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Pickering and Ferens Homes

Report and Financial Statements

31 March 2026

BOARD OF DIRECTORS

During the reported year the directors of Pickering and Ferens Homes Trustee Ltd were:

John Glenton (Chair)	Co-opted board member
Ali Akbor	Co-opted board member
Kate Calvert	Co-opted board member
Valerie Crowhurst	Co-opted resident board member
Pam Davies	Co-opted board member
Anna Folwell	Co-opted board member
John Holmes	Co-opted resident board member
Catherine Kelly	Co-opted board member
Andy Micklethwaite	Co-opted board member
Cheryl Payne	Nominated board member
Emma Whittles	Co-opted board member
Matthew Hubbert	Co-opted board member
Liz Hoyland	Co-opted board member
Joe McLoughlin	Co-opted board member
Denise Thompson	Nominated board member

Committee Members

Andy Gladwin	Co-opted committee member
Joanne Watson	Co-opted committee member

During the year the following changes took place:

Kate Calvert	Retired 23 July 2025	Anna Folwell	Retired 21 May 2025
Pam Davies	Resigned 27 November 2025	Matthew Hubbert	Appointed 21 May 2025
Cheryl Payne	Resigned 25 February 2026	Andy Micklethwaite	Resigned 14 August 2025
Denise Thompson	Appointed 25 February 2026	Joe McLoughlin	Appointed 27 Npvember 2025

EXECUTIVE TEAM

Claire Warren	Chief Executive
Richard Walker	Home Services Director
Kristina Thrush	Business Services Director (to 4 June 2025)
Stephanie Rushton	Business Services Director (from 6 June 2025)

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

INTERNAL AUDITORS
HW Controls & Assurance Ltd t/a Validera
Unit 3, Crompton Court
Attwood Road
Burntwood
Staffordshire WS7 3GG

PRINCIPAL BANKERS

Santander UK plc
6-8 King Edward Street
Hull HU1 3SS

National Westminster Bank plc
34 King Edward Street
Hull HU1 3SS

Barclays Bank plc
(Hull Branch)
Leicester LE87 2BB

LENDERS

Nationwide Building Society
Kings Park Road
Northampton
NN3 6NW

The Housing Finance Corporation Ltd /
Affordable Housing Finance plc
3rd Floor
17 St. Swithin's Lane,
London EC4N 8AL

Orchardbrook / BCM Global
Mortgage Services Ltd
PO Box 861
Ipswich
IP1 9LW

SOLICITORS

Wilkin Chapman Rollits LLP
Citadel House
58 High Street
Hull HU1 1QE

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

REGISTERED OFFICE
7 Beacon Way
Hull
HU3 4AE

REGULATOR OF SOCIAL HOUSING REGISTERED No. A4020
PICKERING AND FERENS HOMES TRUSTEE LTD COMPANY No. 13968187
CHARITY COMMISSION REGISTERED No. 014862
NATIONAL ASSOCIATION OF ALMSHOUSES REGISTERED No. 981

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INCORPORATION

Pickering and Ferens Homes is a registered Charity (the Charity), a registered provider with the Regulator of Social Housing, and a member of the National Association of Almshouses.

Pickering and Ferens Homes Trustee Limited is incorporated as a trustee company (No. 13968187), and that company is appointed as corporate trustee of the Charity by a Charity Commission Scheme. The individual trustees of the Charity are Directors of the trustee company and operate the Charity through the trustee company with the benefit of limited liability.

DIRECTORS

The Directors during the year are those listed on page 1. The full complement of Directors comprises two nominated Hull City Councillors, two residents, eight co-opted board members. The Board also benefits from two co-opted committee members.

DIRECTORS INTERESTS

The Directors do not receive any remuneration from the trustee company or the Charity.

THE CHARITABLE TRUST DEED AND ADDITIONAL MATTERS

On 14 March 2022, the Charity Commissioners for England and Wales approved a new Charitable Trust Scheme. This scheme forms the governing document of the Charity. The powers of the corporate trustee are included within the Charitable Trust Scheme. No Directors of the trustee company may have a personal interest in the Charity and all Directors exercise their powers jointly at properly convened meetings.

Beneficiaries of the Charity are “persons who are in need by reason of age, ill health, disability, financial hardship or other disadvantage with priority being given to those who were either born or are resident in the area of benefit”. The objects of the Charity are:-

a) the provision of temporary or permanent housing accommodation for the beneficiaries, and
b) such charitable purposes for the benefit of the beneficiaries as the Board of Directors decide, including but not limited to the provision of health and social care and wellbeing activity to improve their quality of life, relief of financial hardship, sickness and poor health amongst them, and the provision of specially designed or adapted housing, and items, services or facilities calculated to relieve their needs.

The Charity has a Corporate Plan which holds its strategic ambitions, designed to demonstrate its exemplar status:

a) To provide a home where residents feel safe.
b) To invest in its homes and keep them to a high standard.
c) To deliver services that offer value for money.
d) To increase the energy efficiency of its homes (and reduce the carbon they produce).
e) To build more homes to support the area’s older persons housing needs.
f) To meet residents’ needs by offering a range of ways to access services, embracing user friendly technology, when it makes residents’ lives easier or better.
g) To work alongside the community, and other agencies, to help residents live well in the Charity’s homes, for as long as they want to.
h) To run the Charity well, ensuring everyone working on behalf of residents is professional and has the right skills, tools and knowledge.

The Charity’s strategic review is driven by the following factors:

- A desire to be a local organisation delivering quality nationally recognised exemplar services to older people.
- A commitment to reviewing performance, reducing costs and maintaining quality services so that they are competitive, affordable and achieve value for money as judged by sector comparisons and the Charity’s beneficiaries.
- A desire to meet local demand by providing a supply of new housing, supporting the Charity’s aims.
- The opportunity to review and modernise strategic approaches and working practices so that they remain relevant, offer choice and recognise differing needs.
- The opportunity to work with partners to deliver health and wellbeing outcomes particularly with regards to combatting loneliness and isolation and to offer homes as a ‘home for life’ wherever possible.

- To have an ongoing conversation with our residents to identify how we can add value to our communities and be “more than just a landlord”.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

Our primary objective is to provide quality social housing homes and services which enhance the lives of older people within our communities.

As at 31 March 2026, the Charity was responsible for the management of 1,453 properties. All properties are located within the city of Kingston upon Hull and the East Riding of Yorkshire.

During the year ended 31 March 2026, the Charity -

- Refreshed its Corporate Plan to 2027/28. An accompanying Financial Plan enabled the setting of rents, service charges, capital and revenue budgets, new development targets and property improvement programmes.
- To improve thermal comfort and energy efficiency, undertook cavity wall insulation to 700 homes through the Government’s ECO4 programme.
- Appointed a new Hull City Council Director nomination, Denise Thompson.
- Created a new Policy Committee to effectively govern policy formation.
- Confirmed Stephanie Rushton in post as our permanent Business Services Director.
- Successfully navigated a Regulator of Social Housing planned regulatory inspection where the highest C1/G1/V1 ratings were achieved.
- Continued to invest and implement a new Civica CX Housing Management system.
- Continued to invest and implement a new Civica Financials replacement financial management system.
- Commenced a Board Development Programme, with support from Campbell Tickell Consultancy.
- Commenced an accelerated programme of invasive, domestic asbestos management surveys to improve data quality and management information.
- Created a Resident ECO Champion research project to support our future sustainability and net zero plans.
- Using independent researchers, Viewpoint, undertook regulatory Tenant Satisfaction Measures survey work, and achieved an overall satisfaction score of 95%, with 95% of residents satisfied with the repairs service, 98% felt their home was safe and 97% satisfied that their home is well maintained. 92% of residents felt that their views were listened to and acted upon.
- Using independent researchers, Acuity, undertook a full resident satisfaction survey and report in depth insight work to the Board of Directors.
- Supported our resident scrutiny panel to progress their recommendations in relation to planned maintenance services.
- Continued our stock condition work to achieve an optimum level of physical surveys and to validate associated financial assumptions within our long-term plans.
- Achieved enhancements to our property insurance level of cover to support an expensive one-off event, such as a flood.
- Successfully recruited to our Planned Investment Manager role.
- Held strategic workshops to refresh the Charity’s key risks and evaluate how these risks could affect the finances through a process of robust stress testing and mitigation planning.
- Made a self-referral to The Regulator of Social Housing following issues with the quality of external surveys and data regarding asbestos in domestic properties and commenced an accelerated extended survey programme.
- We confirmed our compliance with the revised Housing Ombudsman Code, improved our complaints management environment and performance and experienced no cases of maladministration.
- We implemented a new Independent Living Service Delivery Structure with roles that better align with our ‘More Than a Landlord’ activities.
- We implemented a fully funded ‘smart flat’ research project to support the organisation’s aims to embrace assistive technology that supports independence and wellbeing outcomes for Residents.
- We self-assessed against the incoming Competency and Conduct Regulatory Standard and several leaders within the Charity worked towards accredited qualifications to support our compliance.
- We undertook a range of procurement activity, reported in our annual procurement report, which included retendering the Gas servicing, telecare services, marketing and communications and cleaning contracts.
- We commissioned a new Internal Audit Partner, Validera.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS (continued)

As at 31 March 2026 the Charity was also:

- Progressing a development pipeline that will deliver approximately 151 new homes over the next 3 years and securing the necessary Homes England grant and further loan facilities.
- Started on site, building 8 new apartments at Orchard Garth in Hessle.
- Recruiting a Development and Decent Homes Manager to oversee our development activity.
- Participating in the new Hull and East Yorkshire Housing Partnership, supporting the strategic housing goals of the new Combined Authority and Mayor Campbell.
- Building a board succession plan that will mitigate risks connected with planned retirements between now and 2030.
- Preparing for our next Investors in People assessment in September 2026.
- Implementing the resident portal facility.
- Implementing improvements to our risk management, data governance and performance management environments.
- Participating in consortium activity to deliver new energy efficient / new zero measures through the Government's Warm Homes Plan schemes.

Public Benefit

We have referred to the guidance set out in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. The Board of Directors consider the Charity's activities reflect our aims and objectives, and that they are designed to provide accessible services that benefit the social housing sector in accordance with our charitable activities.

BUSINESS AND FINANCIAL REVIEW

Comprehensive income - highlights	***2026 £'000***	***2025 £'000***	***2024 £'000***	***2023 £'000***	***2022 £'000***
Total turnover	10,925	10,509	9,593	9,201	8,304
Operating surplus	1,457	2,235	1,258	1,354	1,286
Interest payable and similar charges	445	450	452	463	477
Surplus for the year	1,376	2,063	1,093	993	923

Cash flow - highlights	***2026 £'000***	***2025 £'000***	***2024 £'000***	***2023 £'000***	***2022 £'000***
Net cash inflow from operating activities	3,053	3,006	3,454	2,232	2,739

Financial position - highlights	***2026 £'000***	***2025 £'000***	***2024 £'000***	***2023 £'000***	***2022 £'000***
Housing property at cost	106,376	104,131	101,805	97,599	95.281
Cash at bank	5,369	4,410	4,652	5,469	6,749
Net current assets	5,778	5,121	4,731	5,670	6,470
Total loans	16,865	17,114	17,216	17,471	18,123
Defined benefit pension (liability) / asset	-	-	-	-	(63)
Net assets	40,474	39,098	37,036	35,943	34,798

Statistics	***2026 £'000***	***2025 £'000***	***2024 £'000***	***2023 £'000***	***2022 £'000***
Units in ownership	1,453	1,453	1,429	1,429	1,392
Operating margin overall	13.33%	21.75%	13.11%	14.72%	15.49%
Operating margin social housing lettings	12.79%	21.36%	12.76%	11.04%	14.74%
Rent lost from voids and bad debts	1.04%	1.18%	1.15%	1.04%	2.02%
Rent arrears (current residents)	1.09%	1.44%	1.16%	1.12%	0.48%
Interest cover (earnings before interest, tax, depreciation, amortisation, major repairs included to net interest payable)	3.32	6.73	3.28	3.96	3.67
Adjusted gearing	13.73%	15.33%	15.75%	15.10%	14.54%

The Charity is pleased to report a net surplus for the year of £1,376k (2025 £2,063k). The lower net surplus compared with the previous year was primarily driven by increased maintenance expenditure and a return to more typical management cost levels, following an exceptional prior year in which costs were reduced due to the organisation's focus on implementing the new Civica housing and finance systems. Net surplus was 12.6% (2025: 19.6%) of turnover and the operating margin on social housing lettings was 12.79% (2025: 21.36%). Total loans reduced during the year by £249k following scheduled repayments.

Total turnover increased from £10,509k in 2025 to £10,925k in 2026, an increase of 4%, which was predominantly due to weekly maintenance contribution and service charge increases. Operating expenditure increased from £8,274k to £9,469k in 2026 following increases in management and maintenance costs.

The Charity continues to generate a strong net cash flow from operating activities of £3,053k (2025: £3,006k).

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BUSINESS AND FINANCIAL REVIEW (continued)

Tangible fixed assets stood at £85,330k (2025: £84,781k) an increase of 0.65% predominantly driven by the investment in existing homes. The Charity ended the year with cash and short-term investments of £7,296k (2025: £6,137k). The increase was due to a delay in the completion of a new development, which was expected to take place in late March but didn't complete until early April. These resources will continue to be used to fund the Charity's operational and development objectives over the next two years.

Interest cover (which measures the extent to which the surplus covers interest payments) was 3.32 at 31 March 2026 (2025: 6.73), and gearing (which measures the level of indebtedness, using the value for money metrics definition for adjusted gearing) reduced to 13.73% (2025: 15.33%) following the reduction of loan balances in the year.

VALUE FOR MONEY (VFM)

Introduction

The Charity remains committed to providing high quality services which represent value for money for both its customers and stakeholders. VFM is central to the Charity being able to deliver its mission and strategic ambitions and is about:

- doing the right things and investing in the right physical and human assets at the right price;
- doing things right through economic, efficient, and effective delivery; and
- evaluating success and checking that the right outcomes have been delivered.

Effective management of the Charity's resources enables a healthy generation of surpluses that can be reinvested in both existing and new homes and in services that residents value. Strong financial performance also enables access to new loans at an affordable interest rate to support future development plans.

Linked to its strategic ambitions the Charity has developed the following VFM objectives:

- Involve board members, staff, and residents in understanding costs, how they relate to performance and how the Charity compares with others.
- Assess the return on assets and ensure effective procurement and delivery of alternative models and solutions for poor performing assets.
- Deliver cost effective services to residents, at the right level of quality and with particular emphasis being placed on a range of customer access options, including a digital platform.
- Delivering added value elements to our service that improve resident's health and general well-being including affordable warmth projects.
- Increase development capacity and the supply of new homes.
- Explore all avenues of improving VFM including using partnership working and alternative methods of service delivery.

We recognise that value for money does not have to mean cheapest. There are however many competing demands on the resources available to us for example: development of new homes, investment in our existing homes, achieving net zero carbon targets, complying with building safety regulations, providing a wide range of services to our customers, and investing in local communities. We are not seeking to minimise cost to maximise profit or improve our metrics, for us, Value for Money means using our resources wisely to achieve these ambitions for the benefit of those we serve.

VFM Framework and Communication

The Board meets at least six times a year and as part of the scheduled agenda items, board members receive Performance and Value for Money reports. The Board demonstrates ownership and oversight of VFM activities in the following ways:

- Approval of the Charity's VFM strategy.
- Approval of all business strategies, plans and actions that underpin the Charity's approach to creating value.
- Consider the VFM implications of key decisions through standardised board reporting templates, where possible considering the costs and benefits of alternative options.
- Review and agree VFM targets and monitor VFM achievements against targets through half yearly progress reports.
- Proactively championing a culture of VFM outcomes throughout the Charity.
- Give importance to and assess the social value created through the Charity's activities.

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VALUE FOR MONEY (VFM) (continued)

The Charity communicates its VFM achievements to stakeholders in the following ways:

- Through the Report of the Trustee in the annual financial statements, which are also published on its website.
- In its periodic newsletter to residents “People First”.
- Through its Annual Report to residents which is also distributed to partners and funders.
- Through the leadership and management team to staff at management, staff, and team meetings.

Understanding our costs

The code of practice that supports the VFM standard states that registered providers must understand absolute costs, how these have moved over time and how they compare. We are committed to carrying out benchmark analysis against a peer group of registered providers that offer similar services and are similar in size to the Charity. Our peer group is reviewed annually and includes the following organisations: Arawak Walton HA, Arches HA, Durham Aged Mineworkers HA, Nehemiah, and Railway HA. We use the latest data set from Housemark and the Regulator of Social Housing to compare results (currently 2024-25).

Regulator metrics

The table below shows our performance against the metrics set out by the regulator. It also shows the average performance against both our peer group and the sector and sets out our expected outturn and performance targets (VFM Ambitions) for the coming years.

Metric	Backward Look			Current Performance			Forward Look		
	2023-24 PFH Actual	2024-25 PFH Actual	2024-25 Peer Group Average	2025-26 Target	2025-26 Actual	2025-26 Status against Target	2026-27 Year 1	2027-28 Year 2	VFM Ambition
Reinvestment in Existing Stock and New Build	5.57%	3.10%	2.35%	12.50%	3.0%	☹	6.89%	10.43%	>6%
New Supply Delivered as a Percentage of total stock owned	0%	1.65%	0.85%	0%	0%	☺	0.55%	3.32%	>1%
Adjusted net leverage / Gearing	15.75%	15.33%	24.95%	18.48%	13.73%	☺	18.21%	22.47%	<40%
Interest Cover EBITDA (MRI)	328%	673%	192.5%	437%	325%	😐	388%	235%	>300%
Headline social housing cost per unit	£5,768	£5,229	£4,866	£6,082	£6,628	☹	£6,443	£6,674	<£5,250
Operating Margin - Social Housing lettings	12.76%	21.36%	20.15%	13.68%	12.79%	☹	12.59%	14.30%	>14%
Operating Margin - Overall	13.11%	21.75%	21.40%	14.10%	13.33%	☹	13.07%	15.01%	>15%
Return on capital employed	1.42%	2.54%	2.60%	1.55%	1.60%	😐	1.57%	1.75%	>3%

New Supply (Non-social housing units)

The Charity does not own any non-social housing units, nor does it have plans to acquire or develop any – therefore this metric is 0% and is not shown in the table above.

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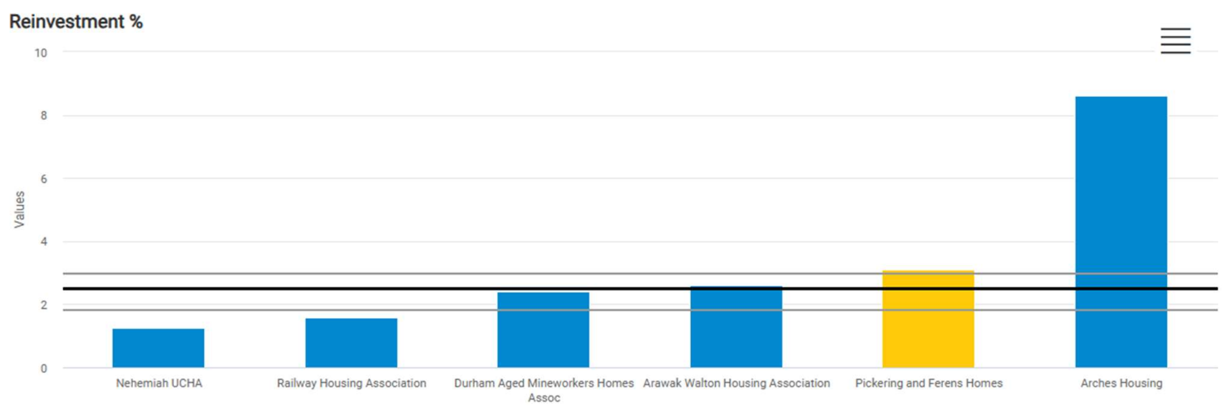
VALUE FOR MONEY (VFM) (continued)

Reinvestment in Existing stock and new build

This metric looks at the investment we have made in properties (existing stock and new supply) as a percentage of the total properties we hold. The higher the percentage, the more investment has been made.

The outturn for this metric has gone down from 3.10% in 2024-25 to 2.96% in the reporting year. This reflects the initial investment of £456k to commence Orchard Garth Phase 2 and £210k in regards other ongoing sites. This is a reduction compared to 2024-25 but we envisage an upturn during 2026-27 as Orchard Garth Phase 2 heads towards completion and new homes at Snowdon Way and Hemswell Avenue commence. We have also invested a further £1.8m in our existing homes during 2025-26. Our longer-term strategy is to continue to progress our programme of component replacements in line with our asset strategy and build an average of 33 new homes each year.

Housemark Benchmark results for 2024-25:

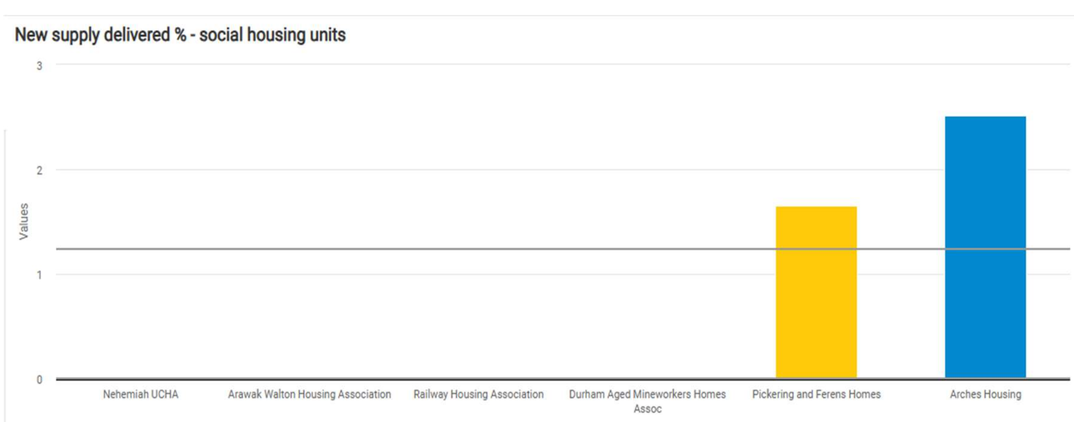


New Supply Delivered

This metric sets out the number of new social housing units that have been constructed (acquired or developed) in the year as a proportion of the total social housing units we owned at the end of the year. The higher the percentage, the greater the number of units added.

There was no movement in the portfolio of PFH stock during the year and number of units held at 1,453 in total.

Housemark Benchmark results for 2024-25:

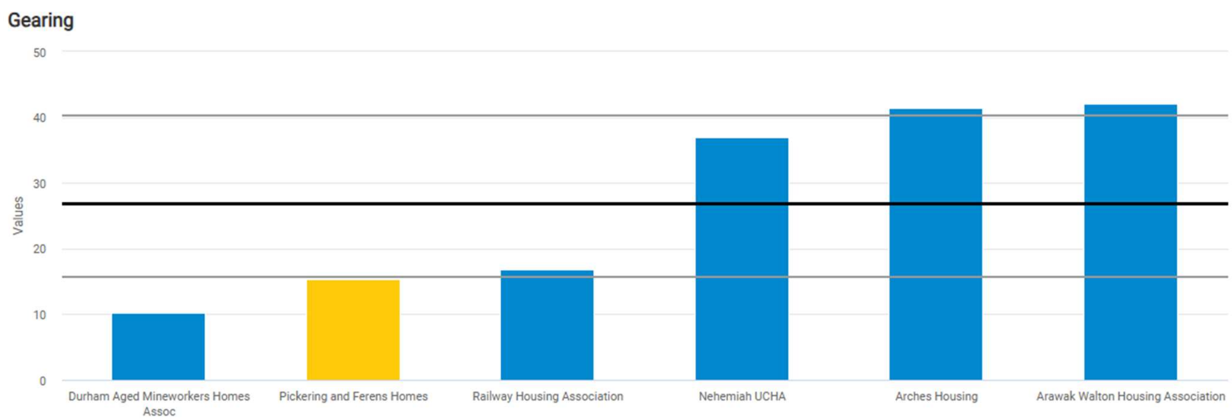


VALUE FOR MONEY (VFM) (continued)

Adjusted Net Leverage / Gearing
This metric assesses how much of our adjusted assets are made up of debt and the extent to which we depend on debt finance. It can be seen as a registered provider's appetite for growth. The lower this percentage the better as a highly geared organisation is more susceptible to economic downturns and is more at risk of financial failure.

The metric decreased slightly in 2025-26 and ended the year lower than expected. It also remained significantly below the benchmark average of 24.95% for the year. The 13.73% outturn reflects a small increase in cash balances but a reduction in loan balances at the end of the year. We expect further upward movement to circa 22% over the next 2 years however the Charity will continue to remain below the benchmark average and lower than most of our peers.

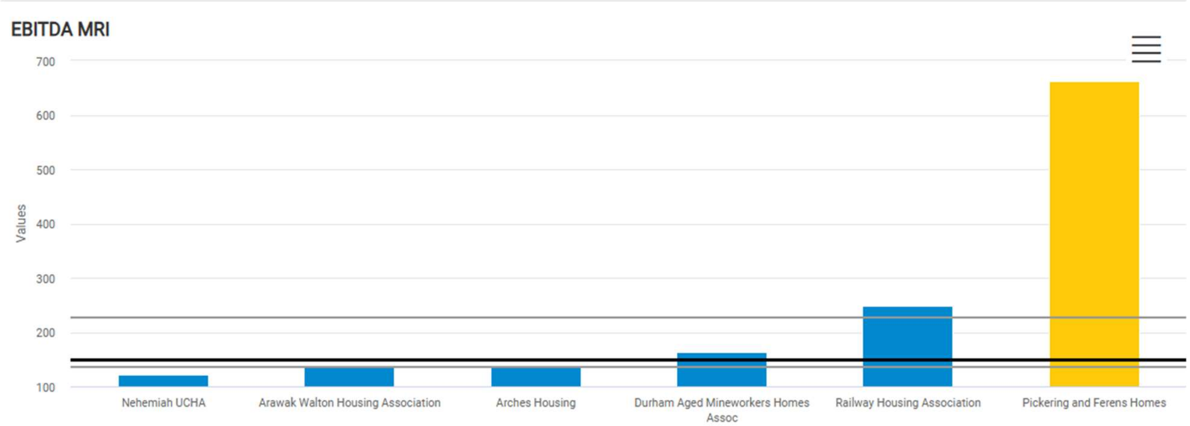
Housemark Benchmark results for 2024-25:



Interest Cover - EBITDA (MRI)
This measures the level of surplus that is generated compared to interest payable. It is a key indicator for liquidity and investment capacity. The higher this percentage is, the better.

This metric was lower than forecast at 332% in 2025-26, a large decrease from the 673% recorded in 2024-25, but still significantly higher than the benchmark average of 192.5%. The decrease results from increased component spend in 2025-26 and an overall reduction in the operating surplus. It is expected to hold around 400% next year and above 200% in 2027-28 but continue to perform better than most of our peers.

Housemark Benchmark results for 2024-25:



VALUE FOR MONEY (VFM) (continued)

Headline Social Housing cost

This metric assesses the headline social housing cost as defined by the regulator. It takes into account management costs, service charge costs, maintenance and repair costs as a proportion of the total number of units owned.

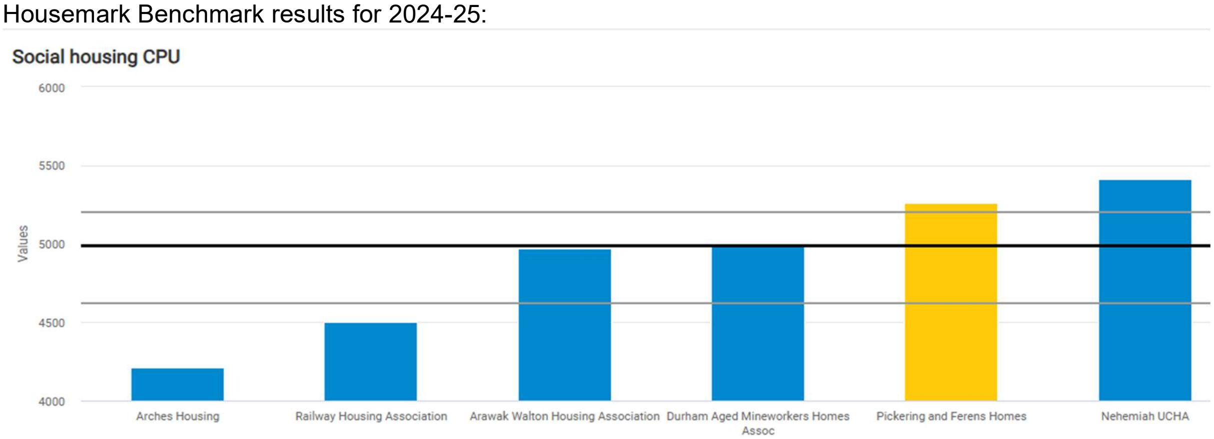
Cost pressures in maintenance and management service costs during the year have meant that there has been an increase in this metric from the £5,229 reported for 2024-25 to £6,607 in 2025-26. We understand that our commitment to a high-quality repairs and maintenance programmes along with the unprecedented high cost of insuring our properties, means that this metric is generally higher compared to our peers.

As a result of us assessing insurance premium price increase and the levels of risk attached to differing parts of the business, we increased flood cover from £5M to £10M which incurred an additional cost of £141K and we increased our Cyber Liability Cover from £3M to £5M. Adding in the annual inflationary increases and that 2025-26 was the first year (for some time) where we did not benefit from a low claims rebate to offset means that, in total, insurance expenditure increased by £263k in 2025-26.

Responsive repair work and costs associated with cyclical void properties saw substantial increases in 2025-26. Factors impacting responsive spend include some re-categorisation of key spend, elements of roof repair work and damp, mould and condensation requirements too. For 2026-27 we have incorporated a new coding structure and deeper budget analysis for responsive expenditure to assist and understand this element of the Headline Social Housing cost calculation. Cyclical void costs increase is because of the nature and extent of some the repairs needed before the properties could be re-let. Measures are now in place with a hope to reduce this in 2026-27 by setting an expenditure ‘cap’ per property and provide explanations where deviations are received that exceed this.

Running costs within our schemes have also risen, this mainly relates to utility costs with a number of in-year contract renewals, meter changes and higher energy bills.

Housemark Benchmark results for 2024-25:



Operating Margin (Overall)

The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

For 2025-26 the overall operating margin has reduced to 13.33% from the 21.75% reported last year. Whilst annual turnover has increased so have operating costs resulting in a reduced operating margin. This is as forecasted and the expectations are that it will remain between 13% to 15% over the next two years but we plan to continue to seek efficiency measures to ensure that our target of >15% is achieved.

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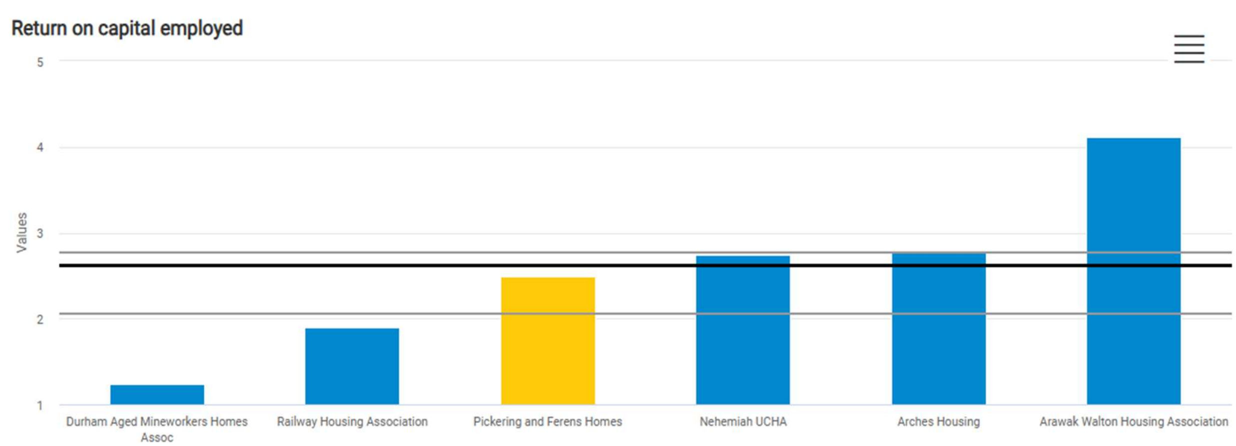
VALUE FOR MONEY (VFM) (continued)

Housemark Benchmark results for 2024-25:

<u>Return on Capital Employed</u>
This metric compares the operating surplus to total assets, less current liabilities. It is a common measure for assessing the efficient investment of capital resources. The higher the percentage, the higher the return and the better the performance.

This metric has seen a decrease on the 2.54% reported last year to 1.60% for 2025-26, as a result of the decreased operating margin. This was as per expectations, acknowledging the continued investment in new properties and is expected to be in the region of 1.57% to 1.75% over the next 2 years. Work continues on an efficiency plan for current and future years with the intention that it will move the Charity closer to the benchmark average.

Housemark Benchmark results for 2024-25:



<u>2025-26 Performance Against Strategic Objectives and Local Value for Money Measures</u>
In addition to the Regulatory VFM metrics, we have identified some local VFM measures against each of our strategic objectives.

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VALUE FOR MONEY (VFM) (continued)

Strategic Ambitions 1 and 2
To provide a home where residents feel safe. To invest in our homes and keep them to a high standard.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes / Rationale
% Emergency Repairs attended in time	Efficiency	>99%	99.19%	☺	>99%	The performance on this measure was ahead of target in year.
% Repairs completed in target	Efficiency	>99%	99.02%	☺	>99%	Good performance throughout the year, expected to be maintained during 2026-27.
% Properties meeting the Decent Homes Standard	Effectiveness	100%	100%	☺	100%	100% decency at the end of the financial year.
Full compliance with Landlord Health and Safety (Inc Gas Safety)	Effectiveness	100%	100%	☺	100%	Full compliance achieved.
% properties with valid Electrical (EICR) certificate	Effectiveness	100%	100%	☺	100%	Full compliance achieved.
% properties with a valid Fire Risk Assessments	Effectiveness	100%	100%	☺	100%	Full compliance achieved.
% of non-domestic properties with an Asbestos survey	Effectiveness	100%	100%	☺	100%	Full compliance achieved.
% Tenant satisfaction that their home is well maintained	Effectiveness	95%	97%	☺	95%	The performance on this measure was ahead of target in year.
% Tenant satisfaction with repairs	Effectiveness	93%	95%	☺	95%	Analysis on underperformance in 2024-25 indicated a need to focus on pest control and void works which were committed to as strategy actions. Post completion of these actions performance has recovered to target levels.

Strategic Ambition 3
To increase the energy efficiency of homes and reduce the carbon they produce.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes / Rationale
Number of Properties with an EPC rating lower than C	Efficiency	150	125	☺	<70	The year end target was achieved.

Strategic Ambition 4
To meet residents' needs by offering a range of ways to access services, embracing user friendly technology, when it makes residents' lives easier or better.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes / Rationale
Satisfaction that PFH listens to views and acts upon them	Effectiveness	>92%	92%	☺	>94%	On target for 2025-26.

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VALUE FOR MONEY (VFM) (continued)

Strategic Objective 5
To deliver services that offer value for money.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes
Overall satisfaction	Efficiency	93%	95%	☺	>95%	We maintain a high satisfaction rating.
% Residents satisfied that service charge provides VFM	Efficiency	86%	84%	😐	86%	Results based on 25 surveys per month, satisfaction dropped in first few months of the year following the receipt of letters informing residents of the WMC (Rent) increase but recovered back up to 84%.
% Rent Loss through void properties	Efficiency	1%	0.89%	☺	1%	Position is positive at year end against 1% target.
Average Re-let time (days)	Efficiency	19	23.3	☹	24	Letting of several long-term voids had negative impact on this KPI early in the year and performance has been recovering since July 2025. Impact of asbestos intrusive surveys (not accounted for at target-setting) account for 5 days. Accounting for these would adjust performance to be within target.
% Rent Collected	Efficiency	99.5%	100.06%	☺	99.5%	Marginally higher than target due to timing of the debit run at the year end.
% Current Rent Arrears (Excl. amounts due from Housing benefit)	Efficiency	0.54%	1.08%	☹	0.55%	Combination of issues impacted year end actual. Some were in relation to systems and reporting problems and others related to timing. Continued additional assurance and controls work ongoing in Qtr1 2026-27

Strategic Ambition 6
To work alongside the community, and other agencies, to help residents live well in the Charity's homes, for as long as they want.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes / Rationale
% Tenancy Turnover	Effectiveness	8.10%	8.50%	☺	8.10%	Tenancy Turnover ended the year slightly ahead of target.
Resident Loneliness & Isolation Score	Effectiveness	17%	19%	☺	19%	Updated from the Resident Satisfaction Survey carried out July to Sept 2025.
Funding from external sources	Efficiency	£10,000	£15,500	☺	£10,000	Targets achieved. Includes £5,500 further Winter Warm Grant funding.

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VALUE FOR MONEY (VFM) (continued)

Strategic Ambition 7
To run the Charity well, ensuring everyone working on behalf of residents is professional and has the right skills, tools and knowledge.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes / Rationale
Staff turnover	Effectiveness	<15%	11.76%	☺	<15%	A total of x5 leavers in 2025-26, with an additional x2 leavers on Fixed Term Contracts (not accounted for in the figures). Staff numbers dropped at the beginning of Qtr3 due to a lot of outstanding vacancies. Appointments made and staff numbers have increased again.
Health and safety breaches	Effectiveness	None	0	☺	None	No cases / breaches 2025-26.
Governance and viability regulatory rating	Effectiveness	C1/G1/V1	C1/G1/V1	☺	C1/G1/V1	Following a regulator inspection in early 2025-26 the C1/G1/V1 grading was confirmed June 2025.
Working days lost to sickness (days)	Efficiency	<7 days	7.46 days	☺	<7 days	We had significant absence levels in Qtr3 due to long term sickness with x2 colleagues. They returned in January, which saw the figures stabilise – finishing slightly above target for the year.

Strategic Ambition 8
To build more homes to support the area's older persons housing needs.

VfM Metric	Measure of:	2025-26 Target	2025-26 Actual	RAG Status	2026-27 Target	Notes / Rationale
Number of new homes completed	Effectiveness	0	0	☺	8	Met expectations of no planned completions 2025-26.

Other VFM headlines for 2025-26

Maintain use of local contractors (Strategic Ambitions 5 and 8)

During 2025-26 we placed 52% of our spend with local suppliers, an estimated impact of over £10m in the local economy. While this was an increased value of local spend during the year, the percentage spent with local suppliers has dropped slightly compared to the previous year following a large increase in total supplier spend. During 2026-27 we will continue to look for opportunities to increase our 'influenceable spend' with local suppliers, with the aim of increasing this to around 63% in line with the Procurement Strategy.

Continue to achieve the best possible deals on utility contract prices and maximise energy grants available (Strategic Ambition 3 and 5)

Fluctuating energy prices continued to impact our residents during the year. Through our continued partnership work with Auditel we re-procured several utility contracts that ended during 2025-26, ensuring that a comprehensive market search was done in order to secure the best value for money for our residents keeping service charge increases as low as possible.

There was £30k set aside in the Major Repairs budget for Decarbonisation and Energy Performance Certificate related works in 2025-26 with a further £36k for 2026-27.

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VALUE FOR MONEY (VFM) (continued)

In addition, there has been a continuation of works with the resident ‘Eco-Champions’ installing air-source heat pumps and infra-red heating at their properties and assessing ongoing utility billings at these addresses.

During 2026-27 we will continue to work with procurement specialists to find best value in the current energy market and ensure that we secure the best deals possible as current contracts come to an end. We will also continue to regularly investigate and participate in grant schemes that provide support with improvements to energy systems. This will allow us to offer residents modern, energy efficient homes and improve our EPC ratings in line with Government requirements.

The Charity has photo voltaic (PV) panels installed at 5 retirement living schemes, 8 blocks of flats, 4 pop-ins and 82 bungalows. During the year these panels generated Feed in Tariff income of £62k, we expect this to remain at a similar level in 2026-27.

<u>Maximise use of the IT systems to ensure a positive digital experience for all users (Strategic Ambition 4 and 7)</u>

Following the implementation of Civica we continue to support all users to ensure that the functionality of the software is fully utilised. This includes supporting residents to ensure they can access and use all services within the resident portal and ensuring that they gain full benefit from the services offered.

We also support contractors to ensure that, now it is live, they are getting a sufficient level of service from the contractor portal. This supports reduced processing times across several areas of the organisation, improve efficiencies and reduce operating costs.

Following the roll out of PFH Connect we continue with further enhancements linking to ‘My PFH’. This enhances both outgoing and incoming communications with all our residents and provides a greater level of ‘self-service’ to our facilities and enhances support in their homes

Technical issues in both the contractor portal and resident portal have hindered progress during the year. The technical issues that impacted the contractor portal during Quarter 1 and Quarter 2 with feedback indicating the portal has been running relatively smoothly and working well since this time. Further trials have been undertaken for using the portal to register appointments booked, which should pave the way for real-time repair updates to residents once the concept is fully proven.

The resident portal has been offline due to a potential security issue. This will be resolved after a full Civica Housing Software upgrade during Q2 of 2026-27. Once this has been undertaken and resolved with aim to extend the use further and continue specific trials with residents.

<u>“More Than a Landlord” (MTAL) Initiative (Strategic Ambition 4)</u>

Within the 2025-26 budget, a revised, reduced sum of £6k was agreed to initially support the new Independent Living Manager with the review and refresh of the key aims and themes for future MTAL projects which included:

- Physical and mental changes
- Life changes
- Health and Wellbeing
- Environmental changes
- Digitalisation
- Socialisation

Linked to these key themes, new areas are being explored for 2026-27 which include piloting a transport project aiming to assist residents with GP appointments, shopping and visits to bank branches, PFH+ tournaments to bring residents and schemes together and a PFH+ rewards card which could provide access to services, discounts and rewards through partner organisations.

To support these key ‘More Than A Landlord’ initiatives a further £25k has been allocated for 2026-27 to enable the continuation of MTAL and its valuable work in enhancing the services we provide to our residents.

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VALUE FOR MONEY (VFM) (continued)

Continue to evaluate and develop ways to ensure sustainable tenancies for our residents (Strategic Ambition 2 & 6)

As an organisation whose purpose is to house and support those over the age of 55 we said we would continue our work to develop our homes and services to enable sustainable tenancies for our residents, enabling them to stay in their PFH home for longer.

This was to not only improve the quality of life of our residents; it's aim was also to reduce void loss and the costs associated with void property turnaround. This allows us to reduce costs and provide better value for money for our residents.

During 2025-26 the smart flat initiative at Ada Holmes Circle was completed and the facilities have been demonstrated to staff and Residents Committee for valuable feedback.

At the end of March we had 99.17% occupancy and void loss was at 0.89%, well below the target of 1.00% for the end of the year.

Provide Improved Aids and Adaptations for our Residents (Strategic Ambition 4)

A full review of our aids and adaptations service was undertaken with members of the resident scrutiny group during 2023-24. This included a full review of the existing service and provided recommendations as to how this service could be improved.

Following up on this and during 2025–26, the Aids and Adaptations Policy was comprehensively reviewed and updated to ensure it remains responsive to the changing needs of our residents. The revised policy received Board approval and introduced a tiered service model, enabling greater flexibility in the provision of aids and adaptations. This approach allows residents to contribute towards enhancements where additional works are required or where they choose products that exceed the standard specification, providing increased choice whilst maintaining access to essential adaptations.

Building on the implementation of the PFH Smart Flat initiative at Ada Holmes Circle, the aim is to develop a resident-facing catalogue showcasing a range of assistive technologies, equipment and adaptation options available to support independent living. Alongside the standard products provided through our Aids and Adaptations service, the catalogue will include enhanced alternatives that residents may choose to purchase, enabling them to access higher-specification solutions tailored to their individual preferences and needs.

Once completed, the catalogue will be incorporated into the wider Aids and Adaptations offer and distributed to residents through a variety of communication channels. This will help raise awareness of the support and options available, enabling residents to make informed decisions about adapting their homes and supporting their independence as they age and their needs evolve.

Ensure the best solution for Grounds Maintenance is achieved during a comprehensive procurement process (Strategic Ambition 2)

During 2024-25 we progressed a full review of the grounds maintenance service for both communal areas and private gardens. Following a comprehensive procurement process a new contractor has been engaged in maintaining communal gardens in the Hull area, with a separate contractor taking responsibility for the East Riding properties, resulting in financial savings.

A new role, 'Estates Officer' has been created during 2025-26 to support the grounds maintenance service and liaise with contractors and residents to ensure value for money and satisfaction amongst our schemes is maintained. The Estates Officer has also assessed flexibility options within the service covering GDMT contract alternatives and managing and creating savings with the grit bins and gritting provision.

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VALUE FOR MONEY (VFM) (continued)

Invest in staff training to ensure that they have all the skills and knowledge to deliver our ambitions (Strategic Ambition 7)

During 2025-26 we continued to provide the best training opportunities for our employees. CIH training was undertaken in 2024-25 by some of our team, and this continued, to ensure that we meet regulatory requirements. Other training was also undertaken across the team to ensure that all staff have the knowledge and skills needed to provide the best service and support for our residents.

In addition, a Competency Matrix has been designed in-house and has been introduced to managers with a view to a smooth roll out, linked to staff objectives for 2026-27. This will highlight training and skills gaps against each job role and be the basis of training plans (and ongoing future budget work), ensuring we have bespoke role specific training.

We have achieved savings in 2025-26 by being proactive and facilitating some in-house training. Our Home Services Director devised tailored Procurement Training and utilised free resources to oversee and deliver an online assessment tool for Operational Managers to complete. In addition, 'Feedback and Challenging Conversations' training was provided to Management and SLT by an external training provider

Look to reinvest insurance premium savings in flood prevention measures where possible to reduce the risk from future flood events (Strategic Ambition 2)

During 2025-26 we continued to look at possibilities for flood prevention measures in our homes. Our current insurance premiums are lower than in previous years, however this has come with reduced cover for damage caused by flooding. We needed to investigate in detail the option we have to reinvest the savings we are making on insurance premiums in flood prevention measures within our most vulnerable homes, to ensure that, should a flood occur, minimal damage is incurred. This should give our residents peace of mind and reduce the financial impact on PFH of any uninsured damage.

We managed to secure a higher level of cover for flooding for an additional premium for this 2025-26. Last year the cover limit for flood damage was reduced from £10m to £5m, and although the price of this was reduced in line there was a financial risk should a large flood event occur. For 2025-26 £10m cover has been secured and although this has come at an increased cost in comparison to 2024-25, it is not as high as the cost for 2023-24. In addition, we investigated with an insurance specialist other ways in which we can mitigate the risk of flooding. All PFH recent new builds have measures included to reduce the risk of flood related damage.

Aim to achieve 10% Social Value Weighting for all high value procurement (Strategic Ambitions 5 & 8)

The wide range of services provided by the Charity have an impact on two levels: the benefits to our customers and the benefits to society as a whole. These combined benefits are referred to as the social value of our work. This social value is created through:

- Our properties – we provide safe and secure homes for our residents, where they can gain stability in their later lives.
- Support and advice - the support and advice provided by our staff enhances the independence and quality of life for the people we support.
- Community activities - participation in training, education and volunteering improves the health and wellbeing of our residents.

We have set clear roles and responsibilities in the contract management cycle to achieve our aim to reach a 10% social value weighting, where relevant and appropriate, for all contract procurement over £100k, as referenced in the Procurement Strategy. This will ensure that we make the best use of resources and improve supplier performance in order to deliver the best possible value for money.

During 2025-26 this was achieved as part of the Grounds Maintenance procurement and Fire Door procurement that has been undertaken during 2025. We also took the opportunity to factor this into recent procurement discussions and negotiations for the kitchen renewals and window and door renewals programmes and will build it into forthcoming gas servicing contract talks. In addition, we expect, as part of our involvement with Community Housing Partnership project some social weighting value will evolve as a result of our work with them.

VALUE FOR MONEY (VFM) (continued)

Our Future Plans

In addition to the Value for Money projects above (for 2025-26) that will be carried forward and into 2026-27 the following new projects will also be assessed and commenced within the new financial year. We will also set some additional targets for specific projects that will drive VFM. Once set we will report back to Board with updates on the outcomes of these projects and the cash and non-cash benefits achieved, alongside the associated regulatory indicators.

Reprocurement and Contract Renewals (Strategic Ambitions 5 and 7)

During the early stages of 2026-27 there are several contract renewals and reprocurement exercises that will need to take place. These will cover:-

- Health & Safety Advisor
- Telecare Maintenance
- Replacement Doors & Windows
- Insurance
- Private Gardens
- Cyclical Painting
- Fire Stopping Works
- Housing and Finance IT System (extension)

It is essential that Value for Money remains at the core of all discussions and negotiations as and when the above fall into renewal phases and that our procurement training and procurement strategy is used as a guide and enhances our approach to critical phases of the process.

Recharge policy: Review and Refresh (Strategic Ambition 5)

The recharge policy was reviewed in 2024, however with the onset of Civica implementation, staff changes and Regulatory Inspection there is a need to revisit and refresh our approach to ensure we are following the policy guidelines and being consistent with how we implement potential recharges.

We will carry out an initial cost / benefit exercise before deciding our next options, which could include staff training, resident committee involvement and a review of the types of work undertaken and the associated costs that should be applicable to charge backs.

Value for Money focus and reporting to remain constant within the organisation (Strategic Ambition 5 & 7)

This is to enable the association to continue to refresh, push and promote VFM principles throughout the organisation and keep it at the forefront in all that we do as 2026-27 evolves.

Ensuring the topic is emphasized and given priority within Staff and Team meetings, one-to-ones and staff objectives, discussions in contract meetings and new customer encounters and ensuring our residents, via staff team and Residents Committee, are mindful of what the impact of a well-rounded Value for Money approach would mean for them.

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FIXED ASSETS

Details of movements in fixed assets are set out in notes 12 and 13 of the financial statements. Housing properties have been depreciated in accordance with the Statement of Recommended Practice - Accounting by Registered Social Housing Providers (SORP 2018).

RENTS, SUPPORT AND SERVICE CHARGES, AND RENT ARREARS

Gross rental income from social housing lettings for the year amounted to £10,562,714 (2025: £10,146,877). The Charity has an established rent policy which aims to charge affordable rents within the guidelines set out by the Regulator of Social Housing. Current rent arrears represent 1.09% of income due (202 1.44%). Voids and bad debts represent 1.04% of income due (2025: 1.18%).

RESERVES

It is the Board of Directors intention to retain levels of reserves which allow for the on-going provision of quality housing at affordable rents, provide sufficient funding for investment in future repair and regeneration programmes and enable the Charity to raise new funding and manage risk associated with a large organisation. A budget for the forthcoming year has been set to attain these objectives. Total reserves at 31 March 2026 amounted to £40,474k (2025: £39,098k). Free reserves, i.e. unrestricted funds excluding tangible fixed assets net of grant and other commitments, were -£10,687k (2025: -£11,613k); £85,330k (2054: £84,781k) is represented by fixed assets and can only be realised by their disposal. The loan facilities are secured against the housing property fixed assets.

TREASURY MANAGEMENT

The Charity's treasury operations are managed by the finance team and are subject to policies approved by the Board of Directors, with delegated authorities supplemented by detailed procedures and bank mandates. The Charity's treasury activities are routinely reported to the Board of Directors and are subject to review by the internal auditors. The main financial risks to which the Charity is exposed relate to liquidity and movements in interest rates.

Interest rate risk

The Charity finances its operations through a mixture of retained surpluses and loans from banks and building societies. The Charity borrows at both fixed and variable rates of interest. At the end of the year long term fixed rate debt formed 98.3% (2025: 98.3%) of total borrowing.

Liquidity

Throughout the year the Charity's policy has been to ensure flexibility and continuity of funding through the use of term deposits and borrowings with a range of maturities. All committed capital investment for the next year is covered by cash, investments or current borrowing facilities. Loans have continued to be repaid in accordance with financial agreements, and no breaches of covenants have occurred since the loans were established in 1998.

EMPLOYEES

The Charity believes firmly in equal opportunities, personal development and in on-going training opportunities. The organisation wishes all staff to be trained to their maximum potential. The Charity encourages staff involvement and is committed to ensuring the health, safety and welfare of its entire workforce. On-going training is also provided to the Board of Directors. As at 31 March 2026 the organisation employed 44 members of staff, of which 30 were full-time and 14 were part-time.

DIRECTOR AND OFFICER INDEMNITY INSURANCE

During the year the Charity purchased and maintained liability insurance for its Directors and Officers.

AUDITORS

The existing audit arrangement with Menzies (formerly Beever and Struthers) comes to an end following the completion of the 2025-26 audit. In line with good governance practice there will be a competitive tender process to procure external audit services for the coming years.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of the approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Director has taken all the steps that he or she ought to have taken to be aware of any relevant audit information, and to establish that the auditors are aware of that information.

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STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Legislation requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing those financial statements the Trustee has delegated the preparation of the financial statements to the Business Services Director and required them to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Housing SORP 2018 - Statement of Recommended Practice for Social Housing Providers (SORP 2018); and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustee confirms that the financial statements comply with the above requirements. The Trustee is responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable it to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2022 and the provisions of the trust deed;
- safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and for
- the maintenance and integrity of the Charity and the financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

NHF Code of Governance

The Charity complies with the principal recommendations of the NHF Code of Governance (2020). The ways in which we seek to achieve good governance are outlined below. The Board of Directors formally adopted the NHF Code of Governance at a meeting of the Board of Directors held on 27 September 2021. The Board has reviewed compliance against the Regulator of Social Housing's Regulatory Standards and has devised a plan to support enhancement of compliance activities and assurances. The Charity's Board has determined that it is compliant with all elements of the Regulator's Economic Standards and Consumer Standards. In relation to considering future partnerships, the Charity has not adopted the Merger Code but has developed a merger, acquisitions and partnership strategy which is reviewed periodically.

The Board of Directors

The Charity is led by a Board of up to 12 Directors who have collective responsibility for all aspects of the Charity. There are three forms of Director on the Board: two nominees, appointed by Kingston upon Hull City Council; two co-opted Resident Directors appointed by the Directors of the Charity; and eight co-opted independent Directors. Directors are persons who, through residence, occupation, employment or otherwise that have a special knowledge of the City of Kingston upon Hull. Independent co-optees are appointed by the Board of Directors of the Charity. The Board meets on a minimum bi-monthly basis and has overall responsibility for every aspect of the affairs and business of the Charity. Its key purpose is to direct and control the Charity's work, to determine strategic direction and policy, to establish and oversee risk and control frameworks and to ensure that the Charity achieves its aims and objectives. The Charity has both a financial and non-financial delegation scheme set out within its Manual of Governance. The Board of Directors does not have capacity to deal with all details of the Charity's business and has therefore delegated several decisions to either Board committees, working groups or to staff. The Committees of the Charity are:

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)

- Governance and Remuneration Committee – its main purpose is to oversee the Charity's governance arrangements and compliance, ensure that an appraisal of the performance of the Chief Executive of the Charity is undertaken on an annual basis and to determine the remuneration of the Chief Executive and annual pay awards for the Charity's staff. The Charity benchmarks all salaries by utilising housing sector salaries and benefits data, peer group comparators and local market information.
- Audit and Risk Committee – its overall purpose is to ensure that the Charity identifies and manages risk effectively, to ensure that an effective framework of controls is present and is satisfactorily in place, to ensure that all internal control systems are subject to an effective audit and to oversee the work programme and performance of the internal and external auditors.
- Resident Committee – its overall purpose is to ensure that residents are able to provide their views with regard to the work of the organisation, the services provided and to promote resident engagement.

The Charity works with residents to enable them to deliver a task and finish approach to policy and service scrutiny. Scrutiny is the process where residents can review how the organisation provides services, and challenge and make recommendations on how these services can be improved. The Board and Executive Team consider all reports and recommendations made by the group.

The minutes of committee meetings are forwarded to each ordinary meeting of the full Board of Directors for consideration.

Executive Officers

The Chief Executive and Directors are the senior officers of the Charity from a control perspective. It is their responsibility to ensure that officers of the Charity undertake their duties in accordance with the policies of the Board, to ensure that various operational targets set by the Board are met, to present the Board through the committees with sufficient information to enable the Board to gather assurance and monitor the operation of the policies and to identify the need for new policies or amendments to existing policies and to present proposals to the Board through the committees. The Chief Executive and Executive Team can also delegate specific financial and operational matters to other members of the Charity's staff, as they deem appropriate.

INTERNAL CONTROLS ASSURANCE

Scope of Responsibility

The Charity, through its Executive Team, has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives set by the Board of Directors, whilst safeguarding the Charity's funds and assets. The work of the Executive Team in delivering the control framework is governed through the Board of Directors and the Audit and Risk Committee's delegated responsibilities. In carrying out these responsibilities, the Charity needs to comply with the regulatory requirements of The Charity Commission and Regulator of Social Housing to ensure proper handling and reporting of its funds, emphasising value for money, good practice and high standards of integrity and propriety.

Purpose of the System of Internal Control

The system of internal control is designed to manage rather than eliminate the failure to achieve the Charity's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of the Charity's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Its effectiveness is reviewed on an annual basis.

Risk and Control Framework

- ***Identification and evaluation of key risks***
  The identification of key risks is undertaken through review of key strategic risks at Board strategic away days, each Audit and Risk Committee meeting and an annual committee level review of the operational register. The Executive Team considers the risk environment through periodic team reviews and through subject specific reviews at committee level. Following periodic reviews of the operational risk register, significant risks are transferred to the corporate strategic risk register. The strategic level risk register is submitted to each meeting of the Audit and Risk Committee. The Committee also considers the level of risk appetite and tolerance for each strategic risk and makes appropriate recommendations to the Board.

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)

Leadership to the risk agenda is provided through the Chief Executive and the Chair of the Audit and Risk Committee. The risk matrix is used to inform the Charity's forthcoming internal audit plans and activities. Training and guidance on the risk framework is provided through the Charity's internal audit contract and external providers.

- ***Monitoring and corrective action***
  There is an on-going process of self-assessment coupled with regular management reporting as described above. The risks are identified and scored in respect of likelihood and impact and changes in scores noted to generate increased focus and activity where necessary. This process also includes the updating of effective controls and mitigating actions. The work is supplemented by regular reviews by internal audit that provide independent assurance to the Board of Directors via its Audit and Risk Committee. The arrangements include a rigorous procedure monitored by the Committee for ensuring that corrective action is taken in relation to any significant control issues.

- ***Control environment and control procedures***
  The Board of Directors is responsible for the risk and control framework of the organisation. It also delivers leadership and maintains strong governance of the Charity. A statement of internal control is produced and submitted to both the Board and the Audit and Risk Committee each year. The Board considers and approves appropriate policies and procedures which are applicable to Directors and Employees of the organisation such as:

  - Standing Orders
  - Financial Regulations and Financial Procedure Rules
  - Delegated Authorities
  - Accountancy Practices
  - Treasury Management
  - Whistleblowing
  - Other items of statutory compliance and best practice in areas including equality, health and safety, employment, anti-fraud and bribery; and data protection.

- ***Information and financial reporting systems***
  The Charity prepares and approves an annual financial plan which sets out detailed budgets and other financial considerations for the year ahead together with forecasts for subsequent years. Budget monitoring and management accounts are provided to the Board of Directors on a quarterly basis. The Board also reviews key performance and management information to assess progress towards the achievement of its key objectives.

Review of Effectiveness
The Executive Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within teams and reinforced by risk awareness training.

The Executive Team and the Audit and Risk Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. At its May 2026 meeting, the Board of Directors carried out the annual assessment for the year ended 31 March 2026 by considering documentation from the Executive Team and internal audit and taking account of events since 31 March 2026.

Based on the advice of the Audit and Risk Committee and Chief Executive, the Board of Directors is of the opinion that the Charity has an adequate and effective framework for governance, risk management and internal control.

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Statement of Compliance
The Board of Directors confirms that this report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers.

Governance and Financial Viability
The Board of Directors has reviewed its compliance with the Governance and Financial Viability Standard and confirms that it complies with the requirements of the standard for the year.

Approved by order of the Board of Directors on 22 July 2026, and signed on its behalf by

John Glenton
Chair
22 July 2026

Docusign Envelope ID: FF1718B4-AB34-87C9-8104-E5FD390835A7

INDEPENDENT AUDITORS' REPORT
to the Trustee of Pickering and Ferens Homes

Opinion
We have audited the financial statements of Pickering and Ferens Homes ("the charity") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cashflows and the notes to the financial statements, including a summary of significant accounting policies in note 2. 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 charity's affairs as at 31 March 2026 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, 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 charity 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 Trustee'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 charity'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 Trustee 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 Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee
As explained more fully in the Statement of the Trustee's Responsibilities in respect of the financial statements set out on page 20, the Trustee 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 Trustee 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 Trustee is responsible for assessing the charity'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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Charities Act 2011, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board has in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board has in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the charity's activities.

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INDEPENDENT AUDITORS' REPORT
to the Trustee of Pickering and Ferens Homes (continued)

- We reviewed financial statements, disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report
This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Menzies LLP
9F53A561E6F2406...

Menzies LLP
Statutory Auditor

Menzies LLP is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

One Express
1 George Leigh Street
Manchester
M4 5DL Date

Date 08-Sep-2026

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2026

	Notes	*2026* £	*2025* £
TURNOVER	3	10,925,479	10,509,375
Operating expenditure	3	(9,468,602)	(8,273,776)
OPERATING SURPLUS	3	1,456,877	2,235,599
Movement in fair value of investments	15	133,531	27,978
Income from investments	6	230,246	249,484
Interest payable and similar charges	7	(444,664)	(450,274)
SURPLUS BEFORE TAXATION	8	1,375,990	2,062,787
Taxation	11	-	-
SURPLUS FOR THE YEAR		1,375,990	2,062,787
OTHER COMPREHENSIVE INCOME / (EXPENDITURE)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,375,990	2,062,787

The financial statements on pages 25 to 41 were approved and authorised for issue by the Board on 22 July 2026 and were signed on its behalf by:

John Glenton
Chair

Ali Akbor
Director

Claire Warren
Secretary

The notes on pages 35 to 43 form part of these financial statements.

Pickering and Ferens Homes

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2026

	Notes	*2026* £	*2025* £
FIXED ASSETS			
Housing properties	12	84,368,646	83,535,246
Other fixed assets	13	961,574	1,245,326
		85,330,220	84,780,572
CURRENT ASSETS			
Debtors	14	472,564	510,834
Investments	15	1,926,996	1,726,966
Cash and cash equivalents	16	5,369,444	4,409,782
		7,769,004	6,647,582
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	17	(1,990,881)	(1,526,557)
NET CURRENT ASSETS		5,778,123	5,121,025
TOTAL ASSETS LESS CURRENT LIABILITIES		91,108,343	89,901,597
CREDITORS: amounts falling due after more than one year	18	(50,633,972)	(50,803,216)
NET ASSETS EXCLUDING PENSION LIABILITY		40,474,371	39,098,381
TOTAL NET ASSETS		40,474,371	39,098,381
RESERVES			
Income and expenditure reserve	20	40,474,371	39,098,381

The financial statements on pages 25 to 41 were approved and authorised for issue by the Board on 22 July 2026 and were signed on its behalf by:

John Glenton
Chair

Ali Akbor
Director

Claire Warren
Secretary

The notes on pages 35 to 43 form part of these financial statements.

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STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2026

	£
Balance as at 1 April 2024	37,035,593
Surplus for the year after tax	2,062,787
Balance at 31 March 2025	39,098,381
Surplus for the year after tax	1,375,990
Balance at 31 March 2026	40,474,371

The notes on pages 35 to 43 form part of these financial statements.

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STATEMENT OF CASHFLOWS
for the year ended 31 March 2026

	Notes	*2025* £	*2025* £
NET CASH GENERATED FROM OPERATING ACTIVITIES	25	3,052,813	3,005,831
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition and investment in housing properties		(2,201,676)	(2,805,418)
Purchase of other tangible fixed assets		(21,615)	(441,334)
Grants received		480,000	330,000
Interest received		231,558	251,979
Transfers to current asset investments		(27,000)	(30,923)
Cash inflow on sale of other fixed assets		-	-
NET CASH USED IN INVESTING ACTIVITIES		(1,538,733)	(2,695,696)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(552,096)	(549,861)
New secured loans		-	-
Repayment of borrowings		(2,322)	(2,018)
NET CASH USED IN FINANCING ACTIVITIES		(554,418)	(551,879)
NET DECREASE IN CASH AND CASH EQUIVALENTS		959,662	(241,745)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		4,409,782	4,651,526
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		5,369,444	4,409,782
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash at bank and in hand		1,915,092	1,080,780
Short term deposits		3,454,352	3,329,002
		5,369,444	4,409,782

The notes on pages 35 to 43 form part of these financial statements.

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1. LEGAL STATUS

Pickering and Ferens Homes (the Charity) is a registered provider with the Regulator of Social Housing, a registered Charity, a member of the National Association of Almshouses and a Public Benefit Entity. The Charity's primary objective is to provide quality social housing homes and services which enhance the lives of older people. The financial statements of the Charity are prepared in accordance with the provisions of the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022. The Charity is registered in England and Wales, and its principal place of business is: 7 Beacon Way, Hull HU3 4AE.

2. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP), and under the historical cost convention modified to include certain financial instruments at fair value. The financial statements have also been prepared in accordance with the Housing SORP 2018 - Statement of Recommended Practice for Registered Social Housing Providers (SORP 2018), issued by the National Housing Federation and under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Directors have determined that it is appropriate to prepare accounts in line with the Housing Statement of Recommended Practice due to the current status and activities of the Charity. The financial statements are presented in £ sterling.

Going concern

The activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Report of the Trustee. The financial position of the Charity, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The financial statements have been prepared on a going concern basis after consideration of the future prospects for the Charity and the preparation of long-term financial forecasts and plans which include an assessment of the availability of funding, continued compliance against lenders' covenants and certainty of cash flow from the rental of social housing stock. The Charity has a strong cash position and continues to hold significant unencumbered assets valued at approximately £55.4m (Market Value - Subject to Tenancies). During the year the key strategic risks monitored by the Charity have been health and safety compliance, cyber security risks and the risk of increases in property insurance costs. The business plan has been stress tested and assessed for any imminent or likely future breach in loan covenants, taking into account radical multi-variant scenarios covering the above risks. Management and Directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future and in particular, for a period of at least twelve months after the date on which the report and financial statements are signed. The Charity therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Business combinations

The financial statements comprise the financial statements of the Charity incorporating any organisations previously acquired by the charity or acquired during the year. The results of the acquired organisations are included from the effective date of acquisition. Where acquisitions are in substance the gifting control of a business to the Charity, the combination is treated as a non-exchange transaction and the fair value of the gifted assets and liabilities in the transaction is recorded as a gain or loss in the statement of comprehensive income in the year of combination.

Turnover and revenue recognition

Turnover comprises rental and service charge income receivable in the period, amortised capital grant, revenue based grants receivable from the local authority, and management charge income from charitable organisations managed by the Charity. Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met. All other income is recognised on an accruals basis.

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Borrowing costs
All borrowing costs in relation to long-term loans are accounted for over the life of the matched underlying liability and are released to the statement of comprehensive income over the life of the loan.

Taxation
The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Value Added Tax
The Charity charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Charity and not recoverable.

Fixed assets
Housing properties under construction are stated at cost and are not depreciated. These are reclassified as completed housing properties on practical completion of construction. The Charity only capitalises expenditure on housing which results in an increase in the net rental income, a reduction in future maintenance costs or a significant extension of the life of a property and/or its components. All other expenditure incurred in respect of general repairs to its housing stock is charged to the statement of comprehensive income in the year in which it is incurred. Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight-line basis over their estimated useful economic lives. The Charity depreciates freehold housing properties by component at the following annual rates:

Housing Properties 40 – 120 years

Major components:

Roofs	50 years	Doors / Windows / Bathrooms	25 years	Lifts	20 years
Photovoltaic Panels	25 years	Kitchens	20 years	Boilers	15 years

The Charity depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category. Other tangible fixed assets are stated at cost less accumulated depreciation. The Charity depreciates its freehold office (excluding land) by component in the same manner as its housing properties. All other tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is charged on other tangible fixed assets to write off the cost less residual value over their anticipated economic useful lives which are as follows:

Computer equipment	2-3 years	Furniture and equipment	5-10 years	Housing Software 7-10 years

Where there is evidence of impairment, assets are written down to their recoverable amount through a charge to the statement of comprehensive income.

Leasing
Leases are treated as operating leases and payments are charged to the statement of comprehensive income on a straight-line basis over the term of the lease. Any incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Current asset investments
Current asset investments include equities which are held for short term and are valued at fair value on a recognised stock exchange at the reporting date. Upward revaluations are reported in the statement of comprehensive income and credited to the investment revaluation reserve. Diminutions in value are recognised in the statement of comprehensive income until the investment revaluation reserve (see note 20) in respect of that asset no longer exists. Further diminutions in value or impairments of current asset investments are recognised in the statement of comprehensive income.

Current asset investments also include cash and cash equivalents invested for periods of more than 3 months which are not accessible on demand and are held to cover 12 months' interest in respect of the Affordable Housing Finance and The Housing Finance Corporation facilities. Current asset investments are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

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Deposits and liquid resources
Cash and cash equivalents comprise cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the end of the period.

Social housing grant
Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social housing grant received for items of cost written off in the statement of comprehensive income is included as part of Turnover. Social housing grant, which is received in advance of the total development programme costs, if applicable, is shown as a current liability. Social housing grant must be recycled by registered providers under certain conditions, if a property is sold or if another “relevant event” takes place. In these cases, the social housing grant can be used for projects approved by Homes England. However, the social housing grant may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, grant may be repayable, and, in that event, is subordinated unsecured repayable debt.

Other grants
Grants received in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate.

Retirement benefits
The Charity operates a defined contribution scheme with Legal and General Assurance Society Ltd which is made available to all employees. The amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The assets in the scheme are invested and managed independently of the finances of the Charity. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

Financial instruments
The Charity has applied the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets
Debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of comprehensive income for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the statement of comprehensive income.

In the case of payment arrangements that exist with residents, these are deemed to constitute financing transactions and, if material, are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

Financial liabilities
Creditors
Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.
Commitments to receive a loan are measured at cost less impairment. All loans provided by the Charity's lenders are classed as basic under the requirements of FRS102, and are measured at amortised cost.

Critical accounting estimates and areas of judgement
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 are discussed below.

a) **Development expenditure**
The Charity capitalises development expenditure in accordance with the accounting policy described on page 32. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
b) **Useful economic lives of tangible fixed assets**
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.
c) **Impairment of assets**
Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the statement of comprehensive income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Charity estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential (VIU-SP), are recognised as impairment losses in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of comprehensive income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

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3. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

31 March 2026	*Turnover* £	*Operating Expenditure* £	*Operating Surplus* £
Social housing lettings (Note 4)	10,857,831	(9,468,602)	1,389,229
Other social housing activities			
Management charges and other income	67,648	-	67,648
	10,925,479	(9,468,602)	1,456,877
31 March 2025			
Social housing lettings (Note 4)	10,457,688	(8,273,776)	2,183,912
Other social housing activities			
Management charges and other income	51,687	-	51,687
	10,509,375	(8,273,776)	2,235,599

4. TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	£	£	*2026* £	*2025* £
Income	General needs housing	Housing for older people	Total	Total
Rent receivable net of identifiable service charges and net of voids	7,702,161	1,037,971	8,740,132	8,431,203
Service charge income	912,528	800,018	1,712,546	1,600,701
	8,614,689	1,837,989	10.452.678	10,031,904
Amortised government grants	336,092	44,123	380,215	374,026
Other grants	24,938	0	24,938	51,758
Turnover from Social Housing Lettings	8,975,719	1,882,112	10,857,831	10,457,688
Operating Expenditure				
Management	2,680,601	294,363	2,974,964	2,425,977
Service charge costs	919,545	852,931	1,772,476	1,709,601
Routine maintenance	1,147,824	158,399	1,306,223	1,192,460
Planned maintenance	768,729	46,769	815,498	443,718
Major repairs expenditure	215,732	168,553	384,285	491,675
Bad debts	5,458	2	5,460	4,897
Internal support grants and related costs	0	274	274	258
Depreciation of housing properties	1,494,777	202,189	1,696,966	1,580,963
Lease costs	85,254	1,400	86,654	81,049
Other costs	339,741	86,061	425,802	343,178
Operating expenditure on social housing lettings	7,657,661	1,810,941	9,468,602	8,273,776
Operating Surplus on Social Housing Lettings	1,318,058	71,171	1,389,229	2,183,912

Total rent receivable net of identifiable service charges includes void loss of £110,035 (2025: £114,972). This amount is rent lost through dwellings being vacant.

5. ACCOMMODATION IN MANAGEMENT

	2026	2025
Number of units - general needs and housing for older people let at social rent levels	No.	No.
Housing accommodation	1,453	1,453
Total units in management	1,453	1,453

There were 8 units in development at 31 March 2026 (2025: 0). During the year there were no additions.

6. INCOME FROM INVESTMENTS

	2026	2025
	£	£
Interest on bank deposits	180,641	203,995
Income from listed investments	49,605	45,489
	230,246	249,484

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
On bank loans repayable wholly or partly after more than five years	426,716	432,325
Defined benefit pension charge	-	-
Amortisation of issue costs of bank loan	17,948	17,948
	444,664	450,273

The Charity has £626,627 (2025: £599,627) in designated interest-bearing accounts charged in respect of Affordable Housing Finance plc's £10m facility and The Housing Finance Corporation Ltd's £4.5m facility - covering 12 months interest.

8. SURPLUS BEFORE TAXATION

		2026	2025
		£	£
Surplus before taxation is stated after charging / (crediting):			
Depreciation of tangible fixed assets	- housing properties	1,696,966	1,580,963
	- other	305,367	249,658
Auditors' remuneration (excluding VAT):	- statutory audit	22,500	22,677
	- internal audit	20,975	11,349
Operating lease rentals (note 22)	- buildings	78,600	73,302
	-equipment	4,622	4,315
Amortisation of governments grants		(380,215)	(374,026)

9. EMPLOYEES

The average monthly number of persons employed during the year including the executive team (expressed as full-time equivalents of 37 hours per week) was:

	2026	2025
	No.	No.
Resident and customer services	16	16
Corporate and business services	10	11
Property services	5	6
Scheme Managers and Cleaners	5	5
	36	38

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9. EMPLOYEES (continued)

Staff costs (for the above persons) were:	*2026* £	*2025* £
Wages and salaries	1,550,042	1,538,109
Social security costs	199,715	158,038
Other pension costs and current service cost (note 24)	-	-
Defined contribution pension cost	152,019	160,248
	1,901,776	1,856,395

The full time equivalent number of staff whose remuneration exceeded £60,000 in the period:	*2026* *No.*	*2025* *No.*
£60,001 to £70,000	1 1	- 1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
£90,001 to £100,000	-	-
£100,001 to £110,000	1	1
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
£130,001 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	-	-
£160,001 to £170,000	1	1

10. KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are defined as non-executive members of the Board, the Chief Executive and the Executive Directors.

Emoluments of the Executive Officers (including the Chief Executive)	*2026* £	*2025* £
Emoluments	332,819	340,252
Social security costs	47,541	42,900
Pension contributions	36,848	44,159
	417,208	427,311

The emoluments of the Chief Executive, being the highest paid person, were:	*2026* £	*2025* £
Emoluments	129,190	125,822
Social security costs	18,606	16,083
Pension contributions	17,988	20,559
	165,784	162,464

The Executive Officers are entitled to ordinary membership of the Charity's pension scheme. No special terms or funded individual pension arrangements apply to these posts. Board members serve on a voluntary basis and receive no emoluments in their capacity as board members of the corporate trustee company.

11. TAXATION

The Charity is registered for VAT. A large proportion of its income is exempt for VAT purposes which gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and any input tax recovered is deducted from appropriate expenditure. As the Charity only undertakes charitable activities it is therefore generally exempt from liability to taxation on Income and Capital Gains.

12. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Completed housing properties £	*Housing properties in the course of construction* £	*Total* £
Cost:			
At 1 April 2025	104,130,544	-	104,130,544
Additions - construction costs	209,493	456,036	665,529
Additions - replacement components	1,864,837	-	1,864,837
Schemes completed	-	-	-
Disposals (including replaced components)	(285,091)	-	(285,091)
At 31 March 2026	105,919,783	456,036	106,375,819
Depreciation and impairment:			
At 1 April 2025	20,595,298	-	20,595,298
Charge in the year	1,696,966	-	1,696,966
Released on disposal	(285,091)	-	(285,091)
At 31 March 2026	22,007,173	-	22,007,173
Carrying amount:			
At 31 March 2026	83,912,610	456,036	83,368,646
At 31 March 2025	83,535,246	-	83,535,246

The carrying amount of housing properties charged as security is £19,439,721 (2025: £19,156,806)

13. TANGIBLE FIXED ASSETS - OTHER

	IT Systems £	*Furniture fixtures and fittings* £	*Total* £
Cost:			
At 1 April 2025	1,569,204	716,810	2,286,014
Additions	21,615	-	21,615
At 31 March 2026	1,590,819	716,810	2,307,630
Depreciation and impairment:			
At 1 April 2025	833,551	207,138	1,040,688
Charge in the year	283,308	22,058	305,366
At 31 March 2026	1,116,858	229,196	1,346,054
Carrying amount:			
At 31 March 2026	473,961	487,615	961,576
At 31 March 2025	735,653	509,673	1,245,326

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14. DEBTORS

	2026	*2025*
	£	£
Rent arrears	113,644	83,335
Less: provision for bad debts	(7,784)	(14,548)
Net arrears	105,860	68,787
Other debtors	79,341	146,046
Prepayments and accrued income	287,363	296,001
	472,564	510,834

15. INVESTMENTS

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 April 2025	1,127,339	599,627	1,726,966
Additions	39,499	27,000	66,499
Change in fair value	133,531	-	133,531
At 31 March 2026	1,300,369	626,627	1,926,996

	£
Listed investments at cost - 31 March 2026	620,413
Listed investments at cost - 31 March 2025	580,983

Investments are held for short term and are valued at fair value on a recognised stock exchange at the reporting date.

16. CASH AND CASH EQUIVALENTS

	2026	*2025*
	£	£
Cash at bank and in hand	1,915,092	1,080,780
Short term deposits	3,454,352	3,329,002
	5,369,444	4,409,782

17. CREDITORS: amounts falling due within one year

	2026	*2025*
	£	£
Loans (Note 18a)	88,284	101,560
Deferred capital grant (Note 18b)	400,138	380,211
Rents and service charges received in advance	219,495	201,485
Accruals and deferred income	46,792	41,508
Trade creditors	1,146,911	775,631
Other creditors	89,261	26,162
	1,990,881	1,526,557

18. CREDITORS: amounts falling after more than one year

	2026 £	*2025* £
Loans (Note 18a)	16,864,933	17,114,036
Deferred capital grant (Note 18b)	33,769,038	33,689,180
Other long-term creditors	-	-
	50,633,971	50,803,216

18(a). BORROWINGS

	2026 £	*2025* £
Loans > 1 year	16,864,933	17,114,036
	16,864,933	17,114,036
Loans	17,199,044	17,321,358
Loan issue costs	(334,111)	(207,322)
	16,864,933	17,114,036

No additional funding was raised during the year. All loans are secured by specific charges on the Charity's housing land and buildings. The following interest rates have applied to all loans held during the year.

Lender	*Type*	*Rate*	*Rate Expiry Date*	*Loan Expiry Date*	*% of Total Debt at 31 March 2026*
Nationwide	Variable	4.83%-5.23%	Apr 2033	Apr 2033	1.75%
AHF plc	Fixed	2.89%	Aug 2043	Aug 2043	60.27%
THFC Ltd	Fixed	5.2%	Oct 2043	Oct 2043	37.81%
Orchardbrook	Fixed	12.25% / 15.25%	Jul 2044 / Mar 2031	Jul 2044 / Mar 2031	0.17%

		2026 £	*2025* £
Bank loans due:	Within 1 year	88,284	101,560
	Between 1-2 years	91,533	104,366
	Between 2-5 years	527,228	447,535
	After 5 years	16,246,172	16,562,135
		16,864,933	17,114,036
	Total	16,953,217	17,215,596

18(b). DEFERRED CAPITAL GRANT

	2026 £	*2025* £
At 1 April	34,069,392	34,113,415
Grant received in the year	480,000	330,000
Capital grant released	(380,215)	(374,026)
At 31 March	34,169,177	34,069,392
Amount due to be released < 1 year	400,138	380,211
Amount due to be released > 1 year	33,769,038	33,689,181
	34,169,176	34,069,392

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19. FINANCIAL INSTRUMENTS

The carrying amount of the Charity's financial instruments at 31 March were:	*2026* £	*2025* £
Instruments measured at fair value		
Investments	1,926,996	1,726,966
Total	1,926,996	1,726,966

20. INCOME AND EXPENDITURE RESERVE

	Investment revaluation reserve £	*General reserve* £	*Total* £
At 1 April 2025	219,861	38,878,520	39,098,381
Surplus from Statement of Comprehensive Income	-	1,375,990	1,375,990
Transfer from / (to) general reserves	133,531	(133,531)	-
At 31 March 2026	353,392	40,120,979	40,474,371

Historically negative goodwill has arisen on the acquisition of smaller charities. In accordance with the SORP, these transactions are accounted for as non-exchange transactions, and the fair value of the assets and liabilities in the combining entity are treated as a gain or loss to the statement of comprehensive income. The general reserve includes cumulative negative goodwill of £4,579,110 (2025: £4,579,110).

21. CAPITAL COMMITMENTS

	2026 £	*2025* £
Capital expenditure contracted but not provided for in the financial statements	923,530	-
Capital expenditure approved by the Board of Directors but not contracted at the year end	5,694,516	-
	6,618,046	-
The above commitments will be funded from:		
Capital grants	-	-
Cash reserves	2,918,046	-
Committed Loan Facilities	3,700,000	
	6,618,046	-

22. OPERATING LEASE COMMITMENTS

			2026	*2025*
	£	£	£	£
The total future minimum lease payments under non-cancellable operating leases are as follows:	Buildings	Equipment	Total	Total
Amounts due:				
Not later than one year	82,162	999	83,161	86,253
Later than one year and not later than five years	216,150	749	216,899	296,499
Later than five years	-	-	-	-
	298,312	1,748	300,060	382,752

23. GRANT AND FINANCIAL ASSISTANCE

	Social Housing grants	*Other grants*	*2026*	*2025*
	£	£	£	£
Total accumulated government grant and financial assistance received or receivable at 31 March:	41,834,964	915,000	42,749,964	42,269,964
Recognised as income in Statement of Comprehensive Income	(8,580,787)	-	(8,580,787)	(8,200,572)
Held as deferred capital grant	33,254,177	915,000	34,169,177	34,069,392

24. RETIREMENT BENEFITS

Defined contribution scheme

Defined contribution pension arrangements were put in place during 2015-16 with Legal and General Assurance Society Ltd. During the year these arrangements were available to all employees who were not members of the East Riding Pension Fund (ERPF). On 30 November 2022 the Charity closed its defined benefit pension scheme with the ERPF to future accrual and transferred all active members to its defined contribution scheme. Employer contribution rates are fixed at 10%, however an enhancement of 8% (to November 2025) or a cash lumpsum of 25% of annual salary was offered to transitioning employees. The assets of the scheme are held separately from those of the Charity, in an independently administered fund.

The charge to the statement of comprehensive income in respect of the defined contribution scheme was £152,318 (2025: £160,433). Included in the figure above are accrued contributions of £1,752 (2025: £2,052)

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25. NET CASH GENERATED FROM OPERATING ACTIVITIES

	2026 £	*2025* £
Surplus for the year	1,375,990	2,062,787
Adjustments for:		
Depreciation	2,002,332	1,830,621
Amortisation of government grants	(380,215)	(374,026)
Defined benefit pension schemes	-	-
Gain on sale of other fixed assets	-	-
Interest received	(230,246)	(249,484)
Interest payable	444,664	450,273
Amortisation of discounted interest on loan issue costs	117,186	114,471
Operating cash flows before movements in working capital	3,329,711	3,834,642
Decrease / (increase)	39,582	(79,505)
Increase / (decrease in creditors	(316,480)	(749,307)
Cash generated from operations	3,052,813	3,005,831

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2025 £	*Cashflow* £	*Other changes* £	*At 31 March 2026* £
Cash at bank and in hand	1,080,780	861,312	(27,000)	1,915,092
Bank and other loans	(17,440,867)	2,322	117,186	(17,321,359)
Refinance costs	225,271	-	(17,948)	207,323
Short-term deposits	3,329,002	125,350	-	3,454,352
Current Asset Investments	599,627	-	27,000	626,627
	(12,206,187)	988,984	99,238	(11,117,965)

27. RELATED PARTY TRANSACTIONS

During the year Cheryl Payne, Allen Healand and Denise Thompson served as nominated board members by Kingston upon Hull City Council. Emma Whittles, an employee of Hull City Council is a co-opted member of the Board. All transactions with the Council are made at arm's length and on normal commercial terms.
John Holmes and Valerie Crowhurst served as resident board members during the year. Resident board members of the Charity occupy properties on normal commercial terms.

Transactions and balances outstanding at 31 March are as follows:	*2026* £	*2025* £
Rent and service charges during the year	16,700	16,059
Balances owed to the Charity at 31 March	-	-
Balances owed to residents at 31 March	537	558

Details of the Key management personnel's remuneration are disclosed in note 10.

No one party / person has over-all control.