

Annual Report and Financial Statements The Wrekin Housing Group Limited

For the year ended 31 March 2026

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Board Members, Executive Officers, Auditors and Advisors

Board Members	
Catherine Dass (Chair) (retired 05 January 2026)	Deborah Griffiths (Senior Independent Officer and Vice Chair) (retired 06 July 2026)
Andrew Burns (Chair) (appointed 06 January 2026)	Graeme Betts
Alan Hawkesworth	Alan Yates
Kevin Morgan (retired 31 July 2025)	Louise Burns
Simon Whitfield	Jason Burt
Sarah Watson	Wayne Gethings
Independent Members	
Paul Riley	Dinesh Muruges-Warren
Rosalind Preen	Helen Hackney
Geraldine Emson (appointed 01 July 2025)	Adrian Wood (appointed 01 July 2025)
Enise Goring-Piskin	

Executive Directors	
Wayne Gethings	Group Chief Executive
Jonathan Lamb	Executive Director of Finance (retired 20 June 2025)
Suzanne Forster	Chief Financial Officer (appointed 01 May 2025, resigned 06 May 2026) Company Secretary (appointed 11 December 2025, resigned 03 June 2026)
Richard Nowell	Interim Chief Financial Officer (appointed 01 June 2026)
David Wells	Executive Director of Customer Experience
Janet Lycett	Executive Director of Integration and Change Company Secretary (resigned 05 January 2025, reappointed 14 April 2025, resigned 10 December 2025)
David Hall	Executive Director of Investment and Growth (appointed 01 May 2025)
Les Clarke	Executive Director of Care and Support
Angelina Hicklin	Company Secretary (appointed 04 June 2026)
Irene Molyneux	Company Secretary (appointed 06 January 2025, retired 13 April 2025)

Board Members, Executive Officers, Auditors and Advisors

Registered Office	Colliers Way, Old Park, Telford. TF3 4AW
The Wrekin Housing Group Limited	Co-operative and Community Benefit Society (registration number 8067) Regulator of Social Housing (registration number LH4220)
Bankers	Barclays PLC Corporate Banking, One Snowhill, Birmingham B4 6GN
External Auditors	KPMG LLP Chartered Accountants and Statutory Auditors One Snowhill, Birmingham B4 6GH
Principal Solicitors	Devonshires LLP 30 Finsbury Circus, London EC2M 7DT
Treasury Advisors	Savills (UK) Ltd 55 Colmore Row, Birmingham B3 2AA
Property Valuers	Savills (UK) Ltd 55 Colmore Row, Birmingham B3 2AA
Tax Advisors	Grant Thornton UK LLP 4 Hardman Square, Spinningfields, Manchester M3 3EB

Report of the Board

Registration

Wrekin Housing Group Limited is incorporated as a Co-operative and Community Benefit Society under the Co-operative and Community Benefit Society Act 2014 (registration number 8067) and is registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008 (registration number LH4220). The organisation's registered office is at Colliers Way, Old Park, Telford, Shropshire, TF3 4AW.

Principal activity

The Association's principal activities remain the development and management of social housing.

Business review

On 6 January 2025, the Association's ultimate parent undertaking (The Wrekin Housing Group Limited) merged with The Housing Plus Group Limited. The transaction occurred during the prior year and was accounted for using merger accounting compliant with FRS102 Section 19.

Details of the Association's performance for the year are set out in the Strategic Report that follows this report of the board.

Group structure and active companies at 31 March 2026

Wrekin Housing Group Limited became part of a newly formed group during the year ended 31 March 2025 following a merger with Housing Plus Group Limited, which is now the ultimate parent undertaking and controlling entity.

Housing Plus Group Limited is incorporated in the United Kingdom and prepares consolidated financial statements under UK GAAP and FRS 102. As such, Wrekin Housing Group Limited is an intermediate parent undertaking within the group.

Although Wrekin Housing Group Limited has subsidiary undertakings, these financial statements present the financial performance and position of the company as a single entity and do not include consolidated financial statements. This is in accordance with the exemption permitted under Section 400 of the Companies Act 2006, on the basis that consolidated financial statements are prepared by the ultimate parent undertaking, Housing Plus Group Limited, which include the results of Wrekin Housing Group Limited and its subsidiaries.

Copies of the consolidated financial statements of Housing Plus Group Limited are available from its registered office at Acton Court, Acton gate, Stafford. ST18 9AP. or from www.housingplusgroup.co.uk/about-us/publications

Regulatory Judgements

The ultimate parent, Housing Plus Group Limited continues to hold a G1/V2 grading with the Regulator of Social Housing. Whilst the V2 grading indicates that the Group is still compliant with the Regulatory Viability Standard, it remains an aspiration for it to regain the V1 rating by continuing its prudent approach to financial planning and the effective deployment of mitigating actions to rebuild capacity in its business plan.

NHF Code of Governance

The ultimate parent undertaking, Housing Plus Group Limited and its subsidiaries comply with the 2020 NHF Code of Governance and continually review ongoing compliance with this Code as well as the Regulatory standards, procedures and guidance.

Insurance of directors and officers

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

Report of the Board

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance of compliance with all relevant legislation and against material misstatement or loss.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed and has been in place throughout the period commencing 1 April 2025 up to the date of approval of the report and financial statements. The risk assessments are updated quarterly and are reported to the Board.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

Identification and evaluation of key risks

The Board has established a risk management strategy, setting out its attitude to risk in the achievement of its objectives, which underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks.

Control environment and internal controls

The processes to identify and manage the key risks to which the Company is exposed are an integral part of the internal control environment. These processes, which are reviewed annually and revised where necessary, include strategic planning, succession planning and recruitment of executive directors and senior staff, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection and environmental performance.

Financial and operational performance reporting

An important control in relation to the Company's management of risk is the reporting and monitoring of financial and operational performance. Examples of this include:

- Reporting of operational performance against a range of key performance indicators throughout the year. The indicators cover housing management, care services, repairs and maintenance, health and safety and customer satisfaction.
- Preparation of strategic plans, underpinned by detailed budgets for the year ahead and forecasts for subsequent years, all of which are reviewed and approved by the Board.
- Sensitivity analysis of key risks and uncertainties included in the financial forecasts and stress testing of complex, multivariate scenarios.
- Monthly budget reviews with budget holders and detailed monthly reporting of expected outturns to ensure that agreed levels of surplus are achieved
- Reporting of treasury management activity and loan covenant compliance to ensure that the Company complies not only with its formal covenants, but also with its own internally approved golden rules (set at a more challenging level than the formal covenants)
- Setting, and regular review, of Company policies in compliance with legislation and regulatory requirements and in line with best practice in the sector
- Development of business continuity plans for all service areas and reporting of the outcomes of regular testing of those plans
- Scanning of the housing sector and reporting the impact of issues on the Company.

Report of the Board

Internal controls assurance (continued)

Internal Audit

Following the merger with Housing Plus Group Limited (HPG), Internal Audit services were delivered by RSM, a third-party provider from a Group perspective.

HPG has adopted the three lines of defence (assurance) model. Contributing towards providing third line of defence assurance, RSM were engaged as HPG's Internal Auditors for the 2025/26 Financial Year. The Internal Audit Plan was developed in conjunction with the Leadership Team and approved by the Audit & Risk Committee. As a result of the assignments completed, the internal auditors concluded that HPG has 'an adequate and effective framework for risk management, governance and internal control'.

The reviews carried out by RSM provide independent assurance to the Board, via the Audit & Risk Committee, about the effectiveness of internal controls across the organisation. A robust process is in place to ensure that recommendations arising from internal audits are carefully considered and implemented. If target completion dates need to be varied, this is always with the knowledge and agreement of the Audit & Risk Committee.

Internal Audit Reports 2025/26 – Opinions and Management Action Priorities

Assignment	Executive lead	Status / Opinion issued	Actions agreed			
			A	L	M	H
Quarterly Financial and Risk Survey (QS) Reporting Framework (Group) (1.25/26)	Suzanne Forster	Reasonable Assurance	0	0	0	1
Welfare Reform and Income Collection Processes (Group) (2.25/26)	David Wells, Les Clarke	Substantial Assurance	0	0	1	0
Assets and Liabilities Register Controls (Group) (3.25/26)	David Hall	Advisory	5	0	0	0
Complaints Framework (Group) (4.25/26)	Jan Lycett	Reasonable Assurance	0	3	5	0
Key Finance Controls (Group) (5.25/26)	Suzanne Forster	Reasonable Assurance	0	0	4	0
Fraud Risk Assessment (FRA) Framework (Group)	Suzanne Forster, Jan Lycett	Advisory	9	0	0	0
Neighbourhood and Community Standard Compliance Processes (Group) (6.25/26)	David Hall, Jan Lycett	Substantial Assurance	0	1	1	0
IT Security Processes (LHPG) (7.25/26)	Jan Lycett	Draft: Reasonable Assurance	0	4	3	0
Pension salary sacrifice / tax treatment arrangements	Suzanne Forster	Draft: Advisory	7	0	0	0

Opinions		Management Action Priorities	
Substantial Assurance	2	High	1
Reasonable Assurance	4	Medium	14
Advisory	3	Low	8
		Advisory	21

Anti-fraud and corruption

The Group is committed to ensuring that all its officers, staff and contractors act at all times with honesty and integrity and adequately safeguard the assets for which the organisation is responsible. Fraud awareness training continues to be rolled out to all employees across the whole of the new Group. The Group presents a probity report to the Audit and Risk Committee at each meeting. The probity report details any incidents of fraud together with details of action taken and consequent improvements in controls.

During the year there were no incidences of fraud reported.

Report of the Board

Anti-fraud and corruption (continued)

The Group takes all instances of alleged fraud very seriously and makes use of its own internal disciplinary procedures or involves the police as appropriate. Material cases of fraud to the Group's funds are reported to the Regulator of Social Housing. The Group has updated its Governance policies to include the Economic Crime and Corporate Transparency Act 2023 which introduced a criminal offence of 'failure to prevent fraud' as one of the six key principles.

Disclosure of information to auditors

So far as each of the directors of the organisation is aware, at the time this report is approved:

- There is no relevant audit information of which the organisation's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Statement of responsibilities of the Board

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law, the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to re-appoint KPMG LLP as external auditors will be proposed at the board meeting.

The report of the Board was approved by the Board on 23 September 2026 and signed on its behalf by:


Company Secretary
Angelina Hicklin

Strategic Report

Business overview

On 6th January 2025, the Association's parent undertaking merged with The Housing Plus Group Limited, resulting in a new group structure. This Strategic Report outlines the performance and position of the Association within that evolving group context.

The Wrekin Housing Group Limited provides affordable housing for those in housing need across Telford and Wrekin, Shropshire and Staffordshire.

The Wrekin Housing Group has three wholly owned subsidiaries; Old Park Services Limited, a commercial trading entity providing housing and property related services to other social landlords, and until 31 March 2026, the operation of retail outlets for reused and recycled household goods; Strata Housing Services Limited, with its principal activity being the provision of development services to the parent company, and Choices Housing Association Limited with principal activities being the provision of registered care and supported housing for adults with a learning disability and the delivery of domiciliary care services to tenants within the Group's 'Shire Living' Extra Care schemes.

The results of the subsidiaries are included within the ultimate parent consolidated accounts and not included in these financial statements.

Vision and Values

Housing Plus Group Limited (Parent Company) has clearly defined its 'Why' as being 'We create places people are proud to call home'. As a subsidiary of Housing Plus Group Limited, Wrekin Housing Group Limited adopts this same 'Why'.

Since the completion of the merger, workshops have taken place across the Group to develop the behaviors that reflect the ethos of the organisation. Through engaging employees to be part of the development of the new organisation the behaviours have evolved as those that each employee can identify with.



Strategic Report

Vision and Values (continued)

Each of our behaviours drives the way we work across the Group always with the customer at the heart of all that we do.

OWN IT

Make it happen



- We take responsibility, and get it done
- We solve problems, not pass them on

IMPROVE IT

Move things forward



- We find ways to make things better
- We learn and adapt

LIVE IT

Show understanding and compassion



- We build strong relationships based on honesty and trust
- We listen and support

We believe that instilling these behaviours in all employees of Housing Plus Group Limited will create better services for our customers.

Value for money

The parent company, Housing Plus Group considers value for money to be the foundation of all services it provides for our customers. The drive for efficiency across the Group ensures we have a sound financial base to sustain quality of our services at minimum cost. The Regulator of Social Housing published its 'Value for money metrics and reporting 2024' report which highlights the importance of social housing providers delivering value for money, by demonstrating the best use of their resources to achieve their objectives. This underpins the provision of good quality homes and services as well as delivery of new homes.

Value for money report

Set out below is our value for money report for 2025/26 which also forms our annual self-assessment.

It shows our performance against both the Regulator's and our own Value for Money Metrics.

The performance against our own value for money metrics is that against our internally set targets for the current and prior year. The target set for 2026/27 is that for the entity but is subject to revision as part of the value for money assessment that will be in respect of the new Housing Plus Group following the merger.

Strategic Report

2024/25 Actual	2024/25 Target	2024/25 Actual	2025/26 Target* (see note below)	2025/26 Actual	2026/27 Target (Housing Plus Group)
346 homes	338 homes	346 homes	538 homes	527 homes	600

The development strategy that preceded the merger beginning in 2020 ran through to March 2026. The new development strategy approved by the Group Board is in respect of Housing Plus Group, and is not specific to each subsidiary entity. The 2026/27 target detailed above is in respect of the whole Group. The strategy approved by the Board in December 2025 is set to run through to 2031 and is expected to deliver 3,500 new homes.

Development - Total income from property disposals

2024/25 Target	2024/25 Actual	2025/26 Target	2025/26 Actual	2026/27 Target
£11.6m	£13.4m	£11.6m	£14.1m	£11.6m

The income generated from property disposals includes income from asset renewal sales, together with sales under the Right to Buy and Right to Acquire legislation. In 2024/25 and 2025/26 numbers of sales have been lower than expected, however sales values have been significantly higher than target.

Asset Management - Rent loss from voids

2024/25 Target	2024/25 Actual	2025/26 Target	2025/26 Actual	2026/27 Target*
1.12%	0.68%	1.0%	1.03%	1.0%

*Target is set for combined performance across Housing Plus Group.

Void control will be a key feature for the Group moving through 2026/27 as we align services to a new delivery model. There is a clear drive to lower void rent loss across the wider group and there has been great progress made during 2025/26 to resolve some longer-term voids within other Group entities.

Asset Management - Average relet times

2024/25 Target	2024/25 Actual	2025/26 Target	2025/26 Actual	2026/27 Target* (See note below)
17 days	22 days	22 days	23 days	22 days

*Target is set for combined performance across Housing Plus Group.

The Association did not achieve the 25/26 target but stabilised at 23 days. There were differences in performance between general needs and some of our Retirement living schemes which remain a focus moving forward. We have made some changes to process over the year and as such the time taken is now more about the product type, age and desirability than process. We also do not dispose of assets in Retirement Living meaning we are carrying out more works at them which adds to the time taken.

Asset Management - Gas servicing

2024/25 Target	2024/25 Actual	2025/26 Target	2025/26 Actual	2026/27 Target* (See note below)
100%	100%	100%	99.99%	100%

*Target is set for combined performance across Housing Plus Group.

Strategic Report

The Group maintained its excellent level of compliance performance again in 2025/26, but dipped slightly below its 100% target. Four properties remained within formal no-access procedures at year end with no systemic issues identified. Our full range of compliance performance metrics are shown on page 16.

Customers - Rent collection

2024/25 Target	2024/25 Actual	2025/26 Target	2025/26 Actual	2026/27 Target* (See note below)
100%	101%	100%	101.7%	100%

*Target is set for combined performance across Housing Plus Group.

Income management continued to be a key strength of the organisation as a whole, with collection rates above 100% in the wider business and in Wrekin Housing Group. This reflects a continued focus on arrears and performance but also the impact that our wider financial inclusion and support services play in supporting customers to pay their rent.

Customers - Arrears levels

2024/25 Target	2024/25 Actual	2025/26 Target	2025/26 Actual	2026/27 Target* (See note below)
0.5%	0.61%	1.0%	0.81%	1.0%

*Target is set for combined performance across Housing Plus Group.

Across the Group, a combined figure of 1.32%, whilst above the figure achieved last year, still represents really strong performance given the current operating climate. The business has implemented effective and supportive approaches for customers in arrears, and our eviction rate across the group at just 41 cases in a stock base of over 33,000, demonstrates that eviction remains a measure of absolute last resort. In Wrekin Housing Group there has been a continued migration from Housing Benefit to Universal Credit over the year. This has led to marginal increases in arrears while this form of claim and payment settles in for each customer. We will likely not see this rectify itself until towards the end of 2026/27.

Customers - Repairs completed same day

32,352 responsive repairs excluding gas related repairs were completed during 2025/26 (2024/25: 33,461 repairs)

82.6% of repairs excluding gas were completed on the same day they were reported (2024/25: 80.6%).

During 2025/26, we continued to review our repairs service delivery model to ensure it is still fit for purpose given the lifestyle changes and working patterns of many of our customers.

Customer involvement

2023/24 saw the first publication of the Regulators Tenant Satisfaction Measures. The Service Performance and Customer Experience Committee plays a key role in overseeing compliance with consumer standards, including reviewing self-assessments about services, tenant satisfaction measure performance, complaints performance and customer feedback; all driving improvement to services and assurance of our ongoing compliance.

Customer satisfaction for the Housing Plus Group is detailed within the consolidated financial statements but can be summarised as follows:

Housing Plus Group's performance against the new satisfaction measures for 2025/26 is as follows:

- Overall satisfaction with services – **83%**
- Satisfaction with repairs – **87%**
- Satisfaction with time taken to complete most recent repair – **86%**
- Satisfaction that the home is well-maintained – **80%**
- Satisfaction that the home is safe – **83%**
- Satisfaction that the landlord listens to tenant views and acts upon them – **75%**
- Satisfaction that the landlord keeps tenants informed about things that matter to them – **83%**
- Agreement that the landlord treats tenants fairly and with respect – **86%**

Strategic Report

Customer involvement (continued)

- Satisfaction with the landlord's approach to handling complaints – **47%**
- Satisfaction that the landlord keeps communal areas clean and well-maintained – **76%**
- Satisfaction that the landlord makes a positive contribution to neighbourhoods – **76%**
- Satisfaction with the landlord's approach to handling anti-social behaviour – **69%**

The Group recognises that it still has work to do in improving satisfaction levels. When compared to the benchmarking levels published by The Regulator for Social Housing (2024/25) all measures are currently above the upper quartile.

Performance against the RSH VfM metrics

Pre-merger performance against the Regulator of Social Housing's Value for Money metrics was reported at a consolidated group level with The Wrekin Housing Group being the ultimate parent at that time. Post-merger, performance against these metrics from a wider group perspective will be reported within the financial statements of the ultimate parent company The Housing Plus Group Limited.

Detailed below is the performance against those metrics for the Wrekin Housing Group Limited on an entity only basis for the years 2024/25, 2025/26 and projected for 2026/27.

Reinvestment

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
7.3%	7.2%	6.8%	8.9%	10.1%	11.6%

2025/26 was another year of strong capital investment in Wrekin's portfolio. £76m was invested in new homes, and £7m in maintaining and improving our existing homes. This level of investment was above the sector average for 2024/25. Future projections now take account of the new Development Strategy approved by the Board in December 2025 where across the Group the intention is to build 3,500 homes over a five year period.

New Supply (social housing)

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
1.6%	2.6%	4.1%	3.8%	1.4%	4.1%

Wrekin built 527 new homes in 2025/26. From 2026/27 onwards the Group plans to build 3,500 new homes over a five-year period. The target for 2026/27 is 600 homes.

Strategic Report

Performance against the RSH VfM metrics (continued)

New Supply (non-social housing)

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
0.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Wrekin has not delivered any non-social new homes over the last five financial years, and has no plans to do so in the forthcoming development strategy.

Gearing

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
48.6%	63.0%	67.0%	63.2%	65.3%	66.1%

Wrekin's history as an LSVT has meant that the company's gearing ratio has always been higher than the sector average, but it has remained relatively stable as the business has continued to invest in its existing and new assets.

EBITDA MRI (interest cover)

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
86.6%	153.0%	116.0%	149.1%	129.3%	118.1%

The business continues to outperform the sector average on the interest cover test even in the face of inflated costs and high interest rates. This is largely due to the relatively low level of investment required to ensure our stock meets decent homes standards, and minimal spend required to ensure we meet our commitment to fire safety standards, especially for a business with minimal blocks over 18 stories tall. However, continued high costs of borrowing and other financial pressures, mean that the future projections are closer to the 2024 sector average.

Headline Social Housing Cost per Unit

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
£6,278	£4,903	£5,390	£4,951	£5,355	£5,839

Wrekin's operational spend was lower than anticipated in 2025/26 due to efficiencies generated through the merger and numerous projects being placed on hold until the service realignment exercise is complete. However, Wrekin has performed well when compared with the sector average, and is confident that future levels will continue to fall at or below the sector average.

Operating Margin Social Housing

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
21.8%	24.3%	17.1%	21.9%	21.4%	24.2%

Wrekin's operating margins for social housing lettings was just below 22% very much in line with the sector median for the prior year. However, continued increases in the cost base, particularly from the National Insurance and other staff cost rises, impacted the ratio. Efficiencies generated as a result of the merger indicate that margins will return to around 24% in future years.

Strategic Report

Performance against the RSH VfM metrics (continued)

Operating Margin Overall

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
17.2%	19.0%	15.1%	23.9%	24.3%	27.7%

High interest costs were balanced with sales income from asset sales to maintain an operating margin above the sector median in 2025.

Return on Capital Employed

Global Accounts 2024/25 Sector Weighted Average	WHG 2024/25 Actual	WHG 2025/26 Budget	WHG 2025/26 Actual	WHG 2026/27 Budget	WHG 2027/28 Business Plan
2.7%	4.4%	2.7%	3.6%	3.6%	3.7%

Investment in the company's assets (new and existing homes) continued in 2025/26, and with better-than-expected operating surpluses reducing the drawn debt balance from expectations, this meant that ROCE exceeded budget, and was also higher than the sector average. The plan projects that the ratio will continue to perform well when measured against the median.

Social Value

Employment, financial resilience, skills, training, wellbeing and volunteer opportunities

Through our employability programmes we delivered group workshops and individual 1:1 support to 20 participants, achieving successful outcomes into work, training, work experience or volunteering. Customers engaging with our programmes are offered work experience with us or our partners to improve their CV and employment prospects. We have successfully supported 4 into work. In addition, we have worked in partnership with other local employment and training providers who have supported a further 7 of our tenants into work. Our employment & money advisors across the wider Group have also assisted 10 people into work, or a better more permanent job.

Our money advice teams across the Group have received over 4,700 referrals and helped our customers to achieve in excess of £10m in positive financial outcomes, helping to sustain tenancies and improve their wellbeing (see below for detail).

In our role as a Cornerstone Employer we welcomed 150 work experience placements across the business, varying from occasional days, to a week, to a day per week for a full academic year. Staff supported 44 school careers events and workplace visits, with 25 staff volunteers dedicating 200 staff volunteer hours during the year and 158 students participated in school workplace visits and taster days.

Through our digital inclusion programmes we supported 117 tenants through 1:1 trouble shooting, skills and confidence building alongside fraud awareness sessions. We gifted 79 digital devices; 53 of these to tenants facing financial hardship, digital exclusion or those with accessibility needs; and 26 to local community partners such as a local special needs school, the Shropshire Good Food Partnership and East Shropshire Talking Newspaper. In addition to the devices we have gifted 43 free sim cards to tenants without access to the internet.

Across the wider group over 9,700 customers every month have participated in activities in retirement living and extra care properties. 13,212 different activities have been held during the year, including fitness classes, gardening clubs, walking groups, reading clubs, singalong events, quizzes and craft and art groups to give just a few examples. These clubs and activities are run by staff and volunteers to contribute positively towards the health and well-being of our customers to ensure they stay fit, and socially active in their communities.

Social Value (continued)

Employment, financial resilience, skills, training, wellbeing and volunteer opportunities

Strategic Report

Through our development schemes we have supported 75 construction-based apprenticeships and 286 work experience weeks across our development sites.

Across the group 73 staff have participated in volunteering, logging 840 volunteer hours across the year. Our suppliers have also donated their staff time and £61,730 in social value funds to support various community initiatives including aspiration raising in primary schools, children and young people activities, foodbanks, charities and voluntary organisations and helping with labour and materials for community based projects.

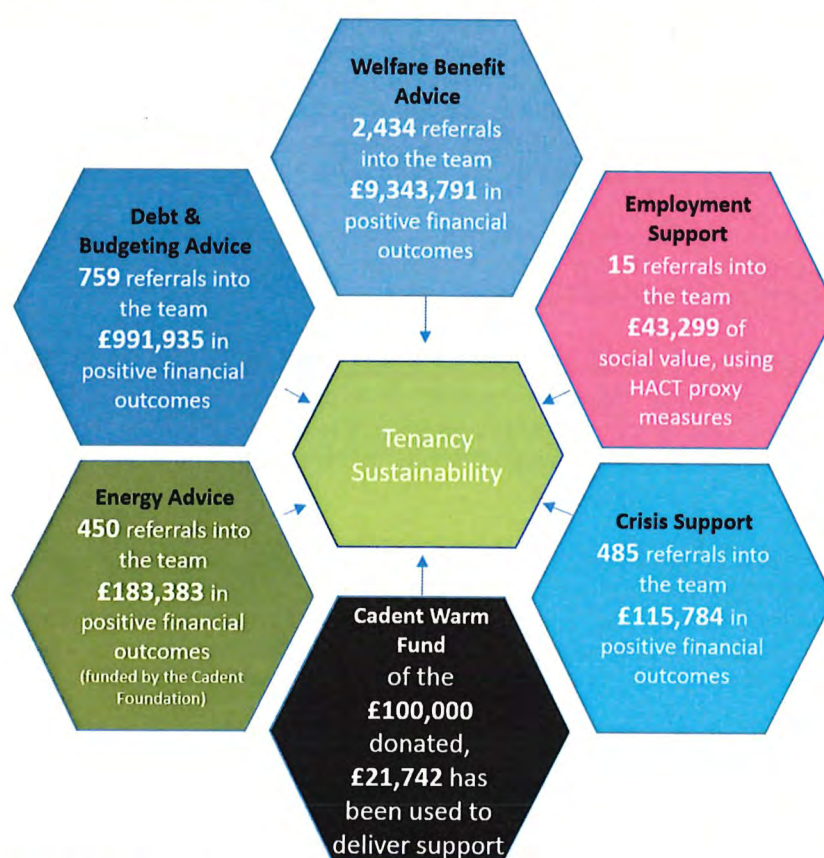
Welfare, debt and energy advice

The Group remains committed to supporting its customers through a range of specialist services, including Employment, Money and Welfare Benefits Advice, Debt and Budgeting Support, and Energy Advice. The integration of services from the two legacy organisations has enabled the Group to extend its reach and deliver more consistent support across the wider customer base, one example being a second externally funded Energy Advice role.

These services play a critical role in promoting tenancy sustainability by helping to reduce tenancy failures, prevent evictions, lower arrears, and encourage more informed and efficient energy use — also contributing to a reduction in incidences of damp and mould.

In addition, donations from partner organisations, particularly the Cadent Foundation, have enhanced the Group's ability to provide targeted support through its Crisis Fund. This has been especially valuable during the winter months, when financial pressures on customers are often more acute.

Welfare, debt and energy advice- achievements



Asset Management

A new Asset management Strategy for the Group was approved by the Board in December 2025. Details can be found in the Group's consolidated financial statements. Performance in Asset management is now measured from a consolidated group perspective.

Strategic Report

At Housing Plus Group we are committed to providing homes that excel in safety, energy efficiency, and sustainability. During 2025/26, we invested £38.1 million in our existing stock. A comprehensive programme of stock condition surveys has been completed with 99.1% of the Wrekin Housing Group (WHG) stock and 88.2% of Housing Plus Group (HPG) stock having had a stock condition survey within the last 5 years.

As of 31 March 2026, 87 % of legacy WHG stock and 80.4% of legacy HPG stock had an EPC rating of band C or above based on its last EPC, with the goal for all stock to meet this standard by 2028, two years in advance of the Government's statutory timescale. Our focus on quality and safety is reflected in our strong performance in all building compliance areas. Partnering with expert organisations, we continually review our building safety and damp and mould strategies to ensure they are effective and customer-focused.

Asset Management - Compliance as at 31 March 2026

The Housing Plus Group maintained a strong and stable compliance position throughout 2025/26, achieving high levels of statutory compliance across all core building safety disciplines. Compliance performance remained consistently strong across the portfolio, with no evidence of systemic compliance failure identified during the year.

Areas of non-compliance remained low in volume, fully understood and subject to active operational management and mitigation. Performance challenges were concentrated within a small number of specific workstreams, predominantly driven by customer no-access issues, operational scheduling complexities and isolated repair dependencies.

The Group continued to operate within, or above, its established risk appetite across the majority of compliance areas, supported by robust governance arrangements, effective contractor oversight and proactive escalation procedures.

Key Insights:

- Compliance performance remained high and stable across all core statutory safety regimes. No systemic compliance failures were identified during the reporting period.
- Non-compliance volumes remained low and were actively managed through established control frameworks.
- Performance pressures were concentrated within a limited number of operational areas rather than widespread across the portfolio.

Future Focus (2026/27):

- **Compliance Data and Systems** | Continued enhancement of CADRE as the Group's central compliance management platform, supporting improved reporting capability, data integrity and real-time compliance assurance.
- **Compliance Service Integration** | Completion of the integration of legacy compliance teams into a single Building Compliance function for the new Group structure. This will support improved consistency, clearer accountability, strengthened operational resilience and a unified approach to statutory compliance management across all business areas.
- **Procedure and Service Standardisation** | Continued alignment and standardisation of compliance policies, procedures, operational controls and service standards across the merged organisation to ensure consistency in compliance delivery, assurance and customer outcomes.

Strategic Report

Compliance as at 31 March 2026 (Housing Plus Group)

Compliance Area	2025/26 Target	2025/26 Actual	2026/27 Target	Commentary
Gas Safety (Servicing)	100%	99.99%	100%	Four properties remained within formal no-access procedures at year end with no systemic issues identified.
Electrical Safety (Periodic Testing)	100%	99.71%	100%	Outstanding cases primarily related to operational scheduling, rewires, remedial works and tenancy support requirements.
Fire Safety (FRAs)	100%	99.68%	100%	Two cases remained with managing agents and one awaiting contractor documentation; all risks actively managed.
Non-Gas Heating Safety	100%	98.93%	100%	Performance impacted by a combination of access-related issues, QA revisits and a small number of specialist systems requiring follow-on actions.
Passenger Lifts (Thorough Examination)	100%	100%	100%	Full compliance maintained across communal lift inspection and servicing programmes.
Home Lifts (Thorough Examination)	100%	94.48%	100%	Majority of outstanding cases related to customer no-access, with a small number isolated pending repair completion.
Asbestos Management	100%	100%	100%	Full compliance maintained throughout the reporting period.
Water Hygiene (Risk Assessments)	100%	100%	100%	Full compliance achieved through ongoing monitoring and planned control measures.

During 2025/26 we have continued to develop our approach to managing damp and mould in homes. As at 31 March 2026 our performance was as follows:

Properties reporting damp and mould from 1st April 2025	1,610
Number of properties reporting damp as a % of stock	12.6%
Number of properties that have had work completed and issue resolved	1,399
Number of properties with an open repair commitment at 31 March 2026	286
Number of properties visited where works are in progress	257
Number of properties appointed to be visited	29

Strategic Report

Capital Structure

The Wrekin Housing Group Limited's activities are funded through a mix of bank loans and a corporate bond issued on debt capital markets.

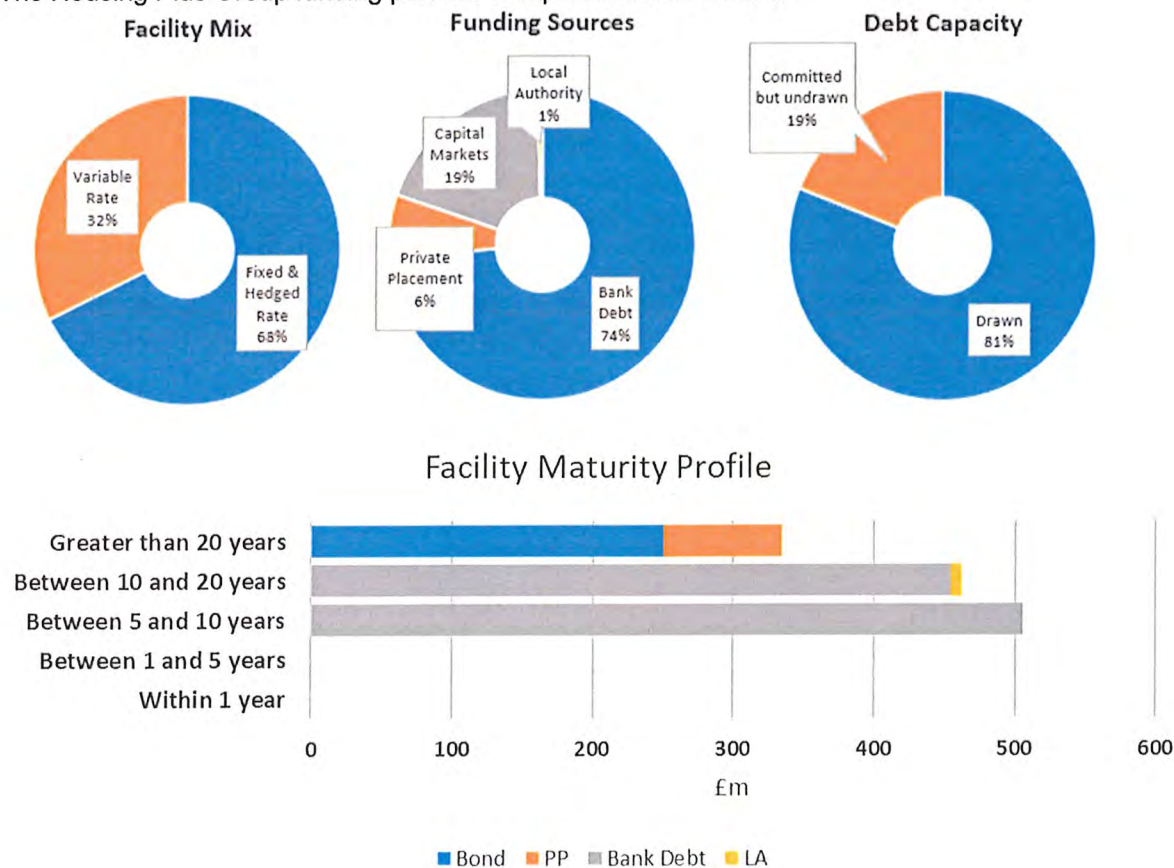
As at 31 March 2026, we had drawn loans amounting to £625m (£250m from the 2019 bond, and £375m from bank loans), with £22m available as agreed but undrawn funds.

Of those funds drawn, 59% were from fixed rate or hedged deals, and 41% was from variable rate revolver facilities. This ratio was in line with the Group's Treasury Management Policy guardrails.

On 19th August 2026 the Housing Plus Group completed on a refinancing project of the Group's bank loans. The financing covered a total of £961m in agreed facilities across five banking counterparties. As part of the exercise £145m in existing facilities were refinanced through new deals. The result was that the Group's new facilities now stand at £1,303m, split by 68% through term funding (fixed and hedged), and 32% variable rate revolving facilities. This completion resulted in a net increase to facilities of £179m from the year end consolidated position. The weighted average maturity date of the new facilities is 13.2 years. The Group's counterparties (with which excess funds are deposited in mixed-term vehicles) are all traditional, high-street banks, with a triple-A credit ratings to ensure the safety of its assets.

The refinancing exercise was conducted with Housing Plus Group Finance Limited acting as the borrower on behalf named guarantors, Homes Plus Limited and Wrekin Housing Group Limited. As a result, the new Group funding structure allows the finance company to borrow money from the banks on behalf of the Group, and can then on lend to Homes Plus and Wrekin as required on a back-to-back transaction basis, thus making no profit from intragroup borrowing terms. Wrekin has retained the 2019 own name bond within the business, but now draws all other funding from Housing Plus Group Finance Limited.

The Housing Plus Group funding portfolio is represented as follows:



Covenant compliance

Strategic Report

The business complied with all of its loan covenants during the year and at the year end. It also complied with the internal golden rules, set up by the board in its approved treasury management policy, which are tighter than the actual loan covenant requirements. This is to ensure that the organisation always has a significant amount of headroom over and above the required compliance levels. This should enable the business to deal with negative economic impacts that might adversely affect its financial performance without triggering an actual covenant breach.

The tightest covenant performances for the year to 31 March 2026 for Wrekin Housing Group entity only (against the terms in place at that date) were as follows:

- Interest Cover (EBITDA only) – 226% against a target of 135% and a golden rule of 155%
- Gearing – 51% against a ceiling of 70% and a golden rule of 65%

The new covenant definitions are based on the combined performance for Wrekin Housing Group Limited and Homes Plus Limited. For the year to 31 March 2026 those results were as follows:

- Interest Cover (EBITDA only) – 261% against a target of 120% and a golden rule of 130%
- Gearing – 49% against a ceiling of 70% and a golden rule of 65%

Economic uncertainty

Wrekin is currently operating in an economic environment that is volatile, uncertain and complex. Conflict around the world continues to affect the UK economy, and although bank rates had begun to fall during the year, the impact of those conflicts means that the markets expect it to rise again over coming months. Similarly, inflation remains above the Bank of England target, and growth remains elusive. That volatility in the world economy has translated into higher borrowing costs and uncertainty about future economic trends for the Group, presenting a certain level of financial risks in both our planning and performance.

There are limited ways in which the Group can remove the underlying causes of these risks, given that they are world-wide issues, but the business remains active in financial risk management where we can have an impact. In 2025 the Government announced a significant level of funding and support for the Social Housing sector, including £39bn in development grants, the prospect of low interest rate funding, rent convergence opportunities and a rent settlement for 10 years at CPI+1%, all of which are welcome and reflected in our financial projections.

Stress testing the financial plans has shown that there is a high degree of financial resilience in our activities particularly post-refinancing, and we are able to manage sustained, extreme and multi-faceted sequences of negative events. Around 68% of our loans are long-term fixed or hedged rate loans. The group is also actively managing procurement and contracts to ensure inflation is controlled as far as possible and costs are kept low. Asset Management and Development teams are proactive in identifying contractors that could be in financial jeopardy, moving quickly to secure our assets and support them where it is sensible to do so.

The impact on customers is also managed closely with the Money Matters Team working to identify and engage early with customers who are likely to be suffering financial difficulties. We signpost such customers to organisations that can help, or provide customers with training and support to get back into employment. Managing customers who are in arrears or likely to go into arrears is also a key part of our management of risk and has proven successful in the past.

Going concern

After making enquiries, the Group Board has a reasonable expectation that Wrekin has adequate resources and no material uncertainties to continue in operational existence for the foreseeable future. In making this assessment, the Board have considered the period to 30 September 2027. For this reason, it continues to adopt the going concern basis in the financial statements. The principal factors that the Board have considered in determining that the going concern basis of preparation remains appropriate are as follows:

Strategic Report

Going concern (continued)

- Since 31 March 2026 the Housing Plus Group has completed a refinancing exercise that moves the bank funding agreements to Housing Plus Group Finance Limited which then on-lends to Wrekin Housing Group. The new facilities total £961m, of which £422m are revolving credit facilities. This is Wrekin's source of undrawn and immediately available liquidity. In addition, this refinancing has removed debt maturity in Wrekin's cashflow until October 2048 when the £250m bond is due for repayment. The bank covenants are now also tested on the combination of the financial results of Wrekin Housing Group Limited and Homes Plus Limited, further reducing going concern risk for Wrekin.
- Wrekin has a long-term business plan (updated at June 2026) which shows that the remaining undrawn liquidity will be used to fund the development programme during the period through to 31 March 2031. New funding will be required by the Housing Plus Group by May 2029. At all times during that forecast period, Wrekin Housing Group has cash in hand of at least £10m.
- The business plan also shows that Wrekin is able to service these debt facilities whilst continuing to comply with lenders' covenants.
- As at 31 March 2026 Wrekin has a net current asset position of £15m, along with positive net assets and positive total assets less current liabilities positions.
- A comprehensive set of stress tests have been run on the business plan that pushes the forecast to breaking point to ensure the Board better understands the key drivers. These stress tests are based at the same level as the covenant tests, on the combined plans of Wrekin and Homes Plus. Building on the current tough economic environment, these stress tests explore the vulnerability of the business to a range of factors arising from different scenarios, including reduced income, increased costs, reduced availability of funding and a downturn in the property market. Mitigating actions have been identified for all of these scenarios if required, such that, post-mitigation, covenant requirements are met. A range of actions are available to Wrekin and Homes Plus, including modifying the development programme to match with available funding should one of the scenarios materialise, and managing the level and timing of expenditure to offset adverse impacts on the business' operating surplus.
- The business plan includes investment in our homes to bring the EPC standards up to level 'C' by 2027 and meet Net Zero Carbon by 2050, which will meet the government targets for the sector.
- Development continues in the projection to 2031, delivering an estimated 2,000 new additional homes. The cost assumptions for this activity were stress tested and the business has the financial capacity to deliver this within current covenant terms.
- Savills published a new 5 yearly stock condition survey in June 2024 that has been included in our Business Plan projections and gives Wrekin third party assurance on the cost of our capital investment programme over the next 30 years. In addition, the business plan includes a 5% increase on the stock condition survey assumptions, to ensure the group is delivering more for our customers, and giving the Group financial headroom on investments in the case of stress events.

Governance

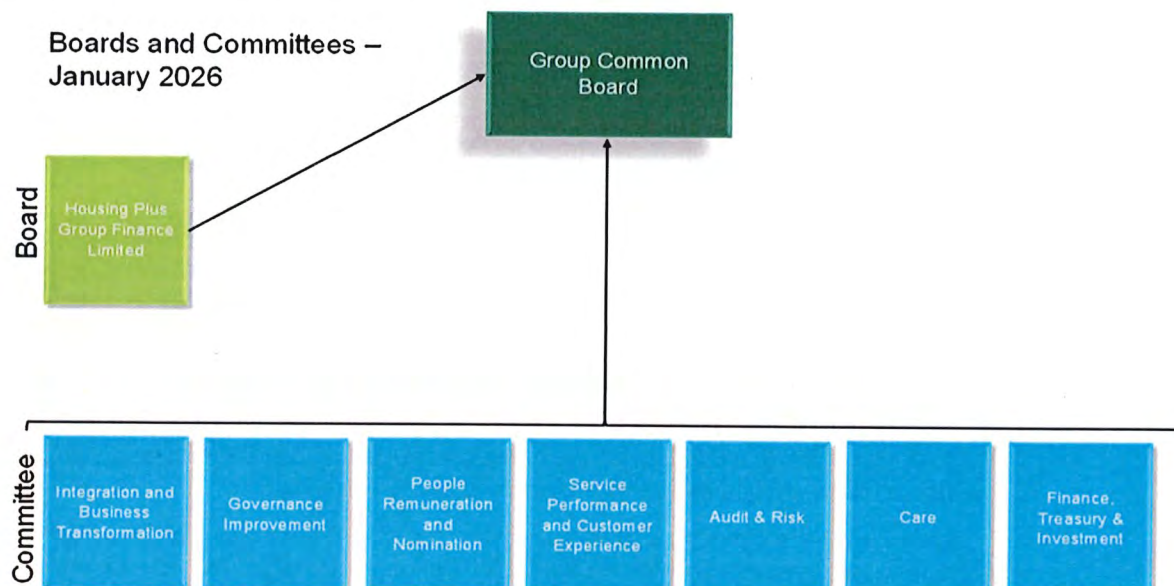
Following the merger with Housing Plus Group on 6 January 2025 a new Board and Committee structure was introduced. During 2025/26 a review of the Terms of Reference of each of the Committees was undertaken resulting in changes to that Governance structure. The structure ensures that each of the individual entities within the Group has a clear reporting route to the Group Board and the focus of each Committee is directed to where it is most needed.

Detailed below is the new Governance structure together with the mapping of each entity within the wider group to its respective Board or Committee. Details of the role of each Board and Committee can be found in the financial statements of the ultimate parent, Housing Plus Group Limited.

Strategic Report

Board and Committee Structure

Following a governance review in November 2025, approved by the Group Board in December, the structure is now 9 Boards and Committees, as below:



Non-executive board member remuneration

The table below includes board and committee members who served at any time during the reporting period.

	£'000		£'000
Graeme Betts	16	Alan Hawkesworth	16
Andrew Burns	18	Kevin Morgan	5
Louise Burns	16	Dinesh Murugesch-Warren	5
Jason Burt	10	Rosalind Preen	10
Catherine Dass	19	Paul Riley	10
Geraldine Emson	4	Sarah Watson	13
Enise Goring-Piskin	5	Simon Whitfield	16
Deborah Griffiths	19	Adrian Wood	4
Helen Hackney	10	Alan Yates	16
		Total	212

Strategic Report

Risk Management and Risk Assurance

The Board of Housing Plus Group reviews and approves the Group's Risk Management Framework. Risk management plays an integral part in the governance and management of Housing Plus Group (HPG) at a strategic and operational level. It is a central part of the strategic planning and decision-making process. Risks that could affect HPG's medium to long term goals are considered as strategic risks. Risks that are encountered in the day-to-day delivery of services are considered as operational risks. The process of risk management applies to both strategic and operational risks and all operational risks are identified as sitting within a strategic risk. HPG's Risk Management Framework provides a comprehensive and structured approach to the management of risk across the organisation.

HPG operates a five-step risk management process which is aimed at identifying potential issues early, allowing for proactive mitigation to achieve our strategic objectives:



The Group Board has overall responsibility for risk management and is responsible for establishing and maintaining an effective system of internal control. The Board approves the Risk Management Framework, sets the risk appetite on an annual basis and approves the Strategic Risk Register. The Board also monitors and reviews the effectiveness of the corporate risks and controls to support the business strategy.

The Audit & Risk Committee assist the Group Board through reviewing the effectiveness of risk management arrangements and the system of internal control. This includes ensuring compliance with legal, statutory and regulatory requirements, providing assurance to the Group Board that controls are operating effectively and that risks are being managed within the Board's risk appetite across all subsidiaries.

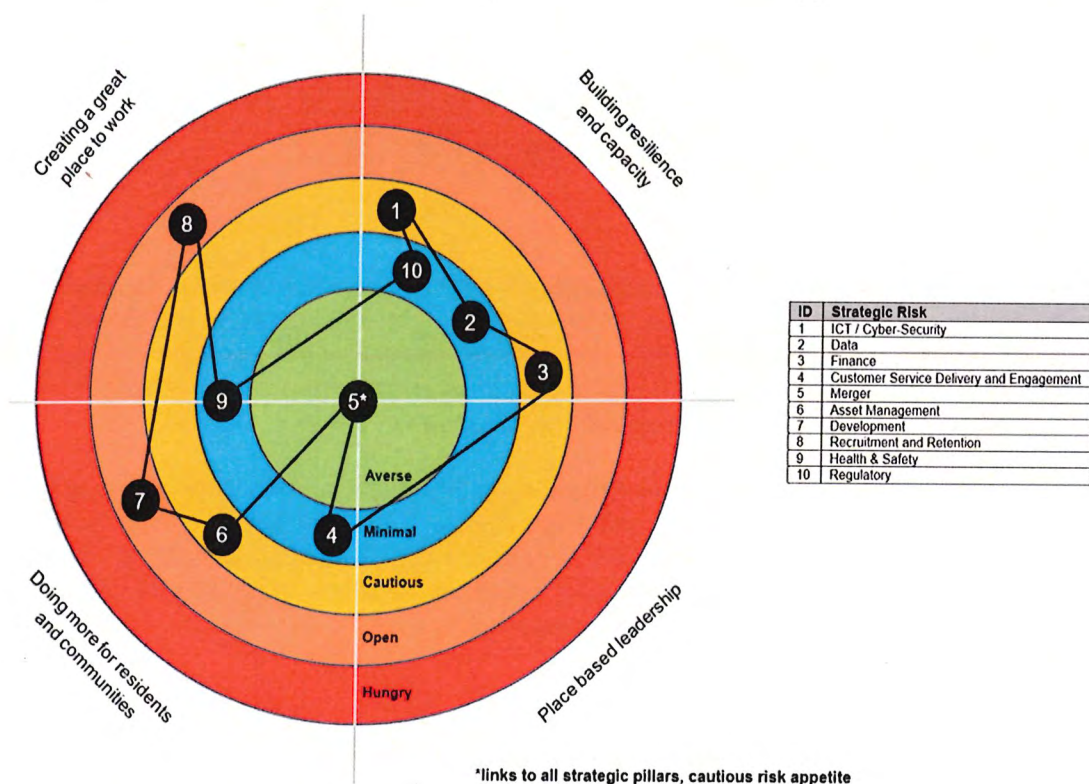
Risk Appetite

The Group Board reviewed its Risk Appetite Statement and Risk Appetite Levels in March 2026 and the Risk Appetite Statement is embedded within the Strategic Risk Register. In this way, the statement of risk appetite influences the decisions taken by the Group while setting out the level of risk that we are prepared to take, and accept, as we deliver our corporate strategy, plans and day to day operations. The Board has set a defined risk appetite level for each of the 10 strategic risks:

Strategic Report

Risk Management and Risk Assurance (continued) Risk Appetite (continued)

Averse	Minimal	Cautious	Open	Hungry
We avoid any risk exposure in achieving our objectives.	We take an ultra-safe approach to achieve our objectives, leading to only minimum risk exposure as far as practically possible.	We accept that there will be some risk exposure in the activities that we undertake to achieve our objectives. These risks will be carefully managed.	We are willing to consider all potential options and choose one that is most likely to result in the successful delivery of our objectives, recognising there could be a high risk exposure.	We are eager to be innovative when achieving our objectives. We will seek options based on maximising opportunities and benefits, accepting a greater level of uncertainty.



Strategic Report

Risk Management and Risk Assurance (continued)

Risk Theme	Risk Appetite Level	March 2026 Risk Score	Status
ICT / Cyber Security	Cautious	Open	Outside of Risk Appetite
Data	Minimal	Open	Outside of Risk Appetite
Finance and Treasury	Cautious	Cautious	
Customer Service Delivery and Engagement	Minimal	Cautious	Outside of Risk Appetite
Merger and Integration	Cautious	Cautious	
Asset Management	Cautious	Cautious	
Development, Growth and Sales	Open	Open	
Recruitment and Retention	Open	Minimal	Within Appetite
Health and Safety	Minimal	Minimal	
Regulatory Compliance	Minimal	Minimal	

As at March 2026, six risks were operating at the Board's agreed appetite level, one was below appetite level and three were outside of the Board's risk appetite level. The Audit & Risk Committee and Group Board closely monitor the risks that are operating outside of risk appetite level. Deep Dive Risk Reports are scheduled to take place to provide assurance about the management of these risks and how they will be brought back within the agreed appetite level.

The Group Board continues to keep its risk appetite under review and, with input from the Audit & Risk Committee, does so on at least an annual basis. Despite of the annual review, a dynamic approach to risk appetite is adopted and the Board can amend its appetite to respond to internal and external factors at any time.

Strategic Risks

The Board actively manages risks faced by the organisation and obtains robust assurance that controls are effective. This is obtained through our internal auditors and other third party and external sources of assurance. We are not complacent about how we manage risks and we closely monitor new and emerging risks through regular reviews of sector intelligence, including the RSH's Sector Risk Profile, and emerging risk reporting.

Risk Management and Risk Assurance (continued)

Strategic Risks (continued)

Strategic Report

Non-Executive Directors, the Executive Team, Directors and the Risk Moderation Group significantly contribute to this and in December 2025, data was identified as a new strategic risk.

This reflects the importance of having robust, accurate and complete data to inform decision making across the organisation so that excellent services can be delivered to our customers and staff. HPG has developed a two-year Data Road Map to ensure that risks associated with data are managed and minimised. This is closely monitored by our Committees and Executive Team.

The ten strategic risks are reported at every Board and Audit & Risk Committee meeting:

Risk Theme	ICT / Cyber-Security	
Risk Description	Failure to design, implement and operate robust and effective plans, systems and infrastructure damages the resilience of the business, planned enhancements to service delivery and protecting the company assets.	
Controls		2025/26 Changes
- Mandatory use of multi-factor authentication - Device and Data Encryption - Email threat, Analysis, Block and Quarantining - Security Penetration Testing - Mandatory Cyber-Security, GDPR, Fraud Awareness and Data Protection Training - Suite of ICT, GDPR and Information Security Policies		- All legacy housing management systems migrated to one single system - Interim IT Strategy 2025-2027 - Group wide Friendly Phish Exercises with targeted, refresher training identified

Risk Theme	Data
Risk Description	Failure to ensure and effectively use complete, accurate and transparent data leads to ineffective decision making, regulatory intervention, inadequate customer experience, decline in performance and reputational damage.
Controls	2025/26 Changes
- Assets & Liabilities Registers - In-house Stock Condition Surveys - Customer Consultation and Feedback Mechanisms - Complaints Monitoring and Reporting	- Implementation of the Data Road Map - All legacy housing management systems migrated to one single system - All Property data available in one housing management system - Performance Reporting Framework - Review of Group Board Metrics Pack

Strategic Report

Risk Management and Risk Assurance (continued) Strategic Risks (continued)

Risk Theme	Finance and Treasury	
Risk Description	Substandard financial planning and/or management leads to a lack of resources to meet obligations and poor controls that lead to a failure to deliver core business services and strategic plans in the short, medium or long-term.	
Controls		2025/26 Changes
- Stress Testing - Golden Rules and Triggers - Income Management and Performance Management Framework - Budget and Business Plan Monitoring - Management Accounts - Stock Condition Surveys - Suite of Finance and Treasury Policies		- Approval and Delivery of the Treasury Strategy - Consolidated Value for Money Strategy - Group Financial Regulations - Procurement Strategy - Standard and Poor (S&P) and Fitch Credit Ratings

Risk Theme	Customer Service Delivery and Engagement	
Risk Description	Inadequate customer engagement and service delivery negatively impacts on our customers experience and our ability to achieve the Group's Vision and Strategic Plan.	
Controls		2025/26 Changes
- Customer Satisfaction Surveys - Complaints Monitoring and Reporting - Staff training – Safeguarding and Complaints - Quality Assurance Framework - Customer Feedback Mechanisms - Equality Impact Assessments / EDI Assurance Reviews		- Approval of key customer facing policies by the Group Board and Committees – Allocations and Lettings Policy / ASB Policy / Good Neighbourhood Management Policy / Complaints and Feedback Policy / Hate Related Behaviour Policy - Full Repairs Service Review 'It Starts with Me' customer care training

Risk Theme	Merger and Integration
Risk Description	Failure to adequately plan for, and deliver against, the strategic objectives of the merger lead to impaired customer service and experience, insufficient financial benefits or a poor place to work for colleagues.
Controls – 2025/26	
• Implementation of one Housing Management System • Regular Staff and Customer Communications • Pulse Surveys (staff) and Customer Engagement / Feedback opportunities • Integration Plan (monitored by the Executive Team and Integration Committee) • Board and Committee Terms of Reference • Service Re-Alignment Programme • Corporate Strategy 2025 – 2030 • Approval of key Strategies: Asset Management Strategy / Interim IT Strategy / Value for Money Strategy / Care Strategy / People Strategy / Development Strategy / Risk Management Framework.	

Strategic Report

Risk Management and Risk Assurance (continued) Strategic Risks (continued)

Risk Theme	Asset Management
Risk Description	Failure to manage assets effectively and provide decent and sustainable homes for our customers leads to poor customer service, regulatory intervention, damage to reputation and an inability to deliver our strategic plan.
Controls	2025/26 Changes
• Asset Renewal Working Group • Monitoring against Budget and Business Plan • Stress Testing • In-House Stock Condition Surveys • Customer Satisfaction Surveys • Contractor Performance Monitoring and Contract Register	• Asset Management Strategy 2026-2031 • In-house Stock Condition Surveys • Asset Renewal Policy • Health and Safety Compliance Policies

Risk Theme	Development, Growth and Outright Sales
Risk Description	Internal and external factors create an inability to build new homes that are the right product type for our customers, to regenerate sites and to sell properties at the right values. This results in financial loss and makes it harder to deliver the business plan and our strategic objectives.
Controls	2025/26 Changes
• Development Monitoring Reports • Weekly Development Pipeline Meetings • Credit Checking Report • Budget and Business Plan Monitoring • New Homes Operational Group • Monitoring and Assessing Market Conditions • Quarterly Review Meetings with Homes England • Appraisal Assumptions • Contractor Performance Monitoring	• Counterparty Risk Policy • Development Strategy 2026 – 2031

Strategic Report

Risk Management and Risk Assurance (continued)

Strategic Risks (continued)

Risk Theme	Recruitment and Retention	
Risk Description	The Group fails to recruit, retain and develop good employees and Board members which affects our ability to deliver core services, maintain compliance and deliver business objectives.	
Controls		2025/26 Changes
- Periodic review of pay and conditions - Mandatory and Compliance Training - Employee Assistance Programme (EAP) - New Starter / Leaver Surveys - Employee Skills Competencies and Behaviour Framework - Applicant Tracker System - People Key Performance Indicators (KPI's) - Membership of Professional Bodies		- Service Re-Alignment Programme - HPG People Strategy 2026 – 2030 - HPG Corporate Induction - HR, Payroll and Learning Management System Reviews - Review and streamlining key People Services Policy 'It Starts with Me' Customer Care Training - People Data Report to the People. Remuneration and Nominations Committee

Risk Theme	Health and Safety	
Risk Description	Inadequate health and safety measures, processes and systems put customers, service users, staff and the general public at risk, leading to injury or death, prosecution, regulatory intervention, financial loss and damage to our reputation.	
Controls		2025/26 Changes
- Safeguarding Reporting - Morgan Lambert, Corgi and Pennington Choices Third Party Auditing Programme - Compliance Contracts - RIDDOR, Near Miss and Accident Reporting - Building Safety Cases – High Rise Buildings - Health and Safety Training - Competence Framework - Site visits, inspections and file reviews		- Corporate Health and Safety Policy approved by the Group Board - Health and Safety Compliance Policies - HPG wide Consolidated Performance Reporting Scorecard - Building Compliance and Safety Reporting - Migration of Health & Safety Compliance Data to the Housing Management System

Strategic Report

Risk Management and Risk Assurance (continued)

Strategic Risks (continued)

Risk Theme	Regulatory
Risk Description	Inability to operate within regulatory and legislative requirements or to engage with stakeholders results in harm to customers, financial damage, loss of reputation or prosecution.
Controls	2025/26 Changes
- Adoption of, and full compliance with, the NHF Code of Governance - Adoption of the NHF Code of Conduct - Standing Orders - Internal Control Framework - Probity / Fraud Reporting to the Audit & Risk Committee - Compliance Calendar - Mandatory e-learning (GDPR / Whistleblowing / Safeguarding / Fraud Awareness) - GDPR Working Group	- Review of Board and Committee Terms of Reference - Governance Improvement Plan - Suite of Governance Policies approved by the Audit & Risk Committee and Group Board – Whistleblowing Policy / Anti-Fraud, Bribery, Corruption and Money Laundering Policy / Board Member Policy / Declaration of Interests Policy - External Board Effectiveness Review completed

Health and Safety

The Board is acutely aware of its obligations in all aspects of health and safety. The board prioritises the health and safety of residents, service users, personnel, and contractors and it takes a “zero tolerance” stance to non-compliance. The Housing Plus Group has developed extensive health and safety policies and procedures, analyses risk assessments on a regular basis, and ensures that any required actions resulting from those risk assessments are carried out. We provide adequate health and safety training and instruction to our employees, and have received a number of accolades in recognition of our commitment to high standards in this area. The Board receives performance information in respect of landlord health & safety compliance through the Tenant Satisfaction Measures, Metrics Pack and assurance from the Chair of Service Performance and Customer Experience Committee. In addition, the Audit & Risk Committee receive the findings of audits conducted by independent third-party specialists and provide assurance to the Board. The performance against key indicators is displayed on page 16

Business performance

Statement of Comprehensive Income	2026	2025	2024*	2023
	£m	£m	£m	£m
Turnover	102.9	97.3	90.5	90.0
Operating Costs	(80.0)	(73.2)	(68.7)	(68.0)
Gain on disposal of housing properties	11.0	11.5	11.1	1.9
Gain / (loss) on revaluation of investment properties	-	(0.3)	0.3	0.2
Gift aid covenanted from subsidiaries	2.2	1.8	1.5	1.7
Operating surplus	36.1	37.1	34.7	25.8
Net interest costs	(19.6)	(18.6)	(18.6)	(18.2)
Provision for inter company debt	-	-	(2.7)	-
Surplus/(deficit) for the year	16.5	18.5	13.4	7.6
Actuarial gain/(loss) in respect of pension schemes	8.1	17.4	10.2	49.1
Effect of Asset Ceiling	(7.1)	(18.0)	(0.1)	-
Total comprehensive income for the year	17.5	17.9	23.5	56.7

*restated

Strategic Report

Business performance (continued)

Statement of Financial Position	2026 £m	2025 £m	2024* £m	2023 £m
Housing properties	971.0	909.5	853.5	771.0
Investment properties	18.6	18.6	20.1	19.8
Other fixed assets	2.7	2.7	2.7	2.9
Investment in subsidiaries	0.2	0.3	0.3	-
Long term debtors	-	1.5	1.4	-
Net current (liabilities)/assets	15.1	(87.00)	(1.6)	7.8
Long term creditors	(814.8)	(668.3)	(717.0)	(677.1)
Pension (liability)/asset	-	-	-	-10
Reserves	192.8	177.3	159.4	114.4

The Association recorded an operating surplus of £36.1m (2025: £37.1m) with most areas of the business making a positive contribution to the result. The increase is largely due to the application of the annual rent increase combined with the additional units delivered through the development programme. 527 new units were delivered in 2025/26. The additional income derived from these sources has enabled Wrekin to absorb the majority of cost increases imposed by external factors.

Property disposals through the Association's Asset Renewal Strategy remained buoyant throughout the year with average sales values being higher than anticipated in the business plan. The association disposed of 88 (2025:107) properties through the strategy generating receipts of £9.8m (2025: £11.0m). Property disposals under the Right to Buy (RTB) and Right to Acquire (RTA) schemes in 2025/26 were buoyant with 39 disposals completed. (2025: 29). Changes to the discount eligibility introduced in 2024 meant only applications received prior to November 2024 would be eligible for the higher levels of discount which resulted in a small influx of applications completing in 2025/26.

Interest Rates

The Bank of England base rate of interest fell during the financial year from 4.50% to 3.75% by March 2026, whilst inflation pressures also eased throughout the year. However, this was against a backdrop of conflict in the Middle East and rising inflationary pressures in the UK, meaning that the likelihood of future interest rate rises has been included in our planning. The business completed a major refinancing deal in August 2026, with deals to increase the Group's facilities, extend the maturity of the revolving credit facilities and hedge some of that debt where required. These were all agreed with margins above the SONIA rate. SONIA is a rate of interest separate from the Bank of England's base rate of interest, and is calculated as the average interest rates that banks pay to borrow sterling overnight from other financial institutions and large institutional investors. During 2025/26 it fell from around 4.5% to 3.7% over the course of the financial year.

After net funding costs of £19.6m, the Association achieved a surplus on ordinary activities before taxation of £16.5m.

Total comprehensive income for 2025/26 of £17.5m includes actuarial gains on the pension scheme of £8.1m (2025: £17.4m). The actuary has estimated that the net pension asset as at 31 March 2026 is £28.301m. The extent to which the surplus can be recognised has been determined by assessing the economic value available from the surplus, by deducting the net present value of future service-related contributions from the net present value of future benefits accruing. For 2026, the balance sheet position recognised is an asset in the statement of financial position of £2.0m.

A full triennial valuation of the scheme was completed in March 2025 with the next valuation being March 2028. More details are disclosed in Note 11 of these accounts.

Strategic Report

The principal movement in the Associations balance sheet relates to the net increase in housing properties of £61.5m. A total of 527 new homes were completed during the year securing £20.1m of Homes England grant funding. In addition, the Association capitalised £7m in its existing stock. Work continues to ensure all stock is rated EPC band C or above by 2027.

Social Housing Lettings

Our operating margin on social housing lettings was 21.9% (2025: 24.3%). While this represents a reduction on the prior year, reflecting ongoing cost pressures across the sector, our performance remains broadly in line with sector benchmarks. The reduction reflects the current operating environment and increased investment in services and homes, while maintaining a strong and sustainable financial position.

Following the merger with Housing Plus Group, the Group has embarked on a strategic efficiency programme designed to deliver recurring annual operating cost savings of £6 million by 2028. Alongside this programme, the Group continues to pursue opportunities to improve value for money across all activities, ensuring that efficiencies generated are reinvested in services, existing homes and the delivery of its strategic objectives.

Non-social housing activity

The Association undertakes very little non-social housing activity outside of its Asset Renewal Strategy. A small portfolio of units is leased to the Group's trading subsidiary with the income in receipt of the lease payment being disclosed as non-social housing income.

Gift aid from the wholly owned subsidiaries is also included as non-social housing income.

Environmental, Social and Governance Reporting

The group is committed to operating sustainably for our customers, communities and stakeholders. The 2026 ESG report demonstrates the success and impact the larger Group is now having in those areas, contributing over £93m in social impact value in our communities during the financial year. This includes our work on environmental sustainability through insulating homes, building new homes, improving communal garden areas, supporting those in financial hardship, training and educating customers to get them back into work, offering support services to the elderly, and many other ways.

The Group has a Net Zero Strategy as part of the Asset Management plans, and aims to deliver homes that meet the government's 2030 minimum energy efficiency target, 3 years earlier in 2027. To that end over £12m in grant funding has been secured in 2025 to support the investment needed. In addition, the Group is already planning how to deliver net zero carbon targets across its homes by 2050, including budgeting for the investment required.

Housing Properties

At 31 March 2026, the Association owned 13,880 housing properties (2025: 13,497), a net increase of 382, taking account of acquisitions, demolitions and disposals in the year. The properties were carried in the Statement of Financial Position at cost (after depreciation) of £971.0m (2025: £909.6m).

Strategic Report

Pension Costs

Wrekin participates in the Shropshire County Pension Fund (SCPF), a career average salary defined benefit scheme. We made the decision to close the scheme to new entrants with effect from 1 September 2020. We have contributed to the scheme in accordance with levels, set by the actuaries, of 20% of pensionable pay in the year to 31 March 2026 in respect of future service benefits. For 2026/27 the employer contribution rate will reduce to 9.7%. During the year, the association made a lump sum payment of £153,100 in respect of past service deficits. There is no annual lump sum payment due in 2026/27.

The net actuarial gain in the year was £8.151m (2024: £17.419m gain). The movement year on year is due to the shifts in actuarial assumptions caused by general economic conditions, and in particular to a rise in the expectations related to future inflation, increasing future pension payments, and to an increase in the discount rate, further increasing the present value of future pension payments.

Sensitivity to these and other assumptions is shown in note 11 of these accounts. The actuary has estimated that the net pension asset as at 31 March 2026 is £28.301m (2025: £18.113m). The extent to which the surplus can be recognised has been determined by assessing the economic value available from the surplus, by deducting the net present value of future service related contributions from the net present value of future benefits accruing. For 2026, the balance sheet position recognised is an asset in the statement of financial position of £2.0m.

Development

Following the merger with Housing Plus Group, 719 homes were delivered by The Group in 2025/26 of which 527 were through The Wrekin Housing Group. 452 were Design and Build and 267 were Section 106 or Off the Shelf acquisitions. The 719 homes total includes 57 homes developed for outright sale at our Wrottesley Park development. These additions, along with clean audit results and excellent relationship management have ensured that The Housing Plus Group is regarded as a trusted partner of Homes England.

Under its Asset Renewal Strategy, Wrekin sets out to add three new properties for every two older, uneconomic properties that are disposed of. For over 20 years, the association has consistently applied its asset renewal strategy to optimise its portfolio through stock churn, disposing of assets that are uneconomic to repair and reinvesting in higher-quality homes.

During 2025/26 the Association sold 88 properties (2025: 107). A further 39 (2024: 29) properties were sold under the Right to Buy and Right to Acquire provisions.

First tranche shared ownership sales were completed on 14 units generating a surplus of £342k (2025: £558k). There was also two staircasing sales where the tenants purchased a further tranche and 5 sales where the tenant became the owner occupier. During the year, Wrekin added 527 new homes to its stock. The 527 new homes are a combination of traditional development and section 106 planning gains. Following the merger with The Housing Plus Group Limited a new development strategy has been formed, details of which are included in the consolidated statements of The Housing Plus Group Limited.

During the year, we completed a wide range of developments, including the exciting development at Granville, Donnington Wood Way. This development of 329 new homes is being bought forward by a partnership comprising of Telford & Wrekin Council, Nuplace Ltd - the Council's wholly owned housing company, Lovell Partnerships Ltd and The Wrekin Housing Group.

Serving the needs of the local community and in line with the Council's Housing Strategy, which seeks to ensure that all people have access to safe and appropriate housing, this development will see a mix of properties for open market sale, private and affordable rent and Rent to Buy, plus dementia care and supported living units.

Strategic Report

186 of the new homes at Granville were built for The Wrekin Housing Group. This includes 76 Extra Care apartments, comprising a dementia wing, 20 apartments for retirement living, and 90 new homes for general needs Affordable Rent and Rent to Buy, comprising of 2 and 3 bedroom houses (a number of which will be specially adapted homes), and bungalows. The wider development also delivered 66 homes for Nuplace, which are available for private rent, as well as 77 for open market sale from Lovell.

These homes will provide housing choice for people of all ages and stages of life, enabling people to remain within the community, as their needs change.

All new homes directly commissioned by Housing Plus Group have a building envelope that is compliant to the Futures Homes Standard.

Payment of Creditors

The Association agrees terms and conditions for its business transactions with suppliers at the time of supply. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

Strategic Initiatives

The Company's strategy is aligned with the Group Corporate Plan, which is approved and monitored by the Group Board. The directors have regard to the objectives, risks and performance measures set out in the Group Corporate Plan when overseeing the management and operations of the Company.

:

Statement of Compliance

In preparing this strategic report, the board has followed the principles set out in Part 2 of the SORP 'Accounting by Registered Housing Providers' 2018. The financial statements comply with FRS 102, SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The board further confirms that the Housing Plus Group Limited (the ultimate parent) has complied with the requirements of the Social Housing Regulator Governance and Financial Viability Standard and currently holds a G1/V2 rating and has the required register of assets and liabilities in place. At the time of signing these financial statements, the parent company Housing Plus Group is going through the RSH's inspection.

The strategic report was approved by the board on 23 September 2026 and signed on its behalf by:



Chair
Andrew Burns

Independent auditor’s report to the members of The Wrekin Housing Group Limited



Independent auditor’s report

To the members of The Wrekin Housing Group Limited

1. Our opinion is unmodified

We have audited the financial statements of The Wrekin Housing Group Limited (“the Association”) for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, and the 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 the Association’s affairs as at 31 March 2026 and of its income and 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 6 January 2025. The period of total uninterrupted engagement is for the two financial years ended 31 March 2026. We have fulfilled our ethical responsibilities under, and we remain independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview	
Materiality:	£1,040,000 (2025: £905,000)
financial statements as a whole	1% of total revenue (2025: 0.93%)
Key audit matters	
Valuation of Defined Benefit Obligations	

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

2. Key audit matters: our assessment of risks of material misstatement

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

The risk	Our response
Valuation of Defined Benefit Obligations Present value of DB liabilities £107.3 million; (2025: £108.3m) <i>Refer to page 11 of the Audit Committee Report, note 2 (accounting policy) and note 11 (financial disclosures)</i>	Valuation of Post Retirement Benefit Obligations: The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Association's pension liability could have a significant effect on the financial position of the Association. The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Association in completing the year end valuation of the pension obligations and the year-on-year movements. We have identified this in relation to the membership of the Shropshire LGPS. Our procedures included: We performed the tests below rather than seeking to rely on any of the Association's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. ▪ Evaluation of Management's Specialist: Evaluated the competency and objectivity of the actuaries to confirm their qualifications and the basis for their calculations; ▪ Enquiry and Review: Performed inquiries of the scheme actuaries to assess the methodology and key assumptions made, including actual figures where estimates had been used by the actuaries, such as the rate of return on pension fund assets; ▪ Reperformance: Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation; ▪ Our Actuarial Expertise: Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data; ▪ Assessing Treatment: Confirmed that the accounting treatment and entries applied by the Association were in line with FRS102 and the SORP; ▪ Assessing Disclosure: Considered the adequacy of the Association's disclosures in respect of the sensitivity of the deficit to these assumptions; Our results — We found the valuation of post retirement benefit obligations to be acceptable.

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £1,040k (2025: £905k), determined with reference to a benchmark of total revenue, of which it represents 1% (2025: 0.93%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% of materiality for the financial statements as a whole, which equates to £780k (2025: £678k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £52k (2025: £45k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Association was undertaken to the materiality level specified above and was performed by a single audit team.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Association's internal control over financial reporting.

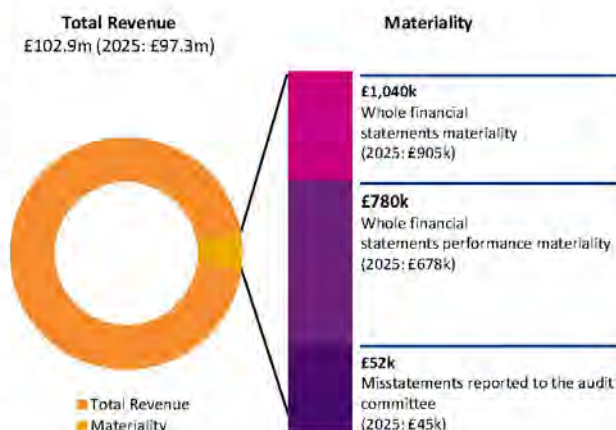
4. Going concern

The Directors have 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").

We used our knowledge of the Association, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Association's available financial resources and/or metrics relevant to debt covenants over this period was unexpected material increases in operating expenditure.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's and Association's financial forecasts.

We consider whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the Board's assessment of going concern.



4. Going concern (continued)

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2 to be acceptable.

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.

5. 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 the directors, the audit and risk committee, internal audit and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading the Board and the audit and risk committee minutes; and
- 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.

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

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

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-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 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 & community benefit society legislation), taxation legislation, pensions legislation and specific disclosures 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.

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

We identified the following areas as those most likely to have such an effect: GDPR, health and safety (including related fire safety and building standards), compliance with social housing regulations, environmental legislation, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify noncompliance 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 these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report to the members of The Wrekin Housing Group Limited (continued)

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. 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.

7. We have nothing to report on the other 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.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine 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 they either intend 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.

9. 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
One Snowhill
Snow Hill Queensway,
Birmingham
B4 6GH

25th September 2026

Statement of Comprehensive Income

	Note	2026 £'000	2025 £'000
Turnover	3	102,948	97,293
Operating costs	3	(80,027)	(73,273)
Gain on disposal of housing properties	4	10,956	11,492
Movement in the fair value of investment properties	17	-	417
Loss on disposal of investment properties	17	-	(753)
Gift aid covenanted from subsidiary	32	2,215	1,856
Operating surplus	6	36,092	37,032
Interest receivable and similar income	7	533	635
Interest payable, financing and similar costs	8	(20,116)	(19,142)
Surplus on ordinary activities before taxation		16,509	18,525
Tax on surplus	12	(15)	(15)
Surplus for the year		16,494	18,510
Actuarial gain in respect of pension schemes	11	8,151	17,419
Effect of asset ceiling		(7,133)	(18,027)
Total comprehensive income for the year		17,512	17,902

The Association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 23 September 2026 and signed on its behalf by:

A.N. Burns

Chair
Andrew Burns

W. G. S.
Board Member

Angelina Hicklin

Secretary
Angelina Hicklin

Statement of Changes in Reserves

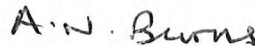
	Revenue Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 March 2024 as previously reported	158,564	846	159,410
Surplus for the year	18,510	-	18,510
Other comprehensive income for the year	(608)	-	(608)
Balance at 31 March 2025	176,466	846	177,312
Surplus for the year	16,494	-	16,494
Other comprehensive income for the year	1,018	-	1,018
Balance at 31 March 2026	193,978	846	194,824

The accompanying notes form part of these financial statements.

Statement of financial position

	Note	2026 £'000	2025 £'000
Non-Current Assets			
Pension Asset	11	1,986	-
Housing properties	14	971,038	909,599
Investment properties	17	18,633	18,633
Other tangible fixed assets	15	2,678	2,732
Investment in Subsidiaries	16	237	237
Debtors: amounts falling due after more than one year	18	-	1,517
		<u>994,572</u>	<u>932,718</u>
Current assets			
Stock		436	346
Properties for sale	19	254	317
Debtors	20	14,306	8,897
Cash and cash equivalents	21	31,463	8,817
		<u>46,459</u>	<u>18,377</u>
Creditors: amounts falling due within one year	22	<u>(31,399)</u>	<u>(105,414)</u>
Net current assets/(liabilities)		<u>15,060</u>	<u>(87,037)</u>
Total assets less current liabilities		<u>1,009,632</u>	<u>845,681</u>
Creditors: amounts falling due after more than one year	23	<u>(814,808)</u>	<u>(668,369)</u>
Pension liability	11	<u>-</u>	<u>-</u>
Total net assets		<u>194,824</u>	<u>177,312</u>
Capital and reserves			
Revenue reserve	27	193,978	176,466
Restricted reserve	27	846	846
Association's funds		<u>194,824</u>	<u>177,312</u>

The financial statements were approved by the Board on 23 September 2026 and signed on its behalf by:


Chair
Andrew Burns


Board Member


Secretary
Angelina Hicklin

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Legal status

On 6 January 2025 the former parent The Wrekin Housing Group Limited merged with The Housing Plus Group Limited. The Housing Plus Group is now the ultimate parent company. The Association (The Wrekin Housing Group Limited) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014. It is registered with the Regulator of Social Housing as a Registered Provider of social housing. The Association remains an intermediate holding company within the group.

Its subsidiaries, Old Park Services Limited and Strata Housing Services Limited, are incorporated under the Companies Act 2006 (limited by share capital) and Choices Housing Association Limited is incorporated under the Co-operative and Community Benefits Societies Act 2014, under charitable rules and is also a Registered Provider of social housing. The registered address of the Association is Colliers Way, Old Park, Telford, TF3 4AW.

2. Accounting policies

Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction 2022 for Private Registered Providers of Social Housing. The Group is a public benefit entity in accordance with FRS 102.

The financial statements are presented in sterling (£).

The individual accounts of the Association have adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes; and
- 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.

Basis of consolidation

These financial statements are the individual financial statements of The Wrekin Housing Group Limited and have been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Association is exempt from the requirement to prepare consolidated financial statements under section 9.9 of FRS 102, as it is a wholly owned subsidiary of The Housing Plus Group Limited which prepares consolidated financial statements in accordance with applicable accounting standards.

The consolidated financial statements of the group headed by The Housing Plus Group Limited are publicly available at www.housingplusgroup.co.uk/about-us/publications

As a result, these financial statements present information about the Association as an individual entity and do not include the results of its subsidiaries. Investments in subsidiaries are accounted for at cost in accordance with section 9 of FRS 102.

Notes to the financial statements (continued)

Going Concern

After making enquiries, the Group Board has a reasonable expectation that Wrekin has adequate resources and no material uncertainties to continue in operational existence for the foreseeable future. In making this assessment, the Board have considered the period to 30 September 2027. For this reason, it continues to adopt the going concern basis in the financial statements. The principal factors that the Board have considered in determining that the going concern basis of preparation remains appropriate are as follows:

- Since 31 March 2026 the Housing Plus Group has completed a refinancing exercise that moves the bank funding agreements to Housing Plus Group Finance Limited which then on-lends to Wrekin Housing Group. The new facilities total £961m, of which £422m are revolving credit facilities. This is Wrekin's source of undrawn and immediately available liquidity. In addition, this refinancing has removed debt maturity in Wrekin's cashflow until October 2048 when the £250m bond is due for repayment. The bank covenants are now also tested on the combination of the financial results of Wrekin Housing Group Limited and Homes Plus Limited, further reducing going concern risk for Wrekin.
- Wrekin has a long-term business plan (updated at June 2026) which shows that the remaining undrawn liquidity will be used to fund the development programme during the period through to 31 March 2031. New funding will be required by the Housing Plus Group by May 2029. At all times during that forecast period, Wrekin Housing Group has cash in hand of at least £10m.
- The business plan also shows that Wrekin is able to service these debt facilities whilst continuing to comply with lenders' covenants.
- As at 31 March 2026 Wrekin has a net current asset position of £15m, along with positive net assets and positive total assets less current liabilities positions.
- A comprehensive set of stress tests have been run on the business plan that pushes the forecast to breaking point to ensure the Board better understands the key drivers. These stress tests are based at the same level as the covenant tests, on the combined plans of Wrekin and Homes Plus. Building on the current tough economic environment, these stress tests explore the vulnerability of the business to a range of factors arising from different scenarios, including reduced income, increased costs, reduced availability of funding and a downturn in the property market. Mitigating actions have been identified for all of these scenarios if required, such that, post-mitigation, covenant requirements are met. A range of actions are available to Wrekin and Homes Plus, including modifying the development programme to match with available funding should one of the scenarios materialise, and managing the level and timing of expenditure to offset adverse impacts on the business' operating surplus.
- The business plan includes investment in our homes to bring the EPC standards up to level 'C' by 2027 and meet Net Zero Carbon by 2050, which will meet the government targets for the sector.
- Development continues in the projection to 2031, delivering an estimated 2,000 new additional homes. The cost assumptions for this activity were stress tested and the business has the financial capacity to deliver this within current covenant terms.
- Savills published a new 5 yearly stock condition survey in June 2024 that has been included in our Business Plan projections and gives Wrekin third party assurance on the cost of our capital investment programme over the next 30 years. In addition, the business plan includes a 5% increase on the stock condition survey assumptions, to ensure the group is delivering more for our customers, and giving the Group financial headroom on investments in the case of stress events.

Notes to the financial statements (continued)

Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include:

- **Categorisation of housing properties:** Management have reviewed the intended use of all housing properties. In determining the intended use, management has considered if the asset is held for social benefit or to earn commercial rentals. Management have concluded that market rented properties are investment properties. These properties have been valued by external valuers on the basis of open market value and could be sold with vacant possession within a short time period.
- **Impairment:** The Group has identified a cash generating unit (CGU) for impairment assessment purposes at a property scheme level.
- **Development expenditure:** The Group capitalises development expenditure in respect of new developments of social and affordable housing. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Other key sources of estimation and assumptions:

- **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. Accumulated depreciation on housing properties at 31 March 2026 was £169.8m, (please see note 14). Accumulated depreciation on other fixed assets at 31 March 2026 was £6.9m, (please see note 15).
- **Impairment of non-financial assets:** 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. During the year no triggers for impairment were identified.
- **Defined benefit obligation (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Sensitivity analysis is detailed in note 11. At 31 March 2026 the valuation under FRS102 indicated a net asset position of £28.3m. Management has applied an asset ceiling of £26.3m to reduce the net asset to £2.0m since, in accordance with FRS102, management does not believe the full surplus is recoverable.
- **Intra Group Loan:** During 2023/24 the parent company made a loan advance of £1.6m to its subsidiary, Choices Housing Association at a zero rate of interest. The loan is intended to support the operational activities of Choices whilst it actively implements the actions arising from the legacy Board's review of care provision within the Group. The loan is subject to a bullet repayment at the end of three years.

Notes to the financial statements (continued)

Judgements and key sources of estimation uncertainty (continued)

Intra Group Loan (continued)

The Group has considered the recoverability of the loan at the end of the three-year period, including the potential delay in repayment if Choices does not actively achieve its business performance as projected in the latest business plan. Whilst estimation uncertainty exists around the recoverability of the loan, management have concluded that as at the reporting date the loan remains recoverable.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year net of any voids in respect of housing and garages, service charges to leaseholders in respect of services provided and communal repairs, and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and income from government grants. Income also includes the proceeds of first tranche sales of shared ownership properties. Revenue for the main income streams is recognised as follows:

- Rental income is recognised from the point properties or garages become available for letting. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been provided.
- Income from leaseholder service charges is recognised from the point the lease is assigned.
- Income from Low Cost Home Ownership sales and sales of properties built for sale (outright sales) is recognised at the point of legal completion of the sale.
- Revenue grants are receivable when the conditions for 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. Income from care services is recognised at the point of delivery to the service user.
- Income from services provided to third parties through the trading subsidiary is recognised at the point of delivery of the service.

Housing property disposals

Gains or losses arising on the disposal of housing properties (including the sale of properties under the Right to Buy, Right to Acquire schemes and the Group's asset disposal strategy) are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the operating surplus/deficit for the year. Any capital grant associated with properties sold is to be recycled through the Recycled Capital Grant Fund (RCGF).

Under shared ownership arrangements, the Group sells a long-term leasehold interest of Shared Ownership housing units to persons who occupy them at a lease premium equal to between 25% and 100% of open Market Value. The proceeds of first tranches sales are accounted for as turnover in the Statement of Comprehensive Income. The total property cost is apportioned between the shared ownership element and the element remaining in the Group's ownership based on the percentage sold or estimated to be sold. Properties developed for sale that are either unsold or work in progress at the yearend are included in current assets. Any subsequent tranches sold ('Stair-casing') are accounted for as disposals. The remaining unsold element remains on the Statement of Financial Position as a fixed asset and is subject to an annual impairment review.

Notes to the financial statements (continued)

Interest payable and other finance costs

Interest and finance costs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- Interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- A fair amount of interest on borrowings, as a whole, after deduction of SHG received in advance, to the extent that they can be deemed to be financing the development programme.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

Housing properties

Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent. Completed housing properties for lettings are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes costs of acquiring land and buildings, development costs incurred during the development period and other directly attributable costs including capitalised interest.

Housing properties under construction are stated at cost less accumulated impairment losses.

Completed housing properties are split between their land and other components.

Freehold land is not depreciated. Housing properties are depreciated on a straight-line basis over the useful economic life of the assets. The depreciable amount is arrived at on the basis of original cost.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

The Group's housing assets are depreciated as follows:

- Depreciation is charged from the date of acquisition or practical completion of works.
- Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.
- The estimated useful lives of components and classes of components are kept under review.
- Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter.

Capitalisation

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised as improvements.

Major improvements and renovation of housing properties which extend the life of the asset, increase the rent or considerably reduce future routine maintenance are capitalised and depreciated over the useful economic life of the asset.

Staff and other costs that are directly attributable to bringing housing properties to practical completion are capitalised. Development costs not capitalised are shown as other activities in the Statement of Comprehensive Income.

Notes to the financial statements (continued)

Capitalisation (continued)

Interest costs relating to new development are capitalised. The interest charged reflects the net interest paid over the period of the development.

Impairment

The Association carries out an annual impairment review of individual tangible fixed assets and cash generating units. The Association considers cash generating units to be schemes or geographical areas depending on size.

The review takes into account internal and external indicators of impairment; including obsolescence, physical damage, expected cash flows, replacement values market factors and government policy.

Where an indicator of impairment exists, an impairment assessment is performed. The assessment compares the carrying amount to the recoverable amount. If the carrying amount of an asset or cash generating unit exceeds the higher of the value in use or fair value less costs to sell then the loss is charged to the Statement of Comprehensive Income as expenditure and as a separate line within operating expenditure where it is considered to be material.

Investment properties

Investment properties consist of market rented residential properties. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in value recognised in the Statement of Comprehensive Income. These properties have been valued by external valuers on the basis of open market value as they are market-rented properties, rather than social housing properties, which could be sold with vacant possession within a short time period. The market value is based upon an analysis of comparable transactions which have taken place in the area, and the valuer's background knowledge of the local market.

Government Grants

Government grants include grants receivable from Homes England and its predecessor bodies, 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.

Grants relating to revenue 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 the funds will be received.

Grants released on the sale of a property may be repayable but are normally available to be recycled and 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.

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the recognition criteria are satisfied is recognised as a liability.

Notes to the financial statements (continued)

Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties and charges depreciation, so as to write down the cost of each component to nil, on a straight-line basis over its estimated useful economic life. Freehold land is not depreciated. The structural components of its housing properties are depreciated at the following annual rates:

Component Depreciable Life (Years)

Structure	100	Doors	25
Roof	60	Electrics	40
Boiler	15	Consumer units	30
Heating System	30	Solar Panels	20
Kitchen	20	Air Source Heat Pumps	30
Bathroom	30	Communal building	100
Windows	30	Vertical lifts	15

Intangible Fixed Assets

Intangible assets are identifiable non-monetary assets without physical substance. The Association's intangible assets include licences, warranties and software. These are stated at cost less accumulated amortisation and any accumulated impairment losses. The cost includes cost of asset purchase and other directly attributable costs.

Intangible assets are amortised on a straight-line basis over the useful economic life of the assets as follows:

- Software warranties & licences 5 years

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

- Small freehold buildings 25 years
- Large office complex 60 years
- Sheltered scheme furniture, fixtures and fittings 5 years
- IT hardware and office equipment 1 to 5 years
- Plant, machinery and vehicles 4 to 5 years

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Debtors

Short term debtors are measured at transaction price, less any impairment or provision for doubtful debts. Debtors due after more than one year solely relate to the intra group loan to subsidiary entity Choices Housing Association. The loan was initially recognised at fair value, determined by discounting the future repayment using a market rate of interest. The difference between the loan amount and its fair value is treated as an equity contribution (investment in subsidiary). Subsequently, the loan is measured at amortised cost, with the unwinding of the discount recognised as interest income over the term of the loan.

Cash and cash equivalents

Cash and cash equivalents in the Group's Statement of Financial Position consist of cash at bank, in hand, deposits and short-term investments which can be accessed instantly.

Notes to the financial statements (continued)

Creditors

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

Provision for liabilities and charges

The Group only makes a provision when:

- there is a present legal or constructive obligation, resulting from a past event, at the Statement of Financial Position date;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Association or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Association does not recognise a contingent liability but discloses its existence in the financial statements.

Leased assets

At inception, the Association assesses all agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classed as finance leases. The Association does not have any finance leases in operation. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Payments received when the Association is acting as a lessor are treated as rental revenue in the Statement of Comprehensive Income and the leased asset is a fixed asset in the Statement of Financial Position

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The Association has charitable status and therefore not subject to corporation tax on the surplus arising from charitable activities. Provision is made for the tax liabilities which arise on the surplus arising on the Parent's non-charitable activities.

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

Notes to the financial statements (continued)

Value Added Tax (VAT)

The Association's main income stream, being rent, is exempt for value added tax (VAT) purposes. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs (HMRC). The Association is able to reclaim VAT in line with a Partial Exemption Special Method agreed with HMRC as it sits within the wider VAT Group.

VAT reclaimed under the partial exemption method is calculated using a sectorised approach, allowing the different activities of the Group to be assessed separately for recovery based on the VAT treatment of the supply.

The balance of VAT payable to or recoverable at the year-end is included in the financial statements as a current liability or asset.

Pensions

The Association participates in a defined benefit pension scheme. The assets of the scheme are held separately to those of the Association.

For defined benefit schemes accounted for as defined benefit schemes, the net liability (or asset, to the extent it is recoverable) is calculated by estimating the amount of future benefit that employees have earned to date, discounted to present value, and deducting the fair value of the scheme's assets. Changes in this net defined benefit liability arising from employee service, introductions, benefit changes, curtailments and settlements during the period are recognised in operating costs. The net interest expense (or income) on the net liability (or asset) for the period is recognised as other finance cost (or income).

Re-measurement of the net liability (or asset) is recognised as actuarial gains/losses in Other Comprehensive Income.

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

Financial Instruments

Basic Financial Instruments

Basic financial instruments, which include cash, short-term investments, receivables, payables, and loans with standard terms, are initially recognised at transaction price and subsequently measured at **amortised cost** using the **effective interest method**, less any impairment losses. All of the Association's financial instruments are deemed to be basic.

Loan Issue Costs

Loan issue costs are amortised over the life of the related loan. Loans are presented in the Statement of Financial Position within creditors falling due after more than one year net of any unamortised loan issue costs.

Amortised loan issue costs are recognised in the Statement of Comprehensive Income in the year, and are included within interest payable and similar charges.

Segmental reporting

For the purpose of segmental reporting, the chief operating decision maker (CODM) is considered to be the executive management group. In line with the segments reported to the CODM, the presentation of these financial statements and accompanying notes are in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022 and is considered appropriate. Management consider the Regulator's Accounting Direction Note A and B to be the same information for the purposes of IFRS8 segmental reporting, as required by the SORP 3.8.

Notes to the financial statements (continued)

Segmental reporting (continued)

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Association. This is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type of customer and the nature of the regulatory environment across all of the geographical locations in which the Association operates. The CODM do not review disaggregated financial information of assets and liabilities at this level of operating segment.

Reserves

The Association establishes restricted reserves for specific purposes where their use is subject to external restrictions.

Notes to the financial statements (continued)

3 Turnover, operating costs and operating surplus

Association - continuing activities

	2026 Turnover £'000	2026 Operating costs £'000	2026 Operating surplus £'000	2025 Turnover £'000	2025 Operating costs £'000	2025 Operating surplus £'000
Social housing lettings						
Other social housing activities:						
Renting & letting of garages	842	(65)	777	856	(184)	672
Leaseholder service charges & communal repairs	485	(485)	-	577	(577)	-
Shared ownership 1 st tranche sales	993	(651)	342	1,155	(597)	558
Other	26	(762)	(736)	24	(667)	(643)
	<u>102,104</u>	<u>(79,831)</u>	<u>22,273</u>	<u>96,513</u>	<u>(73,062)</u>	<u>23,451</u>
Activities other than social housing:						
Property lease income-group companies	660	-	660	644	-	644
Community centres and social enterprise	62	(214)	(152)	73	(175)	(102)
Other non social housing activities	122	-	122	63	-	63
Gain/(Loss) on disposal of other Fixed Assets	-	18	18	-	(36)	(36)
Gain on disposal of housing properties	-	-	10,956	-	-	11,492
Movement in the fair value of assets	-	-	-	-	-	417
Loss on disposal of investment properties	-	-	-	-	-	(753)
Gift aid covenanted from subsidiaries	-	-	2,215	-	-	1,856
	<u>102,948</u>	<u>(80,027)</u>	<u>36,092</u>	<u>97,293</u>	<u>(73,273)</u>	<u>37,032</u>
Total Operating Surplus						

Notes to the financial statements (continued)

3 Turnover, operating costs and operating surplus (continued)

Particulars of income and expenditure from social housing lettings

Association	General needs housing 2026 £'000	Supported housing and housing for older people 2026 £'000	Total 2026 £'000	Total 2025 £'000
Rents receivable net of identifiable service charges	70,007	16,244	86,251	82,258
Service charge income	1,648	9,602	11,250	10,215
Amortised government grants	1,717	-	1,717	1,424
Other revenue government grants	540	-	540	4
Turnover from social housing lettings	73,912	25,846	99,758	93,901
Management	(7,793)	(3,722)	(11,515)	(10,310)
Services	(2,439)	(14,453)	(16,892)	(14,699)
Routine maintenance	(17,904)	(3,324)	(21,228)	(19,622)
Rent losses from bad debts	(142)	(176)	(318)	(213)
Major repairs expenditure	(8,238)	(1,798)	(10,036)	(9,892)
Depreciation of housing properties	(13,806)	(3,925)	(17,731)	(16,266)
Component write-off following demolition	(148)	-	(148)	(35)
Operating costs on social housing lettings	(50,470)	(27,398)	(77,868)	(71,037)
Operating surplus on social housing lettings	23,442	(1,552)	21,890	22,864
Void losses	448	524	972	486

Notes to the financial statements (continued)

4 Surplus on sale of housing assets

	Right to Buy Sales	Right to Acquire Sales	Low Cost Home Ownership Sales	Other	Total 2026	Total 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Disposal proceeds	1,622	1,830	789	9,809	14,050	17,075
Carrying value of fixed assets	(526)	(544)	(400)	(1,624)	(3,094)	(5,583)
	<u>1,096</u>	<u>1,286</u>	<u>389</u>	<u>8,185</u>	<u>10,956</u>	<u>11,492</u>

5 Accommodation in management

Accommodation in management for each class of accommodation was as follows:

Association	2025 No.	2026 Additions	2026 Disposals	2026 Other	2026 No.
Social housing					
General needs housing at social rent	7,784	150	(120)	(18)	7,796
General needs housing at affordable rent	2,940	198	(2)	(20)	3,116
Supported housing at social rent	1,377	-	-	(1)	1,376
Supported housing at affordable rent	944	172	(6)	6	1,116
Low cost home ownership	330	7	(5)	23	355
Non-social housing					
Market rented	<u>122</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>121</u>
Total owned	13,497	527	(133)	(11)	13,880
Social housing managed for others					
Other social housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Managed	13,497	527	(133)	(11)	13,880
Properties where the Group had residual freehold interest	<u>549</u>	<u>-</u>	<u>(29)</u>	<u>12</u>	<u>532</u>
	<u>14,046</u>	<u>527</u>	<u>(162)</u>	<u>1</u>	<u>14,412</u>
Accommodation in development at year end	<u>637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475</u>

Notes to the financial statements (continued)

6 Operating surplus

The operating surplus is arrived at after charging/(crediting):

	2026 £'000	2025 £'000
Gain on disposal of housing properties	(10,956)	(11,492)
(Gain)/Loss on disposal of other fixed assets	-	-
Amortisation of intangible assets	-	7
Depreciation of housing properties	17,731	16,266
Depreciation released on disposal		
– properties	(1,502)	(1,655)
– components	(2,320)	(3,168)
Depreciation of other tangible fixed assets	673	525
Impairment of housing properties	-	-
Operating lease charges		
- Equipment Leases	618	504
- Vehicle Leases & Hire	1,247	1,169
- Land & Building Leases	129	141
Auditor's remuneration (excluding VAT):		
for audit services	127	143
for non-audit services	-	-

7 Interest receivable and similar income

	2026 £'000	2025 £'000
Interest received from temporary investments with banks and building societies	449	555
Other interest receivable	84	80
	<u>533</u>	<u>635</u>

8 Interest payable, financing costs and similar charges

	2026 £'000	2025 £'000
Loans repayable within 5 years	13,279	13,127
Loans wholly or partly repayable in more than five years	9,066	9,163
Funders security/facility fee	993	1,028
Valuer's fee	208	30
Defined benefit pension charge	(78)	(61)
Interest payable capitalised on housing properties under construction	(3,352)	(4,145)
Other interest payable	-	-
	<u>20,116</u>	<u>19,142</u>

Interest has been capitalised on housing properties under construction at a rate of 4.34% (2025: 4.45%)

Notes to the financial statements (continued)

9 Employees

	2026 No.	2025 No.
Average monthly number of employees expressed in full time equivalents: (calculated based on a standard working week of 36 hours)		
Office staff	322	362
Trades & retail employees	203	216
Scheme managers, estate officers and cleaners	80	67
Care		-
	<u>605</u>	<u>645</u>
	2026 £'000	2025 £'000
Staff costs:		
Wages and salaries	22,306	22,984
Social security costs	2,900	2,384
Other pension costs	<u>2,718</u>	<u>2,947</u>
	<u>27,924</u>	<u>28,315</u>

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

	2026 No.	2025 No.
£60,001-£70,000	23	21
£70,001-£80,000	20	3
£80,001-£90,000	3	4
£90,001-£100,000	1	4
£100,001-£110,000	-	-
£110,001-£120,000	-	1
£120,001-£130,000	-	4
£130,001-£140,000	1	-
£140,001-£150,000	-	-
£150,001-£160,000	-	-
£160,001-£170,000	-	1
£170,001-£180,000	-	1
£190,001-£200,000	-	-
£260,001-£270,000	1	-
	<u>49</u>	<u>39</u>
Total		

Notes to the financial statements (continued)

10 Key management personnel, board members and executive directors

Following the merger with Housing Plus Group on 6 January 2025, all executive director costs from that date to the 31 March 2026 were paid by the new parent company.

Expenses paid during the period to board members amounted to £0 (2025: £7,704).

The aggregate amount of the total cost of key management personnel to the business (including benefits in kind and pension contributions) during the year was £0 (2025: £777,372).

	2026 £'000	2025 £'000
Executive directors		
Basic salary	-	511
Benefits in kind (car provision)	-	21
Pension contributions	-	97
	-	629
Employer's social security contributions	-	67
Total	-	696
Board members		
Fees	-	80
Social Security Contributions	-	1
	-	81

The pension costs disclosed in the table above represent the employer contributions in respect of the key management personnel. The actuary for the Local Government Pension Scheme does not provide details of current or past service cost on an individual member basis and, therefore, the disclosure represents the contributions payable only rather than the total amount charged to operating costs in respect of the key management personnel.

All Board member fees were met by Housing Plus Group. Disclosure of fees paid to individual board members is included within the Report of the Board.

The emoluments of the highest paid director, the Group Chief Executive to the date of merger were £0 (2025: £160,128). The Group Chief Executive is a member of the Local Government Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual arrangement for the Group Chief Executive.

Notes to the financial statements (continued)

11 Pensions

Group

The Association participates in the Shropshire County Pension Fund which is a defined benefit career average salary pension scheme. Triennial actuarial valuations are performed by a qualified actuary using the "projected unit" method. The most recent formal valuation of the Fund was completed as at 31 March 2025 and rolled forward, allowing for the different financial assumptions required under FRS102, to 31 March 2026, by a qualified independent actuary.

The Group made the decision to close the scheme to new entrants with effect from 1 September 2020. New employees are offered membership of a Smart defined contribution pension with employer contributions ranging from 10-14%.

The CPI inflation assumption has been updated over the year to reflect revised expectations of the impact of aligning the RPI index with CPIH from February 2030. CPI is derived from RPI with a deduction of 1.0% p.a. before February 2030 and 0.2% p.a. thereafter. This compares to a deduction of 1.0% p.a. before February 2030 and no deduction thereafter adopted last year.

On 26 January 2026, Housing Plus Group ("HPG") entered into an admission agreement with Shropshire Council, as administering authority of the Shropshire County Council Pension Fund ("the Fund"), to facilitate the transfer of LGPS participation from The Wrekin Housing Group Limited ("Wrekin") following the merger of the two organisations. The agreement provides for employees to move from Wrekin to HPG in phases, without impacting their participation in the Fund. When each employee transfers from Wrekin to HPG, the associated assets and liabilities in relation to their participation in the Fund will also transfer from the Wrekin to the HPG admission. Once all active members have transferred, the remaining assets and liabilities relating to deferred and pensioner members will immediately transfer to the HPG admission. As a result, responsibility for the historical and future pension obligations previously attributed to Wrekin will pass to HPG.

No transfers had occurred by 31 March 2026, and HPG expects the transfer of employees, and associated assets and liabilities, to be completed by 31 March 2027. The surplus arising in respect of the Wrekin admission is therefore being recognised in line with the future working lifetime of the current membership (as in previous years) until such time as the transfer of employees is completed.

Virgin Media Ltd vs NTL Trustees-On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans and it is understood this would apply to the LGPS.

In June 2025 the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes meet the necessary standards. This legislation, The Pension Schemes Bill received royal assent on 29 April 2026. It is understood that LGPS funds are considering next steps. Consequently, no allowance has been made for the Virgin Media judgment.

Contributions

The employer's contributions to the Shropshire County Pension Fund (SCPF) by the Association for the year ended 31 March 2026 were £2,669,000 (2025: £2,502,000) and the employer's contribution rate was fixed at 20% of pensionable pay until 31 March 2026 with regard to future service benefits. For the 2026/27 year this rate has fallen to 9.7% and will remain at this rate until the end of 2028/29. In addition, annual lump sum payments have historically been made in respect of past service deficits. The lump sum payment for 2025/26 was £153,100. As a result of the 2025 valuation, deficit contributions will be nil from 2026/27 to 2028/29. The deficit contributions will be revised on receipt of the March 2028 valuation.

Notes to the financial statements (continued)

11 Pensions (continued)

Principal actuarial assumptions

	31 March 2026 % per annum	31 March 2025 % per annum
Rate of increase in salaries	3.4	3.3
Rate of increase in pensions in payment	2.9	2.8
Discount rate	6.2	5.9
Inflation assumption	2.9	2.8

Mortality Assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2026 No. of years	2025 No. of years
Retiring today:		
Males	21.8	22.0
Females	24.3	24.3
Retiring in 20 years:		
Males	22.8	23.0
Females	25.5	25.7

Post mortality assumptions (normal health)

	2026	2025
Non-Retired Members M/F		
-Mortality table	SAPS 4 / SAPS 4 middle	SAPS 3/SAPS 3 middle
-Improvements	CMI 25 1.25% / CMI 25 1.25%	CMI 23 1.25%/ CMI 23 1.25%
-Weightings	108% / 98%	101%/93%
-Additional parameters	S=7, A=0.25	S=7, A=0.25
	Underlying	W20=W21=0, W22=W23=15%
Retired Members M/F		
-Mortality table	SAPS 4 / SAPS 4 middle	SAPS 3/SAPS 3 middle
-Improvements	CMI 25 1.25% / CMI 25 1.25%	CMI 23 1.25%/ CMI 23 1.25%
-Weightings	103% / 95%	96%/92%
-Additional parameters	S=7, A=0.25	S=7, A=0.25
	Underlying	W20=W21=0, W22=W23=15%

Membership Information (later of 31 March 2025 & admission date)

	Number	Average Age	Liability Split
Active Members	281	49	39%
Deferred Members	308	47	14%
Pensioners	374	70	47%

Notes to the financial statements (continued)

11 Pensions (continued)

Amounts recognised in the statement of financial position:

	2026 £'000	2025 £'000
Fair value of employer assets	135,572	126,441
Present value of funded liabilities	(107,271)	(108,328)
Impact of asset ceiling	(26,315)	(18,113)
Net (liability)/asset	1,986	-

Analysis of the amounts charged to total surplus:

	2026 £'000	2025 £'000
Amount charged to operating costs		
Current service cost	1,428	1,816
Administration expenses	112	91
Past service cost	-	48
Effect of curtailments	239	-
Amount charged to financing costs		
Net interest cost on plan assets/defined benefit obligations	(1,147)	(65)
Interest on asset ceiling	1,069	4
Amount charged to total surplus	1,701	1,894

Analysis of the amounts charged to other comprehensive income:

	2026 £'000	2025 £'000
Remeasurements – net gain	(8,151)	(17,419)
Impact of asset ceiling	7,133	18,027
Total remeasurements loss / (gain)	(1,018)	608

Reconciliation of opening and closing balances of asset ceiling:

	2026 £'000	2025 £'000
Asset ceiling impact at beginning of year	18,113	82
Interest on surplus above asset ceiling	1,069	4
Change in asset ceiling (net of interest)	7,133	18,027
Asset ceiling impact at end of year	26,315	18,113

Notes to the financial statements (continued)

11 Pensions (continued)

Reconciliation of opening and closing balances of the present value of scheme liabilities:

	2026 £'000	2025 £'000
Opening scheme liabilities	(108,328)	(120,812)
Current service cost	(1,428)	(1,816)
Interest cost	(6,270)	(5,842)
Contribution by members	(797)	(800)
Past service cost	-	(48)
Benefits paid	4,909	3,989
Curtailments	(239)	-
Actuarial gain	4,882	17,001
Closing scheme liabilities	<u>(107,271)</u>	<u>(108,328)</u>

Reconciliation of opening and closing balances of the fair value of plan assets:

	2026 £'000	2025 £'000
Opening fair value of plan assets	126,441	120,894
Interest income	7,417	5,907
Contributions by the employer	2,669	2,502
Contribution by members	797	800
Benefits paid	(4,909)	(3,989)
Administration expenses	(112)	(91)
Actuarial gain/(loss)	3,269	418
Closing fair value of plan assets	<u>135,572</u>	<u>126,441</u>

Major categories of plan assets as a percentage of total plan assets:

	2026	2025
Equities	55.7%	58.9%
Government Bonds	4.8%	-
Other Bonds	12.9%	13.4%
Property	4.6%	4.4%
Cash	0.8%	0.7%
Other	21.2%	22.6%

Notes to the financial statements (continued)

11 Pensions (continued)

Sensitivity Analysis

Disclosure Item	None	0.5% p.a. discount rate	0.25% p.a. inflation	0.25% p.a. pay growth	1 Year increase in life expectancy	+1% change in 2025/26 investment returns	-1% change in 2025/26 investment returns
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	107,271	100,457	110,849	107,849	109,435	107,271	107,271
Assets	(135,572)	(135,572)	(135,572)	(135,572)	(135,572)	(136,921)	(134,223)
Deficit/(Surplus)	(28,301)	(35,115)	(24,723)	(27,723)	(26,137)	(29,650)	(26,952)
Exc ceiling impact							
Projected service cost for next year	1,338	1,155	1,437	1,338	1,372	1,338	1,338
Projected net interest cost for next year	(1,789)	(2,389)	(1,567)	(1,753)	(1,655)	(1,872)	(1,705)

The table above shows the sensitivity of the results of the calculations to changes in the actuarial assumptions used. These exclude the impact of the asset ceiling.

12 Taxation

	2026 £'000	2025 £'000
Current Tax		
UK corporation tax on surplus for the year	14	12
Adjustments in respect of prior years	1	3
Total current tax	<u>15</u>	<u>15</u>
Total tax on results on ordinary activities	<u>15</u>	<u>15</u>
Surplus on ordinary activities before tax	16,509	18,525
Theoretical tax at corporation tax rate of 25% (2025: 25%)	4,127	4,631
Effects of:		
Income not taxable for tax purposes	(29,918)	(29,197)
Expenses not deductible for tax purposes	25,805	24,578
Adjustments to tax in respect of prior periods	1	3
Total tax charge	<u>15</u>	<u>15</u>

Notes to the financial statements (continued)

13 Fixed assets - housing properties

Housing Properties

	Social housing properties completed £'000	Social housing properties under development £'000	Shared ownership properties completed £'000	Shared ownership properties under development £'000	Total £'000
Cost					
At 1 April 2025	950,725	92,627	22,181	-	1,065,533
Improvements to existing properties	6,815	-	-	-	6,815
Additions	2,248	73,886	12	-	76,146
Change of tenure	(1,998)	-	1,998	-	-
Schemes completed	104,019	(104,019)	-	-	-
Transfer to assets held for sale	-	-	(587)	-	(587)
Transfer to investment properties	-	-	-	-	-
Disposals – properties	(4,295)	-	(422)	-	(4,717)
Disposals – components	(2,320)	-	-	-	(2,320)
At 31 March 2026	<u>1,055,194</u>	<u>62,494</u>	<u>23,182</u>	<u>-</u>	<u>1,140,870</u>
Depreciation and impairment					
At 1 April 2025	153,847	-	2,087	-	155,934
Change of tenure	(52)	-	52	-	-
Impairment	-	-	-	-	-
Charged in year	17,549	-	182	-	17,731
Released on disposal - properties	(1,480)	-	(22)	-	(1,502)
Released on disposal - components	(2,320)	-	-	-	(2,320)
Transfer to assets held for sale	-	-	(11)	-	(11)
At 31 March 2026	<u>167,544</u>	<u>-</u>	<u>2,288</u>	<u>-</u>	<u>169,832</u>
Net book value					
At 31 March 2025	<u>796,878</u>	<u>92,627</u>	<u>20,094</u>	<u>-</u>	<u>909,599</u>
At 31 March 2026	<u>887,650</u>	<u>62,494</u>	<u>20,894</u>	<u>-</u>	<u>971,038</u>

Notes to the financial statements (continued)

14 Fixed assets – housing properties (continued)

Included in the depreciation charge for the year is £386k of accelerated depreciation on components disposed before the end of their useful economic lives (2025: £722k). Improvements to existing properties includes component replacements and enhancements. Initially, stock transfer units comprised only land and building components due to their low value. Component replacements in these units are treated as new and form part of this value.

Expenditure on works to existing properties

	2026 £'000	2025 £'000
Amounts capitalised – component replacement	6,815	10,222
Amounts charged to statement of comprehensive income	<u>10,036</u>	<u>9,892</u>
Total	<u>16,851</u>	<u>20,114</u>

Social housing grant (SHG)

	2026 £'000	2025 £'000
Total accumulated SHG receivable at 31 March:		
Recognised in the statement of comprehensive income	14,319	11,003
Held as deferred income	<u>170,629</u>	<u>148,577</u>
	<u>184,948</u>	<u>159,580</u>

Notes to the financial statements (continued)

15 Tangible fixed assets - other

	Freehold buildings and land	Sheltered scheme furniture, fixtures and fittings	Computers and office equipment and furniture	Plant, machinery and vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025	5,031	3	3,652	261	8,947
Additions	76	-	705	36	817
Disposals	(235)	-	-	-	(235)
At 31 March 2026	<u>4,872</u>	<u>3</u>	<u>4,357</u>	<u>297</u>	<u>9,529</u>
Depreciation and impairment					
At 1 April 2025	3,078	3	2,927	207	6,215
Charged in year	206	-	448	19	673
Depreciation on disposals	(37)	-	-	-	(37)
At 31 March 2026	<u>3,247</u>	<u>3</u>	<u>3,375</u>	<u>226</u>	<u>6,851</u>
Net book value					
At 31 March 2025	<u>1,953</u>	<u>-</u>	<u>725</u>	<u>54</u>	<u>2,732</u>
At 31 March 2026	<u>1,625</u>	<u>-</u>	<u>982</u>	<u>71</u>	<u>2,678</u>

16 Investment in subsidiaries

At the year end the Association had three wholly owned subsidiaries, Choices Housing Association Limited, Old Park Services Limited and Strata Housing Services Limited. It holds one £1 ordinary share in each company which equates to a 100% holding. The principal activity of Choices Housing Association is the provision of registered care and supported housing for adults with a learning disability, specialist dementia care and domiciliary care. The principal activity of Old Park Services Limited is to provide housing and property related services and associated software to other social landlords. The principal activity of Strata Housing Services Limited is the provision of development services to its parent company, The Wrekin Housing Group Limited. The Association has the right to appoint members to the boards of the subsidiaries and thereby exercises control over them. Old Park Services Limited and Strata Housing Services Limited are non-regulated companies. The registered office is the same for all group companies. Wrekin Housing Group Limited holds an investment of £237,000 in Choices Housing Association Limited.

Notes to the financial statements (continued)

16 Investment in subsidiaries (continued)

	Association	
	2026	2025
	£'000	£'000
Investment in group undertakings	237	237
	<u>237</u>	<u>237</u>

Company	%	Surplus / (deficit) for the year	Reserves
Choices Housing Association Limited	100	(311,000)	640,000
Old Park Services Limited	100	476,000	461,000
Strata Housing Services Limited	100	1,263,000	805,000

17 Investment properties

	2026	2025
	£'000	£'000
At 1 April	18,633	20,101
Disposals	-	(1,885)
Increase/(decrease) in value	<u>-</u>	<u>417</u>
At 31 March	<u>18,633</u>	<u>18,633</u>

Investment properties are non-social housing properties held for letting which were valued at 31 March 2026. These properties have been valued on the basis of open market value as they are market-rented properties, rather than social housing properties, which could be sold with vacant possession within a short time period. The market value is based upon an analysis of comparable transactions which have taken place in the area, and the valuer's background knowledge of the local market. During 2025, the Group disposed of 10 investment properties for total proceeds of £1.132m. The carrying amount of these properties at the time of disposal was £1.885m, resulting in a gain/(loss) of £0.753 million. The properties were previously measured at fair value.

Notes to the financial statements (continued)

18 Debtors: Amounts falling due after more than one year

	Association	
	2026	2025
	£'000	£'000
Amounts owed by group undertakings	-	1,517
	-	1,517

19 Properties held for sale

	2026	2025
	£'000	£'000
Completed shared ownership properties	254	317
	254	317

20 Debtors

	2026	2025
	£'000	£'000
Rent and service charges receivable	1,790	1,516
Less: provision for bad and doubtful debts	(1,381)	(1,137)
	409	379
Prepayments and accrued income	8,933	4,688
Other debtors	562	1,198
Trade debtors	35	35
Amounts owed by group undertakings	3,365	2,324
Amounts owed by parent company	1,002	273
	14,306	8,897

Notes to the financial statements (continued)

21 Cash and cash equivalents

	2026	2025
	£'000	£'000
Cash at bank and in hand	9,910	2,287
Short-term bank deposits	21,553	6,530
	<u>31,463</u>	<u>8,817</u>

22 Creditors: Amounts falling due within one year

	2026	2025
	£'000	£'000
Debt (note 26)	-	74,243
Trade creditors	3,434	2,158
Rent and service charges received in advance	5,387	5,027
Other taxation and social security	644	693
Pension contributions due	251	96
Social housing grant received in advance	293	1,241
Accruals	4,095	5,777
Interest Payments Due	4,633	4,258
Deferred Income	154	104
Holiday pay accrual	230	230
Deferred grant income (note 24)	1,717	1,424
Other creditors	320	340
Amounts owed to group undertakings	9,465	9,611
Amounts owed to parent company	776	212
	<u>31,399</u>	<u>105,414</u>

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

Notes to the financial statements (continued)

23 Creditors: Amounts falling due after more than one year

	2026 £'000	2025 £'000
Debt (note 26)	634,742	510,690
Recycled capital grant fund (note 25)	325	207
Deferred grant income (note 24)	179,741	157,472
	<u>814,808</u>	<u>668,369</u>

24 Deferred grant income

	2026 £'000	2025 £'000
At 1 April	158,896	148,988
Grant received in the year	26,180	9,828
Transferred from DPF (Historic – Pauls Moss)	(1,743)	1,743
Transfer to recycled capital grant fund	(158)	(239)
Released to income in the year	<u>(1,717)</u>	<u>(1,424)</u>
At 31 March	<u>181,458</u>	<u>158,896</u>
Amounts to be released within one year	1,717	1,424
Amounts to be released in more than one year	<u>179,741</u>	<u>157,472</u>
	<u>181,458</u>	<u>158,896</u>
SHG	170,629	148,577
Other grant	<u>10,829</u>	<u>10,319</u>
	<u>181,458</u>	<u>158,896</u>

Notes to the financial statements (continued)

25 Recycled capital grant fund

	2026 £'000	2025 £'000
At 1 April	207	322
Grants recycled	158	239
Interest accrued	-	-
Acquisition of dwellings for letting	(40)	(354)
Balance at 31 March	<u>325</u>	<u>207</u>

Withdrawals from the recycled capital grant fund have been used for the purchase and development of new housing schemes for letting.

26 Debt analysis

	2026 £'000	2025 £'000
Due after more than one year		
Bond Financing	250,000	250,000
Discount and premium	1,310	1,379
Amortised cost of issue	<u>(1,127)</u>	<u>(1,175)</u>
Carrying value of bond	250,183	250,204
Bank loans amortised cost	384,559	334,729
	<u>634,742</u>	<u>584,933</u>
Repayable in		
Less than one year	0	74,243
One year or more but less than five years	234,548	210,115
After five years	<u>400,194</u>	<u>300,575</u>
	<u>634,742</u>	<u>584,933</u>

The bank loans are secured by fixed charges on individual properties and by a floating charge over the assets of the Association. At 31 March 2026 the Association had total loan facilities available of £471m (2025: £471m) of which £22m (2025: £148m) was undrawn. £117m of this facility is fixed for periods of between 1 and 15 years at fixed rates of interest ranging from 4.126% to 7.25%. The instalments fall to be repaid in the period 2027 to 2040. £280m of this facility is variable at a rate of SONIA plus credit adjustment spread (CAS) plus margin and is repayable between 1 & 7 years.

The bond is a £250m, long-dated instrument issued via the debt capital markets, maturing in 2048 and with a coupon rate of 2.5%. The bond is listed on the London Stock Exchange. £200m was issued on day one, with £50m initially retained for future issue. The bond was issued at 148bps over Gilt, giving an all-in cost of funds of 2.607%. In August 2020 the Group issued a further £25m of its retained bond. It was issued at 108bps over Gilt, giving an all-in cost of funds of 1.92%. In November 2021 the final £25m was issued at 95 bps over Gilt, giving an all-in cost of funds of 1.962%. At 31 March 2026 the £250m 2019 bond was priced at 53.278p and therefore valued at £135.942m.

Notes to the financial statements (continued)

27 Reserves

Revenue reserves include all retained surpluses and deficits in relation to current and prior periods, and any fair value movement on the valuation of Investment properties.

At 31 March 2026, the revenue reserve included £2.0m in respect of the defined benefit pension liability (2025: £nil).

Restricted reserves relate to the agreement with the former English Partnerships that The Wrekin Housing Group Limited retains all receipts from the sale of housing assets on the Woodside estate for reinvestment in the regeneration of the estate.

28 Financial commitments

	2026 £'000	2025 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	54,954	46,305
Expenditure authorised by the board but not contracted for	22,070	21,765
	<u>77,024</u>	<u>68,070</u>

The above commitments reflect the continuation of the Group's Asset Renewal and Development Programme. The commitments will be financed through a combination of borrowings, which are available for draw-down under existing loan arrangements, social housing grant, expected shared ownership sales proceeds, property sales under the Group's Asset Renewal Strategy and cash generated from operating activities.

Operating leases

The future minimum lease payments of leases are as set out below. Leases relate to office accommodation and vehicles.

The future minimum operating lease payments are as follows:	2026 £'000	2025 £'000
Within one year	1,041	933
Two to five years	985	1,346
	<u>2,026</u>	<u>2,279</u>

The Association had no lease receivables under non-cancellable operating leases.

Notes to the financial statements (continued)

29 Financial assets and liabilities

Categories of financial assets and liabilities

	2026 £'000	2025 £'000
Financial assets that are debt instruments measured at amortised cost	36,836	13,026
Financial liabilities measured at amortised cost	<u>(657,465)</u>	<u>(607,289)</u>
	<u>(620,629)</u>	<u>(594,263)</u>

Financial assets that are debt instruments measured at amortised cost comprise short term debtors, cash deposits on money markets at call and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, interest payments due, other creditors and debt.

Interest rate Risk profile

The group's financial liabilities are sterling denominated. The interest rate profile of the group's financial liabilities at 31 March was:

Group	2026 £'000	2025 £'000
Fixed rate	377,294	379,541
Floating rate	<u>257,448</u>	<u>205,392</u>
Total borrowings	<u>634,742</u>	<u>584,933</u>

The floating rate financial liabilities comprise bank loans that bear interest rates based on SONIA plus a credit adjustment spread and contracted margins.

The fixed rate financial liabilities have a weighted average interest rate of 3.68% (2025: 3.70%) and the weighted average period for which it is fixed is 14 years (2025: 17 years).

The debt maturity profile together with applicable interest rates is disclosed in note 25.

Borrowing facilities

The group has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent had been met were as follows:

	2026 £'000	2025 £'000
Expiring in less than two years	-	8,000
Expiring in more than two years	<u>22,000</u>	<u>140,000</u>

Notes to the financial statements (continued)

30 Contingent liabilities

The Association had no contingent liabilities to disclose at 31 March 2026 (2025: £0).

31 Related parties

During the year, the Association recharged amounts to its parent company, The Housing Plus Group Limited. The Housing Plus Group Limited is registered with the Social Housing Regulator.

Entity	Cost	2026 £'000	2025 £'000
Housing Plus Group Limited	Recharge of staff and operating costs	2,434	-

During the year, the Association recharged amounts to its wholly owned subsidiaries. Choices Housing Association Limited is registered with the Social Housing Regulator. Old Park Services Limited and Strata Housing Services Limited are both unregistered entities. The amounts were as follows:

Entity	Cost	2026 £'000	2025 £'000
Old Park Services Limited	Recharge of staff and operating costs (Reviive)	677	561
	Recharge of staff and operating costs (third party repairs services)	3,324	2,442
Strata Housing Services Limited	Recharge of Staff Costs (development services)	931	891
Choices Housing Association Limited	Recharge of staff and operating costs	1,348	1,093

All costs are recharged on an actual cost basis.

During the year the following services were supplied by the Association (the parent) to unregistered subsidiary entities:

Entity	Service	2026 £'000	2025 £'000
Old Park Services Limited	Property leases	660	644

Notes to the financial statements (continued)

31. Related parties (continued)

During the year the following costs were recharged by the parent to the Association:

Entity	Cost	2026 £'000	2025 £'000
Housing Plus Group Limited	Recharge of Staff Costs and Operating Costs	781	-

During the year the following costs were recharged by other entities in the group to the Association:

Entity	Service	2026 £'000	2025 £'000
Homes Plus Limited	Recharge of Staff and Operating Costs	81	-

During the year the following services were supplied by the parent company to the Association:

Entity	Service	2026 £'000	2025 £'000
Housing Plus Group Limited	Management Services	1,788	-

During the year the following services were supplied by the subsidiary entities to the Association (the parent):

Entity	Service	2026 £'000	2025 £'000
Old Park Services Limited	Provision of energy supplies	79	79
Strata Housing Services Limited	Provision of development services	48,033	46,739
Choices Housing Association Limited	Provision of care services	4,851	3,874

The Board included one member who is also a tenant of the Association. Tenancies are granted on normal terms and conditions and are not considered material to the financial statements. During the year Mr Kevin Morgan held a position on the Board until 31 July 2025 when he retired from his position. Tenant board members are required to pay rent and service charges under standard tenancy agreements. No preferential treatment, rent waivers or other benefits were provided to Mr Morgan in his capacity as a tenant or board member. Tenant board members are excluded from any board discussions or decisions where a conflict of interest may arise.

All transactions with tenant board members were on standard terms and were not material to the financial statements.

Notes to the financial statements (continued)

31 Related parties (continued)

There are no other related party transactions to disclose that have not been disclosed elsewhere in these financial statements. Please see note 10 for details of executive and board remuneration.

As at the 31st March the amounts owed to the association by its parent entity was as follows:

Housing Plus Group Limited	£1,001,662	(2025: £nil)
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As at the 31st March the amounts owed to the association by subsidiary entities was as follows:

Old Park Services Limited	£961,559	(2025: £1,449,388)
Strata Housing Services Limited	£244,495	(2025: £483,139)
Choices Housing Association Limited	£2,119,017	(2025: £1,907,317)

As at the 31st March the amounts owed to the association by other group entities was as follows:

Homes Plus Limited	£40,161	(2025: £nil)
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As at the 31st March the amounts owed by the association to its parent entity was as follows:

Housing Plus Group Limited	£775,584	(2025: £nil)
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As at the 31st March the amounts owed by the association to subsidiary entities was as follows:

Old Park Services Limited	£164,333	(2025: £131,283)
Strata Housing Services Limited	£8,751,370	(2025: £9,100,335)
Choices Housing Association Limited	£422,037	(2025: £379,167)

As at the 31st March the amounts owed by the association to other group entities was as follows:

Homes Plus Limited	£93,564	(2025: £nil)
Care Plus Limited	£33,888	(2025: £nil)

32 Gift aid

	2026 £'000	2025 £'000
Gift aid received from Old Park Services Limited	916	608
Gift aid received from Strata Housing Services Limited	1,299	1,248
	<u>2,215</u>	<u>1,856</u>

33 Non-equity 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 9 shares in issue following the merger and restructure of the Board. (2025: 11). During the year two Board members retired from the Board.