Annual Report and Financial Statements

For the year ended 31 March 2025

Warrington
Housing Association

WARRINGTON HOUSING ASSOCIATION LIMITED

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WARRINGTON HOUSING ASSOCIATION LIMITED

GROUP INFORMATION AT
31 MARCH 2025

Board Members

Michele Scattergood	Chair
Steven License	Deputy Chair - Resigned 18/09/2024
Alison Dean	Deputy Chair – Appointed 18/09/2024
Martin Newsholme	Chair of Audit & Risk
Janet Richmond	Chair of Remuneration
Tracey Mainwaring	
David Simons	
Carl Talbot-Davies	
Jimmy Overill	
Louise Murphy	

Executive Directors

David Cummins BA(Hons), MSc Dip Ms	Chief Executive Officer
Kirsty Capper FCMA, CGMA, CGA (Affil)	Executive Director of Resources
Fiona Graham BA(Hons)	Executive Director of Operations

Company Secretary
Kirsty Capper FCMA, CGMA, CGA (Affil)

Registered Office
the Gateway, 89 Sankey Street, Warrington, Cheshire, WA1 1SR

External Auditors
RSM UK Audit LLP
Ninth Floor, Landmark, St Peter's Square
1 Oxford Street,
Manchester, M1 4PB

Internal Auditors
Beever & Struthers
1 George Leigh Street
Manchester M4 5DL

Solicitors
Brabners LLP
Horton House, Exchange Flags
Liverpool L2 3YL

Principal Bankers
Barclays Bank plc
23-25 Golden Square
Warrington WA1 1TW

WARRINGTON HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

The Board present their Strategic Report on the affairs of the Group, together with the Board Report, financial statements and auditor's report for the year ended 31 March 2025.

The Group consists of Warrington Housing Association Limited and its wholly owned subsidiary, Lifetime Homes (Warrington) Limited.

Warrington Housing Association (WHA) is a not-for-profit organization, a registered society under the Co-operative and Community Benefit Societies Act 2014 with tax-exempt charitable status and as such has charitable objectives.

Lifetime Homes (Warrington) Limited is a general commercial company, a company limited by shares under the Companies Act 2006.

Business Model

WHA has been in operation for nearly 50 years and during that time has grown, developed and changed to meet the needs and expectations of our customers and the communities in which we work. We currently own and manage 1,562 homes for families, older people and people with additional support needs, including leasehold and shared ownership properties across the Borough of Warrington. We are locally based at the Gateway community resource centre in the town, a community asset which is owned by WHA.

Since 2007 we have been the managing agent of the Warrington Home Improvement Agency (WHiA), a not-for-profit service for older, disabled and vulnerable residents in the town who wish to repair, improve and adapt their homes.

LifeTime joined WHA in 2013 as an exciting network providing opportunities for older people in Warrington to connect, be active, healthy and to keep learning in a fun and fulfilling environment. LifeTime is part of our wider commitment to reducing social isolation and the promotion of ageing well in Warrington.

Lifetime Homes primary purpose as a commercial trading subsidiary of WHA is to further the aims and objectives of WHA in the most effective way.

Objectives and Strategy

Our vision is to '***work with our customers to help make Warrington a great place to live, in which the potential of individuals and communities can be realized.***' We achieve this aim by focusing on five themes around which our business will prosper. These themes are outlined in our Business Plan and used throughout the organization to help us to articulate who we are and what we want to achieve. The Business Plan is reviewed annually and approved by the Board:

HOMES - through managed growth and effective reinvestment, we will provide homes that are safe, secure, energy efficient and affordable.

- We will aim to ensure that WHA offers homes which people are proud to live in, exceeding their expectations now and in the future.
- We will proactively manage our assets, to meet customer, regulatory and legal requirements.
- Through our work, we will have a positive impact on climate change and sustainability.
- We will continue to grow by doing more of what we already do well.
- We will ensure that we build the Right Homes in the Right Places in the Right Way. Our focus will not be about numbers alone, but will incorporate an increased attention to quality, sustainability, fit and impact.

CUSTOMERS - to focus on delivering exceptional core services, prioritizing the needs of our customers and the communities in which we work.

- We will provide accessible and tailored services aiming to meet or exceed the expectations of our customers.
- We will celebrate the success of what we do and openly share learning when things go wrong.
- We will ensure that customers are genuinely influencing what we do as a business and Board are making informed decisions linked to customer insight.
- We will further cement our position as a community anchor organization.

SOCIAL VALUE - to ensure that achieving social value is an integral part of the way we think, the way we procure and the way we deliver.

- We will invest in the communities we serve to improve resilience, cohesion and health & wellbeing.
- We will target our resources where they have the greatest impact.
- We will support individuals through challenges posed by the cost-of-living crisis.
- We will actively manage our social value work alongside our commercial thinking, maximizing income opportunities from external sources where possible.

COLLEAGUES - to be an exceptional place to work that attracts, develops and nurtures our people.

- We will empower our colleagues through effective management support, delegation and motivation.
- We will recognize and reward high performance in order to reinforce the most important outcomes for our business.

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- We will have a systematic approach to organizational development focusing on performance and engagement.
- We will continue to be committed to supporting and valuing our colleagues, building a positive workplace culture and ensuring a healthy, safe and inclusive working environment.

VIABILITY – to deliver a financially strong and well-managed business, fit for today and prepared for tomorrow.

- We will continually review our Board and governance arrangements to ensure that WHA operates to the highest standard.
- We will continue to embed a culture of viability and value for money in everything we do.
- We will continue to manage our resources effectively, maximizing the return on our assets to ensure we have the financial capacity to deliver our priorities.
- We will increase our focus on Knowledge and Information Management (KIM) ensuring that we continue to make informed decisions about our work.
- In line with the objectives of our Communications Strategy, we will seek to communicate WHA's story to a diverse audience.

The way we work is guided by our core values:

Development and Performance

Having successfully delivered our previous Business Plan, we are now on an ambitious new journey. Acknowledging that we work within an increasingly challenging external environment with high levels of scrutiny on our sector, we have updated our vision and corporate priorities to reflect our focus on customers, core purpose and on the creation of safe, secure energy efficient and affordable homes. We have been working over the last 12 months in preparation for more robust consumer regulation and we welcome the opportunity to demonstrate our commitment to customers and our communities.

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STRATEGIC REPORT

During 2024 we welcomed a new Government with an ambitious housing plan designed to tackle the UK's housing crisis through increased construction and regulatory reforms. Whilst we await clarity on some of the detailed policies, as a small community-based housing association we welcome this increased focus and emphasis. We will work with partners locally, regionally and nationally in order to support the delivery of this vision.

We are proud to be a local, community-based anchor organization with strong and lasting connections to the communities we serve. Our ambition to build will continue and we have the financial strength to continue to deliver on our ambitions, albeit at a reduced level as we maintain and increase our focus on our existing homes/assets. We still believe that delivering the right type of homes is critical if the areas in which we work are going to thrive and those in housing need are going to be supported.

HOMES

Unfortunately, during 2024, the contractor for one of our on-site developments to deliver 12 apartments went into voluntary liquidation. This has meant a further delay to the completion of this scheme whilst an alternative contractor was appointed. We are pleased to report that the scheme restarted at the end of March 2025 and is scheduled for completion at the end of September 2025.

We have also started on site with a new scheme to deliver 7 family homes in St Helens, our first move outside the borough of Warrington. In addition, we successfully negotiated the transfer of 55 homes in Warrington & St Helens from another registered provider. These properties transferred at the end of March 2025, and we look forward to welcoming customers into the WHA fold.

We continue to deliver housing management services to Warrington Borough Council's private housing company, Incrementum, 161 homes for market and sub-market rent. Management services are delivered by our subsidiary, Lifetime Homes.

Over the past 12 months, the Asset Team has made significant progress in maintaining and improving our homes, as well as increasing our properties' energy performance. Despite economic challenges and resources limitations, the team has successfully delivered key projects including the implementation of our planned maintenance module, enhancing and updating our stock condition data and embedding all compliance functions within our housing management system to increase assurance around performance management.

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We have increased our stock condition data to 96% during the year and are working with our neighbourhood colleagues to access the remaining 4% of properties, cross referencing with our customer data to understand and mitigate any barriers to access.

We have seen a 40% increase in reports of damp, mould and condensation (DMC). This is in part due to the increased focus from the Government, the Regulator and the Housing Ombudsman. Whilst the specific criteria around Awaabs Law has not been ratified as yet, we have reviewed our approach to DMC to ensure that we are ready for the proposals.

We have incremental, year on year targets to achieve 100% EPC C by 2030, our present performance being 74.92% at the end of the financial year. We have commenced a pilot programme in some of our poorer performing properties to increase their energy efficiency and reduce fuel costs. We have completed works to a number of properties where we have seen performance improve from EPC D/E to at least EPC C.

<u>CUSTOMERS</u>

We remain committed to ensuring that our customers live in safe and secure homes, they experience a high-quality and seamless service and feel that their views are considered. The new Consumer Regulatory Standards which came into effect in April 2024 reinforces the needs for providers to embed a culture where the customer voice is heard throughout service delivery, so we have increased the range of opportunities for customer involvement.

We are a learning organisation and continue to reinforce messages that complaints are a valuable insight into when things have gone wrong. We have simplified our complaints process, so that customers are clear how they can make a complaint. We regularly share outcomes for our customers and things we have changed as a result of our learning. We confirmed compliance the Housing Ombudsman's Complaints Handling Code and regularly share spotlight reports with engaged customers and colleagues.

We have adopted the Community Housing Partnership's (CHP) 'Knowing Our Customers' policy, which set out our commitment to assisting all our customers and residents to ensure they can access our services, and ensure they receive the assistance they need to sustain their tenancy. Aligned to this is the need to continue to ensure that we have up to date and accurate data about our customers to give that assurance that we are adapting services to meet their needs and not discriminating. In order to achieve this, this year we have embarked on a targeted customer data project, to collect data to inform future service delivery and to remove any barriers for customers.

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SOCIAL VALUE

Our social value investment is focused on tackling inequalities and promoting fairness in society, supporting communities and individuals through our services. Working in the third sector locally is increasingly difficult due to the extreme financial pressures that statutory services are facing.

Our WHiA service is focused on the health and wellbeing of older owner occupiers and the private rented sector through practical improvements to the home environment and supporting individuals. The service visited 2,000 homes and completed a wide range of grant-funded and charitable cases. WHiA works in partnership with Warrington Borough Council's Housing Standards and Assistance to deliver Disabled Facilities Grants (DFG's). The number of cases completed remains high with fee income of £217k exceeding our budget expectations.

Lifetime supports people in later life to enjoy a healthy independent and fulfilling life, feeling connected, reducing loneliness and isolation and improving health and wellbeing. The Lifetime Hub moved into a new space in September 2024 with new activities added and participation has been rising gradually. There were 25,000 attendances, 3,000 activities, with an average participation every month of 578 individuals. Lifetime continues to develop partnerships with other agencies which contribute to our social value mission and has successfully secured additional funding to add to the activity programme and to be more proactive in reaching out to people who are not regular participants.

COLLEAGUES

Following the awarding of our Investors in People Gold Award in 2023-24, we have continued to implement the recommendations aimed at enhancing our organisational effectiveness and colleague engagement. By actively addressing these recommendations, we have not only strengthened our internal processes but also demonstrated our commitment to valuing the opinions of our colleagues.

To enhance teamwork and collaboration among our leadership team, 2024-25 saw the delivery of the 'mastering team performance for courageous strategic leadership teams in dynamic organisations' progamme. Ultimately, this initiative will strengthen our leadership team's ability to lead by example and drive our strategic objectives forward as a collective.

In the final year of our three-year training plan, we have focused on meeting the requirements of the RSH for professionalism and embedding standards across our organization to support high-quality, ethical service delivery.

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This financial year has seen the launch of our new H.R. / Payroll system, an integrated system that has removed reliance on manual processes, delivered improved reporting functionality and line management visibility with overriding benefit of efficiency across the organisation.

We have continued to build a positive workplace culture through initiatives aimed at enhancing colleague engagement within the organization. Through these initiatives, we aim to create a workplace culture that emphasizes open communication, recognizes achievements, and supports, professional development, ultimately enhancing engagement and satisfaction.

VIABILITY / FINANCIAL PERFORMANCE

Turnover for the Group for the year is £9,141k (2024: £8,566k) and a surplus for the year, after taxation of £377k (2024: £1,526k). Financial performance remains strong, despite higher than anticipated costs in the areas of service charges, DMC repairs and FRA remedial works. Our social value project, WHiA, positively outperformed its budget and overall employee costs were lower than anticipated due to carrying of vacancies pending successful recruitment.

During the current financial year, an impairment charge of £250,000 has been recognized in relation to one of our on-site development projects. This impairment arose following the voluntary liquidation of the original contractor, which resulted in increased costs required to complete the building. The revised cost projections have necessitated a reassessment of the assets recoverable value.

The Group's housing properties continue to increase in line with our planned maintenance spend on existing properties plus our continuing development programme. 2024-25 saw the transfer of 54 properties from another Registered Provider for £5m further increasing our assets with a corresponding increase in loan drawdowns to fund the purchase.

Debtors have increased due to increases in rent arrears, prepayments & accrued income and there has also been an increase in creditors in respect of accruals and deferred income.

A summary of financial performance over the past 5 years is shown below-:

Group Statement of Comprehensive Income for year ended 31st March £000	2025	2024	2023	2022	2021
Turnover	9,141	8,566	7,926	7,540	7,572
Operating surplus	920	1,972	2,322	1,178	1,725
Surplus after taxation	377	1,526	1,958	771	1,322

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Key Performance Indicators
Please see Value for Money section on page 21 onwards outlining our performance for 2024-25.

Future Prospects
WHA will celebrate its 50th birthday in 2025! From humble beginnings in 1975, we have grown over the last 50 years to what we are today, but the key principles of providing quality homes and services for those in housing need has never changed. 2025-26 will see WHA in the final year of our current three-year Business Plan. Our focus will be on how we will manage the challenges ahead and how we will work with our customers, partners and colleagues to continue to deliver on our vision.

HOMES
A recent capacity review reinforced the Board's commitment to deliver both investment in our existing homes and to retain our focus on growth.

As we enter a new phase of our new build journey, we will review our Growth Strategy in 2025. We aim to continue to develop and acquire new homes at a similar rate to that achieved in recent years. However, moving forward our focus will not be about numbers alone, but will incorporate an increased attention to quality, sustainability, fit and impact, thus ensuring that we built the 'right homes in the right places in the right way'. Existing on-site schemes will deliver 19 new homes in 2025-26 and we are continuing to explore further stock transfer opportunities.

In respect of our existing homes 2025-26 will see us focus on a number of key priorities:

- Sustainability and energy efficiency – focus on prioritizing energy retrofit projects for our older, more problematic housing stock.
- Stock data – building our forward programme of condition surveys, to ensure that data continues to be up to date and fit for purpose to inform future investment requirements.
- Awaab's Law – whilst the specific criteria around the new legislation has not been ratified as yet, our renewed approach to DMC will ensure that we are ready for the proposals as and when they are implemented.
- Communal area review – in response to information gained as part of the Tenant Satisfaction Measures (TSM's) in 2024, we will be implementing recommendation following a recent review in consultation with our customers.

CUSTOMERS
We anticipate that our next regulatory inspection will take place during 2025-26. The work we are doing to enhance the customer voice, and how our customers effectively engage with governance and decision-making will inevitably support our inspection outcome.

To deliver on this our 2025-26 Business Plan priorities will include:

- The continued strengthening of the role of customer scrutiny
- An enhanced customer offer, through the creation of additional ways for customers to engage, including the evolution of our Customer Consultative Group and its role in the formal governance of WHA.
- Expansion of the extensive work we have undertaken in developing our knowledge and understanding of who our customers are, through showcasing examples of how we tailor our services to meet their needs.
- Increase the Board's direct engagement with tenants through a range of opportunities.
- Further enhance our approach to communications, with the aim of increasing focus on customer priorities and perceptions of the service we deliver.
- Plans to increase the level of colleague resources we allocate to services to customers, to help deliver further improvements as a response to changes in customer and regulatory expectations.

SOCIAL VALUE

In 2025-26, at a time when the Government has restated its commitment to preventative health services, our attention will be on how our services can be better integrated to the wider health & wellbeing offer through:

- Prioritizing the engagement of our tenants so they benefit from our social value services..
- Tackling the key determinants of health through our services.
- Understanding the needs of people through research, surveys, consultations, views and evidence.
- Working with stakeholders to collaborate and join our efforts to further our vision and have the best outcomes.

Finally, understanding our impact is key and we will be working with our beneficiaries to ensure we are targeting our work in the right way to have the most beneficial impact.

COLLEAGUES

2025-26 will be a busy year for colleagues. We will be implementing the requirements of the Social Housing Act in respect of professional qualifications, and we will also be completing the final actions linked to our last Investors in People (IIP) review. As part of our senior leadership development we will establish three new Executive priorities, linked to: collective endeavour, value for money and performance management. To support this, our high-level Business Plan priorities for 2025-26 will include the following themes:

- Engagement – fostering a sense of purpose, motivation and value to drive shared success.

- Development – investment in enhancing skills and abilities to drive innovation, engagement and to meet challenges.
- Support – enhancing colleague wellbeing, productivity and satisfaction, ensuring empowerment and growth.
- Internal Communication – keeping colleagues informed, engaged and aligned with organizational goals.

VIABILITY

As a sector, we now face more regulatory scrutiny than ever with increasing costs and increasing demands on what we are expected to do. We are often reminded by our Regulator that we need to make difficult choices. To support this, our high-level Business Plan priorities for 2025-26 include the following themes:

- We will continuously assess our Board and governance practices to ensure WHA operates with excellence and upholds the highest standards.
- We will continue to promote a culture of value for money, ensuring long-term sustainability of our efforts.
- We will continue to effectively manage our resources, leveraging our assets to ensure financial capacity for achieving our key priorities.
- We will enhance our emphasis on Knowledge and Information Management (KIM) to ensure well-informed decision-making supports the effectiveness and impact of our work.

We have the financial strength to continue to deliver on our ambitions, demonstrated by the following:

- Sound financial planning framework which demonstrates viability into the long term.
- A clear strategy for controlled growth that is sustainable and doesn't compromise financial viability.
- A good understanding of our assets and a robust asset management strategy.
- A positive reputation with customers and partners as a trusted landlord.
- Strong and effective governance arrangements.
- A culture which empowers our people to realize their potential and deliver outcomes for our business.

WHA produces thirty-year financial projections, with more detailed figures for the first five years. The budget is prepared using a zero-based approach but takes into account our experience of financial activity in previous years, proposed levels of core activity, new and evolving activities & projects and knowledge of any external factors. The Group believes that the assumptions used are prudent and will maintain the financial viability of the organization, allowing a

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continued investment in existing homes and social value activities whilst delivering much needed new homes:

Summary Statement of Comprehensive Income £000	2025-26	2026-27	2027-28	2028-29	2029-30
Turnover	9,929	10,374	10,757	11,114	11,418
Operating costs	(7,889)	(8,104)	(8,274)	(8,366)	(8,530)
Operating surplus	2,040	2,270	2,483	2,748	2,888
Interest receivable	34	34	34	33	33
Interest & financial costs	(851)	(1,009)	(1,101)	(1,093)	(1,180)
Surplus before tax	1,223	1,295	1,416	1,688	1,741
Taxation	-	-	-	-	-
Surplus for the year	1,223	1,295	1,416	1,688	1,741

Principal Risks and Uncertainties

Risk management is fundamental to the success of any organization and is an essential part of good governance. Our risk management process ensures that risks are identified, documented, prioritized, and mitigated wherever possible. Our aim is to identify, manage and minimize, rather than eliminate risks which may prevent the organization from achieving its objectives. The identification and management of risk is ongoing and takes place as changes occur within the organization and in the external environment in which we operate.

To facilitate a structured approach to overall risk management, we have chosen to categorize our risks in accordance with our thematic pillars. All risks are assessed in terms of their impact and probability of occurring using a numeric scale. Each risk is assessed three times:

- Firstly, the **INHERENT** risk, which is the exposure arising from a specific risk where no controls are in place or mitigating actions have been taken.
- Secondly, the **MITIGATED** risk, which is the exposure arising from a specific risk where controls are implemented and effective action has been taken to manage risk.
- Thirdly, the **TARGET** risk, for those risks where the current mitigated level is deemed to be too high. It's the risk level that should remain once further actions have been completed.

The appropriate response to each risk will depend on its nature and the outcome of the risk assessment, but each response is documented in respect of first, second and third lines of defense, further actions, responsibilities, and timescales for implementation.

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Ultimate accountability for the control and management of risk rests with the Board. The Board determines WHA's appetite for risk in conjunction with the Executive and Senior Management Team(s) (EMT/SMT). The Board receives regular updates in respect of risk management as a minimum:

- Full annual review of both strategic and operational risk registers alongside approval of the Business Plan and Budget.
- Quarterly review of the strategic risk register, any new risks and operational risks with an assessed score of 16 and above.

The Board delegates responsibility to the Audit & Risk Committee (ARC) in line with its terms of reference which outline their specific responsibilities in respect of risk management:

- To establish policies, strategies and procedures for the identification and management of risk so as to minimize and take appropriate action in respect of those risks.
- To oversee, approve and review the risk management framework and process, reporting to Board where appropriate and at least on an annual basis.
- To regularly monitor the Group's existing risk.
- To be involved in the identification and evaluation of new and emerging risks.
- To periodically review the adequacy of the Group's insurance cover.
- Ensure appropriate business continuity plans are in place.
- Quarterly review of both the strategic and operational risk registers with a focus on any changes in conditions and assessed level of risk.
- Periodic review of the policy for recommendation to Board.
- To receive the annual internal controls statement from the Internal Auditor.

The EMT/SMT has the specific responsibility for identifying, assessing, controlling and managing risk on a day-to-day basis:

- Responsible for ensuring that risks are appropriately recorded, management controls and sources of assurance are documented.
- Ensuring that appropriate actions and interventions to reduce and mitigate risk are designed, implemented, and subsequently monitored.
- Make recommendations to Board and ARC on any new risks to be assessed.
- Review both the strategic and operational risk registers in full on a quarterly basis.
- Maintain the organization's risk register, ensuring that any actions/mitigations and assessment of new and emerging risks are carried out in a timely manner.

All risks have been reviewed in relation to the Business Plan and the stated risk appetite and noted where risk scores would currently be considered 'out of appetite' due to the ongoing economic pressures. These risks are subject to further review / actions, with EMT/SMT continuing to monitor and manage the situation, updating the risk register and providing regular updates to Board and ARC. The risks presented here represent the highest scoring in terms of mitigated risk from the strategic risk register:

Risk Description	Risk Appetite	Mitigated Risk Score	Lines of Defense		
			First	Second	Third
Failure to deliver development / growth Strategy	Cautious	Medium	• Internal management KPI's • Due diligence	• Assurance reporting • Quarterly Board reporting plus annual update	• External capacity review • Third party advice • Audits – internal & Homes England
Failure to deliver effective asset management, including sustainability	Minimum (Compliance – Adverse)	Medium	• Internal management KPI's • Inspections, stock condition, compliance regime • 30 year business plan. Investment programme	• Assurance reporting • Board reporting • Board approved strategy	• Internal audit programme • External consultancy
Failure to provide effective, customer focused services	Flexible	Medium	• Internal management • KPI's / TSM's • Benchmarking • Internal self – assessments	• Assurance reporting • Board reporting • Scrutiny Panel	• Independent surveys • Internal audit
Failure to manage impact of Government policy changes	Flexible	Med Hi	• Internal management • KPI's • Forum engagement • Stress testing & mitigations	• Assurance reporting • Board reporting	• Regulation
Regulatory compliance failure / adverse	Minimal	Medium	• Internal management • KPI's	• Assurance reporting	• Internal audit

regulatory judgement			• Internal self-assessments	• Board reporting	• External governance reviews • Regulation
Failure to comply with legislation	Minimal	Med Hi	• Internal management • KPI's • Internal self-assessments • Policies & procedures	• Assurance reporting • Board reporting	• Internal audits • External consultancy
Failure to manage finances and demonstrate value for money	Minimal	Med Hi	• Internal management • KPI's • 30-year business planning • Standing orders	• Assurance reporting • Board reporting • Board approvals	• Internal audit • External audit
Failure to protect and retain information / breach of data protection	Minimal	Medium	• Internal management • Policies and procedures • Mandatory training	• Board reporting	• Internal audit • Third party contracts • Cyber insurance
Failure of WHA's strategic partnerships & subsidiaries to deliver on their objectives	Minimal	Medium	• Internal management • KPI's • Active membership • Legal framework	• Assurance reporting • Board reporting	• External audit
Failure to manage the risk of cost inflation and other economic factors on BP viability	Cautious	Med Hi	• Internal management • 30 year business plan • Stress testing & mitigations	• Assurance reporting • Board reporting	• External audit (going concern) • Regulation

Financial Risk Management Objectives and Policies

The Group's activities expose it to a number of financial risks including credit risk, interest rate risk, cash flow risk and liquidity risk.

The Group borrows only in sterling and so is not exposed to currency risk.

Credit Risk
The Group's principal financial assets are bank balances and cash, rent arrears and other receivables.

The Group's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and tenants.

Cash Flow Risk
Cash flows for the period under review are set out in the Statement of Cash Flows (page 52).

The Group experienced a net decrease in cash and bank balances during the year of £326k, primarily reflecting payments for the stock transfer transaction.

The Group's policy is to borrow sufficient monies to meet its known and reasonable contingent requirements for liquidity. The Board's forecast of the cash flow position over the next five years is shown in the table below.

Summary Statement of Cash Flows	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000
Operating activities	1,366	1,648	1,876	2,173	2,313
Investing activities	(4,684)	(3,871)	(2,424)	(1,250)	(6,311)
Financing activities	2,957	2,223	548	(923)	3,998
Cash & cash equivalents b/f	1,361	1,000	1,000	1,000	1,000
Net change in cash & cash equivalents	(361)	-	-	-	-
Cash & cash equivalents c/f	1,000	1,000	1,000	1,000	1,000

The majority of interest-bearing liabilities are held at fixed rate to ensure the certainty of cash flows. Surpluses are deposited in approved UK institutions and the Audit & Risk Committee monitors deposit returns.

Liquidity Risk
The Group ensures that its liabilities will always be met when due and ensures adequate liability is available to meet unexpected expenditure requirements that may arise from time to time. Adequate, though not excessive, cash resources, borrowing arrangements, overdraft or standby facilities are available to ensure the level of funds which are necessary for the achievement of business plan objectives.

Borrowings at the end of the year were £13,004k. The debt is borrowed from banks and building societies in the UK and from Warrington Borough Council (WBC).

We retain access to £0.5m under our secured facility with Warrington Borough Council, available for drawdown until January 2026, with repayments structured over a 25-year annuity term. In early August 2025, we successfully secured a new £5m facility with Clydesdale Bank, enhancing our financial flexibility. Additionally, we are progressing plans to leverage surplus security within the Warrington Borough Council facility to secure a further £2m in borrowing. WHA has headroom in all of its financial covenants and ample unencumbered assets to support future borrowing.

The Group's cash position remains strong, with a closing balance of £634k as at 30 June 2025.

As at 31st March Maturity	2025 £000	2024 £000
Within one year	720	621
Between one and two years	765	647
Between two and five years	3,987	2,114
After five years	7,532	4,767
Total	**13,004**	**8,149**

As at 31st March Lender	2025 £000	2024 £000
Dexia	1,070	1,388
Orchardbrook (Capita)	438	449
Warrington Borough Council	7,703	2,458
Clydesdale Bank	3,073	3,233
Loans due within 1 year	720	621
Total	13,004	8,149

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Governance

The Board members and Directors are set out on page 3. The Group is governed by a Board composed of between five and twelve non-executive members with the maximum number serving at any time as determined by the Board. Board members are non-executive and are directors for legal purposes. The Board is responsible for managing the affairs of the Group and meets formally at least six times a year for regular business. Members are drawn from a wide background, bringing together professional, commercial, and local experience, and are remunerated for services performed for the Group. Insurance policies indemnify Board members and officers against liability when acting for the Group.

The Chief Executive and other Executive Directors act as executives within the authority delegated by the Board.

Statement of Regulatory Compliance

The Association assesses their compliance annually with:

- The economic standards as set by the Regulator of Social Housing (RSH).
- The consumer standards as set by the RSH.
- All relevant legislation.

The assessment was presented and considered in detail by the Audit & Risk Committee in June 2024 and subsequently reported to Board who have confirmed the Group's compliance.

The latest assessment by the RSH on 18th December 2024, following the Annual Stability Check, confirms the Regulatory Judgement as follows:

- **G1** – Governance – the provider meets the requirements on governance as set out in the Governance and Financial Viability Standard.
- **V1** – Viability – the provider meets the requirements on viability as set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively.

Code of Governance

The Board has adopted and complies with the principal recommendations of the National Housing Federation's Code of Governance 2020 with the exception of the following area:

- The Board has carefully considered the introduction of the six-year maximum tenure for members to provide stability and continuity within the Board. A transition plan is in place which will ensure that no current member will serve beyond nine years. All members appointed from 2021 onwards will normally service a maximum tenure of six years with the Board reserving the right to add a further one year to tenure if a particular skill set is required.

WARRINGTON HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Value for Money

Introduction

WHA recognizes that the viability of an organization is measured by its long-term survival and its ability to sustain surpluses over a period of time. Fundamental to the achievement of viability is the consideration and demonstration of Value for Money (VFM) in all of our activities. WHA is committed to maximizing VFM whilst ensuring that the highest level of service is delivered to our customers.

Our Viability Strategy sets out our approach to viability in the context of VFM, our arrangements to ensure delivery and how we will continually assess the success of our initiatives. It is designed to help us to deliver a financially strong and well managed business, fit for today and prepared for tomorrow and is framed between the following inter-related objectives:

- We will continually review our Board and Governance arrangements to ensure that WHA operates to the highest standard.
- We will continue to embed a culture of viability and value for money in everything we do.
- We will continue to manage our resources effectively, maximizing the return on our assets to ensure we have the financial capacity to deliver our priorities.

- We will increase our focus on knowledge and information management (KIM), ensuring that we continue to make informed decisions about our work.
- In line with the objectives of our Communications Strategy, we will seek to communicate WHA's story to a diverse audience.

We see our approach to viability and VFM as a natural extension of the strategies, policies and processes that are already in place. We will achieve our strategy by:

- Articulating our strategic objectives through the annual business planning process.
- Presenting our 30-year financial forecasts to the Board annually, with more detail for the first 5 years.
- Providing regular updates on our business plan progress throughout the year.
- Providing regular financial and treasury updates to ARC & Board.
- Capturing and reporting progress against targets through our quarterly assurance reporting framework.
- Ensuring that viability and VFM remains an integral part of existing vehicles for tenant scrutiny and colleague champion groups.
- Benchmarking our costs and other targets / KPI's with appropriate peer groups to enable comparison and identification of areas for improvement.

- Demonstrating to stakeholders an understanding of the costs of delivering our services through the publishing of Regulatory Metrics and participation in other appropriate benchmarking vehicles.
- Assessing options for viability improvement through the delivery of our key strategies, including the consideration of alternative delivery approaches.
- Ensuring that all of our reports to Board & Committees consider viability and VFM implications.
- Promoting an enthusiasm for change and innovation.
- Understanding and managing risks to the Group's Business Plan that are relevant to this strategy.

Responsibility for viability and VFM lies with everybody and is not restricted to those with performance or financial responsibilities. However, as a key corporate priority, the strategy has been approved by the Board who are ultimately responsible for ensuring delivery.

Investment Approach

Our Growth Strategy articulates our growth ambition within the context of our overarching vision and the external operating landscape. Our commitment to development reflects the understanding that providing appropriately designed homes in optimal locations is essential for fostering thriving communities. We are dedicated to ensuring that we build the right homes, in the right places, in the right way. Our approach prioritizes more than just numerical targets; it encompasses an enhanced emphasis on quality, sustainability, suitability, and overall impact.

WHA is committed to providing an average of 15 to 20 new affordable homes per annum through a range of initiatives, including:

- Strengthening partnerships and collaborations with Homes England, Local Authorities, developers and contractors.
- Maximizing the utilization of existing vacant land, repurposing assets, and pursuing land-led and package deals.
- Leveraging Section 106 affordable housing opportunities.
- Exploring stock rationalization initiatives in coordination with other Registered Providers.

Our Growth Strategy is intrinsically linked to our Asset Strategy, which is a statement of intent as to how WHA will manage and improve our existing homes to ensure they remain safe, secure, energy efficient and affordable and are homes which tenants are proud to live in, exceeding their expectations both now and in the future.

Our Sustainability Strategy further outlines our approach to de-carbonizing our existing homes, which is the biggest challenge we face. Current investment plans are based on stock condition and like for like life cycle replacements, however a re-profiling on investment plans is required to consider the wider implications of the move away from fossil fuels and specifications that exceed current performance standards in terms of fabric and technology. We recognize that we will require additional net funding to de-carbonize our existing homes and to date WHA has benefited from government funding via the ECO4 and GBIS schemes to improve the performance of circa 140 of our properties as well as increasing affordable warmth for these customers.

We remain on target to achieve the ambitions set out in our strategies. We refreshed our review of financial capacity during 2024 which confirmed our ongoing future capacity for funding new homes. We continue to work with Homes England to secure grant for confirmed schemes. Our financial projections continue to include an additional £200k per annum ring-fenced for our sustainability journey.

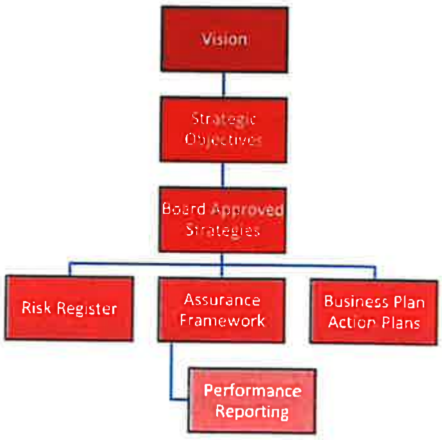
Measuring VFM

The Regulator's VFM Standard requires providers to have an approach, agreed by Board, for achieving value for money in meeting their strategic objectives and to demonstrate their delivery of value for money to stakeholders. Providers must take into account all areas of the organizational structure and different types of assets that are appropriate to their business.

At WHA we measure performance in a variety of ways and for a range of stakeholders:

- Our quarterly assurance report to Board reports on indicators crucial to the running of the business and cover each of our thematic areas.
- Our Collabor8 indicators are used by colleagues on a monthly basis to understand and drive departmental performance.
- Our customers know exactly how we are performing through a series of customer-defined performance measures and a range of satisfaction indices, which we make available on our website and through other media, including the Regulatory Tenant Satisfaction Measures (TSM's)
- Through local peer group benchmarking, regional benchmarking and through national data available through the RSH. We also participate in specialized benchmarking (e.g. salaries, terms & conditions).
- Social value indicators and our Social Value Accounts which are produced every 2 years, which demonstrate qualitative and quantitative success.

Our strategic framework is linked to our five pillars as outlined on pages 5-6 of this report. For each of our thematic areas there is a corresponding Board approved strategy which links directly to our organizational risk profile, our assurance framework and other operational performance metrics. Our wider business objectives are monitored through a series of action plans - through these we are able to demonstrate how performance links directly through to organizational priorities and how this in turn aligns to Board strategy and assurance, maintaining the golden thread across our business.



2024-25 represents the second year of the new iteration of our three-year business plan. Each year we set targets, approved by the Board, based on a combination of previous performance, local knowledge, sector best practice and continuous improvement. Our results for the past three years, targets set for the coming year, 2025-26, and performance against our peer group is outlined in the following tables:

Warrington Housing Association (WHA) benchmarks its performance against a range of relevant peer groups to ensure meaningful comparison and continuous improvement. These include:

- Registered Providers (RPs) with an average of 78.96% General Needs accommodation, compared to WHA's higher proportion of 82.04%.
- North West based RPs with fewer than 1,500 units, providing a regional perspective among similarly sized organisations.
- The Acuity Community Housing Group North West (CHP), a benchmarking group focused on smaller housing associations in the region.
- Acuity's National Smaller Housing Association Club, which includes data from 83 contributing members across the country.
- Additionally, the groups data is benchmarked with HouseMark's National Benchmarking Club for Large RPs.

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Homes – through managed growth and effective reinvestment, we will provide homes that are safe, secure, energy efficient and affordable.

Risk Appetite – our overall appetite for existing assets is MINIMALIST. We will accept risk only if essential and there is limited possibility / extent of failure. However, our appetite in respect of compliance is AVERSE, we will always select the lowest risk option. Our appetite for growth is CAUTIOUS. We have a preference for safe delivery but may select alternative options if the risk is limited and heavily outweighed by the benefits.

Metric	Peer Group Median 2023-24	Actual Performance			Target	
		2022-23	2023-24	2024-25	2024-25	2025-26
Reinvestment %	4.65%	8.03%	4.03%	3.90%	5.66%	6.13%
New Supply Delivered (social housing)	0.13%	2.38%	0.30%	0.00%	0.89%	1.40%
Responsive Repairs to Planned Spend	0.57	0.62	0.57	0.81	0.62	0.72
Existing Homes with EPC C or Above	70.00%	68.46%	71.55%	74.92%	75.00%	80.00%
Average No. Days to Complete Repairs	10.74	8.47	5.95	7.21	21.00	21.00
TSM (TP02) Satisfaction with repairs	89.50%	92.00%	90.50%	87.00%	91.00%	90.00%
TSM (TP05) Satisfaction that home is safe	87.70%	-	88.50%	89.00%	90.00%	90.00%
TSM (TP03) Satisfaction with time taken to complete most recent repair	86.62%	-	86.60%	88.00%	90.00%	88.00%
TSM (TP04) Satisfaction that the home is well maintained	85.80%	-	87.00%	83.00%	90.00%	85.00%
TSM (TP10) Satisfaction that the landlord keeps communal areas clean & well maintained	80.00%	-	73.90%	79.00%	80.00%	80.00%

Our Homes objective is to remain a significant local provider of homes and housing solutions in Warrington and beyond. Our reinvestment ratio reflects the continuing investment in our existing homes this year. We have continued to grow, this year via a stock transfer from another registered provider, which isn't reflected in the above metrics. We are continuing with our modest development programme with 19 homes due to complete in 2025-26.

This year our ratio of responsive to planned spend has been impacted by works relating to damp, mould & condensation (DMC) and our fire safety programme, which will continue into next year.

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We continue to incrementally improve our sustainability journey with a further improvement in valid EPC data held (87%), with 74.92% of these at EPC-C. Our fabric first approach will continue via our planned maintenance programme and will further increase this to 80% next year.

With the exception of TSM (TP02) satisfaction with repairs, all other 'homes' related TSM's have improved since last year and we have set further incremental improvements for 2025-26. In respect of TP02, although a score of 87% remains within the top quartile, we have taken the opportunity to explore the underlying causes of any dissatisfaction. The primary concerns raised relate to delays in repairs and gaps in communication and feedback. In response, we are taking proactive steps to address these issues. This includes engaging our customers in a comprehensive review of the service and reinforcing with our contractors their responsibilities as outlined in our Customer Charter.

Customers – to focus on delivering exceptional core services, prioritizing the needs of our customers and the communities in which we work.

Risk Appetite – our overall appetite is FLEXIBLE. We expect some uncertainty and will take strongly justified risks but will manage the impact.

Metric	Peer Group Median 2023-24	Actual Performance			Target	
		2022-23	2023-24	2024-25	2024-25	2025-26
Tenants evicted due to rent	n/a	3	2	-	n/a	n/a
Average re-let times (GN) days	28.79	22.60	13.83	10.10	15.00	15.00
TSM (TP01) Overall satisfaction with landlord services	85.12%	90.70%	85.10%	86.00%	85.00%	85.00%
TSM (TP06) Tenant satisfaction that their landlord listens to their views and acts upon them	72.18%	72.20%	72.20%	81.00%	73.00%	76.00%
TSM (TP07) Satisfaction that the landlord keeps tenants informed about things that matter to them	76.92%	-	76.90%	80.00%	80.00%	77.00%
TSM (TP08) Agreement that landlord treats tenants fairly and with respect	85.90%	-	85.90%	88.00%	86.00%	86.00%
TSM (TP09) Satisfaction with the landlord's approach to handling complaints	44.44%	-	44.40%	47.00%	45.00%	100.00%

TSM (TP11) Satisfaction that the landlord makes a positive contribution to neighbourhoods	70.00%	-	64.50%	75.00%	65.00%	70.00%
TSM (TP12) Satisfaction with the landlord's approach to handling anti-social behaviour	61.00%	-	56.00%	73.00%	60.00%	60.00%

As highlighted in previous reports, our re-let times for vacant properties continue to show year-on-year improvement, consistently outperforming sector benchmark averages. This strong performance not only minimises rental income loss but also ensures that new tenants are able to move into their homes promptly, enhancing overall customer satisfaction.

Despite the ongoing economic challenges affecting many of our customers and the associated difficulties in arrears collection, we are pleased to report that no evictions have been necessary this year. This outcome reflects the effectiveness of our early intervention strategies and sustained customer engagement, which continue to support tenants in maintaining their tenancies during difficult times.

All of our customer-facing Tenant Satisfaction Measures (TSMs) have shown improvement compared to last year. While anti-social behaviour (ASB) and complaints handling continue to receive the lowest scores—consistent with sector-wide trends—we have taken significant steps to address these areas. This includes updating our policies and procedures, and ensuring they are clearly communicated to customers across multiple platforms. We have also invested in additional staff training to enhance service delivery. Furthermore, our Scrutiny Panel has completed a comprehensive review of our complaints process, and we are actively incorporating best practices from across the sector to drive further improvements.

Social Value – to ensure that achieving social value is an integral part of the way we think, the way we procure and the way we deliver.

Risk Appetite – our appetite is FLEXIBLE. We expect some uncertainty and may be willing under the right conditions to trade-off against the achievement of other objectives.

Metric	Peer Group Median xx/xx	Actual Performance			Target	
		2022-23	2023-24	2024-25	2024-25	2025-26
Social value investment – relative to total operating surplus	n/a	8.47%	7.10%	30.76%	20.22%	7.77%
Skills & volunteering hours	n/a	6,086	5,775	5,736	N/A	N/A
Cash value of work conducted by volunteers	n/a	£84,109	£79,810	£69,252	£68,000	£80,000

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Financial inclusion – money generated for customers	n/a	£400,168	£127,119	£116,603	£100,000	£110,000
Eligible WHA tenants benefitting from social value services %	n/a	-	26%	25%	30%	18.5%

Unlike the other areas of the business, there are no direct external benchmarks to enable us to measure and compare our performance to peers. The indicators in the table have been consistent over the past 6 years, are approved by Board and are both quantitative and qualitative.

Our financial measure of performance for our social value investment, by calculating the surplus/deficit of each social value activity, relative to our total operating surplus, has declined this year. This reflects adverse financial performance against budget within WHA as a whole but also reflects an increase in expenditure in our Gateway service for fire safety.

WHA is committed to supporting our customers to sustain their homes and will provide advice and assistance where appropriate and signpost to partner agencies where specialist advice is required, for example, complex benefits and debt advice. WHA works in partnership with a number of agencies who offer tenants and residents access to funding, food banks and support for utilities. WHA also has a tenant assistance fund for supporting customers in hardship, which may include the purchase of white goods or floor coverings.

As WHA makes a significant investment in social value services, it is important that wherever possible, our eligible tenants benefit from this work, hence the Board requested a new indicator be introduced to capture this in 2023-24. Participation decreased by 1% in 2024–25, primarily due to the relocation of our Lifetime service during the year. However, we anticipate a positive trajectory in 2025–26, with performance expected to improve as the service becomes fully established in its new location.

Colleagues – to be an exceptional place to work that attracts, develops and nurtures our people						
Risk Appetite – our overall appetite is FLEXIBLE. We expect some uncertain outcomes but choose to manage the impact						
Metric	Peer Group Median 2023-24	Actual Performance			Target	
		2022-23	2023-24	2024-25	2024-25	2025-26
Average days lost to sickness	7.31	3.51	9.28	8.77	3.21	5.00
Colleague turnover	20.71	22.87%	23.76%	27.31%	21.80%	21.00%
Colleague satisfaction	n/a	-	7.80	8.34	8.00	8.00

Mandatory training completion within timescale	n/a	-	99.12%	100%	100%	100%
Sickness – current cost to the business against target £	n/a	£18,743	£47,979	£54,113	£27,000	£40,500

This year WHA has demonstrated progress in managing short-term sickness absence, achieving a 12.66% reduction year-on-year. While long-term sickness incidents have also declined by 6.67%, the total number of days lost has slightly increased by 3.41%, highlighting the need for sustained focus in this area. To build on these positive trends, continued investment in health and wellness initiatives will be essential in fostering a resilient and healthy workforce.

Colleague turnover increased year-on-year with 42% of turnover involving colleagues with less than one year of service. In response, recruitment, onboarding and skills gap analysis will be key areas of focus for 2025-26 to help address these trends. The year also saw the retirement of three colleagues with over 15 years services, although a natural occurrence and unlikely to indicate any negative trend, it still contributes to turnover.

Colleague satisfaction scores have risen steadily through 2024-25 with our end of survey reaching a score of 8.34 with an over 80% participation rate, enhancing the reliability of the results and better representing the broader team's views and satisfaction levels.

Mandatory training is assigned during each new colleague's induction, with most courses expected to be completed within three months. Refresher training for appropriate courses is scheduled every six months to maintain continuous compliance and ensure up-to-date knowledge. After the introduction of this indicator last year, it is pleasing to see 100% of assigned training has been successfully completed.

Viability – to deliver a financially strong and well-managed business, fit for today and prepared for tomorrow.

Risk Appetite – our appetite is MINIMALIST. We will choose options with only a limited possibility / extent of failure and will accept risk only if essential

Metric	Peer Group Median 2023-24	Actual Performance			Target	
		2022-23	2023-24	2024-25	2024-25	2025-26
Operating Margin % • Social housing lettings • Overall	23.73% 18.24%	21.78% 17.91%	27.38% 20.21%	13.98% 10.06%	23.15% 16.15%	23.15% 20.54%
Headline social housing costs	£4,209	£4,703	£5,128	£6,131	£5,609	£5,109
Current tenant arrears	3.70%	4.57%	4.19%	3.90%	4.00%	4.00%

Current arrears against target £	n/a	£260,678	£273,293	£273,051	£280,000	£352,000
Rent lost through empty properties	0.15%	0.42%	0.16%	0.08%	0.20%	0.20%
Rent collected	99.50%	99.55%	99.82%	99.80%	99.90%	99.90%
EBITDA-MRI (Regulatory definition)	236.61%	271.09%	227.12%	79.61%	215.57%	146.94%
Gearing (Regulatory definition)	11.86%	12.30%	11.86%	19.49%	12.32%	23.28%
Return on capital employed	3.15%	3.83%	3.27%	1.42%	2.35%	2.90%

One of our key performance indicators, the overall operating margin, closed the year below budget expectations. This variance was primarily driven by several factors, including increased service charges, higher maintenance expenditure, particularly on fire safety works and additional costs associated with DMC and the impairment charge. Consequently, this underperformance also impacted related financial metrics such as ROCE and EBITDA-MRI. It is important to note, however, that the EBITDA-MRI figure reflects the regulatory definition, which differs from the definition used in our lender covenants. For covenant purposes, we have successfully renegotiated an EBITDA-only measure.

Similarly, headline social housing costs have been impacted by the higher costs during the year but these are projected to improve further in 2025-26 as we realize the economies of scale through our stock transfer activity.

Our rent arrears performance has continued to improve year-on-year, reflecting the positive impact of our renewed focus on income collection and the successful embedding of a 'rent first' culture across the organization. Looking ahead, a planned internal restructure for 2025-26 is expected to further strengthen this progress by ensuring that early-stage arrears receive timely and targeted intervention, helping to prevent escalation and support sustained tenancy management.

<u>VFM Delivery</u>

All staff demonstrate a strong commitment to delivering the highest quality of service to our customers while actively pursuing value for money (VFM) in all areas of operation. Despite ongoing pressures, colleagues continue to identify and implement opportunities that enhance efficiency and effectiveness. Our approach to VFM has been strengthened by its designation as one of the organization's three executive priorities. A cross-departmental working group convenes regularly to champion VFM, share best practices, and embed a culture of continuous improvement throughout the organization.

The following provides a summary of business plan objectives and projects carried out in 2024-25, with a focus on delivering and enhancing value for money (VFM):

Theme	Business Plan Objective / Project	Value for Money		
		Economy	Efficiency	Effectiveness
Homes	Stock transfer – better VFM by avoiding the high upfront costs and risks of new developments, immediate rental income, benefit from existing infrastructure and economies of scale. For customers, this means more responsive services, better-maintained homes, and a stronger local presence and understanding of community needs.	✓	✓	✓
	Development - cost-effective adjustments to our new build specification improving long-term compatibility with asset management objectives.	✓	✓	✓
	Planned - The window specification was streamlined to maximise value while preserving key quality and energy performance standards — securing savings without compromise.	✓	✓	✓
Customers	Complaints - providing targeted training to reduce duplication and avoidable contacts — streamlining operations and freeing up resources, improving the customer experience and delivering VFM through increased efficiency and more effective resolution at first point of contact		✓	✓
	Allocations – consolidation of the allocations process into a single waiting list reducing administration, duplication, and simplifies access for applicants enhancing operational efficiency.		✓	✓
	Geography – realignment of housing officer patches to better reflect geography and demand – reducing travel time and mileage, cutting fuel costs and lowering carbon emissions,	✓	✓	✓

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	while enabling officers to spend more time with customers.			
	Recharges – targeted training on customer recharges supporting cost recovery, improved compliance, and frees up time for higher-value tasks.	✓	✓	✓
Social Value	Funding – external funding secured from UKSPF to support social value initiatives.	✓	✓	✓
	Office Space – relocating services into alternative accommodation has released existing space for broader strategic review, creating opportunities for future income generation.	✓	✓	✓
Colleagues	New HR/Payroll System - streamlined processes, reduced manual admin, faster, more accurate data handling, and freed up HR time - delivering improved efficiency and measurable value for money.		✓	✓
Viability	Technology – roll out of additional technology to frontline staff boosting productivity by enabling real-time access to data, reducing paperwork, and cutting unnecessary travel – speeding up issue resolution, first-time fixes, and enhancing customer service — all delivering better outcomes at lower cost.		✓	✓
	Technology – tender for new ICT support contract and associated software / hardware savings.	✓	✓	✓
	Funding – renegotiated loan arrangement fee for new funding facility.	✓		

The above initiatives have resulted in total cost savings / additional income of £112k across the year.

<u>Future Indicators & Plans</u>

To support benchmarking and trend analysis, the majority of our performance indicators have remained consistent over the past three years. The introduction of the Tenant Satisfaction

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WARRINGTON HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Measures (TSMs) has further enhanced our ability to benchmark against peers and identify opportunities for learning and best practice adoption. A dedicated task and finish group, comprising colleagues and Board members, meets on an annual basis to review our assurance measures ahead of new targets being set. There are only a small number of recommended changes for future reporting, the majority relating to asset management reporting:

- DMC - total number of cases (per month/quarter and YTD)
- DMC - number & % of cases closed (following a successful post inspection)
- DMC - average days to complete repairs
- DMC - number of repeat cases (YTD)
- Complaints - relating to DMC cases
- Customer Data - percentage of data collected
- Fire Safety - no. of remedial actions open, by priority
- Fire Safety - no. of overdue remedial actions, by priority
- Fire Safety - no. of remedial actions not completed in time, by priority
- Fire Safety - no. of rejected recommendations raised by FRA assessor

Business Plan objectives for 2025-26 include a number of projects with a VFM focus:

Theme	Business Plan Objective	Value for Money		
		Economy	Efficiency	Effectiveness
Homes	We will gather data about our homes and use this to inform our services & requirements		✓	✓
	We will work collaboratively to ensure our older persons offer is fit for purpose	✓	✓	✓
	We will achieve EPC C across our stock in line with Government targets	✓	✓	✓
	We will access funding, where appropriate, to improve the efficiency of our stock	✓	✓	✓
	Work with other to explore increasing stock / stock transfers / seek new opportunities outside of Warrington with other LA's. Proactively work with them to take advantage of funding opportunities	✓	✓	✓
Customers	We will collect up to date and relevant data through "every contact counts" to		✓	✓

	ensure we shape services which meet customer needs			
	We will aim to sign up 40% of our customers to the new customer portal by 2026	✓	✓	✓
	We will review the older peoples' offer to ensure a modern offer	✓	✓	✓
	We will share a minimum of 10 service improvements as a result of customer feedback each year		✓	✓
Social Value	Publish social value 2025 accounts to demonstrate our commitment to creation of social value, identify areas for improvement and keep us accountable for our impact.	✓	✓	✓
Colleagues	Roll out a new 3-year training plan prioritizing core skills, data competencies, and professional development			✓
	Enhance skills mapping and strengthen organizational learning and development initiatives to support effective succession planning.			✓
	Enhance our systems to improve colleagues' experiences and skill development through better access to technology		✓	✓
	Embed the new HR/OD system and establish an internal communications plan to improve employee experiences and streamline organisational processes		✓	✓
Viability	Establish a dedicated VFM task group and outline a targeted action plan to drive efficiency and effectiveness	✓	✓	✓
	Assess opportunities for joint initiatives with CHP to optimize resources and deliver greater value for money	✓	✓	✓
	Evaluate and enhance our asset appraisal methodology, ensuring a holistic approach that integrates all		✓	✓

	property aspects, centralizing data for improved efficiency.			
	Progress our Homemaster development journey by exploring and evaluating key modules and solutions (service charges / M3 locator / Power BI)		✓	✓

<u>Conclusion</u>

The Board holds ultimate responsibility for ensuring the delivery of value for money (VFM) across the organization and for maintaining compliance with the Regulatory Standard. Drawing on a wide range of internal and external data, validation, and assurance mechanisms, the Board has concluded that WHA has robust evidence to demonstrate compliance with the expected outcomes of the VFM Standard.

Political and Charitable Donations

During the year the Group made no political donations, and any charitable contributions were made within the Group's normal activities.

Approval

The Strategic Report of the Board was approved by the Board on 17th September 2025 and signed on its behalf by:

Michele Scattergood
Chair

WARRINGTON HOUSING ASSOCIATION LIMITED

BOARD REPORT

Statement of the Board's responsibilities under the Co-operative and Community Benefit Societies Act 2014 for a registered social landlord.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the surplus or deficit of the Group for that period. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that Warrington Housing Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Warrington Housing Association and to 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 has general responsibility for taking reasonable steps to safeguard the assets of Warrington Housing Association and to prevent and detect fraud and other irregularities.

Disclosure of Information to the Auditor

Each of the Board members at the date of approval of this report has confirmed that:

- As far as Board members are aware, there is no relevant audit information of which the Group's auditor is unaware, and
- The Board members have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Internal Control Statement

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognizes that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable, but not absolute, assurance that planned business objectives and expected outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of the Group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within normal management and governance processes. This approach includes the regular evaluation of the nature and extents of risks to which the Group is exposed and is consistent with good practice. The Board have agreed that where there is no regulatory requirement, existing standards of rigour will be maintained as a minimum.

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

- ***Identification and evaluation of key risks***
  Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. This process is coordinated through a regular reporting framework by the Audit & Risk Committee. The EMT/SMT regularly considers reports on significant risks facing the Group and the Chief Executive is responsible for reporting to Board any significant changes affecting key risks.
- ***Control environment and control procedures***
  The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury management and new investment projects. There are governance arrangements in place supported by a framework of policies and procedures with which colleagues must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health & safety, data & asset protection and fraud detection and prevention.
- ***Information and financial reporting systems***
  Financial reporting procedures include detailed annual budgets, detailed management accounts including forecasts for the year and detailed treasury reports. These are reviewed in detail by the EMT/SMT and considered and approved by the Board each quarter. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control.

The internal control framework and risk management process is subject to regular review and is supported by internal and external auditors who are responsible for providing independent assurance to the SMT and ARC and Board members respectively. There is a formal process for the reporting and correction of significant control weaknesses. The ARC considers internal control, risk and fraud at its meetings during the year.

The Board is therefore able to confirm that there is a robust and ongoing process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

The Board confirms that no weaknesses were found in the internal controls for the year ended 31st March 2025 which might otherwise have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

Going Concern

All Registered Providers continue to navigate a challenging external operating environment, with ongoing economic uncertainty shaping the landscape. Ensuring the necessary enhancements to quality, building safety, and energy efficiency across existing housing stock will require significant and sustained financial investment. This must be carefully balanced against the commitment to advancing the development programme, which remains vital in addressing housing needs.

At the same time, we remain dedicated to meeting the evolving expectations of our customers, ensuring that our services and homes continue to reflect the highest standards of quality, safety, and sustainability.

The Board is pleased to report another positive year-end position, offering a strong foundation from which to address these challenges. In formulating the going concern statement, the Board has carefully evaluated the following factors:

<u>Budgeting and Forecast Assumptions</u>

This assessment has been conducted with reference to our most recent comprehensive five-year financial forecasts. Key assumptions within all forecasts are regularly updated to incorporate the latest information from the Office of Budgetary Responsibility and sector consultants, ensuring accuracy and relevance.

Financial projections for a rolling twelve months continue to be refined and submitted to the Audit and Risk Committee (ARC) and the Regulator of Social Housing on a quarterly basis, taking into account known and potential variations in income streams, as well as adjustments to both revenue and capital expenditure.

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Notably, no additional liabilities have been identified as a consequence of changes within our operating environment. no covenant or liquidity breaches have been triggered or forecast.

Stress Testing

In accordance with regulatory requirements, the Group conducts comprehensive and rigorous testing of identified risks, including various risk combinations, across a range of scenarios, ensuring that appropriate mitigation measures are established.

The design of stress tests follows a structured approach, maintaining a clear alignment between the sector risk profile, strategic risks, and the eventual test framework.

There is a strong focus on plausible and timely macroeconomic risks, sector-specific factors, and those unique to WHA, all of which are assessed both individually and as multi-variate scenarios to ensure a thorough evaluation:

- Macro-economic – pressures in the wider economy
    - Cost inflation shock
    - Interest rate shock
    - Increase in voids / bad debts
- Sector combination – a combination of events impacting more specifically on housing associations
    - Decent Homes / sustainability cost increases
    - Compliance areas increased spend
    - Data integrity increased spend
    - Recruitment / retention increased colleague costs

The Group continues to assess the prevailing economic uncertainty as a potential risk to the business, particularly in relation to the impact on rent settlements, voids, bad debts, rent arrears, reductions in social value income, and the implications for maintenance and development activities. To ensure resilience, stress testing will remain an integral part of the evaluation process, applied to all new financial forecasts and business plan scenarios, enabling proactive risk management and informed decision-making.

Government Policy

As with all registered providers, the Group remains vulnerable to the implications of evolving government policy. In our business planning and stress testing processes, we have carefully evaluated the potential effects on our operating model across several key areas relevant to our activities:

- **Rent Setting** – Various alternative rent settlements have been incorporated into stress testing scenarios to ensure financial resilience.

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- **Grant Funding Availability** – Development plans have been structured to include a prudent level of grant funding, with ongoing engagement and collaboration with Homes England.
- **Shared Ownership** – Our development strategy assumes a moderate level of shared ownership (10% of the total programme), mitigating the risks associated with potential changes to this model that may affect costs for registered providers.
- **Carbon Neutral Agenda** – Initial estimates from external sources have been utilized in our stress testing scenarios to model the pathway towards achieving EPC C.
- **Interest Rates** – The impact of rising interest rates on variable-rate loans has been integrated into stress testing scenarios to assess financial sustainability.
- **Inflation** – The effects of increasing inflation have been carefully factored into our projections, influencing costs, revenue streams, capital expenditure, and development plans.

<u>Colleague considerations</u>
It has been widely acknowledged that since the pandemic, many organizations have struggled to recruit and retain suitably experienced staff and WHA are not an outlier in this respect. Whilst colleague turnover remains higher than our internal targets, our improved terms & conditions offer is helping to attract a healthy number of candidates to roles advertised.

<u>Liquidity and Borrowing</u>
The Group's cash position remains strong, with a closing balance of £634k as at 30 June 2025. We retain access to £0.5m under our secured facility with Warrington Borough Council, available for drawdown until January 2026, with repayments structured over a 25-year annuity term. In early August 2025, we successfully secured a new £5m facility with Clydesdale Bank, enhancing our financial flexibility. Additionally, we are progressing plans to leverage surplus security within the Warrington Borough Council facility to secure a further £2m in borrowing. WHA has headroom in all of its financial covenants and ample unencumbered assets to support future borrowing.

<u>Cash Collection</u>
The Board has considered that pressure on general inflation, interest rates and rising energy prices will undoubtedly impact on our tenants' ability to pay their rent. The Group has refocused resources in this area to help residents access all available Government support and local agencies. Our stress testing has considered an appropriate scenario in respect of a worsening position with appropriate mitigations.

WARRINGTON HOUSING ASSOCIATION LIMITED

BOARD REPORT

Conclusion

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Board continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The annual general meeting will be held on 17th September 2025.

External Auditor

A resolution to reappoint RSM UK Audit LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Michele Scattergood
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARRINGTON HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Warrington Housing Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, the association statement of comprehensive income, the consolidated statement of financial position, the association statement of financial position, the consolidated statement of changes in reserves, the association statement of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2025 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- proper books of account have not been kept by the association in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with section 75; or
- the income account and the balance sheet are not in agreement with the books of account of the association; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 35, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and the Association operate in and how the group and the Association are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Housing SORP, the Accounting Direction for Private Registered Providers of Social Housing 2022 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, the Data Protection Act and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

The engagement partner on the audit resulting in this independent auditor's report is John Guest.

WARRINGTON HOUSING ASSOCIATION LIMITED

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

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB
Date

Date: 18/09/25

WARRINGTON HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Turnover	3	**9,141**	8,566
Operating expenditure	3	**(7,971)**	(6,810)
Gain on disposal of housing properties	6	**-**	216
Impairment of housing properties	13	**(250)**	
Operating surplus		**920**	1,972
Interest receivable	7	**26**	75
Interest and financing costs	8	**(569)**	(521)
Surplus before tax	5	**377**	1,526
Taxation		**-**	-
Surplus for the year		**377**	1,526
Actuarial (loss) in respect of pension schemes	22	**(43)**	(1,584)
Deferred tax movement relating to pension liability		**-**	-
Total comprehensive income for the year		**334**	(58)

All amounts relate to continuing activities.

The notes to the financial statements on pages 53-86 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 17th September 2025 and signed on its behalf by:

Michele Scattergood
Board Member

Martin Newsholme
Board Member

Kirsty Capper
Secretary

WARRINGTON HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Turnover	3	**9,050**	8,420
Operating expenditure	3	**(7,893)**	(6,680)
Gain on disposal of housing properties	6	-	216
Impairment of housing properties	13	**(250)**	-
Operating surplus		**907**	1,956
Interest receivable	7	**39**	89
Interest and financing costs	8	**(569)**	(521)
Surplus before tax	5	**377**	1,524
Taxation		-	-
Surplus for the year		**377**	1,524
Actuarial (loss) in respect of pension schemes	22	**(43)**	(1,584)
Deferred tax movement relating to pension liability		-	-
Total comprehensive income for the year		**334**	(60)

All amounts relate to continuing activities.

The notes to the financial statements on pages 53-86 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 17th September 2025 and signed on its behalf by:

M Scattergood
Michele Scattergood
Board Member

M Newsholme
Martin Newsholme
Board Member

K Capper
Kirsty Capper
Secretary

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WARRINGTON HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2025

	Note	2025 £000	2024 £000
Fixed assets			
Intangible assets	11	**64**	85
Investment properties	12	**750**	750
Housing properties at cost	13	**59,243**	53,591
Other property, plant and equipment	14	**5,204**	5,225
Total fixed assets		**65,261**	59,651
Current assets			
Debtors - amounts falling due within 1 year	16	**1,809**	942
Debtors - amounts falling due after 1 year	16	**14**	16
Cash	25	**1,361**	1,687
		3,184	2,645
Creditors: Amounts falling due within one year	17	**(3,510)**	(2,767)
Net current (liabilities)		**(326)**	(122)
Total assets less current liabilities		**64,935**	59,529
Creditors: Amounts falling due after more than one year	18	**(34,097)**	(29,025)
Provision for liabilities and charges	21	**(8)**	(8)
Defined benefit pension asset	22	**-**	-
Net assets		**30,830**	30,496
Capital and reserves			
Non equity share capital	24	**-**	-
Revaluation reserves		**30**	30
Revenue reserves		**30,800**	30,466
Total Reserves		**30,830**	30,496

The notes to the financial statements on pages 53-86 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 17th September 2025 and signed on its behalf by:

Michele Scattergood
Board Member

Martin Newsholme
Board Member

Kirsty Capper
Secretary

WARRINGTON HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF FINANCIAL POSITION
At 31 March 2024

	Note	2025 £000	2024 £000
Fixed assets			
Intangible assets	11	**64**	85
Housing properties at cost	13	**59,487**	53,836
Other property, plant and equipment	14	**5,204**	5,225
Total fixed assets		**64,755**	59,146
Current assets			
Debtors – amounts falling due within 1 year	16	**1,757**	999
Debtors – amounts falling due after 1 year	16	**629**	669
Cash	25	**1,361**	1,686
		3,747	3,354
Creditors: Amounts falling due within one year	17	**(3,354)**	(2,758)
Net current assets		**393**	596
Total assets less current liabilities		**65,148**	59,742
Creditors: Amounts falling due after more than one year	18	**(34,097)**	(29,025)
Defined benefit pension liability	22	**-**	-
Net assets		**31,051**	30,717
Capital and reserves			
Non equity share capital	24	**-**	-
Revenue reserves		**31,051**	30,717
Total Reserves		**31,051**	30,717

The notes to the financial statements on pages 53-86 form an integral part of the financial statements.

The financial statements of Warrington Housing Association Limited were approved by the Board on 17th September 2025 and signed on its behalf by:

Michele Scattergood
Board Member

Martin Newsholme
Board Member

Kirsty Capper
Secretary

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WARRINGTON HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
At 31 March 2025

	Revenue Reserve £000	Revaluation Reserve £000	Total £000
At 1 April 2023	30,524	30	**30,554**
Surplus for the year	1,526	-	**1,526**
Actuarial gain in respect of pension schemes	(1,584)	-	**(1,584)**
At 31 March 2024	**30,466**	**30**	**30,496**
Surplus for the year	377	-	**377**
Actuarial gain in respect of pension schemes	(43)	-	**(43)**
At 31 March 2025	**30,800**	**30**	**30,830**

WARRINGTON HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF CHANGES IN RESERVES
At 31 March 2025

	Revenue Reserve £000	Total £000
At 1 April 2023	30,777	30,777
Surplus for the year	1,524	1,524
Actuarial gain in respect of pension schemes	(1,584)	(1,584)
At 31 March 2024	30,717	30,717
Surplus for the year	377	377
Actuarial gain in respect of pension schemes	(43)	(43)
At 31 March 2025	31,051	31,051

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WARRINGTON HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Net cash generated from operating activities	25	**2,232**	2,718
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,910)	(2,596)
Proceeds from sale of property, plant and equipment		-	295
Grants received		-	116
Interest received		26	75
Net cash flows from investing activities		(6,884)	(2,110)
Cash flows from financing activities			
Interest payable		(535)	(521)
Bank loan		5,500	-
Repayment of borrowings		(639)	(537)
Net cash flows from financing activities		4,326	(1,058)
Net increase in cash and cash equivalents		(326)	(450)
Cash and cash equivalents at beginning of year		1,687	2,137
Cash and cash equivalents at end of year		1,361	1,687

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

1. **Accounting Policies**

Warrington Housing Association Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. The address of its registered office and principal place of business as disclosed on page 3 of these financial statements.

The principal accounting policies are summarized below. They have all been applied consistently throughout the year and the preceding year.

General Information and Basis of Accounting

The financial statements have been prepared under the historical cost convention (with the exception of the inclusion of Investment Properties at Valuation) and in accordance with the Financial Reporting Standards 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The financial statements are presented in Sterling (£), rounded to the nearest £000.

Basis of Consolidation

The financial statements for Warrington Housing Association Limited are the result of the consolidation of the financial statements of the Association and its wholly owned trading subsidiary, Lifetime Homes (Warrington) Limited. The primary purpose of Lifetime Homes (Warrington) Limited is to further the objectives of Warrington Housing Association Limited by covenanting any profits back to WHA to be reinvested in the charitable activities of WHA.

Investment in Subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Going Concern

WHA's business activities, its current financial position and factors likely to affect its future prospects are set out within the Board Report on pages 36-41. WHA has long-term debt facilities in place which provide adequate resources to finance committed investment and development plans, along with day-to-day operations. WHA produces thirty-year projections which demonstrate the ability to service debt facilities whilst continuing to comply with lenders' covenants.

On the basis that the Board has a reasonable expectation that WHA has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, the financial statements have been prepared on a going concern basis.

Property, Plant and Equipment – Housing Properties

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, development costs and interest charges incurred during the development period. Housing properties in the course of construction are stated at cost and not depreciated and are transferred to completed properties when they are ready for letting.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated. Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Component	Years
Structure	100 years
Roofs	75 years
Windows	30 years
Doors	30 years
Lifts	20 years
Bathrooms	25 years
Kitchens	20 years
Heating – Gas	45 years
Heating – Boilers	15 years
Heating – Electric	30 years
Solar Panels	25 years

For shared ownership properties in development, all properties are split between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to cost of sales and matched against sales proceeds within the operating surplus in the Statement of

Comprehensive Income. Subsequent tranches sold are reflected in the Statement of Comprehensive Income as a surplus or deficit after the operating results.

Non-Housing Property, Plant and Equipment

Non-housing property, plant & equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant, and equipment, other than investment properties and freehold land, at rates calculated to write-off the cost of valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life at the following annual rates:

Category	Years
Office equipment, fixtures & fittings	7.5 years
Computer hardware	3 years
Freehold offices – the Gateway	60 years

Intangible Assets

Intangible assets are stated at historic cost or valuation, less accumulated amortization, and any provision for impairment. Amortization is provided on all intangible assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life at the following annual rates:

Category	Years
Computer software	6 years

Impairment

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognized in surplus or deficit in the Statement of Comprehensive Income. Where an asset is not currently deemed to be

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providing service potential to the Group, its recoverable amount is its fair value less costs to sell.

Social Housing and Other Government Grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies and health authorities which meet the definition of government grants they are recognized when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

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

Grants relating to assets are recognized in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognized in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognized in income over the expected useful life of the component. Grants received from non-government sources are recognized as revenue using the performance model.

Recycling of Grants

Where there is a requirement to repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognize this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognized as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not to be recognized as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognized at this point.

On disposal of an asset for which government grant was received, if there is not obligation to repay the grant, any unamortized grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognized as a liability and recognized as revenue in surplus or deficit in the Statement of Comprehensive Income.

Leased Assets
Where assets are financed by leasing arrangements that give rights to approximating ownership, they are treated as if they had been purchased outright. The amount capitalized is the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in that lease. Assets are depreciated over the shorter of the lease terms and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of the lease obligation is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital payments outstanding.

Payments under operating leases are charges to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Properties Held for Sale and for Outright Sale
Properties held for sale are stated at the lower of cost and net realizable value being the estimated selling price less costs to complete and sell.

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date such properties are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognized immediately in the Statement of Comprehensive Income.

Investment Properties
Investment properties consist of properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end. Methods and significant assumptions applied in determining the fair value of investment property is the extent to which the fair value of investment property is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in

the location and class of the investment property being valued. If there has been no such valuation, that fact shall be disclosed.

Interest Payable

Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of financial liability at initial recognition.

Pensions

The Association participates in the Cheshire Pension Fund, a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the year and the cost of plan introduction, benefit changes, settlements, and curtailments. They are included as part of staff costs. The net interest cost on the net defined liability is charged to revenue and included within finance costs.

Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

The pension fund may present an asset position; however, this is not recognized in our financial statements unless one of the following conditions is met:

- If there is a right to reduced contributions – it is deemed that there is a right to reduced contributions as contribution rates are reviewed and vary following triennial valuations.
- • If there is a statutory right to a refund – Cheshire's funding statement confirms that any refunds are considered on a case by case basis, therefore it would be difficult to prove a statutory right.

Turnover
Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion, together with revenue grants from local authorities and Homes England and charitable fees and donations. Service charge income is recognized when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Financial Instruments
Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets Carried at Amortized Cost
Financial assets carried at amortized cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognized when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial Liabilities Carried at Amortized Cost
These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognized at transaction value adjusted for any directly attributable transaction cost and subsequently measured at amortized cost using the effective interest method, with interest-related charges recognized as an expense in finance costs in the

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Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognized only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled, or expires.

Financing Transactions – Rent Arrears
For rent arrears where the arrangement constitutes, in effect, a financing transaction because of the extended credit arrangements the arrears are derecognized as a financial asset and a new financial asset measured at the present value of the future payments discounted at an appropriate market rate of interest. The present value adjustment is recognized in surplus or deficit in the Statement of Comprehensive Income.

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

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

Cash and Cash Equivalents
Cash and cash equivalents comprise cash in hand and demand deposits.

Restricted Reserves
Where reserves are subject to an external restriction they are separately recognized within reserves as a restricted reserve. Revenue and expenditure are included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserves to the restricted reserve.

Gift Aid Income
Donations received under the Gift Aid scheme to the parent, WHA, from its subsidiary, LTH, are recognized as turnover upon receipt as it relates to the principal activities of the Association and is eliminated on consolidation.

2. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of the financial statements in the conformity with generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Board believe that the critical accounting policies where judgements and estimations are necessarily applied are summarized below.

Significant Management Judgements

Impairment of Social Housing and Other Properties

The Group has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria as set out in the SORP. An impairment charge has been made during the year of £250k (2024: nil).

Repairs & Maintenance / Other Property, Plant & Equipment

During 2023-24 we commissioned a fire safety survey of our office building, the Gateway, to look in detail at fire stopping and the risk of fire spread. The survey identified works and associated cost to be carried out over several years.

We have carefully considered the accounting treatment of such works and the impact on the financial statements. We have taken into account the detailed paper produced by the National Housing Federation following Grenfell, 'Accounting for Building Safety'.

We have considered judged that these costs do not provide any incremental benefit and have therefore charged the costs straight to income and expenditure during the year £147k (2024: nil)

Estimation of Uncertainty

The Group makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Depreciation and Residual Values
The Board has reviewed the asset lives and associated residual values of all fixed asset classes and has concluded that asset lives and residual values are appropriate.

Accumulated depreciation of housing properties as at 31 March 2025 was £15,980k. The carrying amount of housing properties as at 31 March 2025 was £59,242k. Depreciation charged during the year amounted to £1,097k.

Provisions and Accruals
Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

The provision for bad debts as at 31 March 2025 was £67k and accruals as at 31 March 2025 amounted to £363k.

Defined Benefit Pension Scheme
The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. As at the year ended 31 March 2025, the net defined benefit asset was £5,570k. This has been restricted to nil to reflect the net present value of the employers future service costs less the estimate of the minimum funding requirement.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

3. Particulars of Turnover, Operating Costs and Operating Surplus – Group

2025	Turnover £'000	Operating expenditure £'000	Operating Surplus £'000
Social housing lettings	7,975	(6,860)	1,115
Other social housing activities			
Gateway Centre lettings	440	(592)	(152)
Development services	-	-	-
LifeTime	77	(248)	(171)
Warrington Home Improvement Agency	405	(443)	(38)
Gain on disposal of housing properties	-	-	-
Other	-	-	-
	8,897	(8,143)	754
Activities other than social housing			
Lifetime Homes (Warrington) Limited	224	(78)	146
Other	20	-	20
Total	9,141	(8,221)	920

2024	Turnover £'000	Operating expenditure £'000	Operating Surplus £'000
Social housing lettings	7,468	(5,399)	2,069
Other social housing activities			
Gateway Centre Lettings	418	(310)	108
Development services	-	(294)	(294)
Lifetime	66	(221)	(155)
Warrington Home Improvement Agency	380	(449)	(69)
Gain on disposal of housing properties	216	-	216
Other	18	(3)	15
	8,566	(6,676)	1,890
Activities other than social housing			
Lifetime Homes (Warrington) Limited	206	(131)	75
Other	10	(3)	7
Total	8,782	(6,810)	1,972

WARRINGTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

3. Particulars of Turnover, Operating Costs and Operation Surplus – Association

	2025 Turnover £'000	2025 Operating expenditure £'000	2025 Operating Surplus £'000
Social housing lettings	7,975	(6,860)	1,115
Other social housing activities			
Gateway Centre Lettings	440	(592)	(152)
Development services	-	-	-
Lifetime	77	(248)	(171)
Warrington Home Improvement Agency	405	(443)	(38)
Gain on disposal of housing properties	-	-	-
Other	-	-	-
	8,897	(8,143)	754
Activities other than social housing			
Gift Aid	133	-	133
Other	20	-	20
Total	9,050	(8,143)	907

	2024 Turnover £'000	2024 Operating expenditure £'000	2024 Operating Surplus £'000
Social housing lettings	7,468	(5,399)	2,069
Other social housing activities			
Gateway Centre Lettings	418	(310)	108
Development services	-	(294)	(294)
Lifetime	66	(221)	(155)
Warrington Home Improvement Agency	380	(449)	(69)
Gain on disposal of housing properties	216	-	216
Other	18	(3)	15
	8,566	(6,676)	1,890
Activities other than social housing			
Gift Aid	58	-	58
Other	12	(4)	8
Total	8,636	(6,680)	1,956

3. Particular of Income and Expenditure from Social Housing Lettings – Group and Association

	General Needs Housing £000	Supported Housing & Housing for Older People £000	Low Cost Home Ownership £000	Temporary Social Housing £000	2025 Total £000	2024 Total £000
Income						
Rents receivable	5,645	1,056	117	145	**6,963**	6,485
Service charge income	598	64	-	-	**662**	643
Support charges	-	45	-	-	**45**	43
Net rents receivable	6,243	1,165	117	145	**7,670**	7,171
Amortised government grant	214	64	15	12	**305**	297
Turnover from social housing lettings	6,457	1,229	132	157	**7,975**	7,468
Expenditure						
Service charge costs	(930)	(72)	-	-	**(1,002)**	(1,236)
Support costs	-	(46)	-	-	**(46)**	(76)
Management	(2,204)	(287)	(62)	-	**(2,553)**	(1,006)
Routine maintenance	(1,361)	(172)	-	-	**(1,533)**	(1,201)
Major repairs expenditure	(284)	-	-	-	**(284)**	(754)
Bad debts	(31)	-	-	-	**(31)**	(36)
Depreciation & write off of housing properties	(1,142)	(210)	(26)	(33)	**(1,411)**	(1,088)
Total Expenditure	(5,952)	(787)	(88)	(33)	**(6,860)**	(5,399)
Operating surplus on social housing lettings	505	442	44	124	**1,115**	2,069
Void losses	15	-	-	-	**15**	13

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

4. Housing Stock – Group and Association

	Group		Association	
	2025	2024	2025	2024
	Units	Units	Units	Units
Social housing:				
General needs				
- Social rent	1,022	972	1,022	972
- Affordable rent	68	64	68	64
- Intermediate rent	1	1	1	1
- Shared ownership	34	34	34	34
Supported housing	71	71	71	71
Housing for older people	157	157	157	157
Leasehold	43	43	43	43
Total owned	1,396	1,342	1,396	1,342
Managed for others	1	1	1	1
Total owned and managed	1,397	1,343	1,397	1,343
Non-social housing:				
Market rent	4	4	-	-
Managed for others	161	161	-	-
Total owned and managed	1,562	1,508	1,397	1,343
Accommodation in development at the year end	19	12	19	12

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

5. Operating Surplus – Group and Association

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
The operating surplus is stated after charging/(crediting):				
Depreciation of housing properties	1,097	1,033	1,097	1,033
Impairment of housing properties	250	-	250	-
Depreciation of other tangible fixed assets	118	119	118	119
Government grants	(305)	(344)	(305)	(344)
(Gain)/loss on disposal of fixed assets	-	(216)	-	(216)
Audit fees:				
Statutory audit	40	37	30	31
Tax advisory services	3	10	3	10
Operating lease rentals	15	11	15	11

6. Surplus on Disposal of Property, Plant and Equipment – Group and Association

	Right-to-Buy £000	Others £000	Total 2025 £000	Total 2024 £000
Proceeds of sale	-	-	-	295
Less: Costs of sale	-	-	-	(79)
Surplus	-	-	-	216

7. Interest Receivable and Other Income – Group and Association

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Bank interest receivable	26	75	39	89
	26	75	39	89

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

8. Interest & Financing Costs – Group and Association

	2025 £'000	2024 £'000
Bank loans and overdrafts	553	506
Costs associated with financing	8	8
RCGF interest added	8	7
	569	521

9. Employees – Group and Association

Average monthly number of employees expressed as full time equivalents (calculated based on a 35 hour week)	2025 No.	2024 No.
Administration (includes Domestics)	8	7
Resources	9	10
Property Services	8	9
Housing	8	10
LifeTime	2	2
Home Improvement Agency	7	7
	42	45

Employee costs:	2025 £000	2024 £000
Wages and salaries	1,834	1,593
Social Security costs	188	158
Other pension costs	262	249
	2,284	2,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

9. Employees – Group and Association (continued)

The full time equivalent number of staff, including Executive Directors, who received emoluments, including pension contribution and compensation for loss of office, in excess of £60,000 were:

	2025 No.	2024 No.
£60,000 to £69,999	2	2
£70,000 to £79,999	2	1
£80,000 to £89,999	1	-
£90,000 to £99,999	-	1
£100,000 to £109,999	1	1
£110,000 to £119,999	-	-
£120,000 to £129,999	1	-
£130,000 to £139,999	-	1
£140,000 to £149,999	-	-
£150,000 to £159,999	1	-

10. Board Members and Executive Directors – Group and Association

The aggregate remuneration for key management personnel, which includes the directors and other members of the senior management team, charged in the year is:

	2025 £000	2024 £000
Wages and salaries	695	586
Social Security costs	83	70
Other pension costs	102	87
	880	743

Board Members:	2025 £000	2024 £000
Wages and salaries	29	32
	29	32

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

10. Board Members and Executive Directors – Group and Association (continued)

	2025 £'000	2024 £'000
Judith Winterbourne	-	3
Michele Scattergood	6	5
Steven License	2	4
Anthony Rimmer	-	1
Tracy Mainwaring	2	3
Martin Newsholme	4	4
Alison Dean	3	2
Janet Richmond	3	2
David Simons	2	2
Carl Talbot-Davies	2	2
Jimmy Overill	3	2
Louise Murphy	2	2
	29	32

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team.

Remuneration of the highest paid director, excluding pension contributions:

	2025 £000	2024 £000
Emoluments	130	112
	130	112

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply. No contributions are made to individual pension arrangements, by the Association or its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

11. Intangible Assets – Group and Association

	Computer Software £000	Total £000
Cost		
At 1 April 2024	206	206
Additions	7	7
At 31 March 2025	**213**	**213**
Amortisation		
At 1 April 2024	121	121
Charge for the year	28	28
At 31 March 2025	**149**	**149**
Net book value		
At 31 March 2025	**64**	**64**
At 31 March 2024	**85**	**85**

12. Investment Properties – Group

	2025 £000	2024 £000
At 1 April	750	750
At 31 March	**750**	**750**

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

13. Tangible Fixed Assets – Housing Properties – Group

	Housing properties held for letting £'000	Housing properties under construction £'000	Completed shared ownership properties £'000	Total £'000
Cost				
At 1 April 2024	67,302	1,343	591	69,236
Additions	4,690	710	-	5,400
Work to existing properties	1,599	-	-	1,599
Disposals	(762)	-	-	(762)
At 31 March 2025	**72,829**	**2,053**	**591**	**75,473**
Depreciation & Impairment				
At 1 April 2024	15,645	-	-	15,645
Depreciation charge for the year	1,097	-	-	1,097
Impairment charge for the year	-	250	-	250
Depreciation eliminated on disposal	(762)	-	-	(762)
At 31 March 2025	**15,980**	**250**	-	**16,230**
Net book value				
At 31 March 2025	**56,849**	**1,803**	**591**	**59,243**
At 31 March 2024	**51,657**	**1,343**	**591**	**53,591**

WARRINGTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

13. Tangible Fixed Assets – Housing Properties – Association

	Housing properties held for letting £'000	Housing properties under construction £'000	Completed shared ownership properties £'000	Total £'000
Cost				
At 1 April 2024	67,546	1,343	591	69,480
Additions	4,689	710	-	5,399
Work to existing properties	1,599	-	-	1,599
Disposals	(762)	-	-	(762)
At 31 March 2025	73,072	2,053	591	75,716
Depreciation & Impairment				
At 1 April 2024	15,644	-	-	15,644
Depreciation charge for the year	1,097	-	-	1,097
Impairment charge for the year	-	250	-	250
Depreciation eliminated on disposal	(762)	-	-	(762)
At 31 March 2025	15,979	250	-	(16,229)
Net book value				
At 31 March 2025	57,093	1,803	591	59,487
At 31 March 2024	51,902	1,343	591	53,836

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

13. Tangible Fixed Assets – Housing Properties – Group and Association

Expenditure on works to existing properties	2025 £'000	2024 £'000
Components capitalized	1,599	1,436
Amounts charged to income and expenditure	474	446
	2,073	1,882

Social housing assistance	2025 £'000	2024 £'000
Total accumulated social housing grant received or receivable at 31 March:		
Capital grant	28,950	28,399
	28,950	28,399

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Freehold land and buildings	39,878	38,916	40,123	39,161
Long leasehold land and buildings	18,829	14,140	18,829	14,140
Short leasehold land and buildings	535	535	535	535
	59,242	53,591	59,487	53,836

During the financial year, WHA conducted an impairment review of its housing stock in accordance with FRS 102. This review identified certain properties where the carrying value exceeded the recoverable amount due to changes in market conditions and operational factors. As a result, an impairment charge of £250k (2024: nil) has been recognized to the Statement of Comprehensive Income. The impairment relates to a development where construction costs have exceeded expected valuations. The carrying value of the units at 31st March 2025 prior to the recognition of the impairment loss was £1,552k

The impairment charge has been allocated as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

13. Tangible Fixed Assets – Housing Properties – Group and Association

Asset Category	2025 £'000	2024 £'000
Housing properties under construction	250	-
	250	-

14. Tangible Fixed Assets – Other – Group and Association

	Freehold Properties £000	Fixtures and fittings £000	Total £000
Cost			
At 1 April 2024	6,478	368	6,846
Additions	54	43	97
Disposals	-	-	-
At 31 March 2025	6,532	411	6,943
Depreciation			
At 1 April 2024	1,361	260	1,621
Charge for year	81	37	118
Eliminated on disposal	-	-	-
At 31 March 2025	1,442	297	1,739
Net book value			
At 31 March 2025	5,090	114	5,204
At 31 March 2024	5,117	108	5,225

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15. Principal Group Investments

The parent Association has investments in the following subsidiary undertakings which principally affected the surpluses or net assets.

Subsidiary Undertakings	Principal Activity	Holding	%
LifeTime Homes (Warrington) Limited	General commercial company	£1	100%

16. Debtors – Group and Association

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Amounts falling due within one year:				
Rent arrears	552	351	552	351
Less: provision for bad debts	(67)	(67)	(67)	(67)
	485	284	485	284
Prepayments and accrued income	802	273	788	303
Amount due from subsidiary	-	-	-	8
Loan to subsidiary due in 1 year	-	-	19	19
Other debtors	522	385	465	385
	1,324	658	1,272	715
Amounts falling due after one year:				
Loan to subsidiary	-	-	615	653
Other debtors	14	16	14	16
	1,823	958	2,386	1,668

No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be insignificant.

17. Creditors – Amounts Falling Due Within One Year – Group and Association

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due within one year:				
Trade creditors	1,019	1,045	1,009	1,032
Rents received in advance	222	165	222	165
Accruals & deferred income	651	299	630	299
Other creditors	594	333	431	337
Government grants	304	304	304	304
Amount owed to subsidiary	-	-	38	-
Housing loan repayments in one year or less	720	621	720	621
	3,510	2,767	3,354	2,758

18. Creditors – Amounts Falling Due After More Than One Year – Group and Association

	2025 £'000	2024 £'000
Amounts falling due after more than one year:		
Loans repayable by instalments:		
In one year or more but less than two years	765	647
In two years or more and less than five years	3,987	2,114
In five years or more	7,532	4,767
Less: loan issue costs	(98)	(107)
	12,186	7,421
Recycled capital grant fund	173	165
Deferred government grants	21,087	20,842
Amounts due to leaseholders	649	595
Other creditors	2	2
	34,097	29,025

All loans are secured by fixed charges on property stock. At 31 March 2025, 530 individual properties were secured against the loans with a net book value of £15,763k (2024: £17,513k).

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

18. Creditors – Amounts Falling Due After More Than One Year – Group and Association

The loans are repayable by instalments and are repaid by quarterly or half-yearly instalments at interest rates payable range from 4.51% to 7.19%. In addition to the above debt at 31 March 2025 the Association had £0.5m of undrawn loan facilities (2024: £6.0m).

The total accumulated amount of capital grant received or receivable at 31 March 2025 is £28,950k (2024: £28,399k).

19. Deferred Grant Income – Group and Association

	2025 £000	2024 £000
At 1 April	**21,146**	**21,372**
Grant received in the year	551	117
Amortisation to Statement of Comprehensive Income	(305)	(343)
At 31 March	**21,392**	**21,146**
Amounts to be released within one year	305	304
Amounts to be released in more than one year	21,087	20,842

20. Recycled Capital Grant Fund – Group and Association

	2025 £'000	2024 £'000
At 1 April	165	119
Recovery of capital grant	-	39
Interest accrued	8	7
At 31 March	173	165

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

21. Provision for Liabilities and Charges – Deferred Tax - Group

	2025 £'000	2024 £'000
At 1 April	8	-
Adjustment in respect of prior years	-	8
At 31 March	8	8

22. Retirement Benefit Schemes – Group and Association

Cheshire West and Chester Council manages and administers the Cheshire Pension Fund (CPF) for public and voluntary sector members; Warrington Housing Association participates in this scheme. The scheme is a defined benefit statutory scheme, the assets of which are held in a separate trustee administered fund.

Under the scheme, the employees are entitled to retirement benefits equal to a 49th of pensionable pay for each scheme year that they are a member on attainment of the State Pension age. No other post-retirement benefits are provided. The scheme is a funded scheme.

The most recent actuarial valuation of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by Hymans Robertson LLP. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. The valuation recorded a net asset, however this has been restricted to reflect the net present value of the employer's future service costs less the estimate of the minimum funding requirement.

The employer's contributions to CPF by the Group for the year ended 31st March 2025 were £206k (2024: £207k) at a contribution rate of 25.1%.

The Board is aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the Scheme Trustees being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation(s), the Board do not expect the valuation of the scheme liabilities to change.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

22. Retirement Benefit Schemes (continued) – Group and Association

Assumptions as at	31 March 2025 % per annum	31 March 2024 % per annum
Inflation / Pension Rate Increase	2.75%	2.75%
Salary Increase Rate	3.45%	3.45%
Expected Return on Assets	5.80%	4.85%
Discount Rate	5.80%	4.85%

Life Expectancy	31 March 2025	
	Males	Females
Current Pensioners	21.0 y	22.4 y
Future Pensioners	21.9 y	25.3 y

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are shown below:

Period Ended	Current Pensioners	Future Pensioners
31st March 2025	CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.	CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

Assets (whole fund)	Fund Value at 31 March 2025 £000	Fund Value at 31 March 2024 £000
Equities	6,436	6,540
Bonds	5,230	4,708
Property	1,609	1,569
Cash	134	262
Total	13,409	13,079

WARRINGTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

22. Retirement Benefit Schemes (continued) – Group and Association

Net Pension Asset/(Liability) as at	31 March 2025 £'000	31 March 2024 £'000
Fair Value of Employers Assets	13,409	13,079
Present Value of Funded Liabilities	(7,839)	(8,976)
Net (Under) / Overfunding in Funded Plans	5,570	4,103
Present Value of Unfunded Liabilities	-	-
Unrecognised Past Service Cost	-	-
Restriction of Asset	(5,570)	(4,103)
Net (Liability)/Asset	-	-
Amount in the Balance Sheet		
Liabilities	-	-
Assets	-	-
Net (Liability)/Asset	-	-
Deferred Tax on Pension	-	-
Net (Liability)/Asset	-	-

	Year to 31 March 2025		Year to 31 March 2024	
	£000	(% of Payroll)	£000	(% of Payroll)
Current Service Cost*	163	19.83%	182	21.95%
Interest Cost	435	52.92%	422	50.90%
Expected Return on Employer Assets	(634)	(77.13%)	(583)	(70.33%)
Past Service Cost / (Gain)	-		-	-
Losses /(Gains) on Curtailments & Settlements	-		-	-
Total	(36)	(4.38%)	21	2.52%
Actual Return on Plan Assets	306		811	

Year Ended	31 March 2025 £000	31 March 2024 £000
Opening defined benefit obligation	8,976	8,910
Current Service Cost	163	182
Interest Cost	435	422
Contributions by Members	59	59
Actuarial Losses / (Gains)	(1,553)	(305)
Past Service Costs / (Gains)	-	-
Estimated Benefits Paid	(241)	(292)
Closing Defined Benefit Obligation	7,839	8,976

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

22. Retirement Benefit Schemes (continued) – Group and Association

Year Ended	31 March 2025 £000	31 March 2024 £000
Opening Fair Value of Employer Assets	13,079	12,294
Expected Return on Assets	(328)	228
Contributions by Members	59	59
Contributions by the Employer	206	207
Actuarial Gains/(Losses)	634	583
Benefits Paid	(241)	(292)
Closing Fair Value of Employer Assets	13,409	13,079

23. Financial Instruments – Group and Association

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

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Financial Assets				
Measured at undiscounted amount receivable				
- Rent arrears and other debtors	1,021	685	1,579	1,330
- Amounts due from subsidiary	-	-	-	66
	1,021	685	1,579	1,396
Financial Liabilities				
Measured at amortised cost				
- Loans payable	12,906	8,042	12,906	8,042
Measured at undiscounted amount payable				
- Trade and other creditors	1,835	1,543	1,662	1,535
	14,741	9,585	14,568	9,577

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

23. Financial Instruments (continued) – Group and Association

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Interest income and expense				
Total interest income for financial assets at amortised cost	26	75	39	89
Total interest expense for financial liabilities at amortised cost	(570)	(521)	(570)	(521)
	(544)	(446)	(531)	(432)

24. Share Capital – Group and Association

	2025 £	2024 £
Shares of £1 each issued and fully paid		
At 1 April	10	10
Redeemed during the year	(1)	(2)
Issued during the year	-	2
At 31 March	9	10

The shares provide members with the right to vote at general meetings but do not provide rights to dividends, redemption or distributions on a winding up.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

25. Statement of Cash Flows - Group

	2025 £000	2024 £000
Surplus for the year	377	1,526
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	1,238	1,234
Impairment of housing properties	250	-
Amortisation of Government grant	(305)	(304)
(Increase) / decrease in debtors	(274)	49
Increase in creditors	453	92
Other adjustments	(16)	(109)
Surplus on sale of property, plant and equipment disposals	-	(216)
Adjustment for investing or financing activities:		
Interest paid	535	521
Interest received	(26)	(75)
Net cash generated from operating activities	2,232	2,718
Cash and cash equivalents at end of year		
Cash at bank and in hand	1,361	1,687
Cash equivalents	-	-
	1,361	1,687

Of the above cash balances £599k (2024: £433k) is not available for distribution. £287k(£251k) is held as sinking funds for Association properties and £312k(£182k) is held on behalf of Warrington Borough Council in our role as their loan agent.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

25. Statement of Cash Flows - Group (continued)

Analysis of changes in net debt	1 April 2024 £000	Cashflows £000	31 March 2025 £000
Cash in hand, at bank	1,687	(326)	1,361
	1,687	(326)	1,361
Debt due within one year	(621)	(99)	(720)
Debt due after one year	(7,421)	(4,765)	(12,186)
	(8,042)	(4,864)	(12,906)
Total	(6,355)	(5,190)	(11,545)

26. Financial Commitments – Group and Association

Capital commitments are as follows:

	2025 £000	2024 £000
Contracted for but not provided for	2,096	702
Approved by the directors but not contracted for	1,821	2,494
	3,917	3,196

	2025 £000	2024 £000
Capital commitments will be financed by:		
Grants	1,049	1,418
Agreed Loans	1,047	500
Reserves	1,821	1,278
	3,917	3,196

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

26. Financial Commitments – Group and Association (continued)

Total future minimum lease payments under non-cancellable operating leases are as follows:	2025 £000	2024 £000
Payments due:		
- within one year	9	9
- between one and five years	23	14
	32	23

27. Related Party Transactions

Board members are reimbursed for travel expenses. The total amount paid to members during the year (to the nearest £'000) was nil (2024: nil). At 31 March 2025, nil (2024: nil) was due to members (to the nearest £'000).

Lifetime Homes (Warrington) Limited (LTH) is a wholly owned subsidiary of WHA at the end of the year. LTH is a non-regulated registered company under the Companies Act 2006. Disclosures in relation to investments in subsidiaries is in Note 15. The Group takes exemption under FRS 102, section 33, not to disclose related parties with entities consolidated within these statements.

Amounts owed by group undertakings is disclosed in Note 16 and amounts owed to group undertakings in Note 17 and 18.

The group considers key management personnel to be the Board and Senior Management Team. Disclosure relating to key management personnel are included in Note 10.