wholly owned subsidiary of The Wrekin Housing Group Limited, which is itself a subsidiary of The Housing Plus Group Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other wholly owned members of the group headed by The Housing Plus Group Limited on the grounds that the consolidated financial statements of the ultimate parent are publicly available.