

Annual Report and Accounts

For the year ended 31 March 2025

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Highlights and business review



Highlights

This year has been one of momentum, resilience and purpose. We have remained focused on what matters most: delivering safe, sustainable homes and enabling people to thrive. Our progress reflects not just determination, but a shared belief in the power of quality housing to transform lives.



Merger

A major milestone was our successful merger in February, bringing together two strong housing organisations which unlocked additional capacity to deliver more affordable homes.

This will enable opportunities for greater scale, operational efficiency and deeper investment into the communities we serve. It is about creating capacity to do more, by unlocking significant additional financial capacity beyond what each organisation could achieve alone.

This positions us to deliver 2,000 new homes every year for the next 30 years, with an ambition that 50% will be for social rent – making us the largest builder of new social rented homes. It will also allow us to introduce new and innovative investment through the creation of a place standard, which will focus on transforming streets into thriving communities and places where people want to live.

We will also develop a Learning Academy to offer training opportunities for both colleagues and customers, alongside a dedicated research and development team focused on customer priorities and continuous service improvement.



Our customers

Safety continues to be our number one priority. Tenant Satisfaction Measures placed us among the top performers in the sector: 88% of customers say they feel safe, 87% feel treated fairly and 80% are satisfied overall. These insights helped improve complaint handling, expand our in-house repairs team and simplify communication. Feedback from the Housing Ombudsman has also informed service redesigns.

Our INfluencer Network and Customer and Communities Influencer Network (CCIN)¹ includes 42 customer representatives, with 423 users on our digital engagement hub. Their insight has informed policy reviews and supported deeper understanding through new Knowing Our Customers workshops.

This year, we launched three new place pilots, each designed around local priorities, co-created with customers and delivered through place-based teams.

Early results show reduced anti-social behaviour, improvements in the speed we deliver repairs, reduced complaints, improved local engagement and the introduction of initiatives such as community swap days and targeted foodbank support.



Our colleagues

We're creating an environment where people want to grow. Colleague turnover reduced by 4.2% and we continued to invest in leadership and development. The Management Training Programme (MTP) has reached 84% of line managers, providing them with the tools to recruit, support and retain talented colleagues. Meanwhile, our Essential Leadership Academy ensured all new leaders received training in inclusive leadership, voice of the customer, performance essentials and using the competency framework to support colleague development.

Engagement remains high with 77% of colleagues stating this is a great place to work and 80% of colleagues completing the survey. We now have 166 active apprentices (5% of our workforce), earning us awards of Large Apprenticeships Employer of the Year and Employer of the Year.

1. These networks are made up of a group of informed customers, the latter is chaired by a board member. This is not part of our formal governance structure but has strong links to the board and plays an important role in scrutinising service delivery and performance.



Investing in our homes

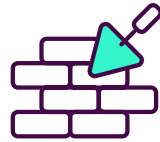
We invested a record £134m improving our customers' homes this year. This includes – upgrading kitchens, bathrooms, windows and roofs.

We reduced outstanding repairs by 54%, reaching our lowest open repair level in three years. Our focus on condensation, damp and mould remains, with proactive treatment and diagnostics to help reduce the likelihood of recurrence.

We're also investing in smart technology to improve services. From managing data and performance, to in-home tools like smart thermostats and sensors that help monitor energy use and comfort, we're combining technology and insight to support proactive, personalised services.

Our transformation journey

In the year we moved into the final stabilisation phase of our Microsoft Dynamics Enterprise Resource Planning (ERP) transformation programme to deliver the technology platform we need to better understand our homes and more effectively manage them. The ERP platform is pivotal to our proactive maintenance objective.



Building new homes

We support the government's plans to build more affordable homes in the UK and continued to deliver on our ambitious plans to build much needed affordable homes across our geography. We built a total of 1,770 homes in the year, of which 1,698 were affordable and 72 for open market sale as we continue to build mixed tenure sustainable places for people to live. Importantly, 519 of all homes we built during the year were for social rent.

We were proud to once again be named the biggest builder of social rent homes in England. As the most affordable housing tenure, we will continue to focus on building social rent homes, with a goal of increasing the proportion of social rent homes to 50% of our overall annual build.

Delivering more new homes through our in-house construction team continues to be a core part of our strategy. This year we delivered 207 homes which allows us to control quality, cost and delivery timescales.



Sustainability

Our sustainability approach is about creating resilient communities where people and nature thrive. We improved the quality of our asset data, upgraded carbon emissions tracking and invested in energy efficiency at scale. However, our commitment to sustainability isn't just about compliance, it's about enabling people to thrive in homes that are affordable, more energy efficient and part of stronger communities. 79% of our homes now meet EPC C or above and new homes are built to EPC B or better.

We're managing land and green space more responsibly. This year, we launched our biodiversity strategy, introduced rain gardens which can help manage rain water runoff, bird and bug habitats and reduced chemicals used for maintenance. In all, 36 neighbourhoods took part in bulb planting campaigns.

We supported 47 customers into employment or training and our social impact work via Hopestead's Hope Funds reached over 8,000 people. We now have six Sustainability Linked Loans tied to eight key metrics, covering a broad range of Environmental, Social and Governance initiatives. By linking funding to impact, we're driving accountability, encouraging innovation and embedding sustainability at the heart of how we work.

At a glance



170,000+

Customers



1,698

New affordable homes developed



82,000+

Homes owned and/or managed



G1/V1

Regulatory ratings



£215m

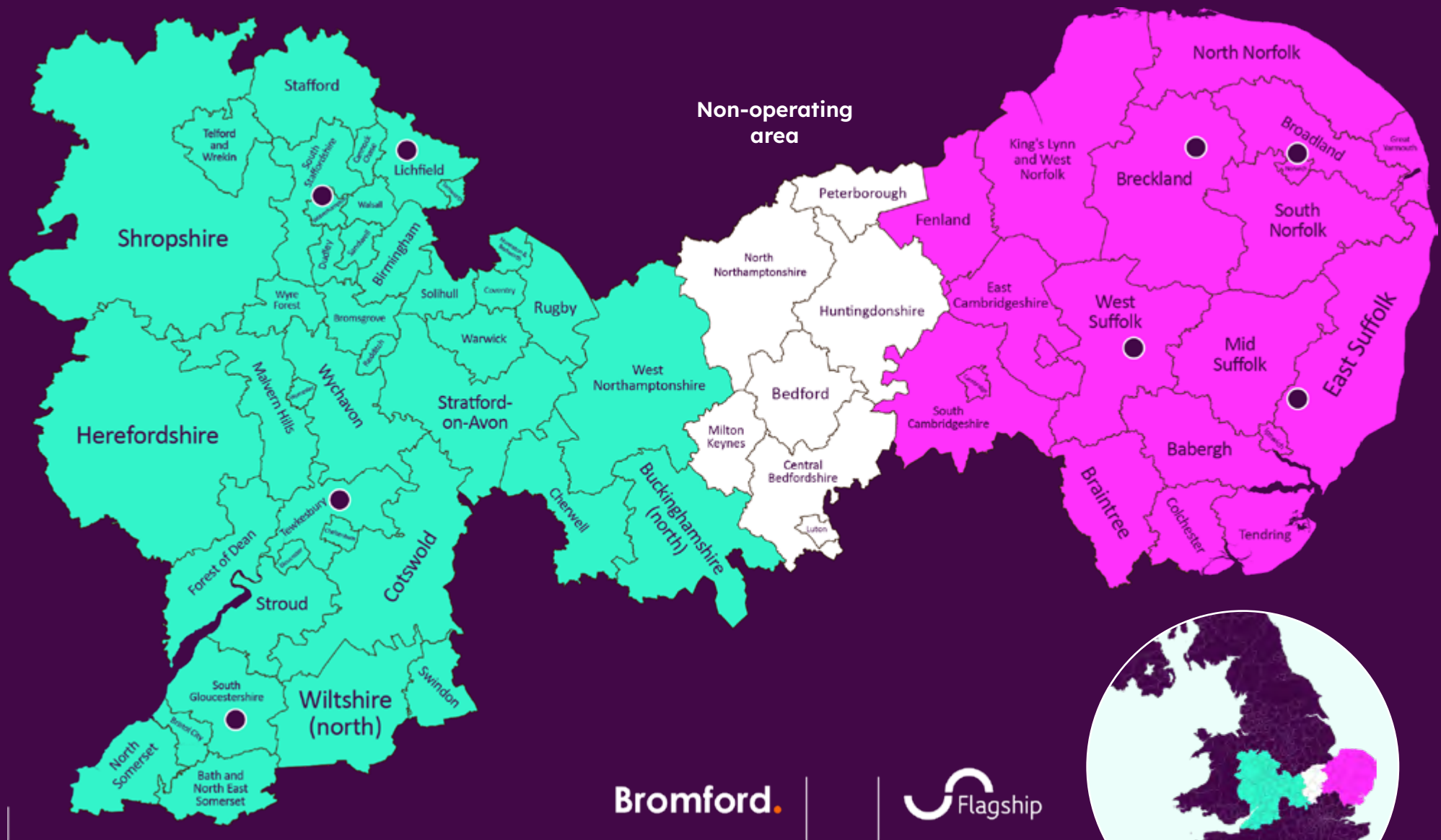
Operating surplus



A2/A+

Moody's and S&P credit ratings

Operating area



○ Main offices



CEO introduction

I'm very pleased to introduce the 2025 Annual Report and Accounts for Bromford Flagship; we're reporting a strong set of results in what has continued to be a challenging environment.

£1.9bn additional capacity

We completed the merger of Bromford and Flagship on 28 February 2025, bringing together two strong housing associations to not only create one of the leading and strongest housing associations in the country, but more importantly to unlock nearly £2bn of additional capacity over the next 15 years to enable us to do more for current and future customers.

30,000 homes by 2040

This additional capacity could enable 7,000 more desperately needed homes for social rent than the two organisations could have completed independently. In total Bromford Flagship's new homes plan sees us developing over 30,000 homes by 2040, with nearly 50% for social rent – the most affordable of rents in the UK.

80% customer satisfaction

I'm pleased to be able to report that customer satisfaction (the Regulator of Social Housing's tenant satisfaction measure) for the year was 80%, slightly up on last year and top quartile when compared to the rest of the housing sector.

1,770 new homes completed

We completed 1,770 new homes, 1,698 of which were affordable and 519 being for social rent.

£136m net surplus

Financially, we are reporting another strong set of results. Net surplus was £136m, an increase of £11m from last year, whilst operating margin (excluding sales) of 30% (2024: 29%) and social housing operating margin of 33% (2024: 32%) both increased year on year. EBITDA MRI interest cover (earnings before interest, tax, depreciation and amortisation (major repairs included)) of 1.62 times remained broadly stable with last year, while investment in existing homes was up by £20m.



The operating environment continued to have challenges over the year. Most notably a continuation of elevated levels of repairs for the first six months of the year. However, importantly, through further investment, we ended the year with our lowest level of outstanding repairs for three years.

We continued to see reports of condensation, damp and mould and as expected saw an increase in the second half of the year. We are also seeing a small number of return cases and are reviewing some of our investment activity in this area.

We have three buildings classed as high rise – six stories or above. One of these, Gosford Heights requires remediation work which is expected to complete by February 2026. Part of the costs will be covered by grants from Homes England's building safety fund and there is no material exposure to future financial performance from the remainder.

We've seen significant market volatility through the year alongside a persistent rise in gilt yields. Despite this, we continued to focus on levels of liquidity and completed over £350m of new funding transactions, ending the year with £949m in cash and facilities immediately available. Pleasingly and despite ongoing cost of living challenges, we saw net arrears reduce year on year. We will continue to work proactively with our customers in this area.

Looking externally, we are pleased that key stakeholders have recognised the strength of Bromford Flagship, which provides a good platform for the years ahead. Moody's and S&P's confirmed Bromford Flagship's ratings of A2 and A+ respectively. The Regulator of Social Housing also confirmed our G1 V1 rating.

Looking ahead, we expect there to be continued geopolitical uncertainty, which we believe will have impacts on Bromford Flagship and our customers. However, we are very encouraged by the government's June 2025 Spending Review, which provides us with both clarity and opportunity for the next decade.

Our focus for the year ahead can be distilled down to the following four aspects.

Firstly, on our delivery of services and our customer journey across all our geography, with a goal of improving our customer satisfaction levels further.

Secondly, on integration, with a particular focus on starting to create great single support teams and a unified technological platform.

Thirdly, on our deployment plans for the additional capacity that we've created. This is likely to be focussed on new homes recognising the enormous need, but importantly we will be working further on how regeneration can transform current places.

Finally, on other key elements of the Bromford Flagship Business Case, including an absolute focus on place alongside the production of a new Bromford Flagship strategy in 2026.

I'd like to finish my introduction by thanking all colleagues at Bromford Flagship for the tremendous work to ultimately enable people to thrive.



Robert Nettleton
Chief Executive
25 July 2025



Our strategy

Bromford Flagship exists to enable people to thrive.

We're a new kind of organisation: one that combines the strength and stability of scale with a deep, local understanding of our customers and their communities. We are built for long-term, place-based delivery: combining financial strength, local insight and a relentless focus on enabling people to thrive.

We launched our 2023 to 2027 Strategy in April 2023 which, while keeping our target operating model the same, signalled two key strategic shifts. The first was to shift from focusing on homes to understanding the wider environment where our customers and future customers live. The second was to increase our focus on scale and impact, stepping into our size and bringing significant influence and resources together, again to help current and future customers as well as colleagues. Post merger, these strategic focus areas remain fundamental to our purpose and ambitions with our forward strategy building on the 2023 to 2027 Strategy across five clear priorities:

2023 to 2027 Strategy

Place-based working

Closing the home standard gap

Agile working to solve problems

Relationships that support customer aspiration

Move to proactive maintenance

Our move to scale

Place-based pipeline of talent

Known as a leader and influencer

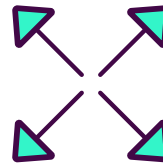
Emerging forward priorities



To put customers at the centre of everything we do



To take pride in place



To harness scale to unlock opportunity



To invest in our people



To use our voice to influence the future of housing

These priorities are not just strategic pillars, they are the foundations for the decisions we make every day and the impact we aim to have for generations to come.

2023 to 2027 Strategy objectives	Why this is important
Place-based working	Communities have different strengths and needs so the way we invest in homes and relationships will differ from place to place. For our customers to thrive the communities they are part of need to thrive socially and economically.
Relationships that support customer aspiration	Thriving means something different for each of our customers. We want customers to have agency and the relationship that best suits their circumstances and aspirations. We want a modern customer engagement approach that is best in sector and supports our unique relationship model. We want customers to feel they have the right home and the right relationship to give them the platform to thrive as their needs and aspirations change over time.
Our move to scale	We can make the biggest impact on place by investing at scale. Some communities need more, or different, investment than others to enable our current and future customers to thrive.
Closing the home standard gap	We want all our customers to live in homes that are safe, they are proud of and which they can afford to run.
Move to proactive maintenance	We want to reduce cost and create more value for our customers. We need to better understand our homes and predict what we need to do when something doesn't work, or the property isn't performing. We want fewer visits to our homes and a reduction in customers having to contact us. We want to support customers to do as much as they can for themselves and give them the data to better run their homes.
Agile working to solve problems	We need to innovate and continuously improve how we operate, to ensure we are efficient and maximise value for our colleagues and customers. We want Bromford Flagship to be an organisation people point to when talking about organisational capability for collaboration and pace at scale. We want to have iterative and agile ways of working that mean we never need to do another large transformation programme.
Place-based pipeline of talent	Our communities are filled with talent and we can support their transition into the workforce. We have an ageing workforce in some areas. The employment market is competitive and traditional recruitment is slow and expensive. The skills we need are changing and employment patterns are changing. As a placeshaper we should build stronger links with the education and employment sectors.
Known as a leader and influencer	Over time our investors and key stakeholders are likely to be working with fewer partners. To be around the top table, the impact of investing in Bromford Flagship must make a difference that others can't demonstrate. We want Bromford Flagship and our customers to thrive in a challenging environment and into the future.

Progress in 2024 to 2025

We've continued to focus on discovery over the last 12 months but have also made excellent traction in a number of key areas.



To put customers at the centre of everything we do

Place pilots. Place-based working is about us working together in more geographically concentrated areas, understanding our customers, the places in which they live and the other partners who work there too. Over the last 12 months we launched three place pilots in South Gloucestershire, South Lichfield and North Cotswolds. We've already seen positive results from the pilots which indicate faster repair times, a reduction in complaints, improved customer engagement and improved work with councillors and community groups. We will continue to introduce further pilots of different sizes and shapes across our geography over the next 12 months including testing approaches for more rural and dispersed areas.

Omnichannel. We're investing in the systems, tools and capabilities that enable exceptional services through a sector-leading omnichannel approach. This will ensure seamless information flow between customers and colleagues, removing barriers and enabling faster, more responsive delivery. We're in the tendering process to select a suitable supplier for delivery and work will commence next year.



To take pride in place

Proactive maintenance. We're trialling various sensors in homes to provide us with real time data into the things that shape comfort, health and energy efficiency of homes before and after works are completed.

We've also launched a six month connected homes research programme with the Disruptive Innovators Network to learn how smart home technologies are currently being used and what needs to change for them to deliver real benefits for customers. Interim findings should be available next year.



To harness scale to unlock opportunity

Investing at scale. We are already acting on the scale of our ambition. We can now look ahead to building more than 30,000 new homes over the next 15 years, a number that exceeds our previous combined capability. We have the scale to lead large regeneration schemes, shape the future of placemaking and take direct control over build quality and consistency through our in-house construction capabilities.



To invest in our people

Place-based pipeline of talent. We've continued to support customers into work or training this year. We're also working with local schools to develop partnerships that will create work experience placements over the next year which will be available to customers, colleagues, schools and colleges, providing valuable industry exposure and skills development.

Looking ahead

Our purpose will remain unchanged, enabling people to thrive. We're committed to becoming one of the best places to work in the sector, offering a culture that is customer-obsessed, inclusive and built around personal development. Our investment in people includes the creation of a sector-leading training academy, a thriving apprenticeship programme and partnerships with universities that support research and innovation.

Financially, Bromford Flagship stands on solid ground. Our strength delivers not only resilience but the capacity to innovate. We are exploring new funding models, combining grant, debt and institutional capital to meet challenges head-on and scale our ambitions responsibly.

Together, we have the vision, the resources and the relationships to shape a future where people and places thrive. And we are only just getting started.

Colleagues and culture

As one of the largest housing associations in the UK, we are now operating at a new scale – and our colleagues are the foundation of everything we deliver.

From building homes and regenerating communities to deepening relationships with customers and driving innovation, it is their commitment, skill and leadership that make thriving places possible.

Over the next decade, we will make significant investments in new and existing homes, delivering 2,000 new homes annually, with an ambition that half will be for social rent. This positions us as the largest builder of new social homes and a model regional partner in tackling the housing crisis with long-term, place-based investment.

That scale demands capability. That's why we're building the workforce of the future, investing in colleague development, expanding our expertise in areas like construction and customer insight and launching the Bromford Flagship Learning Academy and research and development team.

A foundation for long-term value

We're aligning our people strategy with our long-term investment priorities: unlocking the full potential of our workforce, attracting top talent and embedding the culture and systems that enable us to lead delivery at pace.

This year, we made strong progress in building a shared culture and capability base:

- over 4,700 training days delivered, £1m invested in development and 379 leaders supported through targeted programmes
- 166 apprentices employed across the group, with completion rates exceeding 80%
- more than 80% of colleagues engaged in recognition and benefits platforms – building shared purpose and pride

Laying the groundwork for the Bromford Flagship Learning Academy

To meet the complex demands of modern housing and place leadership, we are looking to establish a sector-leading Learning Academy. This will create clear pathways for colleague and customer development, future-proofing our workforce and expanding access to training, leadership and progression – not just within housing but across construction, regeneration and customer service.



A culture of inclusion, recognition and care

We continue to strengthen the inclusive, supportive culture our people value. This year:

- we launched our first Be.You conference and deepened Equality Diversity and Inclusion (EDI) impact through champion networks
- published combined pay gap reports, including our first Disability Pay Gap Report
- achieved Menopause Friendly Accreditation and advanced our Disability Confident status

Health, wellbeing and financial resilience remain priorities. We've improved access to mental and physical health support, promoted workplace flexibility and delivered targeted financial wellbeing initiatives.

Growing new capabilities

We are investing in new functions that reflect our ambition. Our research and development will help us test, learn and scale what works. We're expanding in-house construction capability to increase delivery control. We're also embedding digital tools and flexible working models to support performance and productivity.

Looking ahead

Our colleague and culture priorities are to:

- launch a single Employer Value Proposition that reflects who we are and the scale of our ambition
- develop a vision for our Learning Academy with a dual focus on colleague and customer capability
- grow the capabilities needed to lead in regeneration, construction and customer insight
- embed a performance culture developed from shared values, accountability and inclusion



Sustainability

At Bromford Flagship, sustainability shapes how we build homes, invest in communities and support people to thrive. As we report for the first time as one organisation, we're building on shared strengths to create a more sustainable future, socially, environmentally and economically.



One organisation, one purpose

We continue to invest to improve the energy efficiency of our homes, reducing their impact on the environment while helping to reduce the cost of heating homes.

79% of our homes now meet EPC C or above compared to 76% last year, improving comfort for thousands of customers. We've upgraded 4,800 homes with measures like better insulation, low-carbon heating and new windows and doors, supporting families to stay warm in winter, reducing reliance on emergency support and helping our homes become part of the transition to net zero carbon emissions.

79%

of our homes meet
EPC C or above

4,800

homes upgraded

Carbon and data: building trust and transparency

This year, we have improved collaboration with energy brokers and internal teams to enhance the accuracy of our Scope 1, 2 and 3 emissions¹ data and have been piloting and investing in improved systems to support more robust ESG² reporting and carbon tracking. This integrated approach reflects our commitment to measurable, outcome-driven impact and the development of relevant key performance indicators. We're already embedding carbon consideration into investment planning, working with brokers to enhance forecasting and using more granular asset data to prioritise upgrades.

We also continued to embed our new asset management and compliance systems, giving teams clearer visibility of performance and allowing earlier smarter interventions. These tools are helping us shift to proactive maintenance, reducing avoidable visits and making every customer interaction count.

1. scope 1, 2 and 3 emissions are categories defined by the Greenhouse Gas (GHG) Protocol to help organisations measure and manage their greenhouse gas emissions

2. ESG stands for environmental, social and governance - three key factors used to evaluate an organisation's impact and sustainability practices beyond traditional financial metrics



Customers at the centre

Our sustainability golden metrics track not only environmental factors but social ones too: from energy efficiency to employment support and from repairs volumes to customer satisfaction.

This year, 47 customers were supported into work or training through sustainability-linked investment in coaching and partnerships. It's part of a broader shift to support aspiration and opportunity.

We continue to tackle condensation, damp and mould (CDM) with a dedicated team, improved diagnostics and closer collaboration with customers. Our goal isn't just to close cases, it's to prevent recurrence and improve health and wellbeing for our customers.

Local action, long-term change

From bulb planting in neighbourhoods to cleaner vehicle fleets and biodiversity pilots, our teams continue to lead local initiatives that contribute to national goals. This year, we launched a biodiversity strategy that includes bird baths, bug hotels, rain gardens and natural landscaping to support pollinators and increase access to green space. Thirty-six neighbourhoods took part in bulb planting campaigns, helping connect people to nature and support wellbeing. These efforts often start small, a community surgery, a repurposed green space, but ripple outward in powerful ways.

Through our place-based pilots in South Gloucestershire, South Lichfield and North Cotswolds, we're learning how sustainability can be more deeply embedded at the neighbourhood level. These teams are testing ways to link environmental action with social investment and exploring how customers can help shape the future of the places they live.

Looking ahead

In the autumn, we'll publish our Sustainability Impact Report. This will set out our progress against the commitments in our Sustainable Finance Framework and report in line with the Sustainability Reporting Standard.

We're also developing and launching Bromford Flagship's Sustainability Strategy in 2026. It will align with our wider corporate strategy, deepen the role of place in decision-making and outline our pathway to net zero.

Finance and accountability

We now have six Sustainability Linked Loans (SLLs) in place, tied to eight golden metrics. These metrics cover everything from carbon emissions and home energy ratings to repairs performance and support into employment. This model links funding to outcomes, increasing accountability and encouraging innovation.

By linking finance with purpose, we've strengthened relationships with investors, supported operational transparency and ensured sustainability is embedded in the way we work.

Sustainability golden metrics

49%

Market-social rent differential



519

New social rent homes



17,031

Average live repairs



47

Customers coached into employment or training



13:6

Board and executive male:female ratio



50

Complaints reviewed by Ombudsman

0

Adverse regulatory findings



	Bromford	Flagship
Homes at EPC C or above	90%	 68%
Scope 1, 2 and 3 emissions intensity	29.72kg/CO ²	Not reported
Customer advocacy/satisfaction ¹	 90%	84%
Gender pay gap	 5.0%	-7.8%
Ethnicity pay gap	2.6%	7.0%
Colleague sick days	 7.8	8.2
Decent Homes Standard	99.9%	99.6%
Gas safety	100%	99.8%
Fire safety	100%	96.0%

1. these are internal measures of customer satisfaction and the reporting methodologies are different for Bromford and Flagship

Sustainability Linked Loans:

For the year to 31 March 2025 performance against the SLL KPIs will be measured separately for Bromford and Flagship for the purpose of reporting to banks. Where possible the combined figure is presented here to show the position for the combined organisation.

Voice of the customer

Customers' thriving

At Bromford Flagship, our strong financial foundation drives something far more important: enabling people to thrive. This purpose underpins everything we do. From transforming the way we work in local places to reimagining how we listen and respond to our customers, every decision starts with the ambition to help people thrive in their homes.

Health and safety: keeping customers safe

Keeping customers safe remains our number one priority. Our teams have conducted tens of thousands of safety checks, introduced new standards for repairs and voids and rolled out secure entry systems in response to local concerns. Community safety panels and our accreditation from the Domestic Abuse Housing Alliance (DAHA) are further evidence of our commitment to wellbeing and protection.

Thriving through place

Our place-based approach is central to this. We're investing in neighbourhoods as the foundation for long-term wellbeing, building trust through local presence and partnerships. Our place pilots are designed around local priorities, co-created with customers and delivered through place-based teams. These pilots extend beyond housing management to include local stakeholders, targeted investment and community-led plans with measurable outcomes. Early results indicate reduced anti-social behaviour, improvements in the speed we deliver repairs, reduced complaints, improved local engagement and the introduction of initiatives such as community swap days and targeted foodbank support.



Engagement and influence

Customers help shape services at every level of the organisation. We've brought together the best of Bromford's Customer and Communities Influence Network (CCIN) and Flagship's Influencer Network to create a stronger, more representative voice. Together, 42 formal representatives and over 400 digital hub members have helped shape major policy decisions, reviewed our approach to accessibility and launched new panels to ensure feedback from customers with protected characteristics is embedded into service design.

This year we also launched Bromford Voice, our new online engagement platform. It's already supporting live conversations on local issues like car parking and community priorities.

Customer influence has helped transform key services. Following direct feedback, we've reformed our approach to repairs, compliance, grounds maintenance and complaints. Our board members are directly involved in this work, ensuring customer voice informs governance and strategic oversight.

We also launched our customer scrutiny panel this year. The group is made up of a number of informed customers who work collaboratively with colleagues across the business to review service provisions selected specifically by customers. The first review focussed on service charges and we have a set of proactive actions to improve the customer experience and we will be receiving regular reviews to ensure delivery. We will continue to keep CCIN updated until all actions are complete.

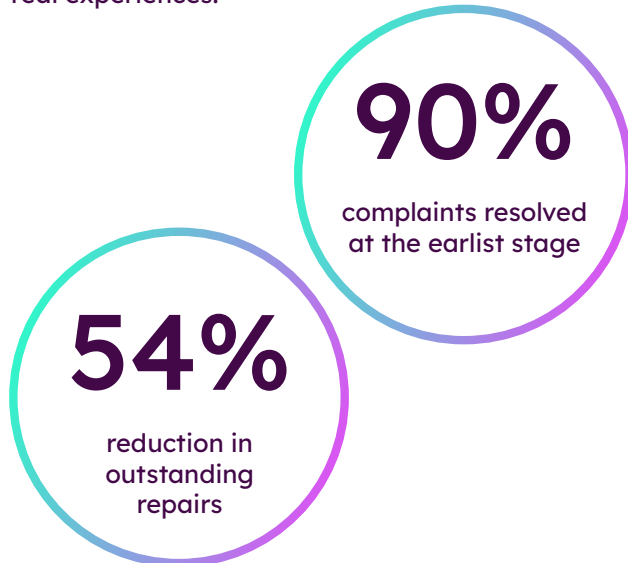


Service transformation and investment

Customer feedback has driven tangible improvements. In repairs, this has meant faster response times, a stronger focus on right-first-time fixes and improved communication at every stage. This included targeted investment to reduce outstanding repairs by 54% and responding proactively to rising cases of CDM – ensuring safer, healthier homes.

In the year, close to 90% of complaints were resolved at the earliest stage. Also, new triage processes and more in-house engineers are making a difference.

Locally, customers shaped new neighbourhood standards, redesigned communications and helped test and launch our new digital customer hub. These are real changes, grounded in real experiences.



1. all TSM performance is reported for low cost rental accommodation (LCRA). The peer data is taken from the Housemark TSM financial year 2023 to 2024 year-end results. Peer group consisted of 221 landlords choosing to submit year-end TSM results for the period April 2023 to March 2024.

Customer Satisfaction and TSMs

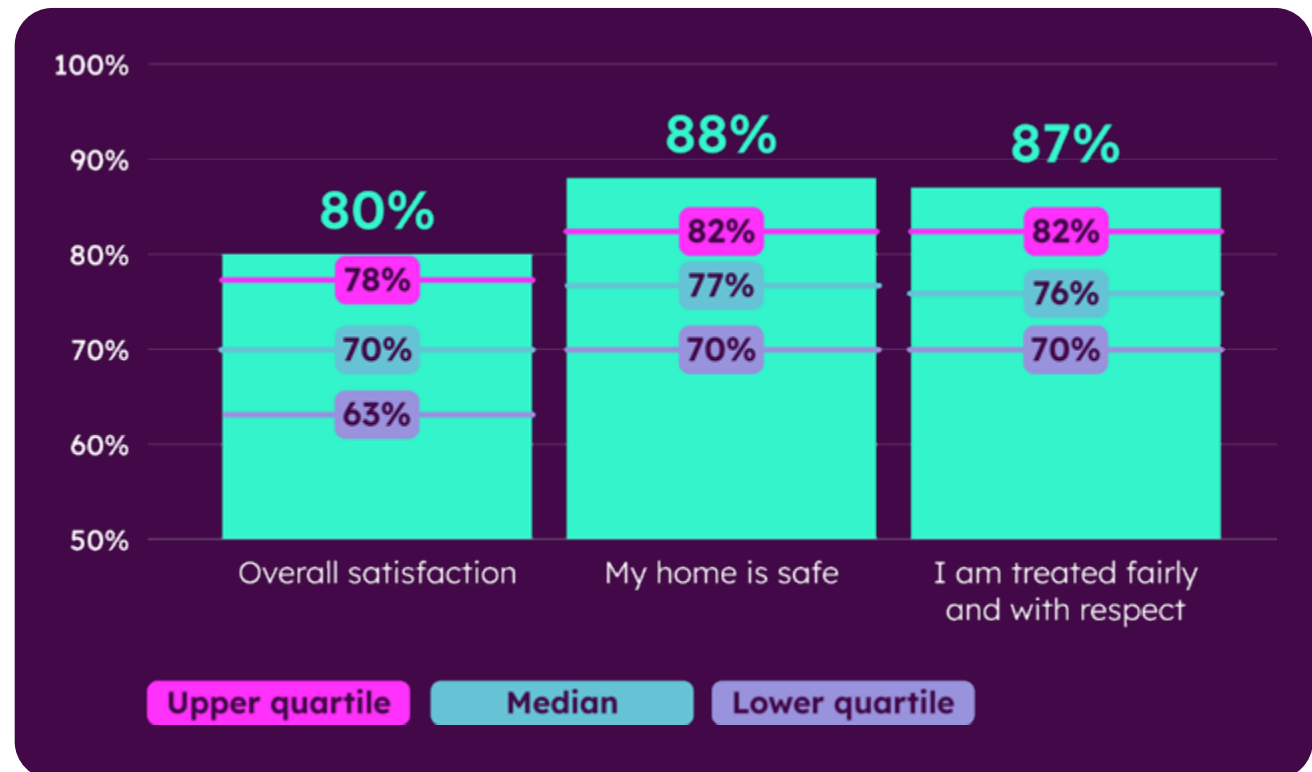
Our first combined Tenant Satisfaction Measures (TSM) results as Bromford Flagship show a solid foundation with room to grow:

- Overall satisfaction: **80%**
- Home safety: **88%**
- Fair and respectful treatment: **87%**

These results place us in the top quartile across key measures like overall satisfaction, home safety and fairness¹ – setting a strong benchmark for our first year as Bromford Flagship. These figures reflect strong relationships, particularly

with neighbourhood coaches. As part of the development of our place-based approach we will be looking at the next evolution of neighbourhood coaching. However, we know we can do more to improve our performance in repairs, communication, complaints and anti-social behaviour (ASB).

Moving forward, our investments in technology platforms will enable us to better use analytics, for example combining satisfaction data with customer profiles, to personalise services and prioritise support.



Supporting customers

In a challenging year we've provided vital support to customers facing hardship. Across our customer support programmes, £136,000 was spent on providing essentials like food, energy and white goods. Additionally, colleagues supported customers in securing nearly £590,000 in additional income.

Throughout the year, we have visited just under 40,000 customers to discuss their financial wellbeing and to also ensure that we're providing support where we can, to those most at risk of isolation.

Our Warmer Homes programme saw referrals rise by 40%, helping customers in inefficient or off-grid homes stay warm. Our support for domestic abuse and ASB victims has expanded, with increased security measures, tailored interventions and greater local partnership working.

We're also reusing carpets, curtains and other items of furniture where an incoming customer wants those items left in the property.

We also continued to support customers into employment or training, turning lived experience into opportunity and ambition into action.

Hopestead's Hope at Home Programme supported 670 customers, who have previously been homeless, with carpets, furniture and white goods, to help them thrive in their new home. The support was worth £1.1 million and enabled 97% of the people we supported to sustain their tenancies.

Through Hopestead's Hope Funds programme, 11 homelessness organisations were provided with £150,000 of funding, enabling 8,256 people to access homelessness prevention services, 45 people to access counselling sessions to help reduce the impact of trauma and its link with homelessness and 1,677 children were supported to reduce the impact of homelessness.

Looking ahead

In 2025 to 2026, we will scale up our place model across more communities.

We'll continue to invest in processes and technology to improve both customer and colleague experience.

A new customer influence model, co-created with customers, is on the way, alongside further improvements to our repairs offer, with a focus on getting it right first time and minimising customer effort.

We will continue to embed sustainability at the neighbourhood level by delivering biodiversity initiatives, introducing planting schemes, reducing fleet emissions and connecting environmental action directly with customer wellbeing.

40%

referral rise for our Warmer Homes programme

670

previously homeless customers supported

1,677

children supported through Hopestead



Financial performance



Group financial performance

On 28 February 2025 Bromford Housing Group changed its name to Bromford Flagship Limited following the merger of Bromford Housing Group and Flagship Housing Group. Our annual report and accounts combines the full twelve months’ financial results (including comparatives) of both legacy organisations which shows a strong performance in what has continued to be a challenging environment.

£136m	33%	30%	1.62x	£134m	£359m
net surplus	social housing operating margin	overall operating margin	EBITDA MRI interest cover	invested in existing homes	invested in building new homes
Our net surplus has improved to £136m (2024: £125m) allowing us to self fund a significant proportion of our investment in new and existing homes.	Our social housing operating margin has increased to 33% (2024: 32%) and is expected to remain at the leading edge of the sector. While cost pressures have persisted, our core rental income has increased at a higher rate due to new homes delivered in the year.	Our overall operating margin at 30% has also increased in the year (2024: 29%). These improvements result from a rental increase in the year and a focus on value for money and driving efficiencies across our business which enables us to invest in areas such as driving down repairs volumes and focussing on reducing condensation, damp and mould.	Despite increases in our cost of funding and record levels of investment in our existing homes, EBITDA MRI interest cover remained broadly stable at 1.62x (2024: 1.67x). EBITDA increased by £26m (£40m year on year increase in turnover offset by increased operating costs, primarily from maintenance and major repair costs and higher colleague costs). MRI increased by £15m and interest payable increased by £9m.	This year we invested £134m (2024: £114m) in upgrading our existing homes covering bathrooms, kitchens, doors and windows, boilers, roofs and other major repairs with 79% of homes now at EPC C or better (2024: 76%). Of this £118m was capital investment and £16m was charged to operating costs.	We’ve invested £359m (2024: £355m) in our pipeline of new homes, which includes the completion of 1,698 affordable homes across the year (2024: 1,879). We will continue to invest at this scale going forward as part of our strategy to deliver 2,000 new homes per year.

Turnover including sales

£607m Group turnover

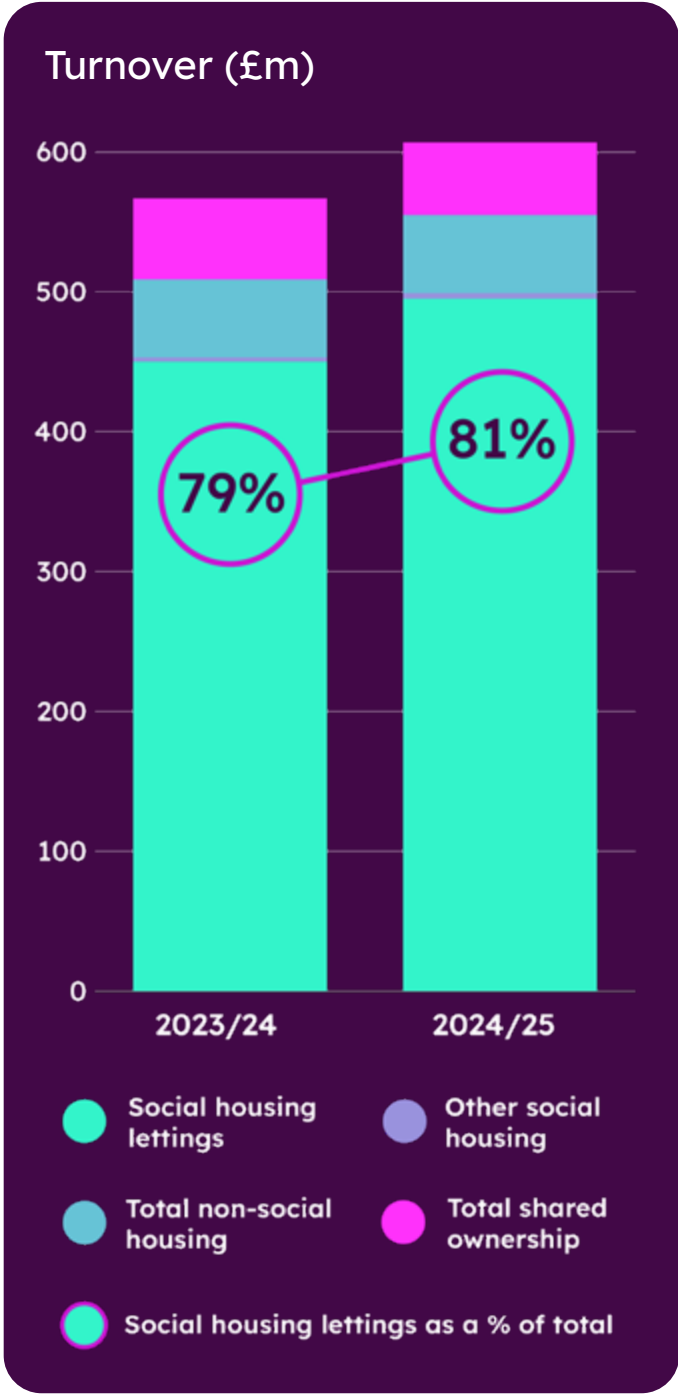
Group turnover increased in the year to £607m (2024: £567m). Social housing lettings remains the core of our business and increased to 81% of turnover during the year (2024: 79%). Social housing lettings income increased to £495m (2024: £450m) driven by strong new build performance from the previous year and the 7.7% annual social rent increase.

£52m Shared ownership income

Sales revenues remained strong. Shared ownership sales income for the year was £52m (2024: £58m). We sold 501 shared ownership homes, at an equivalent 100% average sales value of £294k (2024: 548 homes, 100% value of £282k). The average first tranche share sold reduced to 34% (2024: 36%).

£23m Open market sales

Open market sales have increased to £23m (2024: £21m) with 58 homes sold in the year (2024: 66). Due to the mix of homes completed the gross margin decreased to 16% (2024: 23%) as the build cost per unit increased by 37% against an increase in sales price of 25%.



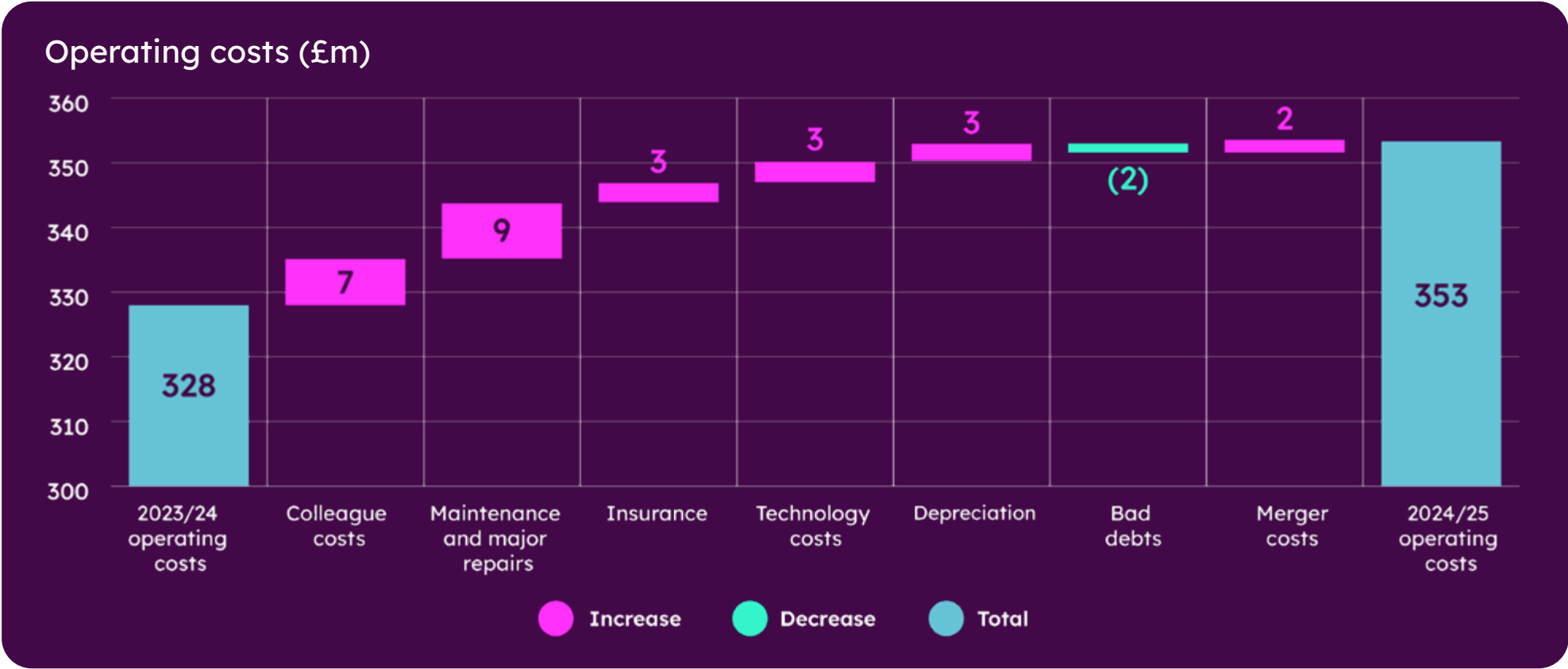
Operating costs

£353m Operating costs

Operating costs have increased by 8% in the year to £353m (2024: £328m), driven by continued investment in our existing homes through higher maintenance and repairs as we continue to focus on reducing repair volumes and condensation, damp and mould. Colleague costs have increased reflecting pay awards made during the year. Insurance premium costs have seen an increase

in the year and the increase in technology costs reflects our continued investment in our IT systems and higher licence costs. Depreciation has increased as a result of investment in new and existing homes although this is partially offset by the harmonisation of group accounting estimates post merger. This year also includes one off merger costs of £2m. The overall provision for

bad debt rose in the year to £13m (2024: £12m) however the charge to operating costs at £2m (2024: £3m) was lower than the prior year as there was a lower level of bad debt write-off in the year.

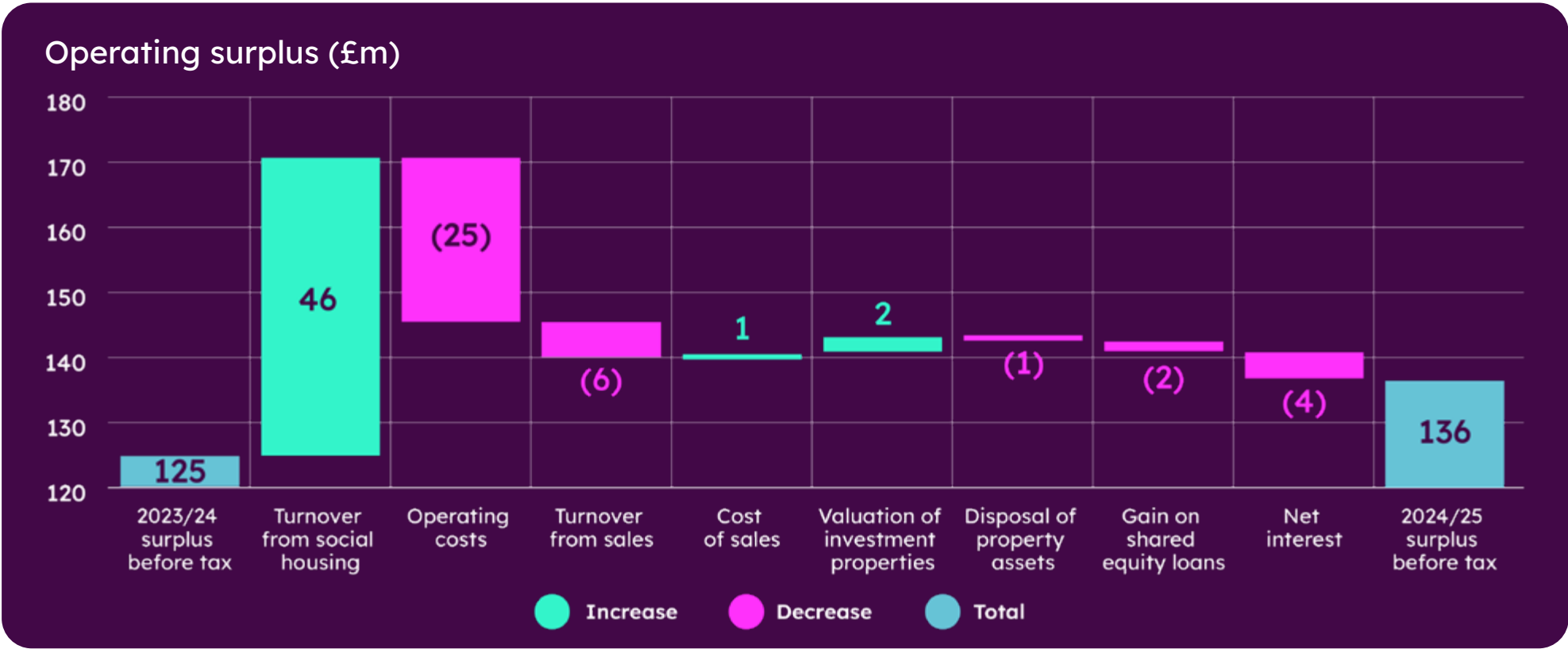
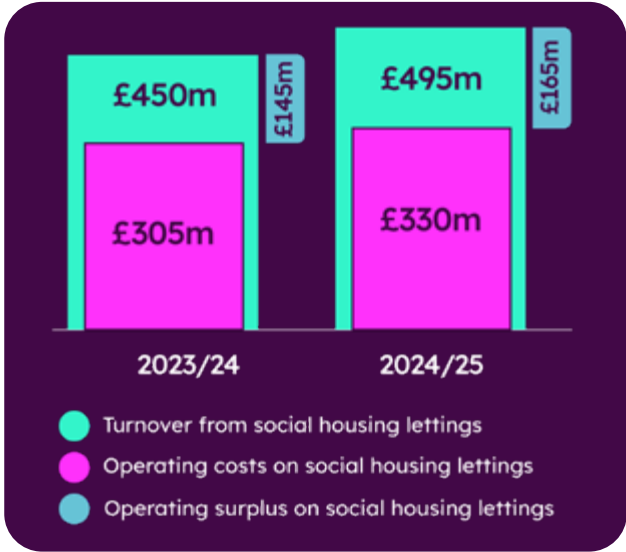


Operating margins and surplus

The group has generated an operating surplus (excluding gain on disposal of fixed assets and joint ventures) of £181m and a corresponding operating margin of 30% (2024: £165m, 29%). Operating surplus (including gain on disposal of fixed assets and joint ventures) was £215m (2024: £200m).

Margins have improved despite the challenges of increased demand for repairs, cost of living increases and merger costs. The operating margin from our core social housing lettings activity has increased to 33% (2024: 32%).

Surplus before tax of £136m (2024: £125m) is another strong result and demonstrates our resilience against financial and economic challenges and enables us to continue to invest in all areas of our business including existing homes and continuing to build much needed new affordable housing for the benefit of current and future customers.



Disposals

Disposals of homes (and related costs) include staircasing sales of shared ownership homes, right to acquire (RTA), right to buy (RTB), disposals of empty homes no longer meeting customers’ needs and other asset sales, such as properties no longer part of our core business.

The surplus generated from existing property disposals in the financial year has remained relatively consistent at £33m (2024: £34m). Staircasing activity has increased with 183 homes staircasing in the financial year compared to 127 in the prior year. This has generated profits of £10m (2024: £6m). Other property disposals generated profits of £23m (2024: £28m).

Gas servicing and installation activity

Gasway generated external turnover of £17m for the group during the year (2024: £19m). It generated a c.3.5% net margin from that activity (2024: c.2%). The increase in net margin year on year was predominantly driven by a focus on higher margin opportunities and rationalisation of central overhead expenditure.

Joint ventures

The group has investments in three joint ventures. Lovell Flagship LLP, Homes for West Midlands LLP and Grange Lane (Littleport) LLP. At 31 March 2025 gains from joint ventures were £1m (2024: £1m).

During the period the group received net £3m loan repayments from joint ventures (2024: nil) primarily driven by the Lovell Flagship LLP scheme completion expected in 2026. At 31 March 2025 the group had investments in joint ventures of £10m.

The number of homes owned and managed at the end of the year was 82,243 (2024: 80,679). Of the increase 1,698 was due to new affordable homes, plus new homes managed for others (259) and non-social additions (18) less disposals in the year.

	31 March 2024	Additions	Disposals	Other	31 March 2025
General needs	65,243	1,338	(279)	(16)	66,286
Supported housing	4,145	-	(2)	(15)	4,128
Shared ownership	6,747	618	(131)	110	7,344
Leasehold and non social	4,544	19	(19)	(59)	4,485
Total	80,679	1,975	(431)	20	82,243

Investment in our homes

During the year the group invested £359m (2024: £355m) in development of new housing properties and £118m (2024: £98m) in capital improvements to existing properties. We delivered 1,770 new homes during the year, of which 1,698 were affordable tenures. The tenure mix was:

Tenure	No.
Social rent	519
Affordable rent	706
Shared ownership	473
Shared equity	6
Market sales	66
Total	1,770

Outstanding sales

At 31 March 2025 the overall sales exposure has reduced.

The number of shared ownership homes waiting to be sold has decreased compared to last year to 140 (2024: 168). Of the unsold, 95 units were in the sales process with 45 available for sale. The number of open market sale units in stock increased compared to last year to 22 (2024: 15). The detail of stock and work in progress is shown in note 19.



Pensions

During the year, the group exited from its three LGPS defined benefit schemes; Avon Pension Scheme, Norfolk County Council Pension Fund and Suffolk County Council Pension Fund. The group still continues to participate in two defined benefit schemes; The Pensions Trust – Flagship Housing Group ex – SHPS Scheme and The Pensions Trust – Bromford DB scheme. Further details can be found in note 36.

The group also participates in various defined contribution schemes.



Treasury

The year presented us with opportunities to once again demonstrate our financial resilience and credit strength. Despite a number of credit rating downgrades across the sector, our credit strength was endorsed by both Moody's and S&P, with our A2 and A+ ratings reaffirmed.

The merger provided an opportunity to align covenants across the group. Many of these were completed prior to 31 March 2025 through the consent process enabling harmonisation (or subsidiary ringfencing) of covenants and through refinancing of legacy facilities.

We returned to the markets for both bank and capital market funding in the year, boosting our cash and liquidity position as an enlarged group and continuing to fund investment across our business. This included accessing some of the group's retained bonds to reorganise some legacy funding in the context of the merger.

Our loan book remains highly optimised with our drawn funding continuing to benefit from long-term fixed rates across 91% of the portfolio; ensuring we remain well protected against elevated base and SONIA (Sterling Overnight Index Average) rates. We close the year with £949m in cash and undrawn available committed facilities, delivering over twice the required level of long-term liquidity.

Our shadow credit rating analysis and regular dialogue with Moody's and S&P provided a platform to support our sector leading dual credit rating this year. Our S&P rating was re-affirmed at A+ stable in July 2024 and again in March 2025, with the standalone credit profile remaining at A+, meaning it is not dependent on the UK sovereign rating. The Moody's rating for each of Bromford and Flagship was re-affirmed at A2 stable in November 2024 and then again on a combined basis in March 2025.

These ratings and the maintenance of our G1/V1 regulatory ratings, continue to reflect the effectiveness of our financial framework and golden rules which once again withstood the test of time to meet new challenges. We close the year with significant headroom against our key group funder covenants, with interest cover at 3.2 times (covenant: 1.1 times) and asset gearing at 39% (covenant: 67%).

1. Bromford and Flagship combined position

Covenants including FRS102 adjustments

- 2. this figure is 3.1 times after adding back £3.7m of adjustments to interest payable arising from the use of the EIR method
- 3. this figure is 39% after deducting £31.9m of adjustments to the loans balance arising from the use of the EIR method and off-market loans recognised in the loans balance as a result of the mark to market position being crystallised; and deducting the change on transition to FRS102 to the revaluation reserve of £69.8m
- 4. this figure remains 3.3 times after adding back £1.8m of adjustments to interest payable arising from the use of the EIR method
- 5. this figure is 38% after deducting £111.8m of adjustments to the loans balance arising from the use of the EIR method and off-market loans recognised in the loans balance as a result of the mark to market position being crystallised; and deducting the change on transition to FRS102 to the revaluation reserve of £69.8m

	As at 31 March 2025	As at 31 March 2024 ¹
Drawn facilities (nominal value)	£2,630m	£2,362m
Undrawn committed facilities	£800m	£710m
Cash and cash equivalents	£153m	£134m
Fixed rate borrowing (drawn)	91%	91%
Weighted average cost of borrowing	3.99%	4.06%
Interest cover covenant	3.2 times ²	3.3 times ⁴
Asset gearing (lender covenant) calculation	39% ³	40% ⁵

Cash and short-term liquidity

The group continues to hold strong levels of cash funds, with £153m cash or cash equivalents at 31 March 2025. Our investment strategy remains conservative, with safety and access to cash driving decision making rather than projected rates of return. Our cash continues to be held predominantly across a number of counterparty cash deposit accounts. In the year, we undertook some short-term investments in UK Treasury Bills, with these all maturing by the end of the financial year.

We continue to operate a short-term liquidity treasury management policy holding a minimum of three months forecast cashflow as immediately available funds at all times. This is calibrated on a monthly basis and ensures day-to-day operational cashflow continues to be funded without undertaking undue risk. Credit lines have been further diversified to nine funders in the year with no more than 30% of our undrawn funding residing with any single funder as at 31 March 2025.

Long-term liquidity and funding

Long-term liquidity remains a key focus and our treasury management policy sets out a prudent requirement, with 18 months of all operational and development cashflows (including uncommitted spend) net of 20% of sales slippage.

The total facilities (drawn and undrawn) at the year-end were £3,430m (excluding any remaining unsecured retained bonds). We ended the year with total available funds of £949m, comprising £149m of available cash and £800m of undrawn available committed facilities. This represents over twice the long-term liquidity level required (£377m).

Cash and cash equivalents is £153m at 31 March 2025, with £4m unavailable for use, predominantly held in leaseholder reserves. The available cash is therefore £149m.

£153m

cash and cash equivalents

£3,430m

total facilities

£949m

total available funds



Refinancing risk

We monitor our repayment curve to ensure that new debt is issued across a range of tenors to avoid a significant wall of refinancing in any given single year or contiguous, rolling five-year period. We are also in regular dialogue with investors to ensure our tenor curve remains open and attractive for new investment, including issuing through our European Medium Term Note programme established in June 2025.

Our treasury management policy remains unchanged in respect of refinancing risk, with our tenor curve open and flexible for new investment.

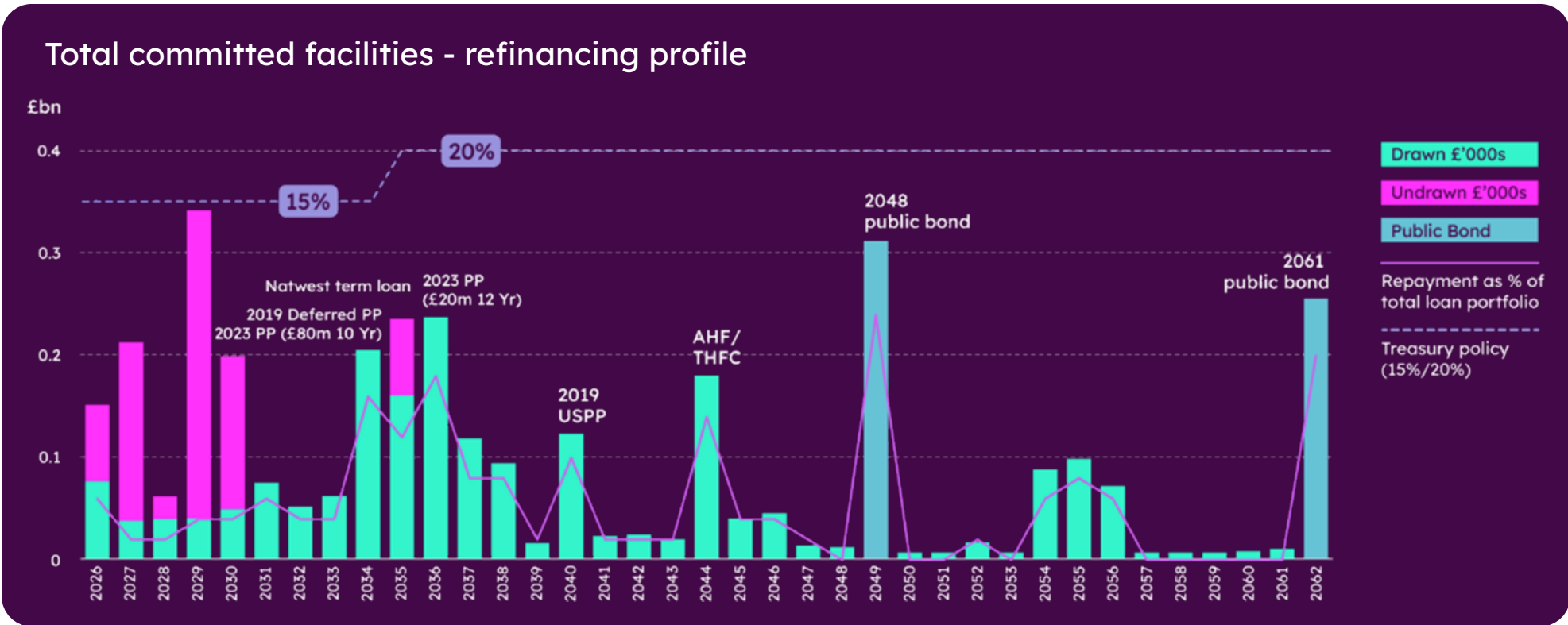
Interest rate management

We use fixed rate borrowings to manage our exposure to increases in interest rates and 91% of our drawn borrowings are at fixed rates (2024: 91%). The majority of the fixed rate debt is established through embedded fixes or fixed rate capital market issuances.

The year end weighted average cost of borrowing has decreased slightly to 3.99% at 31 March 2025 (2024: 4.06%), which reflects a decrease in the SONIA rate over the year reducing the cost of floating rate debt.

Covenants

The majority of our covenants continue to be based on group results and are consistent in their composition across our funder base. As part of the merger, we undertook a covenant harmonisation exercise to align the majority of covenants to the existing definitions on a combined group basis. We regularly review the terms and covenants associated with our finance facilities to allow sufficient flexibility to operate and to ensure capacity can be accessed. This, along with continual focus on strong credit ratings and the cost of borrowing, remains a key strategic objective. We aim to build on the considerable existing capacity on both our interest cover and asset gearing covenants and not limit our activities, whilst ensuring that new funding is entered into without covenant dilution.



Value for money

We are committed to demonstrating and improving value for money (VFM). It underpins the delivery of our purpose and is embedded in our culture. We aim to ensure optimal use of our resources and assets and optimise economy, efficiency and effectiveness in the delivery of our objectives. We balance our commitment to invest in our existing homes to ensure they are safe and secure with our ambition to invest in building new affordable homes. With the continued challenging economic conditions ensuring value for money in all that we do has never been more important.

Our financial objectives are set out in our financial framework which focus on maximising our financial capacity. We ensure we deliver

financial performance within the parameters of our financial framework through frequent financial planning from short-term budget setting and reforecasting through longer term 30 year strategic planning. Targets are set in conjunction with all areas of the business and are challenged through operational teams, the executive team and by board via the committee structure in line with our governance arrangements. Despite the economic challenges of recent years, our financial framework has remained resilient and continues to guide our strategy, demonstrating that we are more than capable of dealing with the stresses and strains of the current operating environment. On a monthly basis we review our key performance indicators to assess our performance compared to set targets.

Regulator metrics

The Regulator has a sector-wide set of value for money metrics which aids direct comparison between housing providers. These metrics are noted below.

The direction of travel over the past year across the suite of metrics, taking account of recent stresses across the sector, continues to demonstrate our financial strength and is set out below. We have compared ourselves against nine housing associations with similar characteristics using the latest published data as at 31 March 2024. In the table below, top quartile refers to performance against the comparator group.

Metric	2024/25 Actual	2023/24 Actual	2023/24 peer group ³	2024/25 Actual vs peer group	2024/25 vs 2023/24
Reinvestment	8.7%	8.9%	8.8%	▲	●
New supply delivered (social)	2.2%	2.4%	2.2%	▲	●
New supply delivered (non-social)	0.0%	0.0%	0.3%	●	▲
Asset gearing ¹	39%	40%	43%	▲	▲
Interest cover (EBITDA MRI) ²	157%	167%	104%	▲	●
Headline social housing cost per unit	4.66	4.21	5.09	▲	●
Operating margin (overall)	30%	29%	21%	▲	▲
Operating margin (social housing lettings)	33%	32%	31%	▲	▲
Return on capital employed (ROCE)	3.7%	3.7%	2.9%	▲	▲

▲ Good
● Satisfactory

1. based on our covenant metric
2. the VFM metric excludes grants relating to capitalised major repairs. Our financial framework specifically includes grants relating to capitalised major repairs for EBITDA-MRI refer page 34.
3. using the most recent publicly available data

2024 to 2025 performance

Reinvestment %	New supply delivered % (social and non-social housing)	Asset gearing %	EBITDA MRI %
8.7%	2.2%	39%	157% 162% internal financial framework basis
2024: 8.9%	2024: 2.4%	2024: 40%	2024: 167%
Reinvestment is a measure of how an organisation is investing in new build development and improvements to existing homes as a percentage of the net book value of housing properties on the balance sheet. We remain committed in our long-term strategy of investing in building new homes as well as improving our existing homes. Gross investment in new homes was £359m (2024: £355m) and capital investment in existing homes £118m (2024: £98m). This is just below the upper quartile of the peer group.	We delivered 1,698 (2.2%) new social homes and 72 (0%) non-social units this year. This is compared to 1,888 social homes and 67 non-social homes last year. This is in line with the upper quartile of the peer group. One of the drivers of the merger was to unlock additional funding to help deliver more new homes. Our ambition is to build around 2,000 homes a year.	The group’s gearing ratio measures the level of debt compared to the value of our housing properties which has reduced to 39% (2024: 40%), supporting our financial viability and sector leading credit ratings.	EBITDA MRI refers to earnings before interest, tax, depreciation and amortisation with major repairs included. This is divided by total interest payable to show how much surplus we have available to cover interest payments. There is a reduction year on year from 167% to 157%, EBITDA has increased by £21m, this is partly offset by an increase in interest receivable of £5m and capitalised major repairs of £20m. Interest payable has also increased by £9m related to new funding. It is also above the upper quartile score of the peer group.

Headline social housing
cost per unit (£000s)



2024: 4.21

This metric is calculated by adding together our total spend on management costs, maintenance, major repairs, service costs and other social housing costs and then dividing by the total number of properties. Headline social housing cost per unit has increased to £4.66k (2024: £4.21k), this has risen largely due to increased investment in our homes and our investment in additional resources to reduce the volume of repairs outstanding. This remains below the upper quartile of the peer group.

Operating margin
(overall) %



2024: 29%

Despite the increased demand for repairs, especially in the first half of the year, we are pleased to report that overall operating margin has increased from 29% to 30%. It is also above the upper quartile score of the peer group.

Operating margin
(social housing lettings) %



2024: 32%

Social housing operating margin has also improved compared to the prior year and is above the upper quartile score of the peer group.

Return on capital
employed %



2024: 3.7%

Return on capital employed measures how efficiently we have invested in our business with our surpluses. This has remained consistent year on year at 3.7%. This is above the upper quartile score of the peer group.

Our financial framework

Our financial framework is a key part of our strategy and performance against it is reviewed monthly. In setting out operating target ranges as well as minimum golden rule thresholds, it gives a focus to what we are seeking to achieve over the coming years. It is this aspiration upon which we are aligned and drives the behaviours across the business to ensure we always provide the best possible service to our customers at the most economically advantageous price.

Rule	Description	Golden rule	Target range	2023/24	2024/25 target	2024/25	2025/26 target
1	Overall operating margin ¹	>25%	28-40%	29%	31%	30%	31%
2	Social Housing operating margin	>30%	33-45%	32%	34%	33%	34%
3	Interest cover (EBITDA MRI/Net Interest) ²	>1.5	1.8-2.5	1.67	1.77	1.62	1.59
4	Asset gearing ³	<50%	35-45%	40%	42%	39%	42%
5	Liquidity ratio	>1.5	1.8-2.3	2.1	2.3	2.5	2.1
6	Secured funding headroom	>10%	15-30%	180%	N/A	21%	43%
7	Level of stock and WIP (Land, SO and ORS)	>£167m	£30-£150m	£88m	£63m	£93m	£64m
8	Sales as a % of turnover	<30%	10-27%	14%	13%	13%	13%

As part of post merger activities the framework measures and targets as set out in the table above will be refreshed for future financial periods and therefore are interim measures until this is completed.

1. excludes gain on disposal of property assets

2. includes grants relating to capitalised major repairs

3. based on our covenant metric

Governance update



Report of the board of directors

Our governance

Over the last year we have reviewed and strengthened our governance arrangements so that we can deliver at scale and pace and remain fit for the future.

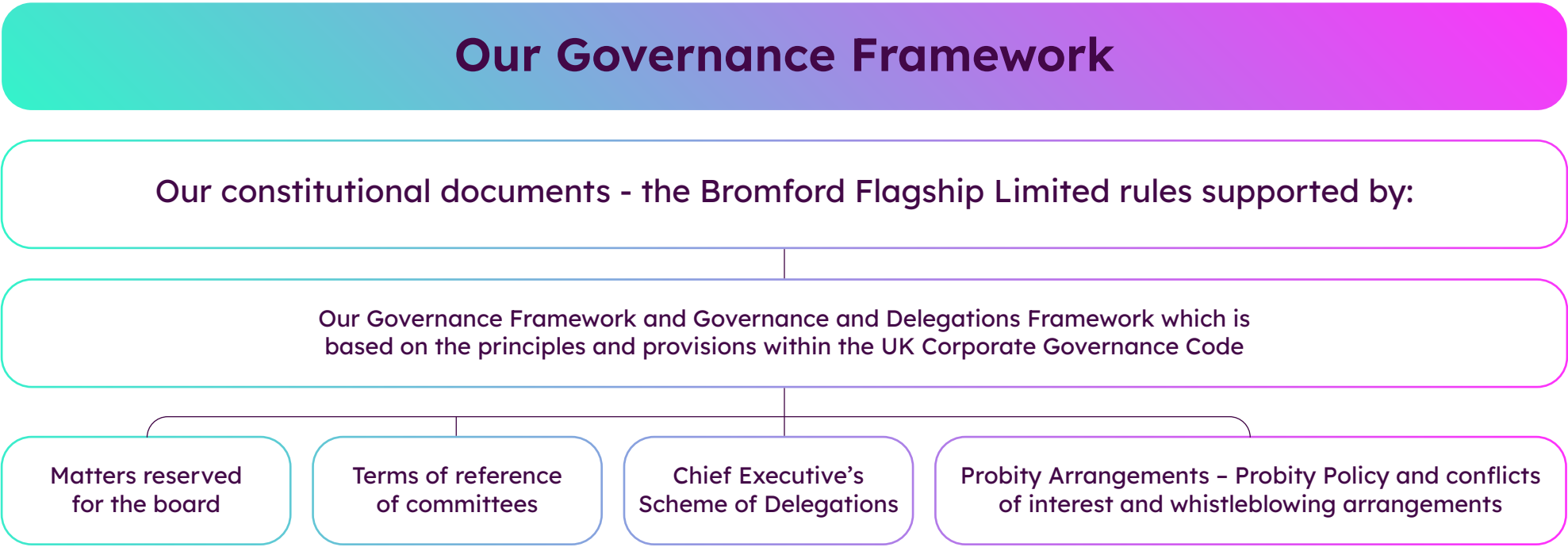
The Regulator of Social Housing requires all registered providers (RPs) to adopt a Code of Governance and all RPs in the group have chosen to voluntarily adopt the UK Corporate Governance Code 2024 (the Code). This will not apply until our financial year 2025 to 2026 but the changes we have made over the year reflect the requirements of the new Code.

We apply the Code in most respects, however, as Bromford Flagship does not have shareholders in the sense provided for within the Code, we do not have arrangements to engage in the dialogue or consultation expected in the Code in that respect. It should be noted that there are no share options for the executive or non-executive directors.

The Code also requires the board to demonstrate how it has taken into account the factors set out in section 172 of the Companies Act 2006. As an organisation governed by the Co-Operative and Community Benefit Societies Act 2014, this

requirement does not apply. However, the board does have responsibilities which, amongst other things, require it to act in good faith and in the best interests of the group. Details of how we engage with our stakeholders are set out on pages 52 to 53.

Our governance framework and group delegation and authorisation arrangements set out how our governance arrangements work and how decisions are made.



Board structure

A coterminous board

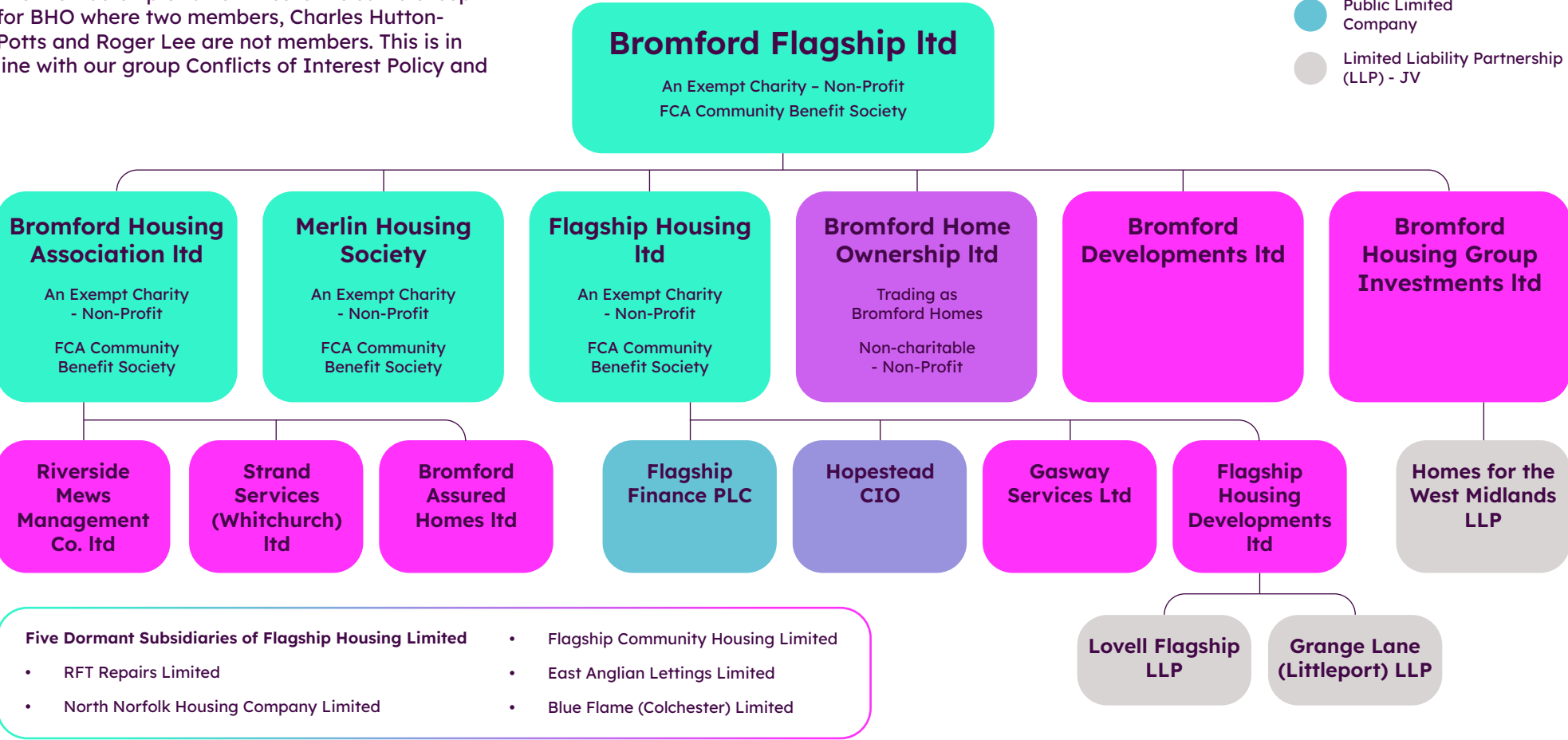
Bromford Flagship Limited operates a group structure with coterminous boards across the five main entities – the parent – Bromford Flagship Limited (BFL) and our main operating subsidiaries Bromford Housing Association (BHA), Merlin Housing Society (MHS), Flagship Housing (FH) and Bromford Home Ownership (BHO).

The membership of all entities is the same except for BHO where two members, Charles Hutton-Potts and Roger Lee are not members. This is in line with our group Conflicts of Interest Policy and

protects the charitable interests of BFL, BHA, FHL and MHS. All members of the board, executive and non-executive make decisions by working together and achieving a general consensus.

Certain board members are also directors of the other subsidiaries in the group.

- Registered Provider Charitable
- Registered Provider Non-Charitable
- Charitable Incorporated Organisation
- Private Limited Company
- Public Limited Company
- Limited Liability Partnership (LLP) - JV



Board updates

From 1 April 2024 until 31 March 2025 membership of the board was as follows:

Non-Executive Directors:

- **Peter Hawes**
Chair - appointed 28 February 2025
- **Steve Dando**
Chair - resigned 27 February 2025
- **Emma Barton**
appointed 28 February 2025
- **Steven Barford**
appointed 28 February 2025
- **Richard Bird**
- **Dame Sandra Horley**
- **Charles Hutton-Potts**
- **Roger Lee**
appointed 28 February 2025
- **Neil Rimmer**
Senior Independent Director
- **Jerry Toher**
- **Cecilia Tredget**
appointed 28 February 2025

Executive Board Members:

- **Robert Nettleton**
- **Paul Walsh**
- **David Armstrong**
appointed 28 February 2025

Company Secretary:

- **Sarah Beal**



Our board



Peter Hawes
Chair

Peter is the Non-Executive Chair of Bromford Flagship Group. Previously he was Non-Executive Chair of Flagship Housing Group Limited and prior to that the managing director of Norse Commercial Services and the main board director of the Norse Group.

Before leading on the establishment and successful growth of Norse Commercial Services, he was managing director of Norfolk County Services.



Steven Barford
Non-Executive Director

Steven brings over 40 years of experience in the property and construction industry, with a strong track record in leading sustainable asset management programmes at director level for housing associations.

An experienced Non-Executive Director, he has served with organisations including Citizens Advice Bureau and sector-specific subsidiaries. As Principal Director of GCRM Consulting Ltd, Steven mentors senior housing leaders and, since 2019, has focused on delivering strategic asset management, building safety solutions and operational improvements across the housing sector.



Emma Barton
Non-Executive Director

Emma is the senior director of Alliance and Integration Management for AstraZeneca.

She has vast experience in strategic business development in the pharmaceutical sector, delivering value from mergers and acquisitions in worldwide markets. Emma has a strong focus on ensuring smooth transitions post-merger to support efficient business management.



Richard Bird
Non-Executive Director

Richard has over 40 years of experience in the housing and development industry. He began as a planner and rose to head of production at a PLC home builder within a decade. He then spent four years as a director within a private development group, gaining broader experience.

In 1991, Richard joined Taylor Woodrow, becoming a board member of its housing subsidiary and later regional managing director. Following the 2007 merger with George Wimpey, he became divisional managing director for the South West and Wales, overseeing four business units until 2013.



Dame Sandra Horley Non-Executive Director

Dame Sandra Horley is a leading expert in gender-based violence, with over 40 years of experience supporting women and children affected by abuse. As Chief Executive of Refuge for 37 years, she transformed a single shelter into the UK's largest provider of services for survivors of domestic abuse, rape, trafficking and related violence.

Sandra has advised UK and international governments, worked closely with police and legal systems, championed legislative and social reform and served on several national advisory panels.

Her earlier roles include leading the Haven Project in Wolverhampton and working in housing and homelessness services. She currently sits on the board of the Victims and Survivors Service in Northern Ireland.

Sandra was awarded a Damehood in 2021 for her services to women and children and her advocacy on domestic abuse.



Charles Hutton-Potts Non-Executive Director

Charles Hutton-Potts is a chartered accountant who spent 21 years as an audit partner at a large accountancy firm. During that time, Charles audited many businesses both private and listed across a wide range of business sectors and sizes including many international groups.

Charles is now active as a non-executive director and business consultant. In addition to his role at Bromford Flagship, Charles is a director of Allpay Holdings which is a payment solutions business that works extensively with social housing clients and local authorities. He is the Chair of his local village hall.

Charles is a Fellow of the Institute of Chartered Accountants in England and Wales.



Roger Lee Non-Executive Director

Roger has significant experience in the corporate and commercial banking sector, initially joining NatWest in 1990 and latterly Santander in 2001, before retiring in 2021. His work focused on the provision of finance for housing associations across the UK.

He spent the final 10 years of his career as head of Santander's social housing team, with responsibility for managing approximately 150 primary housing association relationships and one of the largest corporate loan portfolios in the sector.



Neil Rimmer Senior Independent Director (SID)

Neil is an experienced entrepreneur and board member with over 25 years experience across UK and international businesses. He has a strong background in technology, business transformation and corporate recovery, having owned a Microsoft Gold Partner firm.

He co-founded a retirement village business delivering over 500 homes and served as interim MD of a mid-sized care home group. Neil also brings board-level expertise in the leisure, debt recovery and property sectors, with a track record of raising funding from both traditional and institutional sources.

Notably, he developed and launched an affordable finance product to challenge high-cost short-term lenders.



Jerry Toher Non-Executive Director

Jerry is currently CEO of Saga Personal Finance.

He has significant experience in launching, growing and transforming customer businesses. As well as launching the digital consumer division for Royal London in 2014, he has previously led the launch of MINT.com and egg.com.

Jerry is a strong advocate of improving customer propositions and services through insight and digital innovation, Jerry has extensive marketing and leadership experience in retail financial services. Previous roles include, Chief Customer Officer and CEO Consumer at Royal London, marketing director at RBS Group (NatWest) plus marketing director and managing director at egg.com.



Cecilia Tredget Non-Executive Director

Cecilia has significant experience in the housing sector having held both Executive and Non-Executive positions within housing associations, local authorities, housing trusts and housing partnerships.

She established the East of England Local Government Association providing advice to the 50 councils in the area and is also active with consultancy work in the sector.



Executive members of the board are:



Robert Nettleton Chief Executive

Robert became CEO of Bromford Flagship following the merger of Bromford and Flagship in early 2025, creating one of the UK's most ambitious housing organisations with capacity to deliver 2,000 homes per year over the next 30 years.

Prior to this Robert was CEO of Bromford for six years, during which Bromford achieved TSM tenant satisfaction of 85%, consistent delivery of 1,200 new homes per annum and leading financial metrics. Prior to Bromford, Robert was CEO of Merlin Housing and Coastline Housing.

Robert brings a deep-rooted passion for social housing. His career has been driven by the fundamental belief that housing is the foundation from which people can build better lives.



Paul Walsh Chief Finance Officer

Before being appointed CFO for Bromford Flagship Paul was CFO for Bromford for nearly four years.

Prior to joining Bromford Paul led the finance team at Coventry Building Society and before that worked at Nationwide Building Society in the finance and more latterly as Risk Oversight Director leading the risk team responsible for financial risks such as liquidity, market, funding and capital.

Paul brings with him a wealth of experience gained from 25 years in senior finance roles in the financial services sector.

Paul is a Fellow of the Association of Certified Chartered Accountants.



David Armstrong Chief Operating Officer

Before being appointed Chief Operating Officer at Bromford Flagship, David held several senior roles within Flagship, including Chief Financial Officer and Head of IT (2009–2012), following a career in Financial Services at GRE, AXA and Aviva, as well as time as a consultant with Arthur Anderson.

David is a Fellow of the Association of Certified Chartered Accountants.

Company Secretary:



Sarah Beal Company Secretary

A qualified company secretary with over 25 years governance experience.

Our executive leadership team



Robert Nettleton
Chief Executive



Paul Walsh
Chief Finance
Officer



David Armstrong
Chief Operating
Officer



Helen Walsham
Chief Culture and
Talent Officer



Martyn Blackman
Chief Investment
Officer



Rohini Stewart
Chief Integration
Officer



Dan Goodall
Chief Technology
Officer



**Heather
Richardson**
Chief Risk Officer



Paul Coates
Chief Customer
Officer

Board analysis at 31 March 2025



1. includes previous service with Flagship Housing Group.

The role of a non-executive director (NED)

Each of the NEDs were independent on appointment.

Each NED makes an annual fit and proper persons declaration and annual declaration of interest. Conflicts of interest are noted at the start of each board meeting and board members abstain from discussions or decision making where an actual or perceived conflict may exist.

There were no occasions during the financial year where the board considered that the chair or a NED's external commitments interfered with or impeded their ability to exercise their duties and responsibilities on behalf of Bromford Flagship.

Full details of the role of the NED, the chair and chief executive are included in the Governance Framework and Charter of Expectations which are available on request.



Board effectiveness

All board members are expected to contribute to a culture of clear and open debate. This is to promote informed and prudent decision making and members are expected to keep developing and refreshing their knowledge and skills so they can continue to make positive contributions to board discussions.

Each year the board carries out a formal evaluation of board, committee and individual director performance. At least every three years, as recommended by the Code, this evaluation is facilitated by an external advisor to provide an independent perspective. The last independent review was carried out by Campbell Tickell during 2023 to 2024 and no material matters of concern were identified. Altair have recently carried out a further review and the report will be shared in the summer.



Decision making

Although there is a coterminous board the individual entities make decisions as appropriate.

To retain control of key decisions and to provide a clear division of responsibility the board and the other registered providers in the group have identified reserved matters that only those boards can approve.

Other matters, decision making and otherwise, have been delegated by the boards to the board committees and panels. Any matters outside of these delegations fall within the chief executive's responsibility and authority.

Over the year we have reviewed our committee and panel structure to ensure that we can deliver at scale and pace and that the board has a direct line of sight to the voice of our customers. We have implemented customer-led scrutiny, the outputs of which will be monitored by the Audit and Risk Committee.

The board and each committee or panel receive sufficient, reliable and timely information in advance of meetings and are provided with or are given access to all the necessary resources and expertise to enable them to undertake their duties in an effective manner.

Board, committees and panels

Bromford Flagship Board

(10 NEDs and 3 Executive)

Chair Peter Hawes NED

The board ensures long-term sustainable success by setting our strategy through which value can be created and preserved for the benefit of our customers, communities and colleagues.

Chair:

Audit and Risk Committee	Remuneration Committee	Nominations Committee	Treasury Committee	Development Panel	Customer Influence Panel
Charles Hutton-Potts NED	Neil Rimmer NED	Neil Rimmer NED	Jerry Toher NED	Richard Bird NED	Cecilia Tredgett NED
Assists the board in discharging responsibilities for the integrity of financial statements, risk management, assessment of the effectiveness of internal controls, external audit and internal audit. Assists in deploying customer scrutiny compliance.	Determines the policy on the remuneration of executive directors, other members of the executive committee and the chair of the board. It also reviews workforce policies and practices.	Assists the board by keeping board composition under review and makes recommendations on board appointments. It assists the board on executive and non-executive succession planning, conflicts of interest and independence.	Provides oversight of treasury activities in implementing the group funding and treasury management plans approved by the board. It reviews group treasury policy statements and ensures they are applied consistently.	Provides the board with direct understanding of the development programme, the related external environment, the risks and opportunities. Has a direct reporting line into board which receives minutes and report from chair.	Provides the board with direct understanding of customer needs and demands. Ensures the board has the voice of the customer in its decision making. Has a direct reporting line into board which receives minutes and report from chair. Works with Audit and Risk Committee on customer scrutiny.

Board and committee attendance

	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Remuneration Committee (from 28 February 2025)	Treasury Committee
Steve Dando	12/12				6/6
Richard Bird	14/14	6/6			
Charles Hutton-Potts	14/14	6/6			
Neil Rimmer	14/14		4/4	1/1	
Dame Sandra Horley	13/14				
Jerry Toher	11/14		4/4	0/1	5/6
Robert Nettleton	14/14		4/4		
Paul Walsh	14/14				6/6
Peter Hawes	2/2				
Cecilia Tredget	2/2				
Steven Barford	2/2				
Emma Barton	2/2	1/1		1/1	
Roger Lee	2/2				
David Armstrong	2/2				

Executive governance

To support delivery of operations and delegations the chief executive has established three executive committees.

**Disclosure
Committee**

**Chair Heather Richardson,
Chief Risk Officer**

An executive committee responsible for overseeing compliance with disclosure obligations, considering the materiality, accuracy, reliability and timeliness of information disclosed and assessment of assurance received. Reports to both Audit and Risk Committee and the chief executive and Executive Committee and supports them in discharging their responsibilities for risk management, control and governance.

**Chief Executive and
Executive Committee**

**Chair Robert Nettleton,
Chief Executive**

Responsibility for the development and implementation of the strategy and overall commercial and customer objectives rests with the chief executive, supported by the executive committee members.

**Capital
Committee**

**Chair Robert Nettleton,
Chief Executive**

An executive committee responsible for overseeing capital spend on development and capital projects considering the alignment with strategy, risk appetite, financial delegations and policies. It provides assurance to the CEO on the value for money, quality and integrity of capital spend.



The role of the board

The board is responsible for ensuring that Bromford Flagship continues to deliver real value and that the business remains on a long-term, sustainable footing. In practice this means discussing, taking decisions on and measuring performance.

The role of the board is clear and is set out in our group delegations and authorisation arrangements. It is responsible for the following:



Strategy development and implementation

Set and uphold the Bromford Flagship strategy.



Leadership and resources

Ensure that effective leadership and executive competence are in place to achieve the strategic objectives.

Ensure sufficient resources are available to achieve the strategic objectives.



Performance and finance

Monitor and test execution of strategy and performance in relation to approved plans, budgets and controls.



Risk management and compliance

Ensure that frameworks are established and monitored for systems of control including financial controls for identifying and managing risks.

The board met 14 times in 2024 to 2025.

Each board meeting has a planned agenda which allows enough time to discuss both strategic and operational matters and includes consideration of performance and risk management.

Each board committee meets as many times as necessary to discharge their duties and responsibilities under their terms of reference. For reports from our committees, refer to pages 54 to 78.

The board and committees can seek advice to support them in their decision making.

Organisational culture and colleague engagement

Our organisational culture is described through our DNA and values and runs through everything we do. Organisational culture is monitored by the board.

Bromford Flagship communicates with colleagues through a variety of methods and channels. We regularly measure colleague engagement and the results are shared with the board and reviewed in greater detail by the remuneration committee. The remuneration committee also aims to understand the broader policy framework around our people activity and has been updated on the people strategy and its component parts.

To ensure we meet our requirements to have a formal mechanism for colleague engagement, the board have designated the Senior Independent Director as the colleague engagement NED. As part of their duties they attend meetings of our colleague engagement group, Be.Heard and work with senior colleagues to understand our framework of policies.

Strategy

There are significant opportunities provided for the board to influence strategy. The board receives regular information to help it identify and respond to future opportunities and challenges. The board engages specialists and expert independent advisors to attend meetings to provide sector insight where necessary.



Our board's year

During the year, the board has focussed its decision making on four key areas.

Strategy development and implementation

- during the year, the board visited Coniston Way, Patchway, The Views at Filton and Staple Hill to look at development and regeneration schemes and understand the place pilot. The board also met with the CCIN
- approved the customer engagement plan and received updates and presentations on neighbourhoods and communities
- continued to focus on delivery of Enterprise Asset Management
- approved development appraisal assumptions
- agreed that Flagship Housing Limited should enter the group and changed the group name to Bromford Flagship Limited
- agreed a new governance structure including a formal mechanism for the board to engage with customers through the Customer Influence Panel
- agreed the full business case, long term funding plan and year one funding arrangements that supported the entry of Flagship Housing into the group

Risk management and compliance

- continued to monitor and manage risk
- approved the risk management framework and risk appetite including implementation of a new 5x5 risk matrix
- considered significant and emerging risks and sector risk profile
- considered and approved the health and safety policy
- approved the group rent and service charge policy
- approved the treasury strategy, treasury policy and the investment policy
- approved the annual complaints performance and service improvement report and complaints policy

Performance and finance

- undertook monthly scrutiny of group performance against key financial budget metrics and performance targets
- continued to monitor board KPIs and performance targets for 2024 to 2025 including metrics for landlord health and safety compliance and repairs
- agreed new reporting metrics for 2025 to 2026
- approved the 30-year Business Plan, with stress testing
- received quarterly updates on new homes, providing insight into new homes delivery performance, as well as broader development risks and opportunities
- received reports from the member responsible for complaints and from the chair of the Customer Influence Panel
- commenced work to launch a £1.5bn Euro Medium-Term Note (EMTN) programme that will support Bromford Flagship's plans to build thousands of affordable homes

Leadership and resources

- supported by Altair and following a robust interview process, oversaw appointments and agreed resignations for the new Bromford Flagship Board

Gender balance of those in senior management (those in scope of the Remuneration Committee i.e. exec) and their direct reports

Total	49	
Male	25	51%
Female	23	47%
They/them	1	2%



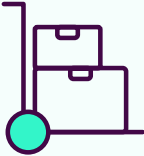
Our approach to stakeholder engagement

We are focused on delivering long-term, sustainable, social impact for the benefit of the customers and communities we serve, our colleagues and wider stakeholders.

This section provides insight into how we engage with stakeholders to understand what matters to them and to help shape and inform decision making.

Whilst Bromford Flagship does not have shareholders, as set out in the UK Code of Governance, Merlin Housing Society does have legacy shareholders and holds an annual AGM to provide them with an update on our progress.

		How we engage at board level	How we engage across the company
Customers and communities 	Our customers are why we are here. We want every customer to have the right home and the right relationship with us as their needs and aspirations change.	- customer-related performance is front and centre at every board meeting - through our board level Customer Influence Panel both NEDs and customers are engaged in developing a new Customer Engagement Framework for Bromford Flagship - Dame Sandra Horley is our member responsible for complaints - our calendar includes an annual session for the board to meet with members of the Customer Influence Panel - board members visit customer homes and their communities through our board tours and through individual experience sessions	- our feedback programme creates thousands of opportunities for customers to tell us where we are doing well and how we can improve - our customer engagement approach is being refreshed to reflect our activity across Bromford Flagship - customer representatives from across our geography are members of our Customer Influence Panel and our regional engagement models - we launched our first customer scrutiny panel review
Colleagues 	Our colleagues are our greatest asset and the reason for our success.	- our purpose, culture, values and DNA are discussed at board level and will be revisited as part of our integration activity - the remuneration committee and the nominations committee review workforce policies and practices, to support their work - our SID is our employee engagement representative and has a programme of activity to support him in this role - the board considers the results of our colleague engagement surveys and details of plans to respond	- Be.You roadmap and champion groups promote inclusivity and are fostering a culture where colleagues feel they belong at Bromford Flagship - continued investment in talent leadership and career development programmes - annual colleague surveys undertaken with the results reported to board

		How we engage at board level	How we engage across the company
Investors 	Continued access to capital is vital to enable us to deliver our strategy, much needed new affordable homes and the regeneration of places.	- the board delegates approval of trading statements to Audit and Risk Committee - the chief executive, chief finance officer and director of treasury attend investor and rating agencies meetings and feedback outcomes	- annual investor roadshows ensure that investors understand our strategy, performance and ambition; and we understand what's important to them - we share our trading updates with senior colleagues before they are released - ongoing investor relationships and updates throughout the year
Regulator, government agencies and local authorities 	We continue to have a positive and open relationship with the Regulator of Social Housing and work closely with Homes England to deliver more quality new homes where they are needed. We work closely with key local authority partners to address common goals of homelessness reduction, decarbonisation and increasing the supply of affordable homes.	- regulatory matters are regularly considered by the board - condensation, damp and mould management and performance oversight - board have re-approved the methodology for collecting TSMs	- we meet regularly with local authority officers and members to share performance updates and co-create solutions to common challenges - we ensure that key external relationships are allocated to members of the senior management team
Suppliers 	Along with our colleagues, our suppliers play a pivotal part in delivering services and business activity as effectively and efficiently as possible. Our suppliers continue to support important social value initiatives in many of our neighbourhoods.	- the board reviews our Modern Slavery Statement annually - commercial/supplier risk is monitored through our key strategic risk register	we meet regularly with suppliers to agree and monitor performance

Report of the chair of the

Remuneration Committee and Nominations Committee

Committee members



Neil Rimmer (Chair)
Non-Executive Director and SID



Jerry Toher
Non-Executive Director



Robert Nettleton
Chief Executive



Emma Barton
Non-Executive Director

Remuneration and Nominations Committee
– prior to 28 February 2025

Nominations Committee
– post 28 February 2025

Remuneration Committee
– post 28 February 2025

Remuneration and Nominations Committee – prior to 28 February 2025

Nominations Committee – post 28 February 2025

How the committees work

The interests of members of the committee are managed carefully and the chief executive, who was a member of the Remuneration and Nominations Committee, did not participate in any decision making that concerned his own role or remuneration. The independent non-executive directors were in the majority.

Although only members of the committees have the right to attend meetings, the committees are also served from the regular attendance of other senior leaders including the chief finance officer, the chief culture and talent officer and the company secretary. Other senior leaders attend to present specific items.

The committee also draws upon the expertise of external advisors. Over the past year, the Remuneration and Nominations Committee engaged Forest HR to carry out benchmarking which was used by the committee to make decisions about executive pay. Altair was also appointed to support the board and Remuneration Committee and Nominations Committee in merger activity as detailed below.

I am pleased to present our 2024 to 2025 report covering the work of the committees that have been tasked by the board with remuneration and nominations matters.

Background

Until 28 February 2025 we operated a single Remuneration and Nominations Committee. On merger it was agreed that the work of the committee be split into a Remuneration Committee and a Nominations Committee in line with the Corporate Code and recognising the scale.

As Senior Independent Director, I chaired the Remuneration and Nominations Committee and will continue to chair the two new committees.

This report provides details of the work of the Remuneration and Nominations Committee up to 28 February 2025 and the work of the individual committees after that date.

Neil Rimmer (Chair)

Non-Executive Director and SID



Board appointments and recruitment

Prior to the commencement of merger discussions our programme of work included arrangements for the appointment of a new group chair to replace Steve Dando, who reached the end of his term of office in November 2024. To facilitate effective succession the committee recommended to board that Steve's appointment be extended until merger.

Under the Grouping Agreement entered into by Bromford and Flagship Housing Group ahead of merger it was agreed that the board for Bromford Flagship Limited and its subsidiary registered providers (RPs) (other than Bromford Home Ownership where two NEDs do not serve as members) should comprise:

- five NEDs nominated by Bromford Housing Group
- five NEDs nominated by Flagship Housing Group
- the chief executive
- the chief finance officer
- the chief operating officer

The members of the Bromford and Flagship boards were invited to apply for the NED roles and a rigorous process, supported by Altair, took place where all those who had applied were interviewed.

Although a task normally within the remit of the Remuneration and Nominations Committee, this activity was overseen by the Bromford Flagship Designate Board; however, I was closely involved in the process. The Bromford Flagship Board on 28 February 2025 confirmed the appointment of 10 NEDs and 3 Executives as members of the board.

In accordance with the UK Corporate Governance Code 2024, NED appointments will be subject to annual renewal and appointments were made for an initial period of up to 31 March 2026.



NED remuneration

Again, overseen by the Bromford Flagship Designate Board but with my close involvement, Altair undertook a benchmarking exercise for NEDs of the larger scale and more complex Bromford Flagship Limited. Having considered the results of this exercise, the board confirmed the level of remuneration for its NEDs.

Board succession plan and board skills matrix

The Remuneration and Nominations Committee undertook its annual review of the Board Succession Plan and Board Skills matrix. Some work on board skills had been undertaken by Campbell Tickell in their external board effectiveness review during the previous financial year but the committee considered that this could be further developed. I worked with the company secretary to create a new matrix which was adopted by the committee. The board has approved a further post-merger board effectiveness review to be carried out by Altair to consider how the new board is embedding and to also create a new skills matrix and succession plan for the larger Bromford Flagship. The findings of this review and the report will be shared in the summer.

Executive pay and reward

Post merger and in respect of pay and reward, the scope of the Remuneration Committee and Nominations Committee has changed from that of the Remuneration and Nominations Committee. Previously the scope of the Remuneration and Nominations Committee covered chief executive, executive directors, directors and the company secretary. Reflecting a much larger organisation the scope of the Remuneration Committee and Nominations Committee is chief officers and above and the company secretary. Other roles will be included by exception.

Robert Nettleton did not take part in any discussion or decision about his own remuneration.

Executive pay

During the year, the Remuneration and Nominations Committee considered executive pay and to support it in this work has received regular updates on pay influencing factors.

The committee had agreed a general pay award of 4% for executive and functional directors for 2024 to 2025. Following a benchmarking exercise undertaken by Forest HR it was also agreed that the salary for three colleagues be increased to better reflect roles and responsibilities and market ranges.

During the year the chief executive reviewed the structure of the executive so that he had the right team in place to provide leadership to an organisation of greater scale. Altair were closely involved in this process and undertook a supporting benchmarking exercise. The Remuneration Committee met after the day one board and agreed the pay and terms and conditions of the chief executive, the chief officers, deputy chief finance officer and company secretary.

Executive performance related pay (PRP)

The Remuneration and Nominations Committee agreed the PRP scheme architecture and gateway targets for 2024 to 2025. The structure of the scheme remained unchanged from 2023 to 2024 and included the same targets as those agreed for the all-colleague PRP scheme along with an additional hurdle of achieving at least 95% of the target for net surplus. The committee also agreed the 2024 to 2025 PRP targets for the three colleagues who have job related blended scheme. The committee also agreed the PRP payment for 2024 to 2025. In view of the merger, it was agreed that membership of the scheme should be ended on 28 February 2025 so that there was no inconsistency for the chief officers entering the group and that a payment of 5.7%, based on 11 months performance metrics be awarded to all participants in the scheme.



Alignment across the business process

There is strong alignment between executive pay policies and those for all colleagues:

- the pension arrangements for the executive are the same as are on offer to Bromford colleagues
- the performance related pay gateway targets for the executive and our new contract colleague PRP scheme focuses on activity that supports the group's long-term sustainable success
- we have blended PRP schemes for certain members of the executive and other colleagues. These schemes provide access to a higher level of PRP based on commercial activity and provide the group with greater external market relativity in terms of remuneration
- benchmarking takes place for both the executive and all colleagues

Executive leadership

The role of the Remuneration and Nominations Committee and more recently the Nominations Committee, is to keep under review the executive leadership needs to the group's long-term success. In addition, the committee reviews its continued ability to deliver its strategy and to ensure it continues to meet the expectations of its stakeholders, regulators and customers.

People strategy

At each meeting the Remuneration and Nominations Committee received an update from the chief people officer. Both the Remuneration Committee and Nominations Committee will continue to receive updates from the chief culture and talent officer to ensure that it has the right leadership to remain fit for the future. We have been kept informed about the outcome of colleague surveys and plans to respond. The committee has also considered our Gender Pay Gap report.

I am appointed as our colleague engagement non-executive director.

All NEDs engage with colleagues across the business as part of our development activity.

Pensions

The committee makes recommendations to the board in respect of pension arrangements. Through a six-monthly update and with other updates as appropriate, the committee has provided oversight of Bromford Flagship's various pension arrangements, scheme membership, management and general pension issues relating to all colleagues. In particular the committee has been kept up to date with discussions concerning the exit from our three legacy local government pension schemes (LGPS).



Report of the chair of the

Treasury Committee

Committee members



Jerry Toher (Chair)
Non-Executive Director



Roger Lee
Non-Executive Director
(appointed 28 February 2025)



Paul Walsh
Chief Finance Officer



Steve Dando
Non-Executive Director
(resigned 27 February 2025)

How the committee works

The treasury committee members are two independent non-executive directors and the chief finance officer. The committee is also served through the appointment of an experienced independent adviser Alex Gipson and benefits from the regular attendance of the chief executive, director of treasury and other members of the treasury and legal teams as appropriate.

The committee at times has also drawn upon the expertise of external firms of legal and treasury advisers who are appointed on specific projects of higher complexity where market benchmarking, strategic input or deal execution is required. Examples in the year include the appointment of advisers to support the merger funding work, the issuance of a £75m private placement, to review the group's treasury management policy in the context of the merger and benchmarking against the sector and provide input on the updated publication of the Sustainable Finance Framework and first Use of Proceeds report for the parent company of Bromford Flagship.

The committee provides oversight and advice to the board on the matters listed in its terms of reference and reports to the board on those matters after each meeting, most notably on proposals for new funding or refinancing of legacy debt and investment. The committee has reviewed its terms of reference in the context of the merger and will review its effectiveness as part of an annual cycle.

I am pleased to present the committee's report into the key activities undertaken since the start of the 2024 to 2025 financial year. I would like to thank my fellow committee members, standing attendees and the specialist treasury adviser to the committee, Alex Gipson and in particular Steve Dando for his service and contributions to the committee.

The committee members and our advisers continue to bring a range of recent and relevant specialist experience from the treasury and funding markets. This has been a year where the group needed to review all its funding agreements as part of the merger and continue to secure new funding in an elevated rate environment. It has also needed to cope with a change of government and updates to policies on rent and grants still within an environment of variable rates of inflation and renewed business planning pressures.

While there have been a number of credit rating downgrades across the sector, this year presented us with a number of opportunities to once again demonstrate our financial resilience and credit strength to support new funding opportunities for the group. The committee continues to oversee the group's treasury strategy and provide the board with assurance that risks are being appropriately mitigated with opportunities reviewed and utilised where possible. We are particularly delighted to have maintained our sector leading dual credit rating post-merger. Additionally, in the year we obtained both drawn and undrawn secured and unsecured credit facilities from banks. We also returned to the capital markets for a private placement soon after the merger completion.

The expansion of our available committed facilities to £850m underpins the strong liquidity position of the group to support the new homes ambitions in a sustainable manner, whilst the strategy to deliver at scale and with impact will continue in the years ahead.

After the year-end, in June 2025, we established a Euro Medium Term Note programme and updated our Sustainable Finance Framework (SFF). In July 2025, we issued a 25-year, £300m sustainable bond through the programme and under the SFF which was four times oversubscribed and priced at government gilts plus 0.82%, marking the housing association sector's tightest spread in four years. At the same time, we also finalised a term loan from NatWest which extends the life of facilities previously available to the group.

Jerry Toher (Chair)
Treasury Committee



Roles and responsibilities of the committee

The committee provides oversight and advice to the board on the matters listed in its terms of reference including the delivery of the group's treasury strategy, the management of its existing loan book and delivery of new funding to realise the group's strategic objectives. The committee oversees all associated treasury risks including complying with funder covenants; maintaining strong credit ratings; managing cash and long-term deposits; establishing counterparty credit line parameters; protecting against mark to-market exposure on callable swaps; and ensuring the new funding strategy remains deliverable.

Chair's report on the year

Strengthening our sector leading dual credit rating platform

The committee continues to consider shadow credit rating analysis on each new iteration of the group's business plan and other key strategic decisions. The shadow credit rating analysis sets out the group's baseline credit assessments to determine routes towards safe harbour in the A2/A+ space through the re-profiling of operational costs, capital costs and the delivery of new homes while maintaining customer expectations and delivery of our strategy.

In the year we maintained our sector leading dual credit rating position with both Moody's and S&P, which has been positively regarded, particularly in the context of the merger and the widespread challenges and downgrades elsewhere in the sector. The S&P rating was re-affirmed at A+ stable in July 2024 and again in March 2025, with the management and governance score maintained, with the agency citing consistent strength of delivery in a challenging operating environment. The standalone credit profile remains at A+, meaning it is not dependent on the UK sovereign rating. The Moody's rating for each of Bromford and Flagship was re-affirmed at A2 stable in November 2024 and then again on a combined basis in March 2025. Our scores on financial management and investment and debt management were maintained in the review. We also benefited on improved homes under management from the larger size of the group post-merger to create even more financial headroom against the A2 safe harbour line, with Moody's highlighting a track record of delivery and ongoing derisked approach to investment and debt management.

Delivering our funding strategy: diversity of funding including capital markets

To support new development opportunities a £200 million sustainability-linked term loan with NatWest, one of our existing long-term key strategic funder partners, was agreed and drawn in June 2024. We continued to review our funding strategy in view of prevailing market conditions, with the 10 and 11 year tranches enabling the group to benefit from the prevailing arbitrage between the SONIA swap and gilt curves to generate significant interest savings over the life of the loan. In the second half of the year, we issued the remainder of a tranche of retained bonds to generate cash proceeds. We also issued the majority of the remaining amount of a different tranche of retained bonds to refinance some legacy funding in the context of the merger. A number of other small revisions to the loan book have been effected around the time of the merger.

In March 2025 a £75m private placement was priced, which confirmed the market appetite towards investing in the group post-merger and this has successfully completed in April 2025, enabling some drawn RCFs to be repaid. This was oversubscribed and demonstrated a positive demand for issuance by the group. There is likely to be further fund raising during the 2025 to 2026 financial year, both through a structured programme and also on an opportunistic basis.

We intend for all future capital markets transactions to be issued under the SFF with Use of Proceeds reports provided as required.

Liquidity and Sustainable Linked Loans

Strength in liquidity enables us to pursue an investment programme across existing and new homes with greater certainty, albeit placing requirements on the group to allocate significant amounts of security to back most of the facilities. This liquidity headroom is also a key feature of any regulatory review and contributes significantly to the credit analysis with both Moody's and S&P. In the year the group grew the base of available committed facilities further to £850m as we added £50m with MUFG and £100m with Royal Bank of Canada. This increased base enhances our strong levels of liquidity.

We intend for all new bank funding to be sustainability-linked adding to our sustainability linked loans (SLLs) across the majority of our existing available committed facilities and term loan with NatWest, with targets related to a wide range of Environmental, Social and Governance metrics across the business. They provide greater visibility and accountability for our key sustainability priority areas, including the first KPIs in the sector linked to reducing carbon emissions intensity.



Risk, policy and governance consideration

The committee was also responsible for monitoring key treasury risks and ensuring an appropriate treasury management policy and other processes were in place and updated at the time of the merger to mitigate these risks and address the associated challenges. The key areas of activity are summarised below.

Compliance with funder covenants and monitoring security

The committee considers and reviews core treasury performance on a monthly basis. The committee reviews the out-turn for all financial covenants against budget and business plan projections, with appropriate reviews of any material movements. The committee also assesses compliance with the corresponding financial framework and golden rules and monitors the levels of headroom established at each month end. Bromford Flagship continues to be compliant with all financial covenants in the year with strong performance on the key group financial covenants, closing the year with interest cover at 3.2 times (with significant headroom against the main covenant of 1.1) and asset gearing at 39% (with significant headroom against the main covenant of 67%). The group also provides a range of non-financial covenant information to funders, which is also monitored by the committee on a monthly basis. The committee also receives updates on current valuations and levels of required and available security to monitor compliance with asset cover requirements of the existing charged security pool and plan for future secured funding.

Managing cash and long-term deposits

Investment in UK treasury bills and long-term bank deposits continue to be limited to a term of six months and the total cash deposits not available same day are to not exceed 50% of available cash up to a maximum of £100m.

The group's existing policy on institutional holdings also continued. This requires counterparties to meet minimum counterparty credit ratings and deposit values not exceeding predetermined levels (£50m for institutions with credit ratings of at least A1/A+/A+ or £25m for institutions with credit ratings at least A3/A-/A-).

Over the year, there was some return to investing in UK treasury bills, in line with policy, to manage higher cash balances. At 31 March 2025, all cash is held in same day access accounts.

Managing our counterparty credit line risk

In the year we increased our available committed facilities by £150m to £850m across a number of different counterparties with new RCFs with MUFG and Royal Bank of Canada. Along with facilities across Lloyds, Barclays, HSBC, NatWest, SMBC, ABN AMRO and Clydesdale, our undrawn facilities are now well diversified with the share from any single provider currently no more than 30% of the total. As the committee undertakes further review on the updated business plan, this will include a review of the required level of undrawn facilities, taking into account any impact on credit ratings and viability.

Managing our mark-to-market exposure on callable swaps

Every month the committee reviews the group's exposure to market calls on its three ISDAs held under two agreements to ensure all off market positions are fully collateralised with at least £6m of headroom. The group treasury management policy approved in February 2025 is unchanged in respect of managing the risks on the callable swaps. The three remaining ISDAs all carry Bermudan options and the mark-to-market exposure on these continues to be monitored, however, the committee continues to consider that the costs associated with their exit to not be economically viable at the current time.



Report of the chair of the

Audit and Risk Committee

Committee members



Charles Hutton-Potts
(Chair)
Non-Executive Director



Emma Barton
Non-Executive Director
(appointed 28 February 2025)



Richard Bird
Non-Executive Director



Matthew Peak
Independent member
(appointed 28 February 2025)

How the committee works

The members of the committee comprise three independent non-executive directors of the board and an independent member. Across the committee membership there is a diverse range of experience in business development, mergers and acquisitions, finance, auditing and risk, alongside a depth of experience in the housing sector. Each member shares a passion for outstanding service and ensuring the customer voice is heard. Following a recent skills and appointment process supported by Altair, the board considers that all members of the committee have recent and relevant experience and competence relevant to the sector, with the chair being a qualified accountant.

Other regular attendees at the invitation of the committee include the chief executive, chief finance officer, chief risk officer and wider executive team, company secretary, other members of senior management, head of internal audit and representatives from the external auditor (Beever and Struthers). None of these attendees are members of the committee but can be drawn on for their expertise.

The committee provides oversight and advice to the board on the matters listed in its terms of reference including the monitoring of the integrity of financial reporting, the audit process and Bromford Flagship's systems of internal control. The committee also oversees risk management and compliance, including landlord health and safety. The committee makes recommendations to the board on the level of risk appetite acceptable to the organisation.

The committee is authorised to seek external legal or other independent professional advice but did not need to do so during the year. The committee did consider the work of corporate advisors and specialists regarding material risk, governance and control aspects as part of board oversight.

The committee has the opportunity to hold private discussions with the internal and external auditors without management present. The committee chair regularly holds one-to-one meetings with the chief risk officer, chief finance officer, head of internal audit and external auditor to better understand any areas for concern or issues.

I am pleased to present this report which aims to provide insight into the key activities undertaken during 2024 to 2025. This has been a pivotal year for the group following the completion of the merger on 28 February 2025. Throughout this period of change the committee has continued to provide the board with assurance as to the effectiveness of the risk and internal controls and advice and oversight in relation to the current and future risk exposures. Understanding the impact to risk management is key, particularly in an increasingly complex and uncertain external environment, characterised by geopolitical tensions, ongoing cost pressures and regulatory change. These conditions have heightened the importance of a strong risk management framework to ensure the group remains resilient and agile in navigating emerging risk. Of course, the health and safety of our customers and colleagues remains the number one priority and we have continued to focus on this area at each meeting.

Throughout the year, I maintained regular dialogue with other members of the committee, the chief finance officer and other members of management to ensure the committee was provided with the necessary information to enable it to guide, challenge and advise and, when required, make informed decisions. I also met privately with the head of internal audit and representatives from the external auditor, both to discuss any issues that may have arisen and as part of my ongoing assessment of their effectiveness.

I would like to thank the members of the committee, the executive team, internal audit and Beever and Struthers for their continued commitment throughout the year, for the open discussion and for the contribution they provide in support of our work.

Charles Hutton-Potts (Chair)

Audit and Risk Committee



Key areas of focus in 2024 to 2025

The committee has an extensive agenda focusing on the audit, risk and assurance processes within the group which it deals with in conjunction with management, the external auditor and internal audit. Some key areas of focus for the committee during 2024 to 2025 included:

Internal audit and assurance	Internal controls and risk management	Financial and regulatory reporting	External audit
• reviewed and approved the internal audit charter for adoption • considered internal audit reports presented to the committee and satisfied itself that management had resolved or was in the process of resolving outstanding actions • reviewed and approved the internal audit plan • reviewed and considered the appraisal of the quality and effectiveness of internal audit and the effectiveness of the co-source arrangements • reviewed and approved the closure of third line material actions • reviewed the assurance map and considered the findings of the assurance undertaken across regulatory standards and principal risks	• endorsed and recommended the new Risk Management Framework (aligned to the Committee of Sponsoring Organisations (COSO) Internal Control Integrated Framework (ICIF) and risk appetite statements) • received five chief risk officer reports and quarterly risk reporting from the head of risk • received regular updates in relation to the governance and risk management in the transformation programme • received updates throughout the year on the outcomes of penetration and vulnerability testing • received updates throughout the year on data governance position and improvements • received regular updates in relation to landlord compliance performance • monitored fraud reporting (including cases of whistleblowing) and approved the annual fraud return to the Regulator of Social Housing	• reviewed and discussed the financial statements, considered the accounting judgements and policies applied and assessed the findings of the statutory audit in respect of the integrity of the financial reporting of full and half year results • reviewed the 2023 to 2024 annual report and accounts and provided a recommendation to the board that as a whole they complied with the 2018 Code to be fair, balanced and understandable • reviewed the mid-year and year-end trading updates • reviewed the Statistical Data Return for year ended 31 March 2024	• reviewed the proposed audit plan for the 2024 to 2025 audit, including the key audit risks, audit report from Beever and Struthers on the financial statements and the areas of particular focus for the 2024 to 2025 audit • assessed the effectiveness of the external auditors and agreed the reappointment of Beever and Struthers as the external auditor • agreed audit fees for the year ended 31 March 2025 • reviewed and approved the non-audit services provided by the external auditor • reviewed and approved the group audit process including the continuation of PKF Littlejohn LLP’s involvement with the Flagship component audits

The committee also reviewed and approved the committee’s effectiveness and concluded that they remained appropriate and that the committee remained fully effective. The terms of reference are reviewed annually and were last approved in February 2025.

Preparation of the annual report and accounts

Internal controls and risk management systems have been in place to provide assurance over the preparation of the annual report and accounts. Information submitted for inclusion in the financial statements is attested by individuals with appropriate knowledge and experience. The committee ensures that disclosures reflect the supporting detail or challenges them to explain and justify their interpretation. The annual report and accounts are scrutinised throughout the process by relevant senior stakeholders. Key controls in the process are subject to regular testing, the results of which are reported to the committee.

One of our key roles is to monitor, review and challenge the financial reports prepared by management and oversee the assurance carried out by external auditors, before requesting board approval. The external auditors support this process, by auditing the accounting records against agreed accounting practices, relevant laws and regulations including auditing standards. Beever and Struthers' audit report can be found on page 82.

Fair, balanced and understandable

At the request of the board, the committee has considered whether, in its opinion, this annual report and accounts, taken as a whole, is fair, balanced and understandable (FBU) and whether it provides the information necessary to assess the group's position, performance, business model and strategy. The following process was followed by the committee in making its assessment:

- Bromford Flagship has a dedicated financial team that prepares the annual report and accounts. That team comprises knowledgeable individuals with previous experience of the group's reporting process
- Executive Disclosure Committee review. The committee reviewed and approved the annual report and accounts plan and approach
- regular Audit and Risk Committee review. The committee receives regular updates to enable sufficient time to ensure overall balance and consistency between the narrative sections and the financial statements
- the committee was supported in its review by two senior leadership colleagues independent to the drafting of the report to test and challenge the narrative sections to ensure they are FBU

- the external auditor is required to consider whether there are any material inconsistencies between information presented to different sections of the report taking into account their knowledge obtained during the audit and their understanding of regulatory requirements
- FBU assessment. The committee reviewed the process in place to support the FBU assessment and findings of the process. The committee was satisfied that all key events and issues reported by management throughout the year had been adequately reflected within the annual report and accounts

The board approved the committee's recommendations that the FBU statement could be made in the annual report and accounts. A declaration to this effect is on page 80.



The audit plan and strategy for the year identified the key audit matters which are considered below.

Key audit matter	Committee response
Loan covenants and treasury management	The group had £2,646m of borrowings at 31 March 2025 with un-drawn facilities of £800m and available cash and cash equivalents of £153m. The undrawn facilities are predominantly revolving credit facilities. The loan covenant calculations as at 31 March 2025 show that the loan covenant position is compliant with funder requirements across the group. Following audit testing across a number of areas the external auditor found no issues of concern in this area. In line with Auditing Standards, the external auditor reviewed judgements and estimates until the point of signing the financial statements and reviewed the group's long-term financial plan and stress testing of that plan. Management gave assurances that the group will remain a going concern and is able to avoid breaching its loan covenants even in a serious stressed scenario. The committee was satisfied with outcomes and management response.
Development and sales	During the year the group capitalised £359m on new developments. The group delivered 1,770 new homes during 2024 to 2025. The group generated proceeds from the sale of existing housing properties of £59m in the year to 31 March 2025, in addition to £52m of first tranche low cost home ownership sales, generating a surplus across these categories of £44m. The external auditor tested a number of areas including the key controls over the approval and recording of development expenditure and disposals, including development appraisal assumptions and assessed the accounting policies for capitalising development overheads and interest on loans. The external auditor also reviewed the carrying value of the group's work in progress at the year end to ensure it is stated at its selling price less costs to complete and sell. The committee was satisfied with the outcomes of the audit which noted no issues of concern.
Defined benefit pension schemes	The legacy Bromford Group participates in the Avon Pension Fund (LGPS) which is a multi-employer, defined pension scheme and the Bromford pension scheme. The legacy Flagship Group participates in the Norfolk County Council Pension Fund (LGPS), Suffolk County Council Pension Fund (LGPS) and The Pensions Trust- Flagship Housing Group ex-SHPS Scheme. The group served notice to the Avon Pension Scheme that they would be leaving the fund on 31 March 2025 with active members automatically re-enrolled in the Bromford pension scheme with effect from 1 April 2025. The external auditor reviewed the pension schemes information provided by the actuaries to the group and considered the disclosure implications, the actuarial valuations and assumptions to ensure consistency with 2023 to 2024 and the accuracy of the journals processed at year-end. The external auditor noted the financial statements show balances and disclosures in line with the actuarial reports. The external auditor compared the asset split for the group's share of the scheme assets against the total asset split of the pension schemes and found no significant variances. The committee was satisfied that the appropriate assumptions were within a reasonable range. For the exit of the Avon Pension Fund the external auditor has reviewed letters served and the legal advice obtained, stating there is a strong likelihood that the local authority will refuse to recognise a unilateral exit as being effective. In this event the legal advice recommends the group seek a Judicial Review, with a 60% chance of succeeding. If unsuccessful the expected legal cost would be immaterial to Merlin Housing Society and to the group.

Key audit matter	Committee response
Transformation programme	The final part of our multi-year transformation project took place in 2024 to 2025 with asset and repairs data being transferred to Microsoft Dynamics 365 in two stages, one for Merlin in October 2024 and one for other Bromford entities in January 2025. The external auditor reviewed a sample of benefits arising from the transformation programme as well as benefits realised trackers. The audit also ensured additions to Intangible Fixed Assets have been capitalised appropriately in line with the definitions in FRS 102 as well as reviewing the workings for the future benefits arising as a result of the additions to ensure these are reasonable and in line with FRS 102. The committee was satisfied with the outcomes of the audit which noted no issues of concern.
Merger of Bromford Housing Group Limited and Flagship Housing Group Limited	Bromford Housing Group Limited and Flagship Housing Group Limited merged on 28 February 2025 to form Bromford Flagship. Flagship Housing Group became a subsidiary of Bromford Housing Group Limited. The merger accounting method has been used meaning the financial statements presented are the results as if the combination had already happened at the start of the prior accounting period and the comparatives are restated on this basis. The external auditor reviewed the used of the accounting method to ensure it was in line with FRS 102 and the Housing SORP 2018 and that disclosure requirements had been met. The basis and calculations for adjustments for alignments to accounting policies at 31 March 2024 and 31 March 2025 and during each year and audited consolidation workings for current year and comparative figures in the group accounts were also reviewed. The committee was satisfied with the outcomes of the audit which noted that the merger had been treated appropriately and accounted for correctly.
Recoverability of long-term debtor	As at 31 March 2025 Bromford Flagship Limited had a long-term debtor balance of £1,129.5m from group companies due to the on-lending of finance received from bonds issued. The external auditor tested a number of areas including a review of the forecast results to identify whether there are any indications that Bromford Flagship Limited's subsidiaries will not be able to repay the intercompany loan, a review of the directors' going concern assessment of Bromford Flagship Limited's subsidiaries and a review of the disclosures of the long-term debtor in Bromford Flagship Limited's accounts and the associated creditor in the Bromford Flagship Limited's subsidiaries' accounts. The external auditor found that the assumptions used in the business plan were reasonable and in line with actual performance. The committee was satisfied with the outcomes of the audit which noted no issues of concern with performance or going concern for any entities in the group.

Three lines of assurance

The group operates a three lines assurance model, targeted at areas of greatest risk. Using a risk-based approach provides an effective programme of assurance which considers areas that we know are high risk. This approach ensures clear separation between risk and control ownership (first line), oversight, support and challenge (second line) and audit (third line). We regularly reassess our assurance activity as risk is reduced in certain areas and increased where new risks are emerging, resulting in a proportionate assurance application. In addition, we also update the group assurance map every six months to provide visibility of assurance across the whole risk landscape which supports effective decision making by board.

Internal audit

Internal audit is an independent assurance function which reports to the board, Audit and Risk Committee and management. The role of internal audit is to strengthen the group's ability to create, protect and sustain value by providing the board and leaders with independent, risk-based and objective assurance, advice, insight and foresight. Internal audit enhances governance, risk management and control processes, delivering a series of risk based and advisory reviews.

The internal audit function is led by an independent head of internal audit supported by an in-house team and co-source partners who provide access to expertise to support delivery of the plan. The co-source arrangement adds value through greater access to specific areas of expertise and increased ability to flex resources.

A three year strategic plan is created, from which a flexible annual plan is developed for approval by the Audit and Risk Committee. The committee reviews and challenges the plan, specifically whether key risk areas are audited with sufficient frequency and depth. Regular reporting enables the committee to monitor delivery of the audit plan and performance of the internal audit function.

The findings of each audit are reported to the committee alongside any actions that have been agreed by management to address weaknesses identified. No material weaknesses were identified throughout the year although a number of reports had significant findings that the management team are following up. The Audit and Risk Committee is satisfied that there is effective internal audit function in place that adds value to support Bromford Flagship in achieving our objectives.

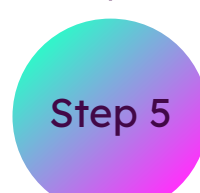
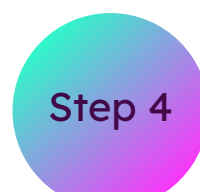


Risk management

The group has a risk management process in place through which our principal risks and related controls are identified, assessed and managed. Our board has overall responsibility for setting our risk appetite and ensuring there is an effective risk management process in place. Applying the principles of risk management effectively allows the group to create value, by enabling us to take informed decisions whilst protecting value by reducing the uncertainty of achieving our strategy.

The committee reviews the input processes for risk management and the outputs reporting in relation to our principal risks and associated controls and actions. The Audit and Risk Committee is complemented by the Risk and Compliance Forum (effective until 28 February 2025) and the Executive Disclosure Committee (effective from 1 March 2025) which assists the committee in reviewing the audit, assurance and risk reports prior to Audit and Risk Committee meetings.

We follow a five-step risk management process aimed at identifying potential issues early, allowing for proactive mitigation to support our strategic objectives. Risk is defined as anything that could hinder the achievement of these goals. Our approach enables the business to navigate uncertainty—managing both threats and opportunities—while staying aligned with strategic priorities. The board sets clear risk appetite and tolerance levels, with regular reporting to monitor changes in key risk assessments.



Risk identification

- consider strategy and business plans

Risk assessment

- estimate likelihood risks will occur
- consider impact across the wider business

Risk analysis

- compare assessment to established risk appetite
- agree to treat, tolerate, transfer or terminate the risk

Risk response

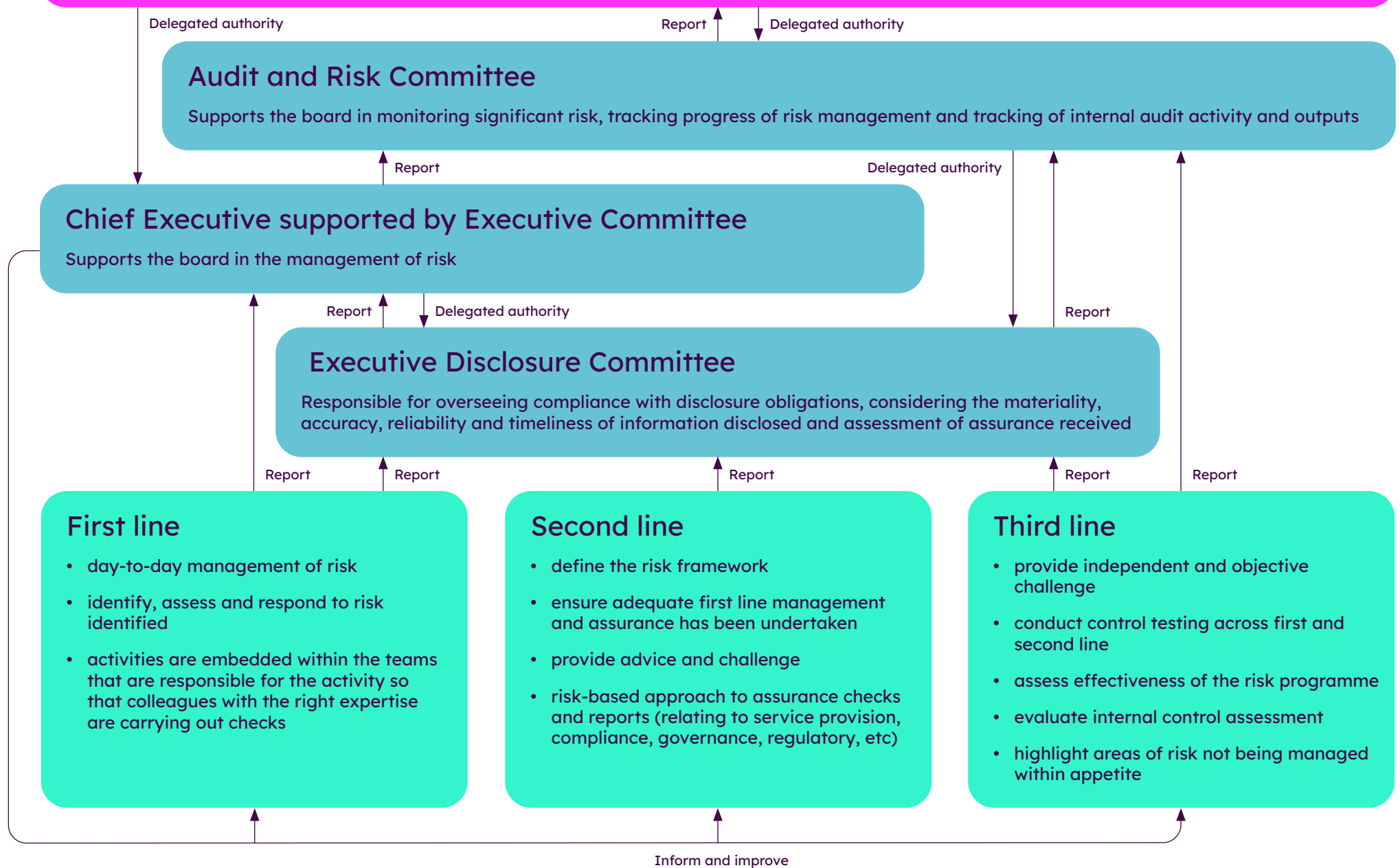
- put in place effective strategies to remediate defective controls or implement additional controls
- determine further action that may be necessary

Risk reporting

- operational risks to business, forum and committee
- strategic risks to forum, committee and board

The board

- sets the risk culture
- sets and regularly reviews risk appetite
- makes risk informed decisions
- undertakes annual assessment of strategic risks

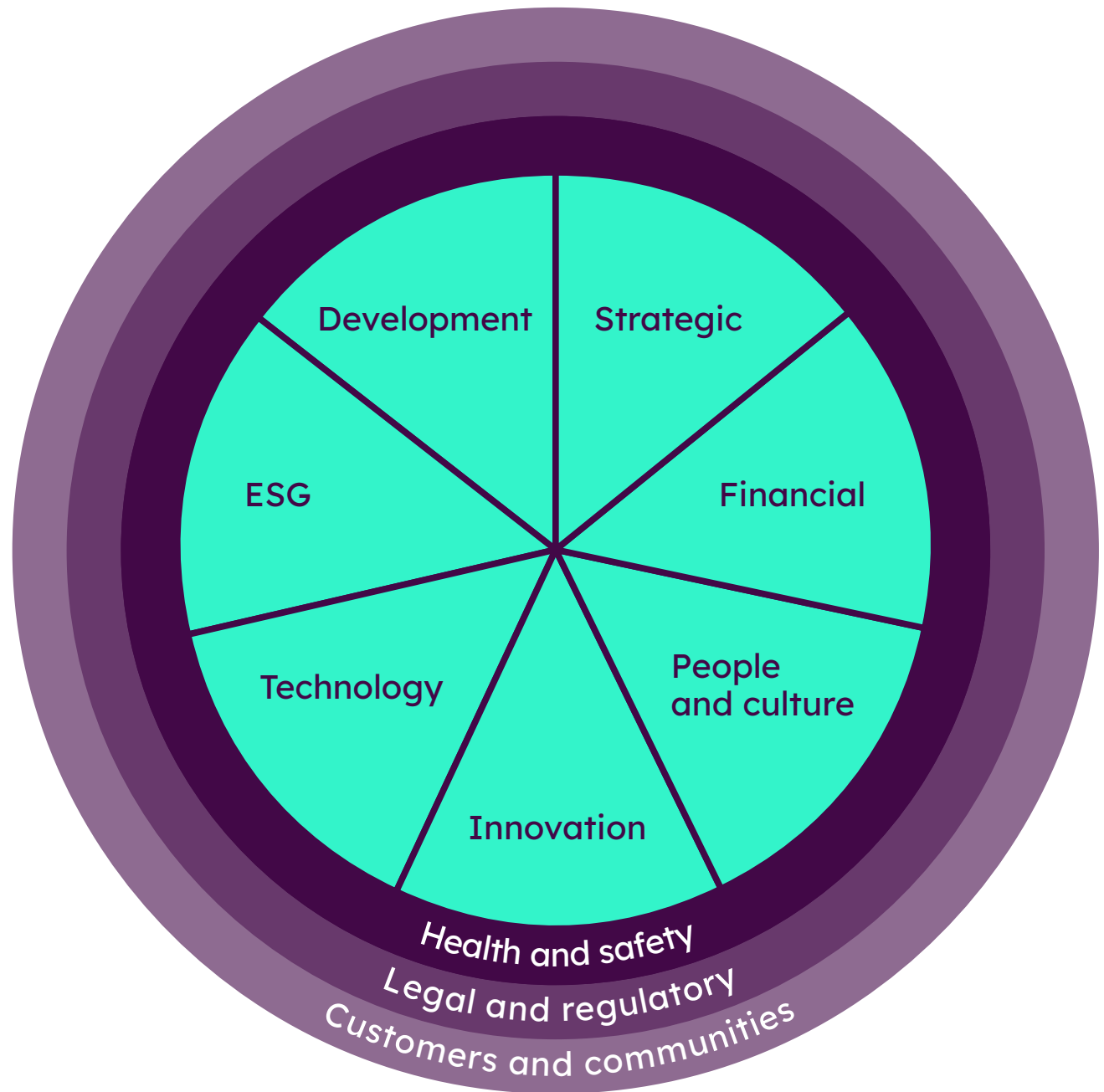


Risk appetite

A full end-to-end risk appetite review was undertaken by the board in February 2025. The risk appetite has been updated to ensure it remains forward-looking and is reflective of and aligned to the strategy and evolving priorities.

Across ten key enterprise risk types they set out the type and amount of risk we are prepared to accept as we deliver our strategy, plans and run our day-to-day operations. These are integral to our corporate decision making.

No business is free of risk and to deliver our strategy we often need to take risk. We only take risk that is in line with our risk appetite, our purpose, our culture and our strategy. Risk we accept must be clearly understood and regularly reviewed and managed effectively. We measure, monitor and report our exposures within agreed tolerances, with forward looking risk indicators and triggers in place. In some areas we have risks for which we have little or no appetite however the nature of these risks mean they cannot be eliminated completely.



Risk type	Committee response	Averse	Minimalist	Balanced	Flexible	Open
Health and safety	Our risk appetite is averse for health and safety risks. We have zero tolerance for actions or omissions that could compromise the health and safety of individuals affected by our operations. We are committed to upholding the highest standards of health and safety compliance, proactively identifying and mitigating risks and fostering a culture of safety throughout the organisation.					
Customers and communities	Our overall customers and communities risk appetite is balanced. We prioritise the safety, well-being and satisfaction of our customers and are committed to working with and supporting strong, vibrant communities. While we are open to innovative approaches that can enhance the quality of life for our customers, we are cautious about accepting risks that could negatively impact their wellbeing or trust in our organisation.					
Legal and regulatory	Our legal and regulatory risk appetite is generally minimalist, as we will do everything that is reasonably practicable to ensure compliance and is averse with respect to landlord compliance. We are committed to conducting our operations with the highest standards of legal and ethical integrity, recognising that compliance is fundamental to maintaining stakeholder trust and ensuring the sustainability of our organisation.					
Financial	Our risk appetite is minimalist for financial risk. The risk of the group having inadequate income, cash flow or liquidity to meet current or future requirements and expectations, including the careful consideration and balance of investment in our new and existing homes. It includes loss of earnings capacity or liquidity arising from mismatches between assets, funding and other commitments and which may be exposed to changes to market rates or conditions.					
People and culture	The people and culture risk appetite is flexible to support the delivery of our strategy and vision, fostering a learning organisation and a high-performance culture. These risks have the potential to impact service quality, organisational reputation, compliance with laws and overall operational efficiency. By embracing flexibility, the organisation ensures its culture and people strategies remain aligned with its goals while prioritising continuous learning, innovation and excellence in performance.					

Risk type	Committee response	Averse	Minimalist	Balanced	Flexible	Open
Innovation	Our overall innovation risk appetite is flexible. We recognise that innovation often involves venturing into uncharted territory, which can carry significant risk. However, we believe that taking calculated risks in innovation is crucial to enhance our services, improve operational efficiency and meet the evolving needs of our customers and stakeholders.					
Environmental, social, governance (ESG)	Our overall ESG appetite is balanced. We recognise the importance of integrating ESG considerations into our operations and decision-making processes. While we are willing to embrace opportunities that advance our ESG goals, we prioritise compliance with environmental regulations, social responsibilities and governance standards to safeguard our reputation and customer/stakeholder trust.					
Technology	Our overall risk appetite for technology is balanced. We recognise that embracing new technologies can involve significant risks, but also offers substantial opportunities to improve our services, streamline operations and better meet the needs of our customers and stakeholders. We are committed to taking calculated risks in technology to drive innovation and organisational growth, while ensuring that risks are managed appropriately.					
Development of new homes	Our overall development risk appetite is open. We understand that pursuing new home opportunities involves inherent risks, but we understand at times we will need to take calculated risks to deliver our growth ambitions and create more homes for future customers. We aim to balance growth opportunities with appropriate risk management to ensure the long-term sustainability of the organisation.					
Strategic	Our overall strategic activity risk appetite is flexible. We recognise that to fulfil our strategy and remain responsive to the changing needs of our customers and communities, we must engage in strategic initiatives that may carry inherent risks. We are committed to taking calculated risks in pursuit of our strategic goals, balancing innovation and growth with prudent risk management.					

Our principal risks

The principal risks and associated indicators are monitored monthly by the board. Business risks are monitored for emerging threats and operational trends, with escalation through executive committees, Audit and Risk Committee and then to board.

The list of principal risks does not comprise all of the risks the group faces and they are not presented in order of importance. The nature of the risk means the landscape can alter and we provide regular updates to the risks reflect this. Below we set out the profile of risks for the group.

Death, injury or harm		Direction of travel: static 
Risk	Risk mitigations	Changes in year
Our approach to health and safety lacks robust controls and oversight. This results in death, injury or harm caused to colleagues, customers, contractors or the public.	- a well-established health and safety policy and framework sets out no one should be harmed by what we do - Audit and Risk Committee and board receive independent assurance from technical experts throughout the year - monitoring of our supply chain to ensure safe practice - Safety Hub, our dedicated health and safety software, allows real time recording of incidents and near misses to allow prompt review and analysis - external health and safety provider for our construction subsidiary (BDL)	- updated health and safety policy and landlord compliance policies approved by board - new Safety Hub system rolled out across the Midlands and West regions to increase data and insights available to drive continuous improvement - new asset and landlord compliance group and health and safety group established to support the work of the executive disclosure committee in overseeing compliance assurance - East region has achieved the globally recognised ISO45001 standard

Safeguarding customers and protecting colleague welfare		Direction of travel: static 
Risk	Risk mitigations	Changes in year
We fail to promote the safeguarding of customer and colleague welfare including responding to and identifying allegations or suspicions of neglect or abuse in a timely manner.	- domestic abuse policy and procedure in place - mandatory safeguarding training for front line colleagues - safeguarding leads and champions in place across all geographical regions - colleagues who are specifically trained as mental health first aiders who act as a point of contact for anyone who may be experiencing a mental health issue	- quarterly safeguarding reporting now embedded - operational teams sample audit cases to ensure consistency in reporting, responsiveness and quality - following the support of the national Safeguarding Adults Week, reports of safeguarding cases increased, a positive indicator of the effectiveness of the campaign

Financial pressures for customers		Direction of travel: static ●
Risk	Risk mitigations	Changes in year
Uncertainty with the external environment leads to increased financial pressure for customers	- our coaching approach is designed to support our customers - income management policies in place to support customers - Hopestead, our homeless charity has a mission to end homelessness	- over 38,000 customer reviews completed which includes topics relating to financial wellbeing - additional £22m Warm Homes: Social Housing Fund Wave 3 government grant funding secured to install energy saving measures which will help to reduce energy costs for customers - Hopestead's Hope Funds programme provided 11 homelessness charities with £150,000 of funding - a total of 344 households received support through the HACT (Housing Associations' Charitable Trust) and British Gas funds, with £83,496 distributed to our customers. The scheme aimed to support customers in managing rising energy costs by providing vouchers for fuel expenses

Cyber security and network controls		Direction of travel: improving ▲
Risk	Risk mitigations	Changes in year
Failure of infosec controls in our network, applications, infrastructure or devices, results in severe detriment to the group or customers	- dedicated information security team, head of information security and data governance and data protection officer responsible for monitoring information security and cyber threat - mandatory annual cyber security training for all colleagues - all operational and office teams have business continuity and crisis management plans in place - information security management systems aligned to ICO/EIC 27000 standards, with oversight through business forums and Audit and Risk Committee reporting	- external vulnerability and physical penetration test completed - regular phishing tests completed including an executive team whaling exercise, with eLearning refreshers completed where necessary - monthly sessions delivered for the cyber champions to cascade to wider business - implemented connection with myNCSC which provides insight and alerts for web and mail checks - the Security Operations Centre (SOC) team has been working on data loss prevention policies and data labelling within Microsoft Purview, which will in future automatically label and classify data depending on its confidentiality and sensitivity

Development and market sales		Direction of travel: static ●
Risk	Risk mitigations	Changes in year
Internal and external factors lead to a failure to deliver our new homes programme in line with our strategy.	- a dedicated forum considers opportunities against strategy to ensure compliance with business policy, tracks programme delivery and monitors the external market for potential impacts - minimum return rates approved by the board - board approval for developments that exceed a predetermined financial commitment	- we have delivered 1,770 new homes, of which 1,698 are affordable - in our West region one of our biggest regeneration projects to date has been unanimously approved by South Gloucestershire Council which will see 85 energy efficient homes built - sales remain strong with a continued focus on shared ownership and supporting customers to increase staircasing

Financial planning and performance		Direction of travel: static ●
Risk	Risk mitigations	Changes in year
Our financial and resilience planning and/or monitoring fails to mitigate substantial macro-economic or political events.	robust financial planning, stress testing scenarios and resilience plans are in place, incorporating plausible macro-economic and political impacts, with close tracking at forum, committee and board level against the financial framework and golden rules	- frequent revision of the 30-year plan to understand the impacts of risks to our long-term business model including latest economic inputs from our independent advisors and assessment of new regulatory or statutory requirements such as Awaab's Law 30-year plan is subject to a series of single and multi-variant stresses - ongoing assessment and monitoring of impact of inflation, interest rate changes and potential for rent caps - Moody's reaffirmed our credit rating as A2 (stable) - Standard & Poor's reaffirmed as A+ (stable)

Regulatory reporting		Direction of travel: improving ▲
Risk	Risk mitigations	Changes in year
We provide delayed, unreliable or incorrect information to the regulator via regulatory returns leading to reputational damage or regulatory intervention.	- skilled colleagues collate, review and challenge regulatory returns. We have an effective level of checks and balances of the data submitted to the regulator - we use a leadership self-assessment, asking relevant senior leadership colleagues to complete a self-declaration each year	- new risk and regulation group introduced to support the executive disclosure committee, ensuring robust arrangements are in place to respond to regulatory submissions - increased assurance and internal audit overview across second line of assurance for critical regulatory returns, which now feature as part of the assurance map - control framework created to support colleagues in understanding the level of assurance required for each disclosure, including regulatory returns

People		Direction of travel: improving ▲
Risk	Risk mitigations	Changes in year
Failure to lead, retain, recruit and engage colleagues with the right capabilities to deliver our strategy and purpose.	- performance management including a talent matrix for our most senior leaders - continued investment in leadership capability and apprenticeships and graduates - a dedicated colleague engagement group, that provides a sounding board to influence, challenge, debate, add value and exchange ideas - a clearly defined Equality, Diversity and Inclusion (EDI) road map developed by our Be.You group with champion groups embedded in the organisation	- our first Be.You conference held for all EDI colleague champions to build a forward road map of activity for the year ahead to ensure alignment with our broader EDI ambitions 77% of colleagues stating this is a great place to work - new colleague competency framework developed ahead of launching in the new financial year - a new London hub has been established to attract technology and treasury talent from outside of the operating regions

Emerging risks

Emerging risks are upcoming events which present uncertainty but are difficult to assess at the current stage. We use techniques such as horizon scanning and PESTEL (political, economic, social, technological, environmental and legal) analysis to identify and report these risks and emerging risk management ensures we are adequately prepared for the potential opportunities and threats they pose. We closely monitor emerging risks that may, with time, become principal risks. Examples of risks that have the potential to increase in significance and affect the performance of the group are provided below.



Political and policy volatility

Shifting government priorities, funding mechanisms and housing policy (for example rent caps, planning reforms, devolution) as well as government proposals for the creation of new unitary councils in England can rapidly alter the operating landscape, affecting long-term strategy and investment decisions and the ability to secure debt at rates which allow for sustainable investment in new and existing homes.

Political: Short to medium term



Climate resilience of housing stock

Increased frequency of flooding, storms and heatwaves poses long-term risks to housing stock resilience, insurance availability and customer wellbeing. Decarbonisation targets and the scale, cost and technical complexity of retrofitting older homes, especially with unclear long-term funding, poses a challenge to viability and delivery.

Environmental: Long term



Demographic shifts

An ageing population and rising complexity of customer needs will drive demand for adaptable, supported housing models, requiring long-term redesign of housing strategies and more partnerships with areas such as health and social care providers.

Social: Long term

Board compliance statements

Statement of compliance with the regulatory standards

The Regulator of Social Housing (RSH), publishes a regulatory framework and regulatory standards. The regulatory standards comprise of the economic standards, namely the governance and financial viability; value for money and rent standards and the consumer standards, namely the safety and quality standard; transparency, influence and accountability standard; neighbourhood and community standard; and tenancy standard.

Each year the RSH requires registered providers to assess their compliance with the governance and financial viability and consumer standards and provide assurance to customers and stakeholders that the RSH specific expectations are being complied with.

The board is assured that the group is compliant with the regulatory framework including the governance and financial viability and consumer standards and its accompanying code of practices.

As part of being regulated by the RSH, the group is given a rating for governance, as assessed against the governance and financial viability standard.

The RSH provides a regulatory judgement following either an inspection, stability check, responsive engagement or an interim judgement following merger. Prior to merger a G1 governance and V1 financial viability rating, the highest ratings on the scale, were held by Bromford. We are pleased that an interim judgement of G1 V1 was issued on 14 May 2025 to Bromford Flagship. Positive feedback by the regulator was provided during our proactive engagement during merger.

Since April 2024, the regulator has also issued C ratings against the consumer regulation standards. These are first issued following an inspection and hence no C rating has been awarded as part of the interim ratings.

Statement of compliance with our Code of Governance

We have voluntarily adopted the UK Corporate Governance Code 2024 (the Code). This does not come fully into effect for us until the financial year 2025 to 2026 but we have already adopted changes to build on our existing governance arrangements so that we are prepared for its implementation.

We continue to adopt the Code as our chosen Code of Governance as we believe that it continues to reflect our commercial outlook, focusses on achieving the highest possible standards of accountability and transparency and our desire to position ourselves alongside other high-achieving organisations, regardless of sector. As we do not have shareholders in a conventional sense, certain aspects of the Code do not apply to us. However, we strongly support the objectives that this section aims to achieve and this is reflected in the open and transparent way we deal with our partners and stakeholders.

Merlin Housing Society does have legacy shareholders and continues to hold an annual general meeting.

Each year the board reviews compliance with the Code and during the financial year ended 31 March 2025, we consider that the group has complied with all relevant principles and provisions of the Code.



Fair, balanced and understandable

We consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for stakeholders to assess the group's position, performance, business model and strategy.

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

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

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

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

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and assess the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

- use the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so

The board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the group and the association and enable them to ensure that its financial statements comply with the Cooperative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (group accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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



Viability statement

As required by the provisions of the UK Corporate Governance Code, the board has undertaken an assessment of the future prospects of Bromford Flagship taking into account its current position and principal risks. The assessment includes changes arising from the challenges to the sector such as high levels of inflation and interest rates, potential for further government imposed rent caps and the availability of resource.

This assessment was made using the following core business processes:

Thirty year business plan (the plan)

The board reviews each iteration of the plan during the year as part of its strategic planning process, the most recent business plan was approved in May 2025. This process includes detailed stress testing of the plan which involves flexing a number of assumptions underlying the plan both individually and together under particular scenarios.

Risk management

As set out in the risk section of the strategic report, Bromford Flagship has a structured approach to the management of risk and the principal risks identified are reviewed regularly by the board.

Liquidity

Based on the output of the plan and regular reforecasting of cashflows, the board reviews the liquidity position of the group ensuring funding is secured in accordance with Bromford Flagship's treasury policy. Current available cash and unutilised loan facilities are over £900m which gives significant headroom for committed spend and other forecast cash flows that arise.

In undertaking this assessment, a period of three years has been selected. For the initial year of this three year period there is a greater level of certainty because detailed annual budgets are prepared and regularly reforecast. Monthly cashflow forecasts are reviewed by the board covering a rolling three year period and are used to ensure sufficient facilities are in place. The largest single area of spend remains the development programme and the bulk of the committed programme completes within this timeframe. Whilst development spend and required facilities are planned over a longer term than three years, the period chosen ensures that Bromford Flagship is viable beyond its usual development commitment timeframe.

On the basis of this and other matters considered and reviewed by the board during the year, the board has reasonable expectations that Bromford Flagship will be able to continue in operation and meet its liabilities as they fall due over the three year period used for this assessment.

Going concern

The board, after reviewing the group and association's budget for 2025 to 2026 and the group's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the group and association have adequate resources to continue in business for the foreseeable future.

Accordingly, the financial statements set out on pages 93 to 142 have been prepared on a going concern basis.

Appointment of auditors

Beever and Struthers have indicated their willingness to continue in office and, following an internal assessment of effectiveness, will be proposed for re-appointment.

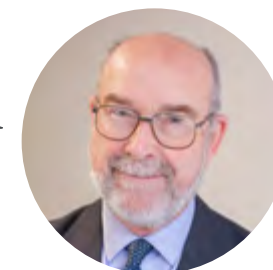
Information for auditors

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

The board and strategic report was approved on 25 July 2025 and signed on its behalf by:



Peter Hawes
Chair



Independent auditors report



Independent Auditor's Report to the members of Bromford Flagship Limited

Opinion

We have audited the financial statements of Bromford Flagship Limited (the association) and its subsidiaries (the group) for the year ended 31 March 2025 which comprise the statement of comprehensive income – group and association, the statement of financial position – group and association, changes in reserves – group and association and the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the association's affairs as at 31 March 2025 and of the group's income and expenditure and the association's income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022

Basis for opinion

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

We were first appointed as auditor of the association under its previous name, Bromford Housing Group Limited, by the Board for the period ending 31 March 2021. The period of total uninterrupted engagement for the association is for five financial years ending 31 March 2025. We have fulfilled our ethical responsibilities under and we remain independent of the association in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.



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

Materiality for the group financial statements as a whole was set at £10,626,000 (2024: £5,488,543 for the legacy Bromford Housing Group Limited audit, or £9,917,250 for the merged group comparatives), determined with reference to a benchmark of group turnover (of which it represents 1.75%). We consider group turnover to be the most appropriate benchmark and more appropriate than a profit-based benchmark as the group is a not-for-profit organisation and the focus is on turnover rather than any surpluses, which are reinvested in the group.

Materiality for the parent association financial statements as a whole was set at £649,250 (2024: £435,803), determined with reference to a benchmark of association turnover (of which it represents 1.75%).

Performance materiality was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £7,969,500 (2024: £4,116,407) for the group and £486,938 (2024: £326,852) for the parent association. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £531,300 (2024: £274,427 for the legacy Bromford Housing Group Limited audit, or £495,863 for the merged group comparatives) for the group, in addition to other identified misstatements that warranted reporting on qualitative grounds.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Recoverability of stock and fixed asset work in progress

Group only

The risk of stock and work in progress being overstated on the statement of financial position was considered to represent a significant audit risk, because, in addition to it being high value, consideration of impairment is a significant management judgement and is considered a significant risk of material misstatement due to uncertainty around estimating the final costs and sales proceeds.

The group recorded turnover from properties developed for first tranche shared ownership sale of £52m (2024: £58m) and generated a surplus of £10m (2024: £13m). Other property sales (such as staircasing, RTB and asset disposals) generated a surplus of £33m (2024: £34m). At 31 March 2025, the group held within current assets unsold properties with cost value of £17m (2024: £11m). Work in progress in relation to properties being developed for sale but still under construction at 31 March 2025 totalled £57m (2024: £76m).

Refer to pages 98 to 106 (accounting policies) and page 123 (financial disclosures).

Our response

Our procedures included the following tests of detail:

- **test of detail:** agreeing the calculation of the surplus on sale for a sample of sales in the period and after year end. We reviewed the estimation basis used to calculate the cost of sale for 1st tranche sales to ensure it is in line with the Housing SORP
- **assessment of recoverability:** for a sample of development schemes, we reviewed the carrying value of the group’s stock and work-in-progress at the year-end including the financial appraisals of each scheme. This included testing on a sample basis the expected profitability of the current schemes and reviewing post year-end sales of properties held in stock at 31 March 2025. We reviewed management’s assessment of impairment indicators and considered any indicators of impairment ourselves

Our results

We found no evidence that the year-end balance of stock and work in progress is materially overstated at the year end.

Our review of schemes under development did not identify any indication of work in progress that required provision or impairment write down. We identified no issues which would indicate a material issue with recoverability from review of sales after the year end.

Treasury management and going concern

Group and association

The risk of the impact of funding arrangements and compliance with loan covenants was considered to represent a significant audit risk, because of its significant impact on going concern and the financial statements as a whole.

The group posted a full year surplus of £136m (2024: £125m) before actuarial movements on pension schemes (refer to pages 98 to 106 (accounting policies) and page 94 (financial disclosures)).

At 31 March 2025 the group had borrowings of £2,646m (2024: £2,461m) (refer to pages 98 to 106 (accounting policies) and page 125 (financial disclosures)).

The risk is that the group might have insufficient liquidity to finance its significant development programme, or might breach a funding covenant set out within the agreements in place with a range of funders.

The association posted a full year surplus of £2m (2024: £3m) before actuarial movements on pension schemes (refer to pages 98 to 106 (accounting policies) and page 94 (financial disclosures)).

At 31 March 2025 the association had borrowings of £1,182m (2024: £912m) (refer to pages 98 to 106 (accounting policies) and page 125 (financial disclosures)).

Our response

Our procedures included the following:

- **assessment of recoverability:** reviewed the group's and association's 2025/26 budget and longer-term financial forecasts and the underlying assumptions, to assess the group's ability to service and repay the debt. We also reviewed the stress testing performed by the group on its long-term financial plan
- **test of detail:** tested the detailed calculations for loan covenant compliance prepared by management, both for the year ended 31 March 2025 and projected future performance

Our results

Our audit work concluded that all loan covenants were comfortably met at 31 March 2025. We confirmed that the group held cash reserves of £153m (2024: £134m) and had undrawn loan facilities of £800m (2023: £707m). This available funding is sufficient to meet committed capital expenditure at 31 March 2025.

The association held cash reserves of £63m at 31 March 2025 (2024: £61m). There was £nil committed capital expenditure as at 31 March 2025 (2024: nil).

Forecast performance at 31 March 2026 shows a similar position, with covenants expected to be comfortably met. They are also expected to be comfortably met for the foreseeable future.

We concluded that across a range of stress testing scenarios carried out on its longer-term financial forecasts, including those linked to the current economic conditions, the group and association remains comfortably within its funding covenants.

Recoverability of long-term debtor in Bromford Flagship Limited

Association only

The risk around the recoverability of the long-term debtor was considered to represent a significant audit risk, because of its significant impact on going concern and the financial statements as a whole.

The association's principal activity is to act as principal borrower from third parties and to lend funds to group entities in order to meet the objectives of the association. Long-term debtors in relation to this activity are £1,130m at 31 March 2025 (2024: £867m).

The risk arises in relation to other group members not being able to service or repay the debt due to the association.

Our response

Our procedures included the following:

- **assessment of recoverability:** reviewed the budgets and longer-term financial forecasts, including the underlying assumptions, to assess the ability of each subsidiary to service and repay the debt. We also reviewed the stress testing performed by each subsidiary on their respective long-term financial plans
- **confirmation of value:** agreed all intercompany balances to the accounting records of the group and each subsidiary
- **test of detail:** tested the detailed calculations for loan covenant compliance prepared by management for each subsidiary, both for the year ended 31 March 2025 and projected future performance

Our results

Our testing found that across a range of stress testing scenarios carried out on the longer-term financial forecasts, including those linked to the current economic climate, the subsidiaries within the group remain viable entities and we found nothing to indicate any issues with the ability of the subsidiaries to service and repay the debts due to the association.

Recoverability of internally generated intangible assets

Group only

The risk around the recoverability of the internally generated intangible assets was considered to represent a significant audit risk, because, in addition to it being high value, consideration of impairment is a significant management judgement and is considered a significant risk of material misstatement.

Intangible fixed assets are capitalised relating to the Transformation Programme. These are capitalised as the group expects them to result in future cost savings on systems and staff costs. In the year to 31 March 2025, £17m was capitalised (2024: £19m). The balance as at 31 March 2025 relating to the Transformation Programme was £84m (2024: £72m).

The risk arises in relation to the costs capitalised being greater than the value in use of the intangibles based on the expected benefits and cost savings they will generate.

Our response

Our procedures included the following:

- **assessment of recoverability:** reviewed evidence provided by management and challenged assumptions regarding the expected future benefits and cost savings from the Project, to demonstrate that they are more than the costs capitalised to date to evidence there is no indicator of impairment. We discussed key judgements with the Audit and Risk Committee and reviewed the relevant disclosures in the financial statements
- **confirmation of value:** agreed a sample of additions to intangible fixed assets against supporting documentation and reviewed whether additions to intangible fixed assets have been capitalised appropriately in line with the definitions in FRS 102

Our results

Our testing found that additions to intangible fixed assets had been capitalised correctly and satisfied the requirements for internally generated intangible assets to be capitalised per FRS 102. Our review of the expected benefits and cost savings to be generated from the internally generated intangible assets did not find any indication of material impairment loss.

Merger between Bromford Housing Group Limited and Flagship Housing Limited

Group and association

The risk around the presentation and treatment of the business combination was considered to represent a significant audit risk due to the judgements involved and complexity, including the use of the merger accounting method and the alignment of accounting policies.

Bromford Housing Group Limited and Flagship Housing Group Limited (Flagship) merged on 28 February 2025 to form a new organisation called Bromford Flagship. Flagship Housing Group Limited became a subsidiary of Bromford Housing Group Limited, which changed its name to Bromford Flagship. The merger accounting method was used and the financial statements present the results as if the combination had already happened at the start of the prior accounting period and the comparatives are restated on this basis.

The effects of alignment of accounting policies were also considered and reflected in the financial statements.

The risk arises in relation to the merger accounting method being applied incorrectly or alignment of accounting policies not being applied appropriately causing misstatements in the current year or comparatives in the financial statements.

Our response

Our procedures included the following:

- we reviewed the use of the merger accounting method to ensure it was in line with FRS 102 and the Housing SORP 2018 and that disclosure requirements had been met. We reviewed the basis and calculations for adjustments for alignments to accounting policies as at 31 March 2024 and 31 March 2025 and during each year and the audited consolidation workings for current year and comparative values presented in the group accounts

Our results

We obtained and assessed management's paper in respect of accounting for this transaction and reviewed the proposed treatment in accordance with the relevant accounting standards. We found that the merger had been treated appropriately and accounted for correctly.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the board's assessment of the entity's ability to continue to adopt the going concern basis of accounting included carrying out the following:

- we obtained management's assessment that supports the board's conclusions with respect to the disclosures around going concern
- we considered the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management, assessing historical forecasting accuracy and considered the reasonableness of the range of scenarios included in management's consideration of downside sensitivity analysis
- we challenged management on the suitability of the mitigating actions identified in their downside assessment, including the quantum and period ascribed to these mitigating actions
- we obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities and covenant headroom calculations. We assessed the facilities and covenant headroom calculations
- we reviewed the wording of the going concern disclosures and assessed its consistency with management forecasts

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually

or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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



Corporate governance disclosures

In auditing the financial statements, we have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's voluntary compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 81
- directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 81
- director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 81
- directors' statement on fair, balanced and understandable set out on page 80
- board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 74 to 78
- section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 69
- section describing the work of the audit committee set out on page 62

Responsibilities of the board

As explained more fully in the Statement of Board's Responsibilities set out on page 80, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website 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 and regulations that affect the group and association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, 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 board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the board have in place, where necessary, to ensure compliance
- we gained an understanding of the controls that the board have 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 and fraud 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 nature of the group's activities and the regulated nature of the group's activities
- we reviewed financial statements disclosures and tested to 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 association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association's members or the association for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers
Chartered Accountants
Statutory Auditor

The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date: 31 July 2025

Financial statements



Statement of comprehensive income – group and association

	Notes	Group		Association	
		2025 £m	2024 £m	2025 £m	2024 £m
Turnover	2	607.2	566.7	37.1	24.9
Cost of sales	2	(73.1)	(74.1)	-	-
Operating costs	2,3	(353.3)	(327.9)	(35.1)	(22.2)
Gain on disposal of property assets	10	33.3	34.2	-	-
Share of operating profit in joint ventures	18	1.3	0.9	-	-
Operating surplus	5	215.4	199.8	2.0	2.7
Interest receivable	6	10.6	6.0	39.7	28.5
Interest and financing costs	7	(98.3)	(82.9)	(40.1)	(28.5)
Loan break gains	7	6.5	-	0.4	-
Movement in fair value of financial instruments	24	0.5	0.7	-	-
Movement in fair value of investment properties	14	1.5	(0.6)	-	-
Gain on shared equity loans	17	0.2	1.8	-	-
Gift aid		-	-	0.5	0.6
Surplus before tax		136.4	124.8	2.5	3.3
Taxation	11	-	-	(0.5)	-
Surplus for the year after tax		136.4	124.8	2.0	3.3
Actuarial loss relating to pension scheme	36	(1.6)	(12.1)	-	-
Total comprehensive income for the year		134.8	112.7	2.0	3.3

All amounts relate to continuing activities.

The notes on pages 98 to 142 form an integral part of these financial statements.

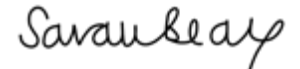
The financial statements on pages 94 to 142 were approved and authorised for issue by the board on 25 July 2025 and were signed on its behalf by:



Peter Hawes
Chair



Robert Nettleton
Chief Executive



Sarah Beal
Company Secretary

Statement of financial position – group and association

	Notes	Group		Association	
		2025 £m	2024 £m	2025 £m	2024 £m
Fixed Assets					
Tangible fixed assets - housing properties	12	5,462.1	5,079.6	-	-
Investment in subsidiaries	13	-	-	0.2	0.2
Investment properties	14	88.5	87.6	-	-
Tangible fixed assets - other	15	35.0	37.1	-	-
Intangible fixed assets	16	98.1	81.2	-	-
Homebuy loans receivable	17	2.5	2.4	-	-
Investment in joint ventures	18	10.4	12.5	-	-
		5,696.6	5,300.4	0.2	0.2
Assets: amounts receivable after more than one year					
Debtors	20	0.1	0.1	1,129.5	866.7
		0.1	0.1	1,129.5	866.7
Current assets					
Stocks	19	77.5	90.8	-	-
Trade and other debtors	20	65.7	51.5	98.7	63.4
Investments	21	31.7	31.4	-	-
Cash and cash equivalents	22	152.5	134.0	63.0	60.7
		327.4	307.7	161.7	124.1
Creditors: amounts falling due within one year	23	(172.7)	(167.1)	(71.3)	(44.4)
Net current assets		154.7	140.6	90.4	79.7
Total assets less current liabilities		5,851.4	5,441.1	1,220.1	946.6

	Notes	Group		Association	
		2025 £m	2024 £m	2025 £m	2024 £m
Creditors: amounts falling due after more than one year	24	(3,496.6)	(3,220.3)	(1,182.1)	(910.6)
Provisions for liabilities					
Pension liability	36	(13.0)	(14.1)	-	-
Other provisions	27	(9.0)	(8.7)	-	-
Total net assets		2,332.8	2,198.0	38.0	36.0
Reserves					
Called up share capital	28	-	-	-	-
Income and expenditure reserve		1,886.3	1,744.9	38.0	36.0
Revaluation reserve		444.5	451.1	-	-
Restricted reserve		2.0	2.0	-	-
Total reserves		2,332.8	2,198.0	38.0	36.0

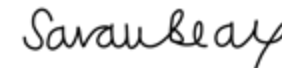
The notes on pages 98 to 142 form an integral part of these financial statements. The financial statements on pages 94 to 142 were approved and authorised for issue by the board on 25 July 2025 and were signed on its behalf by:



Peter Hawes
Chair



Robert Nettleton
Chief Executive



Sarah Beal
Company Secretary

Changes in reserves – group and association

	Group			Total £m
	Revaluation reserve £m	Income and expenditure reserve £m	Restricted reserves £m	
Balance at 1 April 2023	458.8	1,627.7	2.0	2,088.5
Surplus from statement of comprehensive income	-	124.8	-	124.8
Other comprehensive income				
Revaluation in year	0.5	-	-	0.5
Actuarial losses	-	(12.1)	-	(12.1)
Total comprehensive income for the year	0.5	112.7	-	113.2
Reserve transfers				
Transfer in respect of depreciation	(8.2)	8.2	-	-
Transfer in respect of disposal	-	(3.7)	-	(3.7)
Balance at 31 March 2024	451.1	1,744.9	2.0	2,198.0
Surplus from statement of comprehensive income	-	136.4	-	136.4
Other comprehensive income				
Actuarial losses	-	(1.6)	-	(1.6)
Total comprehensive income for the year	-	134.8	-	134.8
Reserve transfers				
Transfer in respect of depreciation	(6.6)	6.6	-	-
Balance at 31 March 2025	444.5	1,886.3	2.0	2,332.8

	Association	
	Income and expenditure reserve £m	Total £m
Balance at 1 April 2023	32.7	32.7
Surplus from statement of comprehensive income	3.3	3.3
Balance at 31 March 2024	36.0	36.0
Surplus from statement of comprehensive income	2.0	2.0
Balance at 31 March 2025	38.0	38.0

The notes on pages 98 to 142 form an integral part of these financial statements.

Statement of cashflows

	Group			
	2025 £m	2025 £m	2024 £m	2024 £m
Net cash generated from operating activities		284.4		227.2
Cashflow from investing activities				
Purchase of tangible fixed assets (housing properties)	(479.2)		(444.8)	
Purchase of tangible and intangible fixed assets (non-housing)	(28.6)		(28.2)	
Purchase of tangible asset investments	(0.1)		(0.2)	
Proceeds from the sale of housing properties (net of selling costs)	56.3		54.7	
Proceeds from sale of other fixed assets	0.3		2.2	
Proceeds from sale of investments	0.6		0.1	
Transfers from current asset investments	-		5.0	
Grants received	86.8		59.3	
Loans repaid by joint venture undertakings	3.7		0.4	
Interest received	9.9		6.5	
Net cashflow from investing activities		(350.3)		(345.0)

	Group			
	2025 £m	2025 £m	2024 £m	2024 £m
Cashflow from financing activities				
Interest paid	(105.4)		(85.3)	
New secured loans	271.3		150.6	
Repayment of borrowings	(75.3)		(28.5)	
Proceeds from issue of bank borrowings	-		25.0	
Capital element of finance lease rental payments	(4.6)		(4.2)	
Loan settlement receipt	1.1		-	
Pension fund loan repayments	1.2		10.8	
Debt issue costs	(3.9)		(2.5)	
Net cashflow from financing activities		84.4		65.9
Net change in cash and cash equivalents		18.5		(51.9)
Cash and cash equivalents at the beginning of the year		134.0		185.9
Cash and cash equivalents at the end of the year		152.5		134.0

The notes on pages 98 to 142 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

The financial statements of the group and association are prepared in accordance with Financial Reporting Standard 102 – the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 and comply with the Accounting Direction of Private Registered Providers of Social Housing 2022. The group is a public benefit organisation and applies the relevant paragraphs prefixed PBE in FRS 102.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1 million to one decimal place. The financial statements are prepared on the historical cost basis as modified by the fair value of certain investments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The preparation of the accounts requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on pages 106 to 108.

Parent company disclosure exemptions

In preparing the separate financial statements of the association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the parent company
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole

Basis of consolidation

The consolidated financial statements incorporate the results of Bromford Flagship Limited, its subsidiary undertakings and the group's share of its interests in joint ventures. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accounting policies of subsidiaries are consistent with those used across the group. Intercompany transactions and balances between group companies are eliminated in full on consolidation. Investments in joint ventures are accounted for using the equity method.

The list of the group undertakings appears in the legal status section on page 109.

Going concern

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

The group prepares a 30-year business plan which is updated and approved on at least an annual basis. The most recent business plan was approved in May 2025 by the board. As well as considering the impact of a number of scenarios on the business plan the board subjected the business plan to rigorous stress testing. The stress test impacts were measured against the financial framework, loan covenants and peak borrowing compared to agreed loan facilities with potential mitigating actions identified to reduce expenditure. The sector continues to deal with a number of challenges. Whilst inflation is now reducing, higher interest rates are increasing the cost of new funding. Our business plan continues to be modified to include the impact of this. In addition, the business plan includes the estimated full cost of the group achieving net zero carbon output by 2050 despite changes to government targets.

The board, after reviewing the group and company budget for 2025 to 2026 and the group's medium term financial position as detailed in the 30-year business plan is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue in business for the foreseeable future. In reaching this conclusion, the board considered:

- **the property market** - budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales and reduction in sales values
- **adverse scenarios** - the group's ability to withstand adverse scenarios such as higher interest rates and other adverse movements
- **rents and service charge receivable** - budget and business plan scenarios have taken into account increases in arrears and bad debts for customer difficulties in making rent payments and scenarios to take into account potential future reduction in rents
- **liquidity** - current available cash and unutilised loan facilities of over £900m which gives significant headroom for committed spend and other forecast cash flows that arise

The board believes the group and association has sufficient funding in place and expects the group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the directors are confident that the group and association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Merger

On 28 February 2025 Bromford Housing Group and Flagship Housing Group amalgamated to become Bromford Flagship Limited. In accordance with FRS102 this transaction has been accounted for as a merger and these financial statements have been prepared as if Bromford Flagship Limited had existed since the start of the previous reporting period.

Turnover and revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts, void loss and value added taxes (where applicable).

The group generates the following material income streams:

Rental and service charge income

- Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised when service charge expenditure is incurred as this is the point at which the services have been performed.
- The group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with customers. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to customers by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the statement of financial position. Where periodic expenditure is required, a balance may be built up over the years, in consultation with the customers. Until these costs are incurred this liability is held in the statement of financial position within long term creditors. For schemes managed by agents, income is shown as rent receivable and management fees payable to agents are included in operating costs.

- **Shared ownership first tranche sales**
Income from first tranche sales is recognised at the point of legal completion of the sale. The surplus or deficit arising on a first tranche sale is shown after deducting the cost of the properties and related sale expenses.
- **Properties developed for outright sales**
Sales of properties developed for outright sale are included in turnover at the point of legal completion. The surplus or deficit arising on an outright sale is shown after deducting the cost of the properties and related sale expenses.
- **Grants**
Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. If there are specific performance requirements, the grant is recognised in turnover when the performance requirements are met.
- **Interest income**
Interest income is recognised when received or receivable.

Taxation

The association is registered as a charity with HM Revenue & Customs. By virtue of S.478 Corporation Tax Act 2010, the association is exempt from corporation tax. The association pays corporation tax at the rate applicable on any surplus it generates from non-charitable activities.

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date except

for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Value Added Tax

The group 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 group/association and is not recoverable. The balance receivable or payable at the year-end is included in current assets or current liabilities.

Goodwill arising on business combinations

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value of the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. On acquisition, goodwill is allocated to cash-generating units (CGUs) that are expected to benefit from the combination. Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the statement of comprehensive income. No reversals of impairment are recognised.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction. Fair values are attributed to the identifiable assets, liabilities and

contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or deemed cost valuation (as part of the FRS102 transition, taken at 1 April 2014), less accumulated depreciation and accumulated impairment losses.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide a social benefit. Cost includes the original purchase price, directly attributable development costs, borrowing costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the statement of financial position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

Components	Years
Boilers	15
Heating systems	25-30
Electrics and wiring	30
Insulation	30
PV Panels	25-30
Lifts	25-40
Kitchens	20
Bathrooms	30
Roofs	50-80
Windows and doors	25-30
Structure – houses	130
Structure – flats	100
Freehold land is not depreciated	-

The group 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.

The costs of shared ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as a sale of fixed assets.

Works to existing properties which replace a component that has been treated separately for depreciation purposes or result in enhancing the economic benefits of the properties are capitalised. Where the component is replaced the cost and related depreciation are eliminated from housing properties. Economic benefits are enhanced if the improvements result in an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property. Works to existing properties which do not meet the above criteria are expensed as incurred.

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress. The interest capitalised is either on borrowings specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised. Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

Other tangible fixed assets

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Motor vehicles	6 (20% residual value)
Fixtures, fittings, plant and equipment	5-33
Computer hardware	3-5
Leasehold improvements	10-25
Office buildings	50

Intangible fixed assets

Software acquisition costs, licence costs and development costs are treated as intangible fixed assets and are stated at cost, less accumulated amortisation and accumulated impairment losses. Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available
- the expenditure attributable to the software during its development can be reliably measured

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Amortisation is charged on a straight-line basis over the expected economic useful life of the asset as follows:

	Years
Computer software	3-7
Business transformation costs	10

Investment property

Investment property includes commercial and other properties held by the group for reasons other than social benefit or for use in the business. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Valuation of investments

Investments in subsidiaries are measured at cost less any accumulated impairment.

Investment in jointly controlled entities are accounted for using the equity method, after initially being recognised at cost in the statement of financial position. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in the statement of comprehensive income and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Member distributions from joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its joint

ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity-accounted investments is tested for impairment annually.

Finance leases

At inception the group assesses the agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset. Assets are depreciated over the shorter of the lease term and estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on the inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leases

Payments are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.



Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 30 days which cannot be accessed within 24 hours. They 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.

Stock and properties held for sale

Stocks of materials are stated at the lower of cost and net realisable value. Work in progress and finished goods include labour and attributable overheads. Cost of materials is based on a first in, first out basis. Net realisable value is the estimated selling price less costs to complete and sell.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits which mature within 30 days. Bank overdrafts that are repayable on demand and form an integral part of the group's and association's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Social housing and other government grants

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model. Grants relating to revenue are recognised in statement of comprehensive income over the same period as the expenditure to which they relate once reasonable assurance has been gained that the group will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets, current liabilities, or non-current liabilities in accordance with the expected realisation of the income. Government grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on the sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position.

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

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

Revaluation reserve

The revaluation reserve represents the difference on transition to FRS102 between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken. The difference between the actual depreciation charge and the historical cost depreciation charge is transferred from the revaluation reserve to the revenue reserve annually.

Colleague benefits

The group provides a range of benefits to colleagues, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plan

The group operates an annual bonus plan for certain colleagues. An expense is recognised in the statement of comprehensive income when the group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Defined benefit pension

The group operates defined benefit plans for certain colleagues. A defined benefit plan defines the benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments

using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments (discount rate). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. The amounts charged to operating surplus are the costs arising from the employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of colleague costs. The net interest cost on the net defined benefit liability is charged to surplus for the year and included within finance costs. Remeasurement of the net assets/defined liability are recognised in other comprehensive income. Defined benefit schemes are funded in separate trustee administered funds. The actuarial valuations are obtained triennially and are updated at each reporting date.

Defined contribution pension

The group also provides defined contribution pension schemes for employees. The employer contribution to the scheme is charged to the statement of comprehensive income as it becomes payable. The assets of the schemes are kept separately from those of the group in separately administered funds.



Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that this is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services, deducted from the liability recognised and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Carrying amounts

The carrying amounts of non-financial assets not carried at fair value, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Segmental reporting

The group's reportable segments are based on its operational divisions which offer distinguishable services and are managed separately and are regularly assessed by the chief operating decision makers and the group's executive board. Operating division results include items directly attributable to the segment, together with the apportioned centralised costs. Central costs are allocated based on a number of factors including number of homes and staff costs within each of their respective operations. The presentation of these financial statements and accompanied notes reflect the group's management and internal reporting. The information reviewed within the management accounts to assess performance and make strategic decisions are consistent with and closely aligned to the financial statements.

The material operating segments are disclosed in note 2 where information about income and expenditure attributable to the material operating segments are presented on the basis of tenure type. This is appropriate based on the similarity of the services provided, the nature of the risks associated and the nature of the regulatory environment in which the group operates. Assets and liabilities are not reported by operating segment or tenure, other than housing properties which are split by tenure type and are shown in note 3.

Critical accounting judgements and estimation uncertainty

The group makes estimates and assumptions concerning the future. Estimates and judgements are based on historical experience and future expectations but by definition, will seldom equal the related actual results. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Operating surplus

Operating surplus is shown including the following as these are part of our usual operating activity:

- gain on disposal of housing properties and other property, plant and equipment
- share of operating profit/(loss) in joint ventures

Management have made a judgement that the movement in fair value of investment properties does not form part of our usual operating cycle based on the existing use of the assets.

Tangible fixed assets

Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. During the year, the group revised the estimated useful life of its houses and flats from 100 to 130 years and 75 to 100 years respectively, resulting in a decrease in the annual depreciation charge of £5.8m and decrease in grant amortisation of £1.2m, applied prospectively as a change in accounting estimate.

Housing property allocation

Where schemes under construction are mixed tenure, costs are split using a suitable method such as area (square footage) or rental yield. The allocation of the cost of shared ownership schemes under construction between inventories and housing properties is determined by past experience. At 31 March 2025 management have determined that 30%-40% is a suitable estimate based on the group's experience in the year. Management forecast the market value of shared ownership properties on a scheme-by scheme basis which informs the current element allocated to stock accordingly. This estimate influences stock valuations in note 19 and housing properties under construction in note 12.

Investment property

The group carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. The group engages independent experts to determine the fair value of its investment properties at the balance sheet date. The estimation of the fair values requires the combination of assumptions including revenue growth, estimates in respect of voids and bad debt exposure, investment required in maintenance and improvement as well as judgement to use an appropriate discount rate. For details of assumptions adopted, see note 14.

The group's market rented property portfolio is valued on a market value subject to tenancies (MV-STT) basis. The group has not seen a deterioration in arrears or voids across its market rented portfolio with demand broadly outstripping supply throughout the year. Maintenance expenditure and management costs have increased during the year due to inflation, but occupancy rates remain high.

The group's student accommodation portfolio is valued on a discounted cash flow basis. The group continues to see demand for its student accommodation outstrip its availability, with education providers seeking longer term leases. The group completed the fire compartmentalisation work at Tripos Court during the year. The portfolio increased in value by £0.3m during the year.

The group has recognised a £1.5m valuation increase in its investment properties during the year ended 31 March 2025.

Categorisation of debt

The group's loans have been treated as basic in accordance with paragraphs 11.8 and 11.9 of FRS 102. The group has fixed rate loans which have a two-way break clause which means, in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate. On 2 June 2016, The Financial Reporting Council (FRC) issued a statement in respect of such loans and gave no prescriptive direction as to whether they should be classified as basic or non-basic. The group believes the recognition of each loan liability at cost provides a transparent and understandable position of the group's financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, therefore, the group has retained its basic treatment of its fixed rate loans following the FRC announcement.

Intangible fixed assets

These are amortised over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Pension and other post-employment benefits

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The assumptions reflect historical experience and current trends. For details of assumptions adopted, see note 36.

Impairment of non-financial assets

Reviews for impairment of housing properties and intangible assets 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 group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the group as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include any restructuring activities that the group is not yet committed to nor any significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

A detailed review has been performed in relation to housing stock and work in progress and no adjustment to carrying values was required. The carrying value of intangible assets has been assessed this year with no triggers for impairment identified.

Rent arrears and bad debt provisions

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of the debtors and historical experience.

Valuation of unencumbered assets

Unencumbered assets have been calculated using the Existing Use Value for Social Housing (EUV-SH) and Market Value subject to existing Tenancies (MV-STT) definitions. EUV-SH uses discounted rental cashflows and a hypothetical sale to another registered provider on strict assumptions that; the stock will continue to be let at affordable rents in perpetuity; will be managed in accordance with the regulator's requirements; and that any void properties will be re-let and not sold with vacant possession. MV-STT assumes a discount to market value, and is on the basis the property will remain subject to secure or assured tenancy. The group has identified an average property value from an amalgam of the existing properties valued under EUV-SH and MV-STT and applied this to the unencumbered population to determine a reasonable estimated value for those homes.



Legal Status

Bromford Flagship Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing (RSH) as a Private Registered Provider of Social Housing.

At 31 March 2025 the group comprised the following entities:

Name and registration number	Status	Activity
Bromford Flagship Limited (29996R)	Co-operative and Community Benefit Society	Registered housing provider
Subsidiary		
Bromford Housing Association Limited (7106)	Co-operative and Community Benefit Society	Registered housing provider
Bromford Home Ownership Limited (29991R)	Co-operative and Community Benefit Society	Registered housing provider
Merlin Housing Society Limited (30012R)	Co-operative and Community Benefit Society	Registered housing provider
Flagship Housing Limited (IP031211)	Co-operative and Community Benefit Society	Registered housing provider
Bromford Assured Homes Limited (02677730)	Private Limited Company	Non-registered housing provider
Bromford Developments Limited (06507824)	Private Limited Company	Development
Flagship Housing Developments Limited (05131085)	Private Limited Company	Development
Flagship Finance PLC (13448782)	Public Limited Company	Finance vehicle
Gasway Services Limited (04158628)	Private Limited Company	Gas servicing
Blue Flame (Colchester) Limited	Private Limited Company	Dormant
Hopestead CIO (1190324)	Charitable Incorporated Organisation	Registered charity
Riverside Mews Management Company Limited (02953846)	Private Limited Company	Management company
Strand Services (Whitchurch) Limited (02645753)	Private Limited Company	Management company
Bromford Housing Group Investments Limited (13010656)	Private Limited Company	Joint venture holding company
East Anglian Lettings Limited (08421578)	Private Limited Company	Dormant
Flagship Community Housing Limited (09892942)	Private Company Limited by guarantee	Dormant
North Norfolk Housing Company Limited (05999428)	Private Limited Company	Dormant
RFT Repairs Limited (08341166)	Private Limited Company	Dormant
Joint venture		
Lovell Flagship LLP (OC427790)	Limited Liability Partnership	Development
Grange Lane (Littleport) LLP (OC444733)	Limited Liability Partnership	Development
Littleport Developments LLP (OC435041)	Limited Liability Partnership	Development
Homes for the West Midlands LLP (OC452327)	Limited Liability Partnership	Development

During the year Igloo Insurance PCC Limited was closed and is no longer a subsidiary of the group. The group also entered into a partnership via a 20% investment in a new joint venture; Homes for the West Midlands LLP.

2. Turnover and operating surplus - Group

2025							
Notes	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on disposal £m	Share of operating income from joint ventures £m	Operating surplus/ (deficit) £m	
Social housing lettings							
Housing accommodation	3	420.3	-	(288.1)	-	132.2	
Supported housing accommodation	3	41.2	-	(22.1)	-	19.1	
Shared ownership accommodation	3	33.1	-	(19.4)	-	13.7	
		494.6	-	(329.6)	-	165.0	
Other social housing activities							
First tranche shared ownership sales		51.7	(38.8)	(2.6)	-	10.3	
Supported people contract income		1.0	-	(0.7)	-	0.3	
Sales and development		-	-	(5.5)	-	(5.5)	
Other		3.5	-	(3.3)	-	0.2	
Gain on disposal of property, plant and equipment		-	-	-	33.3	33.3	
Non-social housing activities							
Market rents		5.8	-	(2.5)	-	3.3	
Student accommodation		4.4	-	(4.3)	-	0.1	
Commercial rents		2.7	-	(0.6)	-	2.1	
Gas servicing/external sales		19.4	(15.2)	(2.9)	-	1.3	
Properties developed for outright sale		22.7	(19.1)	(0.6)	-	3.0	
Other		1.4	-	(0.7)	-	0.7	
Share of operating income from joint ventures		-	-	-	1.3	1.3	
		607.2	(73.1)	(353.3)	33.3	215.4	

2. Turnover and operating surplus - Group continued

		2024					
	Notes	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on disposal £m	Share of operating income from joint ventures £m	Operating surplus/ (deficit) £m
Social housing lettings							
Housing accommodation	3	382.3	-	(268.4)	-	-	113.9
Supported housing accommodation	3	39.1	-	(21.2)	-	-	17.9
Shared ownership accommodation	3	28.5	-	(15.5)	-	-	13.0
		449.9	-	(305.1)	-	-	144.8
Other social housing activities							
First tranche shared ownership sales		57.9	(42.8)	(2.6)	-	-	12.5
Supported people contract income		1.0	-	(0.8)	-	-	0.2
Sales and development		-	-	(4.0)	-	-	(4.0)
Other		2.4	-	(2.6)	-	-	(0.2)
Gain on disposal of property, plant and equipment		-	-	-	33.8	-	33.8
Non-social housing activities							
Market rents		6.1	-	(3.8)	-	-	2.3
Student accommodation		4.1	-	(3.1)	-	-	1.0
Commercial rents		1.8	-	(0.6)	-	-	1.2
Gas servicing/external sales		20.6	(15.4)	-	-	-	5.2
Properties developed for outright sale		20.7	(15.9)	(2.8)	-	-	2.0
Other		2.2	-	(2.5)	0.4	-	0.1
Share of operating income from joint ventures		-	-	-	-	0.9	0.9
		566.7	(74.1)	(327.9)	34.2	0.9	199.8

3. Income and expenditure from social housing lettings - Group

	2025			2024	
	Housing accommodation £m	Supported housing for older people and My Place £m	Shared ownership £m	Total £m	Total £m
Income					
Rent receivable net of identifiable service charge	402.9	28.9	28.6	460.4	416.4
Service charge income	10.0	11.6	3.4	25.0	23.5
Charges for support services	0.2	0.2	0.8	1.2	1.5
Amortised government grants	5.6	0.5	0.3	6.4	7.1
Revenue grants from other sources	1.6	-	-	1.6	1.4
Turnover from social housing lettings	420.3	41.2	33.1	494.6	449.9
Expenditure					
Management	76.7	6.1	8.9	91.7	76.5
Service charge costs	28.3	5.3	1.9	35.5	32.6
Routine maintenance	77.8	4.5	1.3	83.6	78.4
Planned maintenance	27.2	0.2	1.2	28.6	27.7
Major repairs expenditure	12.2	1.2	2.3	15.7	15.7
Bad debts	0.9	0.7	0.1	1.7	3.3
Depreciation of housing properties	65.0	4.1	3.7	72.8	70.9
Operating expenditure on social housing lettings	288.1	22.1	19.4	329.6	305.1
Operating surplus on social housing lettings	132.2	19.1	13.7	165.0	144.8
Voids	(2.7)	(0.2)	(3.4)	(6.3)	(7.7)

4. Accommodation - owned, managed and in development (no. of properties)

	Group				
	2024	Additions	Converted/reclassified	Disposals	2025
Social housing					
General housing - social rent	55,972	518	(30)	(269)	56,191
General housing - affordable/intermediate rent	9,271	820	14	(10)	10,095
Supported housing and housing for older people					
Social rent	3,995	-	(15)	(2)	3,978
Care homes	150	-	-	-	150
Low cost home ownership	6,747	618	110	(131)	7,344
Leasehold	2,165	1	(111)	(3)	2,052
Total social housing units	78,300	1,957	(32)	(416)	79,810
Owned and managed	77,263	1,698	22	(414)	78,569
Owned and managed by others	521	-	(53)	-	468
Managed for others	516	259	(1)	(1)	773
Total social housing units	78,300	1,957	(32)	(415)	79,810
Non-social housing					
Staff accommodation	6	-	1	-	7
Market rent	527	-	4	-	531
Student accommodation	600	-	(3)	-	597
Commercial	93	-	(6)	(4)	83
Offices and resources	134	-	6	(1)	139
Retained freehold	1,019	18	50	(11)	1,076
Total non-social housing units	2,379	18	52	(16)	2,433
Total units	80,679	1,975	20	(431)	82,243

5. Surplus on ordinary activities

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
The surplus on ordinary activities is stated after charging				
Operating lease rentals				
Office land and buildings	0.7	0.8	-	-
Other	2.0	2.8	-	-
Auditors' remuneration	£'000			
Audit of financial statements	40	30	40	30
Audit of subsidiaries	210	140	45	-
Service charge certification	33	35	33	-
Funding assurance	45	30	45	-
Other services	18	19	18	-

6. Interest receivable and income from investments

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Interest receivable from cash, deposits and intragroup loans	10.2	5.0	39.7	28.5
Interest from joint venture non current loan receivables	0.4	1.0	-	-
	10.6	6.0	39.7	28.5

7. Interest payable and similar charges

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Interest on loans, overdrafts and other financing				
On loans repayable wholly within five years	2.5	1.9	1.6	0.6
On loans wholly or partly repayable in more than five years	98.9	84.8	37.8	25.1
	101.4	86.7	39.4	25.7
Other finance charges	1.3	1.6	0.5	0.4
Amortised net finance costs	1.5	1.1	0.2	2.4
	104.2	89.4	40.1	28.5
Interest payable capitalised on housing properties under construction 4.04%-4.20% (2024: 3.72%-4.30%)	(7.1)	(6.7)	-	-
	97.1	82.7	40.1	28.5
Net interest cost on defined benefit deficit	1.2	0.2	-	-
	98.3	82.9	40.1	28.5

Following the merger with Flagship Housing Limited on 28 February 2025, the group completed the restructuring of three existing debt facilities to streamline funding across the group. This resulted in one off net break gains of £6.5m for the group, £0.4m of which was realised by the association.

8. Colleague costs

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Wages and salaries	138.2	122.2	1.2	1.6
Social security costs	14.3	12.8	0.1	0.2
Other pension costs	9.8	8.8	0.1	0.1
	162.3	143.8	1.4	1.9

The average number of full-time equivalent employees (including executive directors) employed during the year:

	Group		Association	
	2025 No.	2024 No.	2025 No.	2024 No.
Asset management	1,709	1,519	-	-
Central services	588	600	35	30
Development, construction and sales	236	197	-	-
Housing management and support	999	936	-	-
	3,532	3,252	35	30

A full-time equivalent employee is classed as working a 37.5 hour week.

The number of full-time employees (including executive directors) whose remuneration exceed £60,000 in the period was as follows:

	Group	
	2025 No.	2024 No.
£60,001-£70,000	117	96
£70,001-£80,000	63	49
£80,001-£90,000	36	39
£90,001-£100,000	25	21
£100,001-£110,000	27	19
£110,001-£120,000	16	4
£120,001-£130,000	6	8
£130,001-£140,000	6	7
£140,001-£150,000	5	3
£150,001-£160,000	6	4
£160,001-£170,000	6	1
£170,001-£180,000	4	6
£180,001-£190,000	1	3
£190,001-£200,000	3	2
£200,001-£210,000	1	1
£210,001-£220,000	2	-
£220,001-£230,000	-	1
£230,001-£240,000	1	1
£250,001-£260,000	2	-
£260,001-£270,000	-	1
£270,001-£280,000	1	-
£320,001-£330,000	-	2
£330,001-£340,000	1	-
£340,001-£350,000	1	-
	330	268

9. Directors' emoluments

Directors (key management personnel) are defined as the members of the board, the chief executive, other chief officers and executive directors.

The highest paid director was Robert Nettleton (2024: Robert Nettleton), the chief executive. Robert Nettleton was previously an ordinary member of the Bromford contribution pension scheme funded by annual contributions from the employer and employee. The pension figure includes a cash payment in lieu of pension contribution as agreed by the Remunerations and Nominations Committee.

Emoluments (excluding pension contributions) payable to the highest paid director:

	2025 £'000	2024 £'000
Robert Nettleton	336	301

The total emoluments of the directors of Bromford Flagship Limited comprise:

	2025				Total £'000
	Salaries £'000	Bonus £'000	Taxable benefits £'000	Pension £'000	
Robert Nettleton	317	18	1	29	365
Other chief officers and executive directors	1,238	68	8	126	1,440
Non-executive board directors	139	-	-	-	139
Total executive and non-executive directors	1,694	86	9	155	1,944

	2024				Total £'000
	Salaries £'000	Bonus £'000	Taxable benefits £'000	Pension £'000	
Robert Nettleton	300	-	1	28	329
Other chief officers and executive directors	1,137	-	5	114	1,256
Non-executive board directors	122	-	-	-	122
Total executive and non-executive directors	1,559	-	6	142	1,707

The total emoluments of the directors are paid through subsidiary entities and are disclosed above. Directors' emoluments are part of the overheads recharged to the association, however, cannot be separately identified.



10. Sale of properties not developed for outright sale and other fixed assets

	Group			
	Proceeds of sales £m	Cost of sales £m	Surplus £m	Capital grant recycled £m
Further tranches of shared ownership	20.1	(10.1)	10.0	0.1
Right to buy/ Right to acquire	5.6	(4.3)	1.3	1.1
Other property disposals	33.7	(11.7)	22.0	0.9
Other fixed asset disposals	0.3	(0.3)	-	-
Total 2025	59.7	(26.4)	33.3	2.1
Total 2024	56.6	(22.4)	34.2	1.9

11. Taxation on surplus on ordinary activities

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Current tax				
UK corporation tax charge/(credit) on ordinary activities	-	-	-	-
Subsidiary group relief charge	-	-	(0.5)	-
Total current tax	-	-	(0.5)	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Tax on surplus on ordinary activities	-	-	(0.5)	-
Total tax reconciliation				
Surplus on ordinary activities	136.5	124.8	2.5	3.3
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	34.1	31.2	1.0	0.8
Effects of				
Timing differences	0.2	0.1	-	-
Income not taxable	-	-	-	-
Deferred tax not recognised	(0.1)	(0.1)	-	-
Surplus relating to charitable entities	(34.2)	(31.2)	(1.0)	(0.8)
Group relief charge	-	-	(0.5)	-
Tax on surplus on ordinary activities	-	-	(0.5)	-



12. Tangible fixed assets - housing properties

	Housing properties held for letting £m	Completed shared ownership housing properties £m	Properties under construction £m	Total £m
Cost or valuation				
At 1 April 2024	4,933.0	494.9	372.1	5,800.0
Additions	-	-	352.3	352.3
Capitalised interest	-	-	7.1	7.1
Replacement of components	118.1	-	-	118.1
Transferred on completion	233.9	66.3	(300.2)	-
Disposals	(19.2)	(11.1)	-	(30.3)
Transfer from investment properties	0.2	-	-	0.2
At 31 March 2025	5,266.0	550.1	431.3	6,247.4
Depreciation				
At 1 April 2024	697.1	23.3	-	720.4
Charge for the year	71.2	1.9	-	73.1
Disposals	(6.5)	(1.7)	-	(8.2)
At 31 March 2025	761.8	23.5	-	785.3
Net book value				
At 31 March 2025	4,504.2	526.6	431.3	5,462.1
At 31 March 2024	4,235.9	471.6	372.1	5,079.6

	2025 £m	2024 £m
Housing property land value in respect of long leaseholds	22.9	22.9
Housing property land value in respect of freeholds	1,081.6	1,007.9
	1,104.5	1,030.8
Expenditure on work to existing properties		
Replacement of components	118.1	98.0
Amounts charged to the statement of comprehensive income	15.7	15.7
	133.8	113.7

Properties held for security

Bromford Flagship Ltd - Registered Social Housing Provider - has property pledged as security value (EUV - SH and MV - STT) of £4,702m (2024: £4,238m).

13. Investments in subsidiaries

	Association	
	2025 £m	2024 £m
At 31 March 2025 and 31 March 2024	0.2	0.2

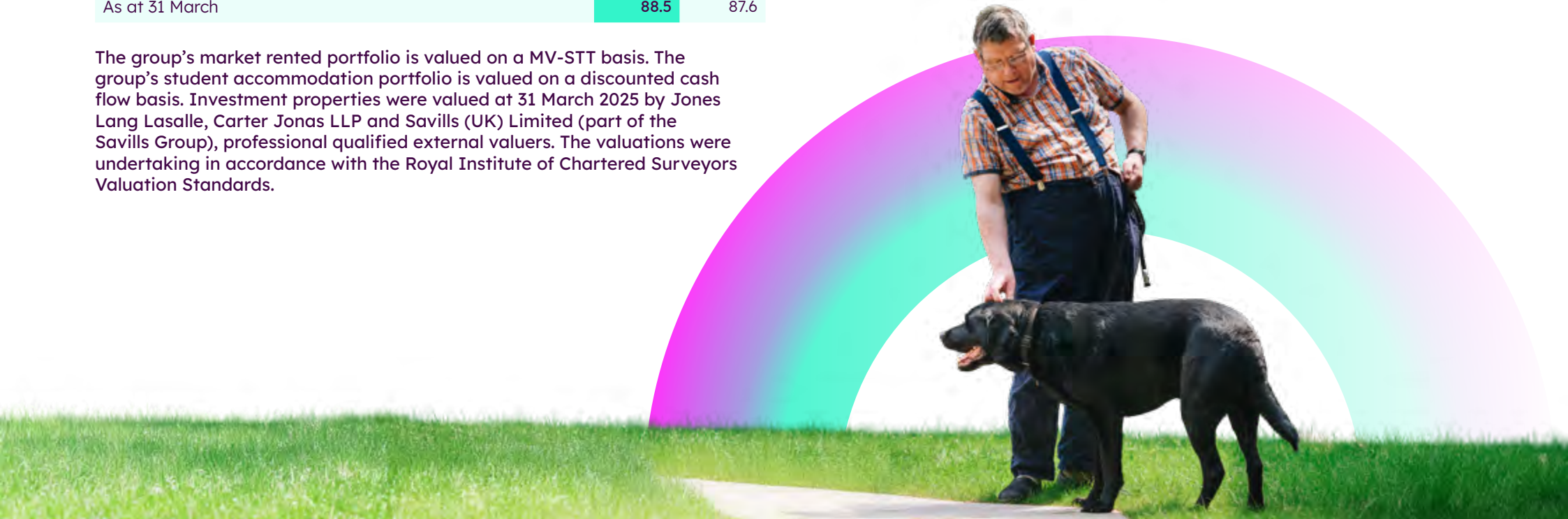
14. Investment properties held for letting

	Group	
	2025 £m	2024 £m
As at 1 April	87.6	87.9
Additions	0.1	0.2
Transfer (to)/from tangible fixed assets - housing properties	(0.2)	0.5
Gain/(loss) from adjustment in value	1.5	(0.6)
Disposals	(0.5)	(0.4)
As at 31 March	88.5	87.6

The group’s market rented portfolio is valued on a MV-STT basis. The group’s student accommodation portfolio is valued on a discounted cash flow basis. Investment properties were valued at 31 March 2025 by Jones Lang Lasalle, Carter Jonas LLP and Savills (UK) Limited (part of the Savills Group), professional qualified external valuers. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards.

In valuing the properties, the following significant assumptions were applied:

Assumptions	Market rented property %	Student accommodation property %
Discount rate	5.00-7.00	8.50
Level of long term rent increase		
Year 1	4.00	4.00
Year 2	3.50	3.20
Year 3 onwards	3.00	2.90
Inflation rate (CPI)		
Year 1	2.90	4.10
Year 2	2.60	3.20
Year 3 onwards	2.90	2.88



15. Tangible fixed assets - other

	Offices and buildings £m	Fixtures, fittings & equipment £m	Computer equipment £m	Motor vehicles £m	Total £m
Cost					
At 1 April 2024	20.9	5.0	11.3	27.8	65.0
Additions	0.2	1.0	1.4	3.1	5.7
Disposals	(0.7)	(0.1)	-	(0.6)	(1.4)
At 31 March 2025	20.4	5.9	12.7	30.3	69.3
Depreciation and impairment					
At 1 April 2024	8.6	3.1	8.3	8.0	28.0
Charge for the year	0.5	0.6	1.9	4.4	7.4
Disposals	(0.7)	-	-	(0.4)	(1.1)
At 31 March 2025	8.4	3.7	10.2	12.0	34.3
Net book value					
At 31 March 2025	12.0	2.2	2.5	18.3	35.0
At 31 March 2024	11.9	2.3	3.0	19.9	37.1

The net carrying amount of assets held under finance leases included in other tangible fixed assets is £12.9m (2024: £13.7m).

16. Intangible fixed assets

	Goodwill £m	Software £m	Total £m
Cost			
At 1 April 2024	8.3	102.2	110.5
Additions	-	25.8	25.8
Disposals	-	(1.3)	(1.3)
At 31 March 2025	8.3	126.7	135.0
Depreciation			
At 1 April 2024	5.8	23.5	29.3
Charge for the year	0.8	8.1	8.9
Disposals	-	(1.3)	(1.3)
At 31 March 2025	6.6	30.3	36.9
Net book value			
At 31 March 2025	1.7	96.4	98.1
At 31 March 2024	2.5	78.7	81.2

Included within software are amounts capitalised for our software transformation project of £102.7m (2024: £85.4m), of which £48.7m (£34.0m) is under development and has not yet been amortised. The completed phases are being amortised over 10 years. The residual costs relate to other software which is being amortised between 3 to 7 years.

17. Homebuy loans

	Group	
	2025 £m	2024 £m
At 1 April	2.5	0.4
New loans issued	0.2	1.9
Loans redeemed in the year	(0.2)	(0.1)
Loans transferred from other assets	-	0.2
At 31 March	2.5	2.4

18. Investments in joint ventures

The group structures its joint ventures as limited liability partnerships to partner with local developers and other housing associations to deliver larger scale residential developments for which, individually, the risk profile might be unattractive.

At 31 March 2024, the group had a direct interest in two joint venture undertakings, Lovell Flagship LLP (50% share) and Grange Lane (Littleport) LLP (25% share), structured as limited liability partnerships.

Grange Lane (Littleport) LLP through its 50% investment in Littleport Developments LLP has one active development to deliver 680 new homes, both for open market sale and as affordable housing, over a 10-year horizon. Consequently, indirectly through its investment in Grange Lane (Littleport) LLP, the group has a 12.5% share in Littleport Developments LLP.

During the year, the group entered into a new formal partnership through its 20% investment in Homes for the West Midlands LLP alongside four other local housing providers who will work together to deliver more affordable housing in the West Midlands area.

The group applies the equity method to value its joint venture activities with any gain or loss recognised through the statement of comprehensive income.

Lovell Flagship LLP and Grange Lane (Littleport) LLP are funded by way of non-current loan receivable instruments (member’s loans), similar in structure to a revolving credit facility, governed by the member’s loan agreement and not through a member’s capital injection. This provides the joint venture with flexible funding to invest in working capital in line with build plan requirements but also facilitates the return of cash to members through loan repayment as cash is released through the sale of new build property.

The group monitors the performance of its joint venture undertakings to support the recoverability of its loan receivables. If an impairment indicator is identified the group undertakes a thorough impairment review and any impairment loss would be expensed through the statement of comprehensive income.

The group had the following joint venture investments at 31 March 2025:

Name	Company registration number	Ownership %	Nature of business
Lovell Flagship LLP	OC427790	50	Development
Grange Lane (Littleport) LLP	OC444733	25	Development
Littleport Developments LLP*	OC435041	12.5	Development
Homes for the West Midlands LLP	OC452327	20	Development

* Littleport Developments LLP is a 50% owned joint venture by Grange Lane (Littleport) LLP with Vistry Homes Limited and its principal objective is to develop a site at Littleport, Cambridgeshire.

The registered address of Lovell Flagship LLP is Kent House, 14-17 Market Place, London, W1W 8AJ. The registered address of Grange Lane (Littleport) LLP is 1 Crown Court, Crown Way, Rushden, NN10 6BS. The registered address of Littleport Developments LLP is 11 Tower View Kings Hill, West Malling, ME19 4UY. The registered address of Homes for the West Midlands LLP is 5th Floor 49 King Street, Manchester, M2 7AY.

Lovell Flagship LLP has a 31 December year-end. Grange Lane (Littleport) LLP has a coterminous year-end with the group. Homes for the West Midlands LLP has a 31 May year-end.

The group has Member’s capital in Grange Lane (Littleport) LLP of £1, Member’s capital into Lovell Flagship LLP of £50 and Member’s capital of £100,000 in Homes for the West Midlands LLP.

The group held the following investment in joint ventures at 31 March 2025:

	2025 £m	2024 £m
Opening balance at start of period	12.5	12.0
Additional member loan paid to JV	1.2	2.9
Loan repayment from JV	(4.6)	(3.3)
Share of profits for the period	1.3	0.9
Closing balance at end of period	10.4	12.5

	Lovell Flagship LLP		Grange Lane (Littleport) LLP	
	2025 £m	2024 £m	2025 £m	2024 £m
Non-current loan receivable	3.8	6.7	2.5	2.9
Share of profits included in members interests	3.6	2.6	0.6	0.2
	7.4	9.3	3.1	3.1

During the year, the group assessed the carrying value of its investment in joint ventures and determined that it was not impaired at the period end date based on the performance of the joint ventures during the financial year.

The loan receivable from Lovell Flagship LLP includes accrued interest of £1.7m (2024: £1.3m).

The loan receivable from Grange Lane (Littleport) LLP includes accrued interest of £0.7m (2024: £0.5m).

The group’s share of assets and liabilities of jointly controlled entities is as follows:

	2025 £m	2024 £m
Current assets	11.1	13.9
Non-current assets	-	-
Current liabilities	(1.2)	(1.4)
Non-current liabilities (or Members loans)	(5.7)	(9.7)
Net assets at balance sheet date	4.2	2.8

The group’s share of profit in joint ventures is as follows:

	2025 £m	2024 £m
Revenue	13.0	12.1
Expenses	(11.7)	(11.2)
Share of profit for the year	1.3	0.9

19. Stocks and work in progress

	2025 £m	2024 £m
Consumable stock	3.1	3.1
Work in progress	3.5	3.5
Properties developed for outright sale	32.2	17.8
Land costs	12.5	12.5
Cost of first tranche element of shared ownership properties	26.2	53.9
	77.5	90.8
Shared ownership properties		
Completed	8.9	7.0
Under construction	17.3	46.9
	26.2	53.9
Properties in development for outright sale		
Completed	8.1	3.9
Under construction	24.1	13.9
	32.2	17.8

20. Trade and other debtors

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Amounts falling due within one year				
Rent arrears	30.3	28.3	-	-
Less: provision for bad debts	(13.3)	(12.4)	-	-
	17.0	15.9	-	-
Trade debtors	3.8	4.6	-	-
Amounts due from group companies	-	-	84.0	51.9
Other debtors	25.5	9.8	-	1.2
Prepayments and accrued income	19.4	21.2	14.7	10.3
	65.7	51.5	98.7	63.4
Amounts falling due after more than one year				
Amounts due from group companies	-	-	1,129.5	866.7
Other debtors	0.1	0.1	-	-
	0.1	0.1	1,129.5	866.7

Included in other debtors in the prior year was a loan due from the Bromford defined benefit pension scheme of £1.2m, this was repaid during the year. Further details are included in note 36.



21. Current asset investments

	Group	
	2025 £m	2024 £m
Opening fair value at 1 April	31.4	35.9
Additions to investments	-	0.2
Withdrawals from investments	-	(5.0)
Interest	0.3	0.3
Fair value at 31 March	31.7	31.4

Current asset investments include monies held by lenders in support of bond finance. These monies are placed in accounts charged by the lenders.

22. Cash and cash equivalents

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Cash at bank	152.5	133.6	63.0	60.7
Cash equivalents	-	0.4	-	-
	152.5	134.0	63.0	60.7

Included in the above are balances totalling £4.4m (2024: £4.3m) which are held in trust for shared ownership leaseholders.

23. Creditors: amounts falling due within one year

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Prepaid rental income	16.7	15.5	-	-
Loans	24.4	37.7	-	1.9
Interest rate swaps	0.1	-	-	-
Trade creditors	23.2	19.8	0.5	0.1
Obligations under finance leases	4.6	3.3	-	-
Amounts due to group companies	-	-	70.4	41.8
Social security and other taxes	2.7	2.9	-	-
Deferred capital grant	8.7	9.0	-	-
Recycled capital grant fund	2.8	4.0	-	-
Other creditors	14.4	10.6	-	-
Accruals and deferred income	75.1	64.3	0.4	0.6
	172.7	167.1	71.3	44.4

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

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Loans	2,621.9	2,424.2	1,182.1	910.3
Amounts due to group companies	-	-	-	0.3
Interest rate swaps	0.8	1.6	-	-
Obligations under finance lease and hp contracts	18.7	21.5	-	-
Deferred capital grant	834.9	758.1	-	-
Other grants	8.4	3.1	-	-
Recycled capital grant fund	5.4	4.7	-	-
Other creditors	6.5	7.1	-	-
	3,496.6	3,220.3	1,182.1	910.6
Loans repayment profile				
Repayable within one year	24.4	37.7	-	1.9
Repayable between one and two	87.2	37.9	-	1.9
Repayable between two and five years	126.9	174.7	-	5.7
Repayable after five years	2,449.8	2,216.8	1,185.3	905.8
Less: Loan finance costs	(42.0)	(5.2)	(3.2)	(3.1)
	2,646.3	2,461.9	1,182.1	912.2

The group has entered into interest rate swaps with the following institutions:

	Period Years	End Date	Rate %	Amount £m
Barclays	25	20 July 2031	4.31	12.5
Lloyds TSB	19	26 October 2026	4.45	6.0
Lloyds TSB	22	20 March 2029	4.50	15.0
				33.5

Interest rate swap creditor profile	Group	
	2025 £m	2024 £m
Due within one year (2024: included in other debtors)	0.1	(0.3)
Due between one and two	0.3	0.2
Due between two and five years	0.5	1.1
Due after five years	-	0.4
	0.9	1.4

Interest risk profile of loan liabilities	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Floating rate	226.2	234.4	14.8	16.7
Fixed rate	2,462.1	2,232.7	1,170.5	898.6
	2,688.3	2,467.1	1,185.3	915.3

	%			
Floating rate	5.18	5.75	4.85	5.62
Fixed rate	3.88	3.89	3.81	3.60

Undrawn committed borrowing facilities (all secured) at 31 March were:

	Group	
	2025 £m	2024 £m
Expiring within one year	75	70
Expiring between one and two	125	75
Expiring between two and five years	525	462
Expiring after five years	75	100
	800	707

The group uses a finance leasing model for some classes of asset. The obligations under finance leases are presented below:

	Group	
	2025 £m	2024 £m
Net finance lease obligations:		
Not later than one year	4.6	3.3
Later than one year and not later than five years	12.2	14.2
Later than five years	6.5	7.3
	23.3	24.8

The obligations under finance leases are repayable by equal instalments.

Finance leases relate to vehicles used by the group to deliver its services and the group's investment property student accommodation portfolio.

Vehicle leases typically have a four-year term with a purchase option available at the end of the lease. The two investment property leases have 35-year lease terms and one of the leases has provision for discounted purchase at the end of the term.

25. Deferred capital grant

	Group	
	2025 £m	2024 £m
At 1 April	767.1	717.7
Grants received in year	79.0	59.9
Grants recycled from the recycled capital grant fund	3.0	1.8
Transferred from/(to) third party	2.6	(3.4)
Grants recycled to the recycled capital grant fund	(2.1)	(1.9)
Grants released to the statement of comprehensive income	(0.7)	(0.5)
Amortised in year	(6.6)	(7.3)
Amortised grant on disposal	1.3	0.8
As at 31 March	843.6	767.1
Amount due to be released within one year	8.7	9.0
Amount due to be released in more than one year	834.9	758.1
	843.6	767.1

26. Recycled capital grant

	Group	
	2025 £m	2024 £m
At 1 April	8.7	8.2
Inputs to reserve		
Grants recycled	2.1	1.9
Interest accrued	0.4	0.4
Utilised		
New build	(3.0)	(1.8)
At 31 March	8.2	8.7
Amounts due within one year	2.8	4.0
Amounts due after more than one year	5.4	4.7
	8.2	8.7

27. Provision for liabilities and charges

	Group	
	2025 £m	2024 £m
At 1 April 2024	8.7	4.8
Additions	5.0	4.4
Utilised in year	(4.7)	(0.5)
As at 31 March 2025	9.0	8.7

Provisions include insurance, performance related pay, dilapidations and property remedial work.

28. Share capital and reserves

	Group and Association	
	2025 £m	2024 £m
Issued and fully paid		
At 1 April	6	-
Issued	5	-
Cancelled	(1)	6
	10	6

The share capital of the association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. The shares are non-withdrawable and non-transferable. When a shareholder ceases to be a shareholder, the share is cancelled and the amount paid up becomes the property of the association.

Revaluation reserve - represents the difference on transition to FRS102 between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

Income and expenditure reserve - represents the net surplus which are not restricted.

Restricted reserve - under the terms of an agreement with South Gloucestershire Council, a proportion of the proceeds from disposal of vacant dwellings is to be held in a reserve. The reserve is used, inter alia, for the provision of affordable housing within the council area. This arrangement commenced in 2016 to 2017.

29. Analysis of changes in net debt

	2024 £m	Cashflows £m	Non-cash movements £m	Movement in creditors £m	2025 £m
Cash at bank and cash equivalents	134.0	18.5	-	-	152.5
Short term investments	31.4	-	0.3	-	31.7
	165.4	18.5	0.3	-	184.2
Other loans					
Finance leases due within one year	(3.3)	3.3	-	(4.6)	(4.6)
Finance leases due after more than one year	(21.7)	1.3	(2.9)	4.6	(18.7)
Housing loans due within one year	(37.7)	37.7	0.1	(24.5)	(24.4)
Housing loans due after more than one year	(2,424.2)	(229.8)	7.6	24.5	(2,621.9)
Change in debt resulting from cashflows	(2,321.5)	(169.0)	5.1	-	(2,485.4)

Non-cash transactions

The group has acquired £2.9m (2024: £6.0m) tangible fixed assets under finance leases, which have been capitalised as part of the asset, being the present value of the minimum lease payments. There have been non-cash movements of £7.8m relating to break gains on the restructuring of three debt facilities. The residual non-cash movement relates to debt issue costs and fair value loan adjustments.



30. Cash flow from operating activities

	Group	
	2025 £m	2024 £m
Surplus for the year	136.4	124.8
Adjustments for non-cash items		
Movement in value of investment property	(1.5)	0.6
Movement in value of swaps	(0.5)	(0.5)
Net interest expense	81.2	76.9
Gain on shared equity loans	(0.2)	(1.8)
Depreciation of fixed assets and amortisation of intangible fixed assets	89.4	86.8
Amortisation of grants	(6.6)	(7.3)
Decrease/(increase) in stock	19.8	(9.7)
Increase in trade and other debtors	(11.7)	(3.8)
Increase in trade and other creditors and provisions	17.3	2.0
Pension costs less contributions payable	(4.6)	(3.5)
Gain on disposal of fixed assets	(33.3)	(36.4)
Share of profit in joint ventures	(1.3)	(0.9)
Net cash generated from operating activities	284.4	227.2

31. Capital commitments

	Group	
	2025 £m	2024 £m
Capital expenditure contracted for but not provided for in the financial statements	472.8	439.1
Committed donations without contractual agreement	-	0.2
Capital expenditure authorised but not yet contracted for	51.4	28.5
	51.4	28.7
These commitments are to be financed by the receipt of social housing grant and a mixture of loan finance, reserves and proceeds from the sales of housing properties as follows:		
Social housing grant	63.7	36.7
Proceeds from the sale of properties	74.6	120.4
Loans and reserves	385.9	310.7
	524.2	467.8

32. Other financial commitments

The minimum lease payments due under operating leases are as follows:

	Total leases	
	2025 £m	2024 £m
Operating leases which expire		
Within one year	2.1	2.1
Within two to five years	3.1	4.8
After more than five years	0.7	0.9
	5.9	7.8

33. Financial instruments

Financial instruments may be analysed as follows:

	Group	
	2025 £m	2024 £m
Financial liabilities measured at fair value through the statement of comprehensive income		
Derivative financial instruments	0.9	1.4

Swap valuations are conducted using standard mark to market (MtM) methodology, where the MtM is the present value of all the future cashflows under the swap contract. They are measured at fair value at each reporting date, any increase or decrease is recognised in the statement of comprehensive income. The valuations used discount rates between 4.31% and 4.50%.

34. Grant and financial assistance

The total accumulated government grant and financial assistance received or receivable at 31 March was as follows:

	2025 £m	2024 £m
Held as deferred capital grant	843.6	767.1
Held as other grants	8.4	3.1
Recognised as income in statement of comprehensive income	159.8	152.7
	1,011.8	922.9



35. Related party transactions

Transactions with non-regulated members of the group

	Group 2025					
	Bromford Developments Limited £m	Bromford Assured Homes Limited £m	Flagship Housing Developments Limited £m	Gasway Services Limited £m	Flagship Finance Plc £m	Hopestead £m
Income						
Gift Aid	0.1	0.4	5.5	1.2	-	-
Management recharges	0.5	0.1	2.8	0.7	-	-
Interest receivable	0.1	-	-	-	-	-
	0.7	0.5	8.3	1.9	-	-
Expenditure						
Construction services	56.8	-	48.9	-	-	-
Other services	-	-	-	20.0	-	-
Interest payable	-	-	-	-	4.2	-
Grant	-	-	-	-	-	1.5
	56.8	-	48.9	20.0	4.2	1.5

The recharges are calculated on a number of bases dependant upon the type of expenditure being recharged. Salary costs are recharged on a contract basis.

All other income and expenditure is charged on an actuals basis.

35. Related party transactions continued

	Group 2024					
	Bromford Developments Limited £m	Bromford Assured Homes Limited £m	Flagship Housing Developments Limited £m	Gasway Services Limited £m	Flagship Finance Plc £m	Hopestead £m
Income						
Gift Aid	-	0.4	6.6	-	-	-
Management recharges	0.5	0.2	2.8	0.7	-	-
Interest receivable	0.8	-	-	-	-	-
	1.3	0.6	9.4	0.7	-	-
Expenditure						
Construction services	60.8	-	30.6	-	-	-
Other services	-	-	-	24.8	-	-
Interest payable	-	-	-	-	4.0	-
Grant	-	-	-	-	-	1.5
	60.8	-	30.6	24.8	4.0	1.5



35. Related party transactions continued

	Association			
	Bromford Developments Limited		Bromford Assured Homes Limited	
	2025 £m	2024 £m	2025 £m	2024 £m
Income				
Gift Aid	0.1	-	0.4	0.4
Management recharges	0.5	0.5	0.1	0.2
Interest receivable	0.1	0.8	-	-
	0.7	1.3	0.5	0.6

At the year-end, included in the group intercompany trading and loan balances were the following net balances due from/(to) non-regulated entities:

	Group		Association	
	2025 £m	2024 £m	2025 £m	2024 £m
Bromford Developments Limited	26.1	21.7	5.5	5.3
Bromford Assured Homes Limited	0.7	0.7	1.1	1.0
Flagship Housing Developments Limited	(24.4)	(16.4)	-	-
RFT Repairs Limited	(1.9)	(1.9)	-	-
Flagship Finance Plc	(212.1)	(190.3)	-	-
Gasway Services Limited	(1.4)	(0.3)	-	-
Blue Flame (Colchester) Limited	0.6	0.7	-	-
	(212.4)	(185.8)	6.6	6.3

At the end of the prior year there was a loan due from the Bromford defined benefit pension scheme of £1.2m, this was included in other debtors in the association and group, this has been repaid during the year.

During the year the group has incurred charges of £85k (2024: £94k) in respect of services provided from a company which has a common director. At the year end the balance due to the supplier was £nil (2024: £nil).

36. Pension obligations

During the year, the group participated in five defined benefit (DB) schemes; the Bromford DB Scheme (BDBS), The Pensions Trust – Flagship Housing Group ex-SHPS Scheme - (FHGS), the Avon Pension Fund (LGPSA), the Norfolk County Council Pension Fund (LGPSN) and Suffolk County Council Pension Fund (LGPSS). Except for BDBS, all of the schemes are multi-employer DB schemes.

During the year the group exited the LGPSA, the LGPSN and LGPSS schemes. These schemes have therefore been recorded on a cessation basis. The group also participates in various defined contribution schemes, to meet its obligations for auto-enrolment which applied from October 2013. Further details of pension obligations are given under each scheme below.

Summary of Pension Schemes actuarial losses and balances

	Group	
	2025 £m	2024 £m
Actuarial loss to pensions schemes		
BDBS	(1.2)	(6.2)
FHGS	0.1	(0.7)
LGPSA	1.4	(6.3)
LGPSN	-	0.6
LGPSS	(1.9)	0.5
	(1.6)	(12.1)
Creditors due less than one year		
Defined contribution schemes	(0.5)	(0.4)
(Provisions)/assets for pensions		
BDBS	(10.5)	(9.6)
FHGS	(2.5)	(4.5)
LGPSA	-	(5.0)
LGPSN	-	3.1
LGPSS	-	1.9
	(13.0)	(14.1)



36. Pension obligations continued

The Pensions Trust – Bromford (BDBS) and Flagship Housing (FHGS) ex-SHPS Scheme

During the year the group participated in two defined benefit pension schemes administered by The Pensions Trust.

The Bromford DB scheme (BDBS) which is a separate trustee administered DB scheme set up on 31 March 2018 following the transfer of obligations from the Bromford section of the Social Housing Pension Scheme (SHPS) and subsequent transfer of obligations from the Merlin Housing Society section of SHPS on 30 September 2019. The scheme holds the pension assets to meet long term pension liabilities. Scheme liabilities have been based on data provided for the actuarial valuation as at 30 September 2021. These have been updated to 31 March 2025 by a qualified actuary, independent of the scheme’s sponsoring employer. The material assumptions used by the actuary are shown below. The group has agreed a schedule of contributions with the Trustee, with an effective date of 30 September 2021.

The Flagship Housing ex-SHPS Scheme (FHGS) administered by The Pensions Trust is a single employer defined benefit scheme. The Group’s is solely responsible for schemes assets and liabilities. On 31 December 2024 the scheme closed to accrual by virtue of a contractual exercise. All active members exited the scheme removing entitlement to future accrual from this date. A comprehensive actuarial valuation of the FHGS scheme, using the projected unit credit method, was carried out at 30 September 2022. These have been updated to 31 March 2025 by a qualified actuary, independent of the scheme’s sponsoring employer. The material assumptions used by the actuary are shown below.

Contributions for the year ended 31 March 2025 and 31 March 2024:

	BDBS		FHGS	
	2025	2024	2025	2024
	£	£	£	£
Employer	2.6	2.6	2.4	2.3
Employee	-	-	-	-

Agreed contributions for future years:

	BDBS		FHGS	
	2025	2024	2025	2024
	%	%	%	%
Employee				
1/80th DB section	14.5	14.5	-	-
1/120th DB section	4.7	4.7	-	-
Employer	10	10	-	-

The mortality assumptions used were as follows:

	BDBS		FHGS	
	2025	2024	2025	2024
	%	%	%	%
Expected rate of increase of pensions in payment (CPI)	2.75	2.80	2.92	2.93
Expected rate of salary increases	2.75	2.80	2.92	2.93
Discount rate	5.90	4.90	5.86	4.90
Rate of inflation (RPI)	3.05	3.10	3.07	3.11

	BDBS		FHGS	
	2025	2024	2025	2024
	Years	Years	Years	Years
Longevity at age 65 for current pensioners				
Men	21.9	21.4	22.1	22.1
Women	24.2	23.8	24.4	24.4
Longevity at age 65 for future pensioners				
Men	23.5	22.3	23.7	23.7
Women	25.6	24.9	25.8	25.8

36. Pension obligations continued

Reconciliation of scheme assets and liabilities:

	BDBS			FHGS		
	Assets £m	Liabilities £m	Total £m	Assets £m	Liabilities £m	Total £m
At 1 April 2024	70.9	(80.5)	(9.6)	33.0	(37.5)	(4.5)
Benefits paid	(2.4)	2.4	-	(1.4)	1.4	-
Expenses	(0.8)	-	(0.8)	-	-	-
Employer contributions	2.6	-	2.6	2.4	-	2.4
Current service cost	-	(1.1)	(1.1)	(0.2)	(0.1)	(0.3)
Interest income/(expense)	3.5	(3.9)	(0.4)	1.6	(1.8)	(0.2)
Re-measurement gains/(losses)	(9.8)	8.6	(1.2)	(4.3)	4.4	0.1
At 31 March 2025	64.0	(74.5)	(10.5)	31.1	(33.6)	(2.5)

Total cost recognised as an expense:

	BDBS		FHGS	
	2025 £m	2024 £m	2025 £m	2024 £m
Current service cost	1.1	1.2	0.3	0.2
Expenses	0.8	0.3	-	-
Interest cost	0.4	0.2	0.2	1.8
	2.3	1.7	0.5	2.0

The fair value of the plan assets was:

	BDBS		FHGS	
	2025 £m	2024 £m	2025 £m	2024 £m
Equity	6.7	2.7	3.2	3.4
Bonds	4.0	1.7	6.1	2.1
Property	2.9	2.9	1.5	1.5
Cash	1.2	7.7	0.8	2.0
LDI	23.8	38.8	10.6	15.7
Liquid alternatives	10.8	6.6	2.3	3.0
Private Credit	7.1	6.1	2.1	2.6
Other	7.5	5.6	4.5	2.7
Loan	-	(1.2)	-	-
	64.0	70.9	31.1	33.0

The return on the plan assets was:

	BDBS		FHGS	
	2025 £m	2024 £m	2025 £m	2024 £m
Total return on plan assets	(6.3)	(4.1)	(2.7)	0.3

The plan assets noted above do not include any of the group financial instruments nor is any property occupied by any group entity.

36. Pension obligations continued

The sensitives regarding the principal assumptions used to measure the scheme liabilities are set out below:

	BDBS		FHGS	
	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£m)	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£m)
Changes in assumptions at 31 March 2025				
Discount rate + / - 0.1%	- / + 2	- / + 1.5	- / + 2	- / + 0.7
Inflation assumptions + / - 0.1%	- / + 2	- / + 1.5	- / + 2	- / + 0.7
Life expectancy + / - 1 year	- / + 3-5	- / + 3.7	- / + 3-5	- / + 1.7

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the Employer’s Defined Benefit Obligation by around 4%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

TPT member benefit review

There is an ongoing legal review of scheme benefit changes that is being undertaken by TPT (the trustee of the BDBS). The review specifically relates to historic changes to the scheme rules and is not expected to be concluded until late 2025 at the earliest.



36. Pension obligations continued

Avon Pension Fund (LGPSA)

LGPSA is a multi-employer defined benefit scheme administered by Bath and North East Somerset Council under the regulations governing the Local Government Pension Scheme. On 31 March 2025 the association ceased to participate in the scheme, after all active members exited the scheme. The estimated termination value of the scheme as at 31 March 2025 is £2.5m and this is included in other creditors.

The latest triennial actuarial valuation was carried out at 31 March 2022 and this has been updated to 31 March 2025 by a qualified independent actuary.

Principal actuarial assumptions

	2025 %	2024 %
Rate of inflation - CPI	3.00	3.10
Rate of increase for pensions in payment	3.00	3.10
Rate of increase in salaries	3.00	3.10
Discount rate for scheme liabilities	5.65	4.95

The post retirement mortality assumptions used to value the benefit obligation for the four years are based on the S3PA CMI 2022 cohort series. The assumed life expectations on retirement at age 65 are:

	2025 Years	2024 Years
Males		
Current pensioners	23.2	23.1
Future pensioners retiring in 20 years	25.5	25.3
Females		
Current pensioners	25.2	25.1
Future pensioners retiring in 20 years	28.1	28.0

Reconciliation of scheme assets and liabilities

	Assets £m	Liabilities £m	2025 £m
Assets at start of period	43.2	(48.3)	(5.1)
Service cost	-	(0.2)	(0.2)
Interest income/(expense)	2.1	(2.4)	(0.3)
Remeasurements gains/(losses)	(4.9)	6.3	1.4
Employer contributions paid	1.7	-	1.7
Employee contributions	0.1	(0.1)	-
Settlement	(40.6)	43.1	2.5
Benefits paid	(1.6)	1.6	-
Assets at end of period	-	-	-

Actual return on scheme assets 1 April 2024 to 31 March 2025: £(2.8)m
(2024: £(0.4)m)

The fair value of the plan assets was:

	2025 £m	2024 £m
Other bonds	-	43.2

36. Pension obligations continued

Analysis of the amount charged to operating costs in the statement of comprehensive income at 31 March 2025:

	£m
Employer service cost (net of employee contributions)	0.2
Total operating charge	0.2
Analysis of pension finance (income)/costs	
Expected return on pension scheme assets	(2.1)
Interest on pension liabilities	2.4
Amounts debited to financing costs	0.3

Analysis of gains and losses recognised in the statement of other comprehensive income at 31 March 2025:

	£m
Actuarial losses on pension scheme assets	(4.9)
Actuarial gains on pension scheme liabilities	6.3
Actuarial gains recognised	1.4

There are no sensitivities as there is no ongoing obligation to the scheme following exit on 31 March 2025.



36. Pension obligations continued

Local government defined benefit pension schemes – LGPSN and LGPSS

The group exited the LGPSN and LGPSS schemes on 31 December 2024. A small number of employees of the company were members of the LGPSN and LGPSS schemes on exit. The assets of the schemes are held in separately administered funds. The schemes provide retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The group ceased participating in the schemes on 31 December 2024 and the group no longer has any funding obligations to the schemes from that date.

A comprehensive actuarial valuation of the LGPSN and LGPSS schemes, on a cessation basis, was carried out at 31 March 2025 by Hymans Robertson LLP, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	LGPSN		LGPSS	
	2025 %	2024 %	2025 %	2024 %
Expected rate of increase of pensions in payment	2.30	2.80	2.30	2.80
Expected rate of salary increases	3.0	3.50	3.30	3.80
Discount rate	5.1	4.80	3.80	4.80

The mortality assumptions used were as follows:

	LGPSN		LGPSS	
	2025 Years	2024 Years	2025 Years	2024 Years
Longevity at age 65 for				
Current pensioners				
Men	22.5	21.9	22.5	22.0
Women	24.9	24.3	23.5	23.0
Future pensioners				
Men	24.4	23.4	22.7	22.2
Women	27.0	26.0	25.9	25.4

Reconciliation of scheme assets and liabilities:

	LGPSN			LGPSS		
	Assets £m	Liabilities £m	Total £m	Assets £m	Liabilities £m	Total £m
At 1 April 2024	18.5	(15.4)	3.1	6.3	(4.4)	1.9
Benefits paid	(0.7)	0.7	-	(0.2)	0.2	-
Participant contributions	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-
Current service cost	-	(0.1)	(0.1)	-	-	-
Interest income/(expense)	0.7	(0.5)	0.2	0.2	(0.2)	-
Amount due on settlement	(17.8)	14.6	(3.2)	-	-	-
Re-measurement gains/(losses)						
Actuarial (losses)/gains	0.3	0.7	1.0	(6.5)	4.4	(2.1)
Return on plan assets excluding interest income	(1.0)	-	(1.0)	0.2	-	0.2
At 31 March 2025	-	-	-	-	-	-

Amounts due on settlement are included in other debtors (note 20)

	LGPSN		LGPSS	
	2025 £m	2024 £m	2025 £m	2024 £m
Total cost recognised as an expense				
Current service cost	0.1	0.1	-	-
Interest cost	0.5	0.7	0.2	0.2
	0.6	0.8	0.2	0.2

36. Pension obligations continued

No amounts (2024: £nil) were included in the cost of assets.

The fair value of the plan assets was:

	LGPSN		LGPSS	
	2025 £m	2024 £m	2025 £m	2024 £m
Equities	-	5.7	-	4.0
Bonds	-	9.3	-	1.7
Property	-	2.8	-	0.5
Cash	-	0.7	-	0.1
	-	18.5	-	6.3

The plan assets do not include any of the group financial instruments nor is any property occupied by any group entity.

The return on the plan assets was:

	LGPSN		LGPSS	
	2025 £m	2024 £m	2025 £m	2024 £m
Interest income	0.7	0.8	0.2	0.3
Return on plan assets less interest income	(1.0)	0.5	0.2	0.4
Total return on plan assets	(0.3)	1.3	0.4	0.7

There are no sensitivities as there is no ongoing obligation to the scheme following exit on 31 December 2024.



37. Merger

On 28 February 2025 Bromford Housing Group Limited (BHG) and subsidiaries merged with Flagship Homes Limited (FHL) and its subsidiaries. On completion of the merger, the name of the newly formed group was changed to Bromford Flagship Limited (BFL). The group financial statements presented here incorporate the results of the organisations prior to the merger and the new entity from merger date to 31 March 2025.

The share of total comprehensive income for the prior year, the share of total comprehensive income in the current year to the merger date with the effect of any accounting policy adjustments and the contribution post-merger date and the share of the net assets at merger date are disclosed in accordance with FRS102.

Total comprehensive income and net assets share in the year of merger:

	BHG £m	FHL £m	Merger adjustments £m	At merger date £m	Post merger £m	At 31 March 2025 £m
Turnover	313.1	244.4	-	557.5	49.7	607.2
Operating surplus for the year	108.5	89.7	-	198.2	17.2	215.4
Total comprehensive income for the year	64.0	56.7	-	120.7	14.1	134.8
Net assets	1,218.4	1,101.0	-	2,319.4	13.4	2,332.8

Total comprehensive income and net assets share in the prior year:

	BHG £m	FHL £m	At 31 March 2024 £m
Turnover	313.7	253.0	566.7
Operating surplus for the year	109.6	90.2	199.8
Total comprehensive income for the year	55.2	57.5	112.7
Net assets	1,153.7	1,044.3	2,198.0

Merger adjustments

A review of BHG and FHL was undertaken in order to identify material differences in accounting treatment. Accounting policies have been reviewed and, as they were largely comparable, did not require merger adjustments.

Date	Description	Amount	Category	Status	Notes
2023-01-01	Initial Investment	\$100,000	Equity	Active	Seed round
2023-02-15	Office Rent	\$5,000	Operating	Active	Monthly
2023-03-01	Payroll	\$12,000	Operating	Active	Monthly
2023-03-15	Marketing	\$3,000	Operating	Active	Campaign
2023-04-01	Utilities	\$2,000	Operating	Active	Monthly
2023-04-15	Legal Fees	\$8,000	Operating	Active	Consulting
2023-05-01	Product Development	\$15,000	Operating	Active	R&D
2023-05-15	Customer Support	\$4,000	Operating	Active	Monthly
2023-06-01	Sales Commission	\$6,000	Operating	Active	Monthly
2023-06-15	Insurance	\$1,000	Operating	Active	Monthly
2023-07-01	Cloud Services	\$7,000	Operating	Active	Monthly
2023-07-15	Travel Expenses	\$2,500	Operating	Active	Monthly
2023-08-01	Software Licenses	\$9,000	Operating	Active	Monthly
2023-08-15	Consulting Fees	\$11,000	Operating	Active	Monthly
2023-09-01	Office Supplies	\$1,500	Operating	Active	Monthly
2023-09-15	Marketing	\$4,500	Operating	Active	Campaign
2023-10-01	Payroll	\$13,000	Operating	Active	Monthly
2023-10-15	Utilities	\$2,200	Operating	Active	Monthly
2023-11-01	Office Rent	\$5,500	Operating	Active	Monthly
2023-11-15	Legal Fees	\$7,500	Operating	Active	Consulting
2023-12-01	Product Development	\$16,000	Operating	Active	R&D
2023-12-15	Customer Support	\$4,200	Operating	Active	Monthly
2023-12-31	Sales Commission	\$6,500	Operating	Active	Monthly
2024-01-01	Insurance	\$1,200	Operating	Active	Monthly
2024-01-15	Cloud Services	\$7,500	Operating	Active	Monthly
2024-02-01	Travel Expenses	\$2,800	Operating	Active	Monthly
2024-02-15	Software Licenses	\$9,500	Operating	Active	Monthly
2024-03-01	Consulting Fees	\$11,500	Operating	Active	Monthly
2024-03-15	Office Supplies	\$1,800	Operating	Active	Monthly
2024-03-31	Marketing	\$5,000	Operating	Active	Campaign