



NSAH (Alliance Homes) Limited

Group Financial Statements

For the year ended 31 March 2026

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Strategy and culture

Who are we

Established in 2006, we provide good-quality, affordable homes and build communities where people feel supported and can thrive.

We own and manage more than 7,000 homes, providing more than 10,000 families and individuals with a secure, affordable place to live. Alongside this, we deliver services that help people get the best out of life.

With over 350 dedicated colleagues working across five local authority areas, we're more than a housing provider - we're a trusted partner in tackling the housing crisis in our region, strengthening communities, and supporting people to live well.

Our purpose

Creating great places to live that our customers are proud to call home.

Our culture

Culture is how we think, feel and act. It's how we treat each other. It's who we are and who we aspire to be. The right culture can be a powerful advantage, driving a commitment to excellence.

We are a purpose-led business with a performance culture, where every colleague has the right mindset and skillset to be on their A-Game, driving the right outcomes for customers, colleagues, and stakeholders, with compassion and care.

Our standards

The principles that shape our culture, guide how we behave, and drive the performance that helps us deliver for our customers and colleagues.

A-Game Standards

Our A-Game standards outline the expected behaviours we ask all colleagues to live by:

- We are all about the customer
- We are one team
- We are easy to do business with
- We are striving for excellence
- We are forward thinking

Customer Golden Rules

Our customer service culture and promise to our customers:

- Treat customers with respect
- Keep customers' safe
- Take action and keep customers updated
- Adapt our services to meet customers' needs
- Listen to customers' feedback

Leadership Standards

The expected leadership standards for colleagues in management and leadership roles.

Our leadership standards describe the key behaviours expected from anyone in a leadership role. They outline how senior colleagues should lead themselves, the business, and others. This means:

- Lead self - how we master the inner game of leadership
- Lead business - how we build a high performing team and business
- Lead others - how we unlock potential and unleash success

Our strategy

Our five-year strategy, Plan A 2.0, guides our decisions and keeps us focused on our five key business priorities.

Delivering a great customer experience

We want to be known for delivering a great service and supporting our customers to make every house a home. We routinely gather satisfaction data and insights from our customers and use this to make changes to our services. We want to make sure that access to our services is quick and efficient for all of our customers and that we are inclusive in our approach. We recognise we have a diverse customer base and have invested in customer research that helps us to better understand who our customers are and how we need to flex our services to meet their different needs.

Building more affordable homes

We're committed to playing our part in tackling the housing crisis. Investing in the supply of new affordable housing is core to our business, with ambitious plans to build at least 2,000 homes over 10 years.

Across our operating area, house prices are higher than national averages and the demand is growing each year. By investing in new affordable homes, we can enable more customers to create their home in mixed, sustainable neighbourhoods.

Our plans are not just about growth targets. We're motivated to build the right new homes in the right places by maximising our investment capacity to provide high quality, safe and affordable homes now and into the future.

Investing in existing homes and neighbourhoods

Managing our homes and neighbourhoods effectively underpins great customer service. Investing in existing assets to provide consistently safe, secure, warm, and affordable homes is a priority for us and our diverse customer groups.

Our approach will ensure that we invest in affordable warmth programmes, by improving the energy efficiency of our homes for customers and to meet challenging government targets. Additionally, a continual review of the performance of our homes to ensure they can meet quality standards in the long term will drive efficiency.

Home and neighbourhood are intrinsically linked. As well as asset investments, creating great places to live through targeted community-based initiatives will ensure we maximise resources and local impact.

Being a green and ethical business

We recognise the growing need to demonstrate environmentally sustainable business practices. Over the next five years we will invest in a range of initiatives to reduce our environmental impact and carbon footprint. We will embed green principles and develop ways to evolve our culture of sustainability.

As a social purpose organisation, operating ethically is key to our success. We'll continue to embed ethical practices through our supply chain, compliance with regulatory codes and underpinned by our values.

Being a great place to work

We recognise that to deliver all of customers' ambitions, we need to attract and retain the right people. We want to provide the best experience for our colleagues and strengthen our position in being a great place to work. Somewhere where our colleagues can be themselves, where they can grow and thrive every day. We have put a lot into creating an agile workplace and giving our colleagues the freedom, resources and skills they need to the job from their home, one of our hubs or working at hotspots in our communities.

Our cultural traits will support the way we do things and will help us deliver great services and retain a culture where we go the extra mile for customers.

Our customers

As our customers face increasing pressures, we know our role is more important than ever. We're committed to delivering a great customer experience and providing homes in communities that will thrive into the future. Working with our customers, we developed our Customer Golden Rules, which set out what excellent customer service looks like. Alongside this, we've also published our Service Standards in a clear, accessible format, making it easier for customers to understand what to expect from each of our services and to hold us to account.

Home Repairs Service

Providing good-quality, timely repairs is important to our customers and remains a priority for us. During the year, reducing work in progress has been a key priority, and we achieved a significant improvement by year end through two areas of focus.

Firstly, we improved our management processes by restructuring our repairs management teams. Colleagues now specialise in either repairs delivered by our own operatives, or those carried out by contractors, improving oversight and performance.

Secondly, we're using data more effectively to help us match the right operatives with the right jobs, increasing our first-time fix rate.

As a result, our Tenant Satisfaction Measures (TSMs) results show that overall customer satisfaction with repairs has risen by 4 percentage points to 82.3% and satisfaction with time taken to complete repairs is up by 8 percentage points to 78.0%.

Tackling damp and mould

With the introduction of Awaab's Law in October 2025, this year we focused on tackling the historic backlog of damp and mould cases, reducing them by two thirds, and responding to new reports of damp and mould in line with the new rules.

In the coming year, we will further improve how quickly and effectively we support our customers by introducing a dedicated damp and mould response team.

Delivering new homes

We completed 178 new affordable homes this year, providing more people across the West of England with a safe, modern and energy efficient place to call home. This brings our development programme to 903 homes delivered towards our 2,000-home ambition.

A highlight of the year was the completion of Elm Grove, our Passivhaus scheme in Nailsea, North Somerset. These 52 affordable homes offer exceptional comfort and low running costs, and they're a great example of how we're embracing new technologies to support our customers and improve sustainability.

Warmer, Greener Living

Improving the energy efficiency of our homes means they're more comfortable and affordable for our customers. Through our Warmer, Greener Living programme, we are delivering targeted retrofit improvements (e.g. insulation or solar panels) to ensure all our homes achieve an Energy Performance Certificate (EPC) rating of C or above by 2030.

This year, we completed improvements to all homes included in our first wave of funding from the Department of Energy Security and Net Zero, and began work on the next wave, which will see 335 homes become more energy efficient by 2028. We're proud that 89% of our homes are now meeting EPC C or above.

Improving homes

We continued to invest significantly in our homes, making them safer and more comfortable for customers by updating kitchens, roofs and bathrooms.

As a result, 99.5% of our homes meet the Decent Homes Standard, compared to a national average of 90% for the social rented sector, according to the Ministry of Housing, Communities and Local Government's 2024 survey.

Customer Engagement

This year, 65.4% (TSMs TP06 – Tenants) of customers said they are satisfied that we listen to their views and act on them. But there's more we want to do to make sure customers' voices are heard and that they help shape our policies, standards and service delivery.

Our Customer Scrutiny Panel (CuSP) has continued to strengthen its scrutiny role supported by engagement specialists, Tentacles Consultancy. This is helping to increase customer influence and shape our services to better meet customer needs. The Panel now has a clear governance structure, with a Chair and Co-Chair. The panel holds two meetings a year with the Board and two separate meetings a year with the Strategic Leadership Team to discuss scrutiny activity and recommendations.

During the year, CuSP reviewed our repairs communications and property standards. We're also supported by other customer groups, including the Resident Sustainability Group, the Complaints Panel, and the Equality, Diversity and Inclusion Champions Customer Group.

We've continued to improve engagement with older customers. In June 2025, we held our first in-person Customer Forum for those living in our age-restricted schemes, attended by senior leaders and service managers. We also hold regular scheme-based community catch-ups.

Our online community, Hive, now has 700 members and supported 12 consultations, helping shape our approach to neighbourhood safety, damp and mould, improving customer communication, recruitment and the development of our Service Standards.

Support for customers and residents

Our support services have helped 7,996 residents through preventative and responsive, community-based support. This reduced pressure on health and social care services despite increasing demand and lower grant funding.

Residents helped	No.
Tenancy Support Service	2,173
Young Carers	1,421
Home from Hospital	1,329
Social Prescribing referrals	1,275
Adult Carers	1,000
Home Energy Advice Team	572
Money Advice	226
Total	7,996

Supporting young people is a key focus, with our carers support service continuing to provide respite and wellbeing activities across North Somerset for young carers and in December 2025, the service secured National Lottery funding to launch a dedicated service for young adult carers aged 17–25, addressing a recognised gap in support for this group.

Tenancy sustainment

Our Income Officers provided early intervention and money advice, helping them manage their payments, access appropriate support and prevent the escalation of financial difficulty.

Our FCA-accredited Money Advice team supported 226 customers dealing with debt. In partnership with the Home Energy Advice team, they delivered Winter Warmer Workshops providing financial and energy advice across our communities.

Through our crisis fund, the Springboard Fund, we supported 75 customers with essential items such as white goods and school uniforms.

Creating thriving neighbourhoods

Working with customers, we updated our Neighbourhood Management Policy, and developed a new Neighbourhood Strategy, setting out our ambition for neighbourhoods that are safe, clean, green, connected and well managed.

We strengthened our support for customers with specific needs by making our specialist hoarding tenancy officer role permanent and piloted a dedicated officer for customers living in age-restricted housing.

We also invested in our communities, including more than £50,000 to refurbish the Coronation Community Hub, which improved accessibility and capacity. Across our community hubs and outdoor spaces, 16,041 (total attendees at activities, not the number of unique individuals) people took part in activities.

Our Neighbourhood Network project secured £500,000 of National Lottery funding, to support community-led initiatives in South Ward, Weston-super-Mare. This project is led by The For All Healthy Living Company in partnership with Alliance Homes.

Homeowners

We continue to listen carefully to homeowners and use their feedback to improve services.

Our homeowner service now includes a combined Leasehold and Service Charge team, with a dedicated role to look after third-party managing agents to ensure reliable and consistent block and estate services.

Throughout the year, we have consulted with customers on a range of services to deliver better value for money. This has resulted in cost savings, particularly for cleaning services, buildings insurance, and communal gas and energy costs.

Shared owner satisfaction is 61.1%, (TSMs TP01 – Shared Owners) with feedback highlighting a need for clearer communication about the offer and landlord responsibilities. We'll use this to inform our service model, along with applying for Shared Ownership Code accreditation next year to strengthen transparency, fairness and support for shared owners in marketing, purchasing and managing their homes.

Financial and operational performance

Group Statement of Comprehensive Income

	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
Five-year summary					
Social housing lettings income	48,508	45,258	42,814	37,315	34,159
Shared ownership first-tranche sales	7,017	9,186	4,405	7,090	4,243
Support services	1,533	1,552	1,476	1,617	1,251
Home repairs service	-	2,434	2,265	1,652	1,299
Electricity generation	2,543	1,942	2,071	2,229	1,992
Commercial lettings	932	920	811	860	813
Domiciliary care services	-	-	-	-	1,662
Other income	422	1,634	1,246	1,035	886
Total turnover	60,955	62,926	55,088	51,798	46,305
Operating costs	(49,785)	(49,459)	(44,594)	(42,666)	(36,179)
Gain on disposal of fixed assets	1,876	709	900	941	155
Operating surplus	13,046	14,176	11,394	10,073	10,281
Impairment loss on other fixed assets	(600)	-	-	-	-
Investment property revaluations	18	(273)	(122)	(134)	120
Net interest payable	(6,861)	(5,707)	(4,670)	(4,242)	(3,310)
Surplus before tax	5,603	8,196	6,602	5,697	7,091

Social housing lettings income

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Five-year summary					
Turnover	48,508	45,258	42,814	37,315	34,159
Operating costs	(39,472)	(35,116)	(35,051)	(31,402)	(26,847)
Surplus	9,036	10,142	7,763	5,913	7,312
Number of properties	7,284	7,172	7,026	6,868	6,718

Income increased in the year as a result of inflationary rent increases, and from the continuing investment in the delivery of new homes delivered into management.

The surplus generated on this increased income fell slightly from the prior year, due to the cost of increased demands for property maintenance including damp and mould remedial works.

Shared ownership first-tranche sales

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Five-year summary					
Turnover	7,017	9,186	4,405	7,090	4,243
Operating costs	(5,978)	(7,810)	(3,103)	(5,234)	(3,016)
Surplus	1,039	1,376	1,302	1,856	1,227
Return	15.0%	15.0%	29.6%	26.2%	28.9%
Number of first-tranche sales	60	70	39	64	33
Average sale per property (£'000)	117	131	113	111	128

	2026 No.	2025 No.	2024 No.	2023 No.	2022 No.
Equity shares purchased					
Sales with equity share at 40%	26	50	32	51	28
Sales with equity share less than 40%	33	7	3	3	2
Sales with equity share more than 40%	1	13	4	10	3
Total sales	60	70	39	64	33
Average equity share purchased (%)	32%	41%	41%	41%	40%
Highest equity share purchased (%)	50%	60%	75%	60%	60%
Lowest equity share purchased (%)	10%	25%	25%	30%	25%

Historically, the majority of our first-tranche sales have been at 40% equity and the average overall share has been 40%-41% equity.

In 2026, we saw the first properties under the new shared ownership model being sold. Under this model, the first-tranche minimum equity share was reduced from 25% to 10%. The majority of first-tranche sales are now less than 40% equity with only one property now above 40% equity. The average equity share reduced to 32%. However, the overall margin on first-tranche sales remained at 15%.

In 2027, we forecast 33 first-tranche sales at an average of £123k with an average equity of 35%. The forecast income is £4,051k yielding a return of 25% (surplus £1,012k).

Strategic report

The main influence on shared ownership profitability is whether the relevant schemes are grant-funded (for which shared ownership sales take a higher burden of the development cost). Grant-funded schemes were a far higher proportion of the total in 2025/26 and the preceding year, which led to the reduction in margin.

Support services

Five-year summary	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Turnover	1,533	1,552	1,476	1,617	1,251
Operating costs	(1,623)	(1,507)	(1,476)	(1,470)	(1,173)
Surplus	(90)	45	-	147	78

Support services provided by NSAH (Alliance Homes) Limited are undertaken on a breakeven basis. Although there will invariably be some volatility from year to year the costs incurred in the provision of the services will broadly be matched by the income recognised.

Home repairs service

Five-year summary	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Turnover	-	2,434	2,265	1,652	1,299
Operating costs	-	(2,312)	(2,148)	(1,569)	(1,244)
Surplus	-	122	117	83	55

Alliance Homes Partnerships Limited is a wholly-owned subsidiary of NSAH (Alliance Homes) Limited that was established to provide property repairs and maintenance services to its members. Members consisted of NSAH (Alliance Homes) Limited and two other registered housing associations. In March 2025, the shares of the two other housing associations were transferred to NSAH (Alliance Homes) Limited, and Alliance Homes Partnerships Limited ceased trading.

Repairs and maintenance services to NSAH (Alliance Homes) Limited have subsequently been provided in-house or sub-contracted to third parties. Services are no longer provided to the previous partners.

Turnover and operating costs show the amounts charged to the previous partners and the cost of providing those services. There are no future plans for the Group to provide repairs and maintenance services to external entities.

Electricity generation

Five-year summary	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Turnover	2,462	1,942	2,071	2,229	1,992
Operating costs	(877)	(865)	(870)	(964)	(852)
Surplus	1,585	1,077	1,201	1,265	1,140

Alliance Homes (Ventures) Ltd is a wholly owned subsidiary of NSAH (Alliance Homes) Limited whose purpose is the generation of electricity via photovoltaic panels. Photovoltaic panels generate significantly more electricity when the climate is sunnier during the period, whilst incurring no additional costs, which results in the volatility of return from year to year.

Commercial lettings

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Five-year summary					
Turnover	932	920	811	860	813
Operating costs	(502)	(426)	(429)	(415)	(297)
Surplus	430	494	382	445	516

We own over 1,600 garages available for our customers and the wider public to rent, and over 50 commercial premises, predominantly shops, that are located within the community of our customers. Surpluses generated are re-invested back into the group and used to deliver services for our customers and help fund the development of new homes.

There are currently no plans to increase or decrease the number of garages and commercial units, but we continue to review the optimum value for money to be gained from these non-social housing properties.

Fixed asset disposals

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Five-year summary					
Gain on disposal of fixed assets	1,876	709	900	941	155
Number of disposals (including staircasing)	25	13	13	12	11

In 2026, the number of Right-to-Buy and Right-to Acquire disposals increased to 16 (2025: 6). There were also 4 full staircasing disposals (2025:4).

We have begun a process of identifying properties that are difficult to let or expensive to upgrade to meet the standards required. These properties will be strategically disposed of. During the year, we disposed of 6 such properties, accounting for £1,013k of the total gain.

Subject to market conditions we will continue to review the viability of individual high-value units to determine whether their disposal would represent better value for money.

Group statement of Financial Position

Five-year summary	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Housing properties	361,638	312,355	274,091	228,819	197,248
Other fixed assets	15,474	17,180	17,433	18,211	19,958
Investment properties	3,495	3,477	3,750	3,872	2,660
Loans	(209,283)	(189,072)	(162,447)	(123,822)	(100,032)
Capital grants	(41,156)	(34,043)	(26,339)	(19,491)	(19,060)
Pension liabilities	-	-	-	(3,549)	(12,482)
Other	-	-	(2)	-	(283)
Net current assets	2,707	17,375	12,590	8,430	9,449
Net assets	132,875	131,589	127,272	119,076	112,470

Housing assets

During the year, 178 properties (2025: 158) in development were completed and handed over. 102 properties were for social rent (2025: 101) and 76 properties for shared ownership (2025: 57).

In 2021/22, we set out plans to develop 2,000 social housing homes over a 10-year period. We are halfway through and have completed a total of 903 homes. A further 171 are scheduled to be completed in 2026-27.

We invested £12,723k (2025: £12,125k) in improvements to existing properties replacing a total of 1,303 components.

24 properties were disposed or fully staircased during the year (2025: 10). A further 41 were deemed to be non-lettable (2025: 2) and 2 demolished (2025: nil).

Other fixed assets

Other fixed assets consist predominantly of our freehold offices with a net book value of £8,289k (2025: £9,274k) and photovoltaic panels with a net book value of £5,084k (2025: £5,564k).

We currently have a freehold office that is no longer required, and our intention is to dispose of it. Its estimated market value is £600k below its net book value. An impairment charge has been made to bring the recoverable amount in-line with the net book value.

Investment properties

Investment properties comprise 33 commercial properties and 2 market rented properties that are valued at fair value. The fair value at 31 March 2026 was £18k higher than at 31 March 2025.

There are no plans to increase the investment portfolio nor dispose of any of the properties.

Loans

During the year, a further £20,500k was drawn-down to fund our development programme. Further details are in the funding and treasury management section below.

Capital grants

Grants received during the year totalled £7,649k. This includes £844k received from the Social Housing Decarbonisation Fund.

Funding and treasury management

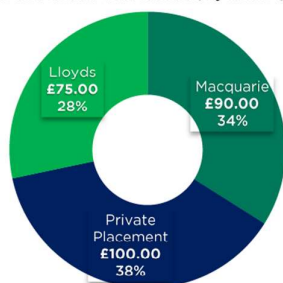
All external borrowings are made by NSAH (Alliance Homes) Ltd. Annual reviews of the Treasury Management Policy and Annual Treasury Strategy are undertaken each year and taken to Board for approval.

Key loan activity during the year was the renewal of a £75m Revolving Credit Facility (RCF), for five years to August 2030 and a move to EBITDA interest cover covenants, and the variation of £90m Capital Debt to EBITDA interest covenants. No new debt was agreed within the financial year.

Capital structure

Financing of NSAH (Alliance Homes) Ltd is met by a mix of fixed capital debt - £170m (2025: £170m), variable capital debt of £20m and variable bank debt of £75m, of which £20.5m was drawn during the year (2025: Nil).

Debt Portfolio
of all available debt facilities, by lender (£m)



When all facilities are fully drawn, fixed rate debt would equate to 64% of the loan portfolio and variable rate debt 36%. The Board sets a target range of between 58%-100% fixed and 0% -42% variable.

The weighted average cost of debt was 3.84% (2025: 4.01%).

Facilities are secured on the assets of the Association. All facilities are fully secured and available for drawing.

Repayment profile of current facilities

Of the drawn debt, 10% is repayable in less than five years. If the £75m RCF is fully drawn this would increase to 28% of total debt repayable in less than five years.

Loan compliance

Loan interest cover, gearing and asset cover covenants are monitored regularly and reported to the Strategic Leadership Team on a monthly basis and to Board quarterly. Non-financial covenants are monitored throughout the financial year. NSAH (Alliance Homes) Ltd were compliant with all covenants throughout the year and at year end.

Golden Rules

We set treasury management golden rules to monitor compliance with Board approved key treasury metrics. Most rules also have a trigger point that provides an early warning system whereby corrective action is required. The golden rule results for 31 March 2026 are as follows:

Golden rule description	Golden rule	Trigger	31 March 2026
Liquidity buffer	> 18 months	< 24 months	25 months
3-year rolling EBITDA MRI Interest Cover	> 100%	n/a	118%
EBITDA Only Interest Cover	> 150%	< 175%	238%
Minimum cash balance	> £5.0m	< £8.0m	£10.4m
Asset cover	> 125%	< 135%	180%
Gearing	< 70%	> 65%	49%
On-lending	< £35m	> £28m	£5.1m
No sales outstanding over 9 months	< 9 months	> 6 months	-
Social housing cost per unit	< budget + 5%	> budget	£6,566
Operating margin	> 20%	< 22.5%	20.8%

Calculations used for golden rule purposes are tailored to our business and differ from those required for regulatory metrics as reported in the value for money and benchmarking section below.

Liquidity

The Golden Rules require that a minimum of £5m Group cash is available to the business each day, and a minimum of 18 months liquidity. At 31 March 2026, there was £64.9m of available liquidity and sufficient liquidity to cover the next 25 months of forecast net cashflow requirement.

Future plans

We are currently negotiating a new £80m 10-year term loan with a 24-month availability period. The covenant terms have been agreed at no worse than the terms of the existing debt portfolio. Interest cover will be calculated on an EBITDA basis to align with the existing debt portfolio.

Value for money and benchmarking

Approach

Our Value for Money (VfM) Strategy sets out how we will strengthen the way we use our resources over the next three years to deliver the greatest possible impact for our customers and the organisation. It provides a clear and consistent framework for how we plan, invest, improve and evaluate our performance. The strategy supports our corporate priorities and ensures that all resource decisions – financial, people and assets – align with our long-term objectives.

For Alliance, Value for Money means achieving impact, efficiency and effectiveness in everything we do. It is about ensuring that every pound we spend delivers the best possible outcomes for customers, maintains the long term quality of our homes, and supports our financial resilience.

Delivering Value for Money starts with culture. At Alliance Homes, this is driven by our A-Game standards, the behaviours that guide how we work, how we make decisions, and how we deliver for our customers.

A culture of VfM requires us to be:

- Customer focused – we make decisions that genuinely improve things for our customers.
- Evidence based – we use good data, insight and benchmarking to guide what we do.
- Transparent – we're clear about how we use our resources and our impact.
- Sustainable – we think about the long-term health of our finances and our homes.
- Accountable – everyone plays their part in delivering and demonstrating VfM.

Our principles and what they mean	Strategic Objectives 2026 - 2029
Using our resources wisely ✓ Balancing cost and quality ✓ Buying well ✓ Managing our assets ✓ Having the right people in the right roles	Ensure our procurement practices and Financial Regulations enable the right outcomes and that our awarded contracts maximise opportunities to extract social value. Design and embed a business wide contract management framework that standardises how we drive value from our supply chain. Complete a review of our organisation design and Target Operating Model to make sure we are deploying our people resources in the most effective way. Assess our financial performance against our customer experience so we can better understand the drivers behind cost and quality. Develop a financial strategy that supports our ambitions for income maximisation and cost reduction, including identifying opportunities for investment and divestment of services or assets, where appropriate.
Working efficiently ✓ Using the right tools and systems ✓ Continually improving ✓ Keeping processes simple, and following them with rigour ✓ Adding value, reducing waste	Run a series of short operational improvement sprints to spot ways to streamline services, cut unnecessary costs, and increase income. Review and refine our digital roadmap so our technology investments deliver the right outcomes for the business and our customers. Consider options for establishing an innovation hub so we can try out new ideas and new ways of working that lead to better results for customers and the business. Apply the right continuous improvement tools to enable teams to deliver change in an agile and effective way.
Showing the difference we make ✓ Measuring what matters ✓ Sharing our success and learning ✓ Linking spend to outcomes ✓ Being transparent	Use VfM metrics to drive financial performance and increase understanding across the organisation of how they safeguard our long-term resilience. Identify where 'invest to save' approaches could unlock medium and long-term efficiencies and improved outcomes. Use benchmarking tools to assess how our VfM performance compares with peers, and why. Improve how we tell our story through various channels so people can see the difference our investment makes for customers, communities and colleagues.

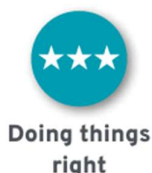
2025/26 VfM commitments



Doing things
economically

This principle considers effective and efficient ways to provide services and being innovative and using digital technology and research to design better ways to work.

2025/26 commitments	How this will drive VfM	RAG	What we achieved
Continue to drive customer digital adoption through the Connect self - serve platform.	Increasing our rate of digital adoption will allow for more efficiencies in our customer contact environment.	Green	We now have 2,855 registered Connect users and have continued to increase digital adoption.
Replace the legacy repairs and maintenance system (Total) with Total Connect.	A new system will support a lean approach to process redesign, improvements in job scheduling, costing and commercial reporting insights.	Orange	We have progressed with systems implementation through business process reviews, data cleansing and building new platforms ready for a migration and go-live, which is slightly delayed and is forecast for July 26.
Replace the legacy asset management system (Keystone) with Cx Assets.	Cx Assets will provide better data assurance and data quality which will allow us to refine our financial assumptions and business planning decisions.	Orange	We are well advanced in preparing for Cx Assets, including data cleansing, testing and systems build. Delayed go-live to due system dependencies with Cx Housing upgrades and testing queries that have pushed go live into 26/27.
Roll-out a pilot of the 'Top Track' customer profiling tool.	Using nuanced customer profiling will support better operational case management, transitioning towards a more proactive business model.	Green	Top track being used by teams to identify proactive intervention potential for customers based on how they interact with us. This has also been used to direct priority cases as part of the MOT Pilot and arrears prevention.
Explore opportunities to increase digitally enabled services, including AI potential.	Assessing the potential of digital service solutions, including the power of AI, offers potential to generate operational efficiencies.	Orange	This has been de-prioritised during the year due to competing pressures; however, we have rolled out a range of soft AI tools to support the business, including the use of Co Pilot which has seen increased usage by colleagues. An AI colleague working group has also been established. We also continue to utilise Mobyssoft RentSense to support income collection performance.



This principle ensures that we have clear strategies, policies and processes to deliver the vision of the business with robust quality assurance.

2025/26 commitments	How this will drive VfM	RAG	What we achieved
Embed the Quality Assurance framework to support our internal controls.	Embedding routine QA will provide assurance that we are doing the right things, in the right way and improve procedure adherence.		QA framework is in place and working effectively. Checks against our policy promises are completed by Business Services team (reported to SLT each quarter) for assurance and recommendations are centrally record within a tracker for oversight and monitoring.
Continue to optimise our processes through automation, making the best use of technology where there is a demonstrable business case (e.g. new telephony system).	Designing new processes that build-in digital automation allows us to remove waste, improve consistency and efficiency.		We have continued to drive automation of our programmes and systems of work. We have approved a business case for a new telephony system and the implementation of that is underway to improve the efficiency of our contact environment. We have also started to explore ways to build better automation in our financial management, removing manual controls and this is aligned with a financial control improvement plan reported quarterly to the Audit and Risk Committee.
Kickstart the initial phase of reviewing Plan A 2.0 prior to its 2027 expiry.	A review of our corporate strategy will ensure we have a vision and roadmap that connects with colleagues and customers, anchoring our 'north star' for the business for the next 5 years.		We celebrated 20 years of Alliance in February 2026 and launched a programme of events and initiatives over the following year to prepare for a new corporate strategy. This has started with a review of our culture, the launch of new Cultural Standards to replace our AGAME values and exploratory conversations with specialist strategy agencies to support 'big picture thinking' as we approach a plan renewal.
Continue to drive savings and efficiency gains through effective procurement practices when we purchase goods and services.	Robust procurement practices that are commercial and competitive will directly contribute to VfM outcomes.		We continue to procure goods and services in line with our procurement tools, policies, procedures and Financial Regulations.



Maximising the
return on assets

This principle sets out the way we will manage our existing assets and how we will create new assets to achieve maximum value from our assets for us and for our customers.

2025/26 commitments	How this will drive VfM	RAG	What we achieved
Complete the property MOT pilot, evaluate its success and explore routes to scaling up more widely.	Knowing more about the condition of our homes, how they are used, and the broader customer experience will allow us to plan and deliver services proactively.		We had a slower start to the mobilisation of the MOT Pilot, spending time through planning and using data insights to direct our focus. However, we have a full team in place have completed c. 250 surveys and achieved high levels of customer feedback. Our learnings, data insights and reporting show us that the MOT is adding considerable value to specific customer segments who require a more nuanced service to meet their preferences and needs, is proactively supporting better property maintenance and offering the support the improves outcomes.
Mature our approach to asset disposals, securing 10 sales in-year, aligned to a Board ambition for 260 sales over the next 10 years.	Asset churn is healthy and necessary to ensure we avoid investing in homes that cannot meet financial viability thresholds, quality standards or customer demands, thereby limiting unreasonable abortive investment costs – proceeds from sale to be ring-fenced to invest in existing homes and building new supply.		This year we did not meet our 10-home disposal target, however, we sold 6 homes which exceeded our income target. We generated total income of £1.1m for the year which is ring fenced to support re-investment.
Deliver our sustainability strategy including a baseline carbon reduction plan and acceleration of retrofit projects.	A review of our corporate strategy will ensure we have a vision and roadmap that connects with colleagues and customers, anchoring our 'north star' for the business for the next 5 years.		This year we have continued to deliver more retrofit projects aligned to our grant funding programme – exceeding forecast to 294 as reported at year end. We have reduced the number of homes falling below EPC C (672 at 31 March) and improved our average SAP score to 77.13. We have completed a base line carbon assessment and a reduction plan agreed with Board. A customer sustainability group has also been established.
Deliver our ambition for new affordable homes, achieving a	New homes provide future rental income and asset value		We exceeded our target of 175 in year, with 178 new affordable

Strategic report

programme target of 175 build completions.	that strengthens our long-term financial health.		homes completed across our operating geography.
Deliver our ambition for new affordable homes, achieving a programme target of 58 shared ownership sales achieving at least £515k surplus.	Building and selling shared ownership homes provides surpluses that support our reinvestment ambitions.		We exceeded our Shared Ownership sales volume, achieving 60 plots sales in the year. Whilst total income was reduced due to a lower average share percentage being achieved, the total surplus target was exceeded.



This principle ensures that we invest in our colleagues to create a high-performance culture with opportunities for development and promoting innovation. It addresses how we will support our colleagues to upskill, support and retain them as they deliver high-quality services in an agile way.

2025/26 commitments	How this will drive VfM	RAG	What we achieved
Create a cultural storyboard that sets out the DNA of Alliance and supports the migration towards a performance culture, as well as creating a foundation for shaping the next iteration of our corporate strategy.	Clarity of purpose and the culture we want to support the delivery of our ambitions will create alignment between colleagues and customers, and that drives the right outcomes		We reviewed our organisational culture this year and created a storyboard that sets out our evolution. We developed new Cultural Standards to replace our AGAME values, focusing on improved accountability and performance. We strengthened our customer focus through this process and ensured the repositioning equips us for the future as an agile, relevant and resilient business. Workshop sessions were held with colleagues to launch this work in Q4, and it is now part of our people framework as we work to fully embed.
Embed our leadership excellence framework and introduce a development programme against the framework.	Great leadership is a cornerstone of high performance and ensuring we have the right leadership capacity will support innovation, growth and measurable outcomes		We have used our leadership excellence framework to build self-reflection and whilst at an early stage, it is now underpinning our performance-culture. We have also appointed an external agency to design and deliver a new leadership development programme, with core modules that provide a clear developmental pathway for how we live our new cultural standards and embed leadership skills consistently. The programme launched in April 2026.
Continue to work on our Great Place to Work action plan alongside our colleagues and continue to work on our EDI actions with our EDI champions.	Attracting and retaining talent, as well as promoting inclusion, is essential to our long-term resilience and reduces the adverse impacts of a high turnover organisation.		We achieved our highest level of response rate through the GPTW survey (83%) an overall 79% GPTW Trust Index score. We have worked collaboratively with our colleague and customer EDI groups to better understand our diversity and opportunities for continuous improvement.
Review our organisation design to ensure we are set up for success, with the right people in	Deploying our people resources effectively will drive efficiencies in how we are organised to deliver against		We have not completed a full organisation design process this year, which will follow the next iteration of Plan A. However,

Strategic report

the right seats, with the right skills.	the agreed 'measures that matter'		several targeted changes within services have accelerated in year including changes within operations, aligning empty homes and lettings to ensure we are set up for success.
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Achieving the right outcomes

This principle sets out how we will self-assess our business effectiveness and measure how successful we have been in achieving our corporate plan objectives, and what value has been delivered.

2025/26 commitments	How this will drive VfM	RAG	What we achieved
Continue to maximise opportunities for grant funding to support a range of services including our support contract and community investment.	Securing grant funding enables us to continue to deliver added value community services that are financially independent of the core landlord service.		We have maximised grant funding to deliver our support and community investment activities this year, to drive customer outcomes. This includes grants from North Somerset Council, the National Lottery and other organisations that add value to our strategy – alongside social value contributions from contractors and partners.
Support customers with debt advice and protect primary rent debt payments.	Providing debt support and money advice services drives down rent arrears and creates greater opportunity for income security.		Income collection remains strong, with our person-centred debt management and financial inclusion services contributing to low levels of rent arrears at year end of £982k – 17% better than target. We also continued to provide FCA money and achieved £2,436,026.67 in customer outcomes.
Publish full Tenant Satisfaction Measures to the RSH and track benchmarks, learning and other sector insights to promote continuous improvement in service delivery.	TSMs provide transparency of our service experience and will direct continuous improvement in the things that matter most to customers and Alliance.		Our TSMs for 25/26 saw a further increase in overall satisfaction to 79.80% to 25/26, with statistically significant gains in areas such as repairs and in our customer culture. We also made gains in our landlord metrics. Our submission will be made by the end of June 2026 in line with RSH deadlines and thereon our outturn report will be published, including what the data tells us and how we will take action to improve.
Continue renegotiations with funders to vary interest cover covenants.	Competitive and market aligned loan covenants will create additional business plan capacity / headroom to deliver our ambitions.		A loan covenant renegotiation with Macquire completed in year and moved our interest cover (EBITDA – MRI) to EBITDA Only and this has created additional capacity to continue to invest in services, existing and new homes.

Strategic report

Tack the disposals programme sales frequency and values against required liquidity forecasts.	To ensure we raise funding at the right time, comply with the liquidity Golden Rule and Treasury Management Policy.		Disposals are tracked through management accounts, and this year marginally exceeded the surplus forecast (see above).
Maximise return alternative revenue streams, e.g. rental of commercial units and garages.	Generating more income into the business will create additional headroom gains for reinvestment.		We have started to explore how to maximise alternative non-social housing income to support our ambitions, but this has been slower with competing pressures. However, we have focused on understanding our commercial portfolio in greater depth and have secured new tenancies for more valuable spaces such as the café facility at Marina Gardens and a commercial let agreement at Harbour Court.
Review processes within finance and procurement to create efficiency.	Lean processes and financial control enhancements will help support the business to become more cost effective.		A financial controls improvement programme was launched this year and the progress towards delivery is sponsored, and overseen, by the Audit and Risk Committee. This is aligned to strengthening internal controls and building better, more automated process to improve our efficiency and effectiveness.

Strategic report

Regulatory metrics

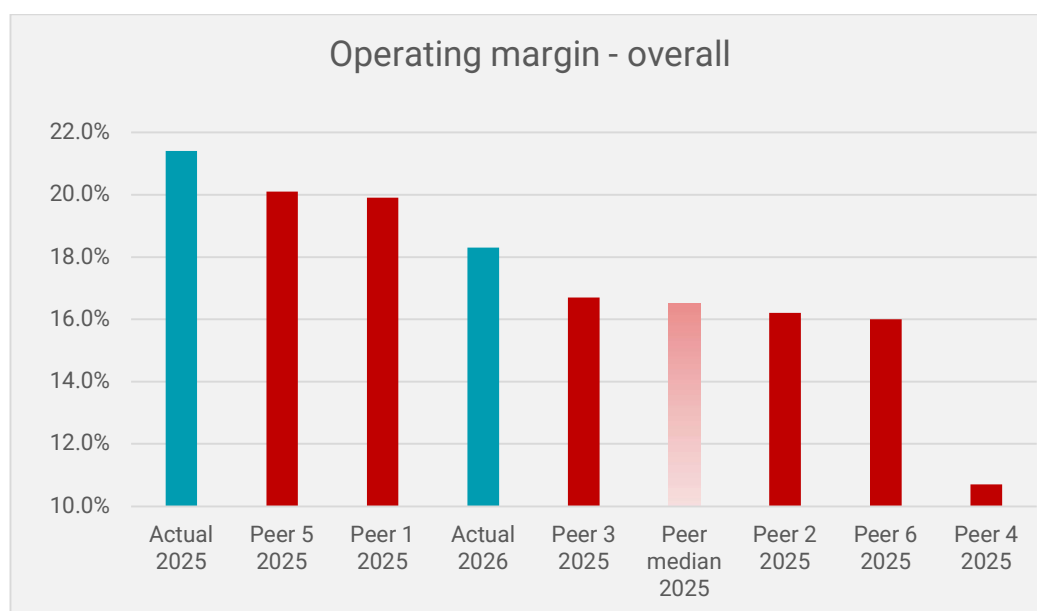
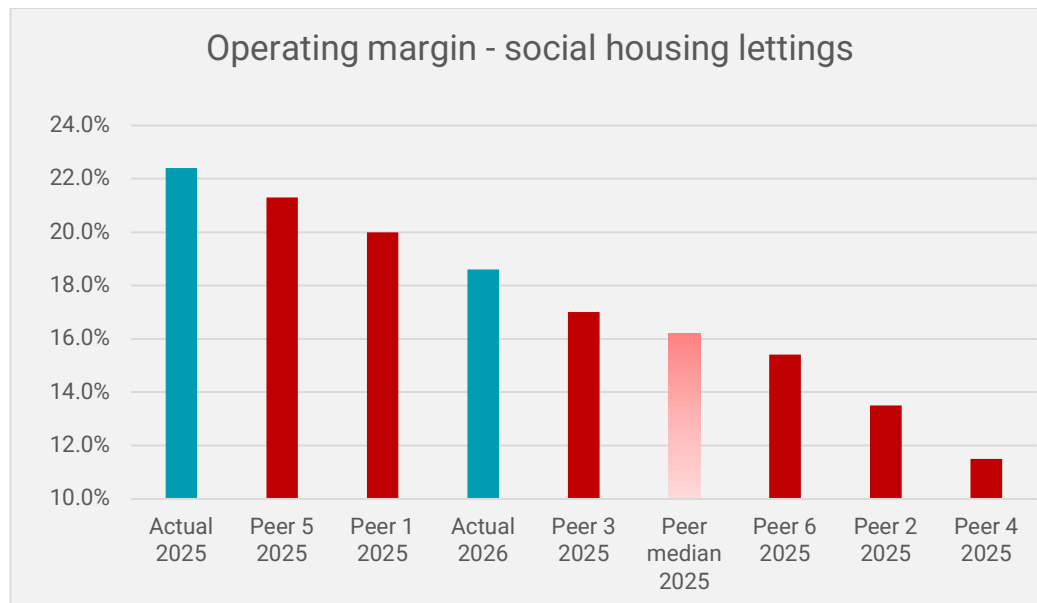
The table below shows performance against the regulator's VfM metrics:

	Actual 2025	Peer Group 2025	South- West 2025	Sector 2025	Target 2026	Actual 2026	Target 2027
Business health							
Operating margin – social housing lettings	22.4%	16.2%	18.5%	20.5%	17.5%	18.6%	11.9%
Operating margin – overall	21.4%	16.5%	16.7%	17.6%	21.8%	18.3%	19.6%
EBITDA MRI interest cover	130%	141%	142%	113%	144%	84%	82%
Operating							
Headline social housing cost per unit	£5,930	£5,301	£5,688	£5,576	£6,460	£6,577	£6,831
Development							
New supply delivered (social housing)	2.2%	1.3%	1.1%	1.3%	2.4%	2.4%	2.3%
New supply delivered (non-social housing)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
Gearing	55.3%	44.0%	37.4%	45.5%	58.7%	55.0%	58.9%
Asset management							
Re-investment	16.1%	6.1%	6.6%	7.6%	14.3%	16.7%	17.6%
Return on capital employed	4.0%	2.9%	3.0%	3.1%	4.0%	3.4%	3.4%

Peer Group, South-West and Sector metrics are extracted from the Regulator of Social Housing's VfM benchmarking tool. They are all median values.

Peer Group comprises other relevant housing associations of a similar size and geographical location to NSAH (Alliance Homes) Limited. South-West comprises those housing associations who are not-for-profit and have more than 50% of their social housing stock in the south-west.

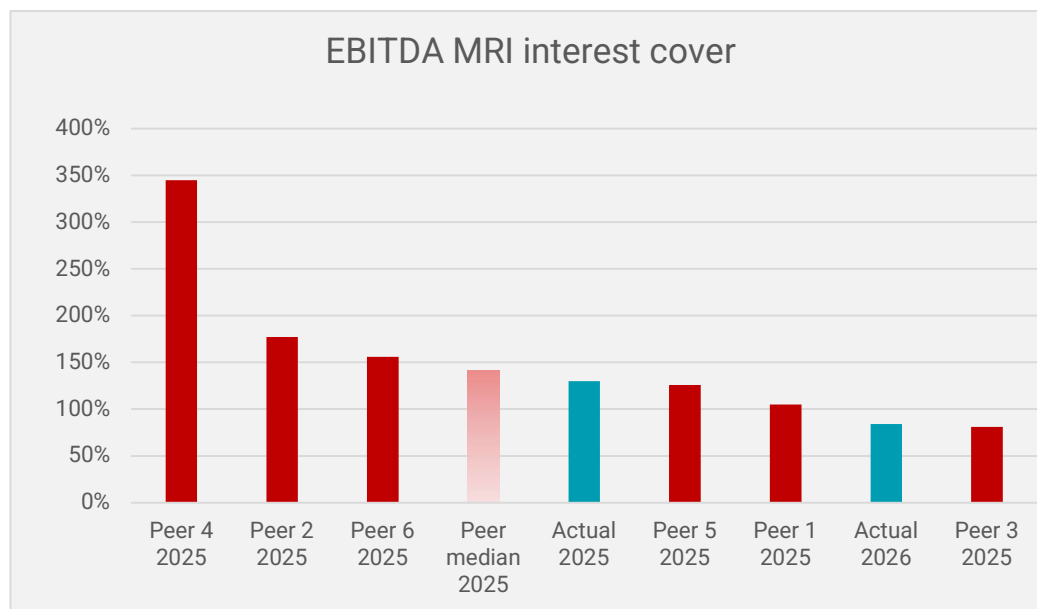
Business health



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

The margin on social housing lettings exceeded the target with a slightly favourable surplus from a lower turnover. We are anticipating a much-reduced margin next year as expenditure is expected to increase significantly beyond increased turnover. From 2026/27, the margin social housing lettings is expected to significantly improve.

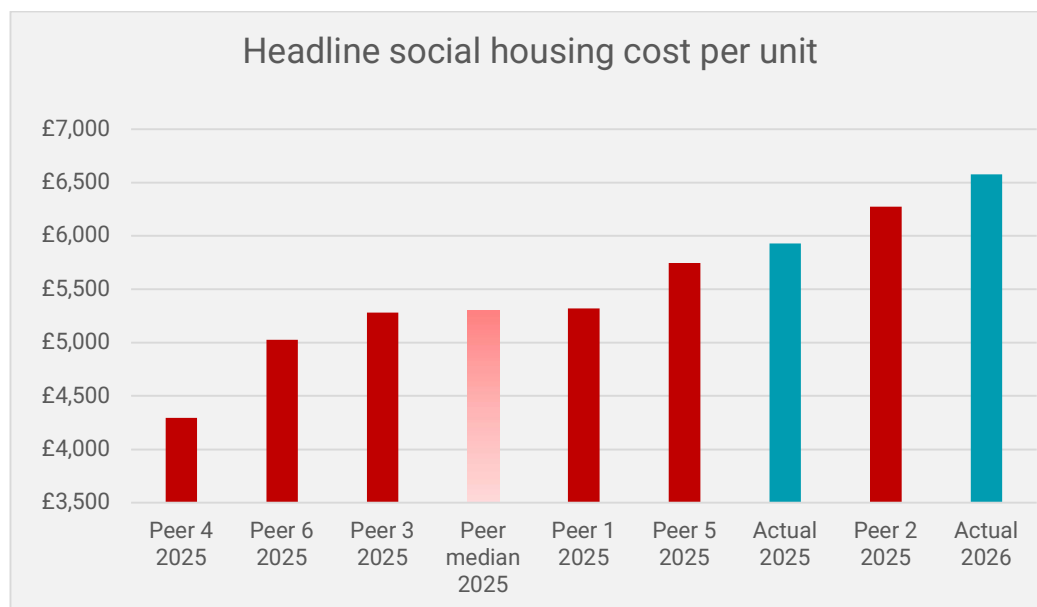
The overall operating surplus and turnover were both below targets for the year resulting in a lower overall margin than expected. It is expected to fall slightly next year before recovering to 2026 year levels in subsequent years.



The EBITDA MRI interest cover measure indicating liquidity and investment capacity. It seeks to measure the level of surplus that is generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

The interest cover was significantly below the target due to a lower than expected operating surplus and higher major repairs costs. The target for next year remains at a similar level before it improves in 2027/28. The metric calculation used for the Regulator's metric differs from those required from our funders who exclude major repairs from the metric. We have been fully compliant with our funders requirements and expect this to continue.

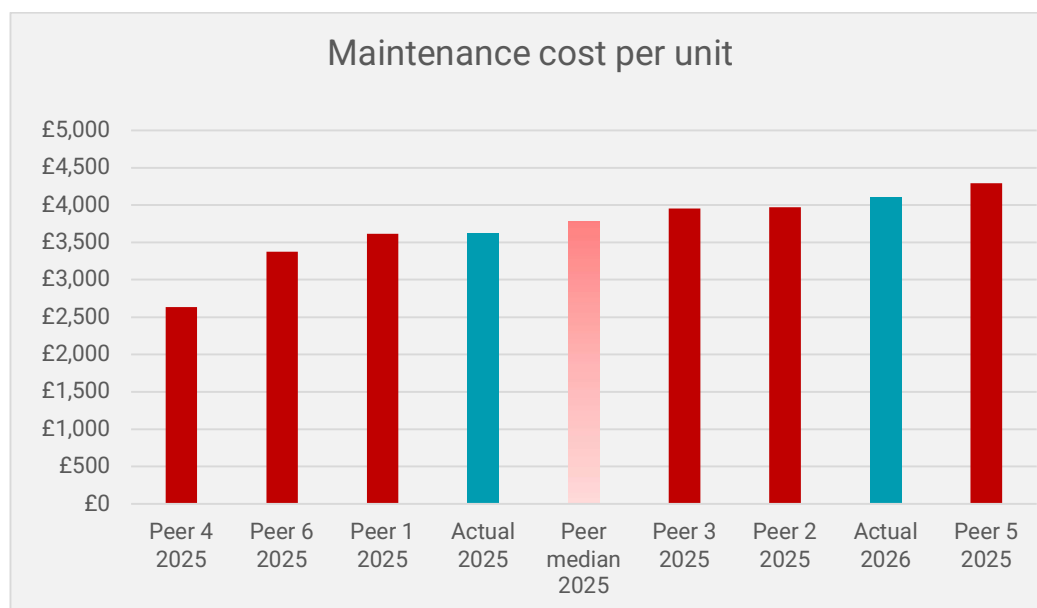
Operating



The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator. It is a proxy cash measure of a social housing cost per unit. This means it excludes non-cash items such as depreciation, amortisation and write downs.

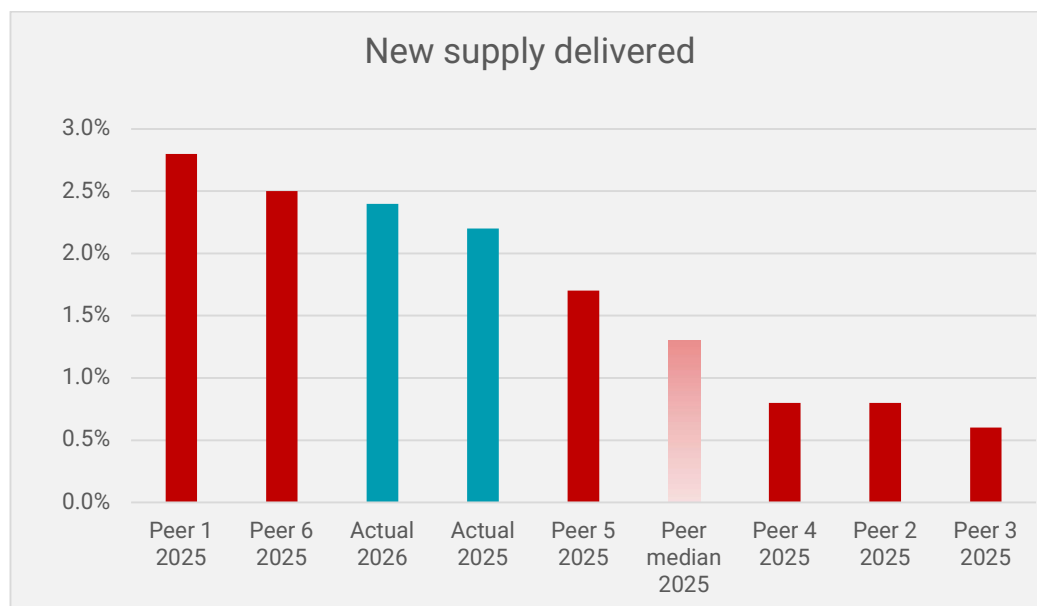
We continue to have a relatively high headline social housing cost per unit compared to peers and the sector. We expect the metric to increase next year before falling from 2026/27 onwards.

Of our headline cost per unit of £6,577 (2025: £5,930), £4,102 (2025: £3,617) is attributable to maintenance including capitalised works. The chart below shows the breakdown against our peers. The solid areas are the non-capitalised costs and the transparent areas represent works capitalised.



Our expenditure on non-capitalised works continues to be below the 2025 peer median but we have a heavier spend on capitalised works. Capitalised works is cyclical and can vary with the timing of the component replacement programme and reflects the investment made in housing stock.

Development

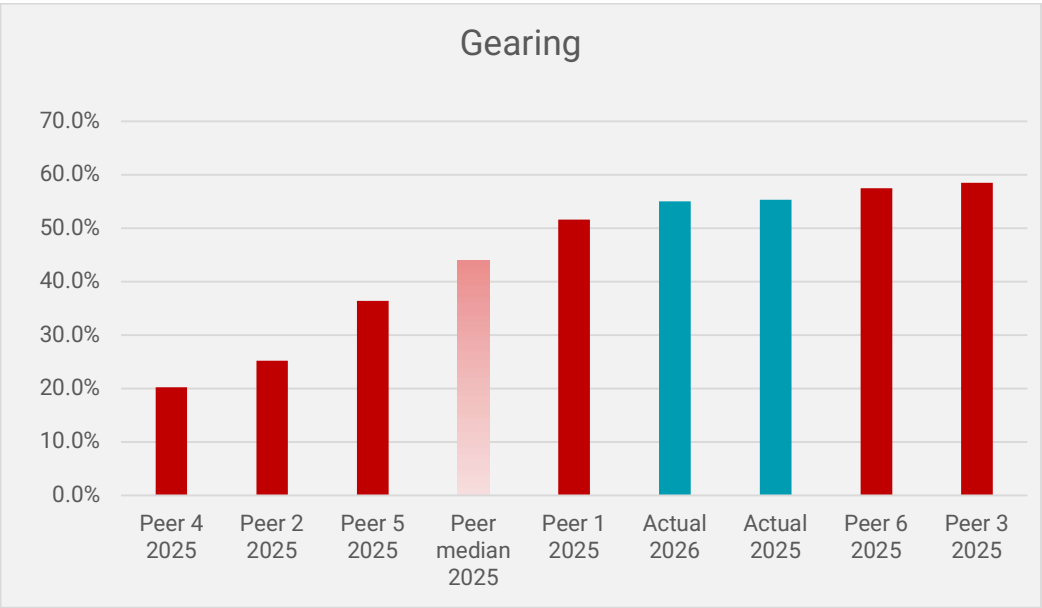


Strategic report

The new supply metric sets out the number of new social housing and non-social housing units that have been newly constructed (acquired or developed) in the year as a proportion of total social housing units and non-social housing units owned at period end.

The number of units developed during the year marginally exceeded the target. Next year, it is anticipated we will complete marginally fewer units but remain on course to complete our plan to develop 2,000 social housing homes over a 10-year period.

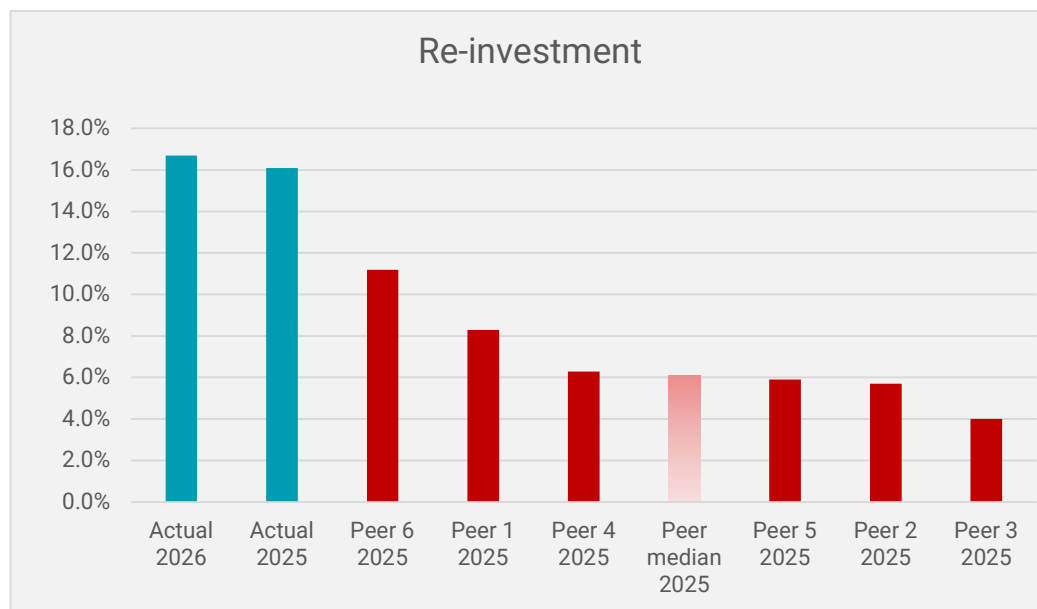
We do not acquire or develop non-social housing and there are no future plans to do so.



The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

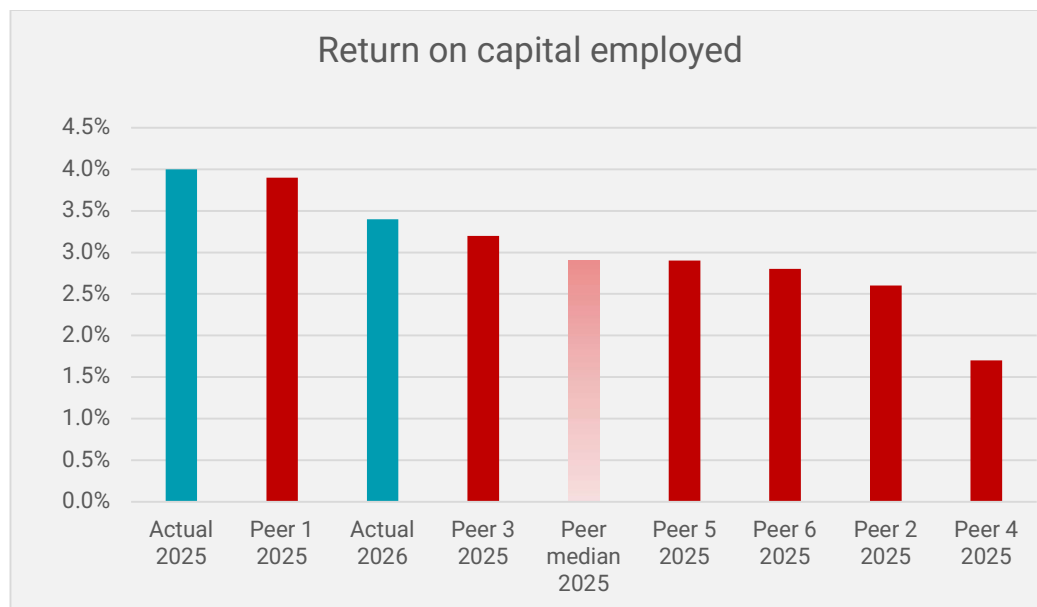
During the year, loan draw-downs were not as high as anticipated resulting in a lower gearing than targeted. We continue to have high headroom levels for gearing and our results are within our funders' covenant levels indicating capacity within our business plan to complete our planned development programme. Gearing is expected to increase over the coming years as loans are drawn-down accordingly.

Asset management



The re-investment metric measures at the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.

We continue to perform strongly against our peers and the sector as a result of our 10-year development programme. The metric is expected to improve further next year continuing to demonstrate a strong performance.



The Return on capital employed (ROCE) compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric supports us with our capital investment programmes.

The lower than expected operating surplus resulted in a lower ROCE than targeted. However, we still performed strongly against our peers and the sector. Although the operating surplus is expected to increase next year, so will total assets resulting in an expected ROCE similar to this year.

Risk management

We recognise the importance of effective risk management and continuously monitor our operating environment to identify and respond proactively to emerging threats and opportunities. This supports informed decision-making and helps us achieve our strategic objectives.

Our risk management framework provides a clear golden thread linking our corporate strategy (Plan A), risk appetite, governance structures, key performance indicators, and risk assessment processes. This ensures that risk is considered consistently and coherently across the business. The framework allows risk exposure to be assessed against agreed risk appetites, strengthening alignment between risk management and strategic objectives.

Our risk management approach empowers colleagues to manage risk at the most appropriate level, supported by operational leaders, the Strategic Leadership Team, the Audit and Risk Committee, and the Board.

Our risk appetites and scoring categories are primarily aligned to our five strategic objectives while also reflecting key organisational and operational factors. This provides clarity and focus on those risks with the greatest potential impact and helps prioritise management attention and mitigating actions.

The Audit and Risk Committee plays a central role in overseeing the effectiveness of our risk and control framework. On behalf of the Board, the Committee monitors the adequacy of risk management arrangements, reviews the identification and assessment of principal risks, and scrutinises the effectiveness of key controls and mitigating actions. This provides assurance to the Board and supports its ongoing review of individual and aggregated risks that could affect the achievement of organisational objectives.

Our independent risk advisors undertake an annual review of our risk management methodology and risk registers, providing assurance that our approach remains aligned with recognised good practice and sector risk profiles.

The Board is responsible for setting the Group's risk appetite within the context of its overall risk capacity. This provides a clear framework for managing risk exposure while supporting the delivery of strategic priorities. Where opportunities exist to strengthen controls or mitigations, action plans are developed and implemented to address identified gaps.

Recognising that risks continually evolve, changes to existing risks and the identification of new and emerging risks are considered as part of our decision-making and governance processes. Reports presented to the Board and its Committees specifically highlight the risks relevant to matters under consideration, ensuring risk implications are fully understood before decisions are made.

The principal risks to the achievement of our objectives, together with the key controls and mitigations in place, are set out below. Rather than categorising risks as either operational or strategic, we focus on those risks that are most consequential to the organisation and its ability to deliver its objectives.

Risk	Key controls
Uncontrolled, unbudgeted spend	• Prudent, data driven budgeting • Financial Reporting • Performance reporting • Mixed economy of internal and external resources
Asset exposure to flood risk	• Linked agency working and alert systems • Flood response plans • Planned preventative maintenance schedules • Design standards for new builds
Failure to meet EPC C by 2030 and longer-term net-zero requirements	• Plan A strategy commitment • Performance monitoring of stock • Approved Business Plan and retrofit budget • Grant Funding secured • PV installation

Strategic report

Failure to provide a quality accommodation that meets relevant standards within agreed resources	• Self-assessment against Standards • Established Policies and Procedures • Performance Monitoring of Stock • Customer Satisfaction Monitoring • Stock condition survey programme • Data driven investment programme
Failure to comply with fire, gas, water, asbestos, lifts and electrical inspection obligations	• Professional registrations for trades • Joint working with strategic partners • Third-party assurance • Self-assessment against Standards • Established policies and procedures • Compliance performance monitoring
Insufficient business plan capacity to deliver sufficient planned investment in our existing homes	• Stress tested Business Plan • Quality stock data and Asset strategy • Detailed budget planning • Competitively procured contracts • Sustainability strategy • Monitoring and reporting
Poor performance of maintenance contractor	• Customer satisfaction monitoring • Contractor management • Performance monitoring • Periodic post works checks • Quarterly report on expenditure against budget profile • Data driven major works and planned investments
Management of damp and mould in customer homes	• Established HHSRS aligned damp and mould policies and procedures • Performance monitoring of stock • Performance monitoring against required response timeframes • Customer satisfaction monitoring • Stock condition survey programme with specialist surveyors
Failure to comply with loan covenants	• External advice taken from treasury advisors on financial planning assumptions • Monthly management accounting and covenant compliance monitoring • Quarterly forecasts presented to Board • Financial Plan approved by Board • Financial Plan stress tested • Horizon scanning on a quarterly basis
Inadequate cash to meet requirements	• Golden rules for liquidity and cash • Cash flow forecasting • Budget monitoring • Business planning • Annual treasury strategy

Group structure

Parent

NSAH (Alliance Homes) Limited, the parent entity, is a Community Benefit Society incorporated under the Co-operative and Community Benefit Societies Act 2014, registered with the Financial Conduct Authority (registration 29804R) and the Regulator of Social Housing (registration: L4459).

Subsidiaries

Alliance Homes (Ventures) Ltd generates electricity via photovoltaic panels. It is a company limited by shares.

Alliance Homes Partnerships Limited provided maintenance and repairs services to the Group and two other local housing associations. The company ceased trading in March 2025.

Alliance Living Care Ltd provided domiciliary care services. The company ceased trading in November 2021.

Alliance Homes Sales Limited is a dormant company that has not yet traded.

Alliance Homes Design and Build Company Limited is a dormant company that has not yet traded.

Board members

The Board members holding office during the period 1 April 2025 to 31 March 2026 and up to the date of signing these financial statements are listed in note 37.

The Board is responsible for setting our strategy as well as overseeing performance. Specific responsibilities were delegated in the year to committees each with their own specific terms of reference. Day-to-day performance is delegated to the Strategic Leadership Team.

Remuneration

Fees paid to Board members are routinely independently reviewed against market levels having regard to the size, complexity, resources, and benchmarking information on Board member pay in comparable organisations. The level of remuneration is ultimately determined by the Board on recommendation from the Remuneration Committee.

The Board sets the pay and benefits of the Chief Executive Officer and the terms on which the Chief Executive Officer can agree other colleagues' salaries.

The Chief Executive Officer and all members of the Strategic Leadership Team are members of the Association's defined contribution pension scheme and participate on the same terms as all other eligible colleagues.

Committee structure

During the year the Board has operated four Committees:

Audit and Risk Committee

Responsible for bringing independent scrutiny and challenge to provide the parent and subsidiary Boards with assurance as it exercises oversight of:

- financial reporting
- external audit
- internal audit
- internal control
- risk and control framework
- customer complaints

The Committee also acts as a direct access point under the Group's whistleblowing policy.

Group structure and corporate governance

Remuneration Committee

Responsible for ensuring that appropriate policies and arrangements are in place and keep the effectiveness of those policies and arrangements under review for:

- Board member remuneration levels
- Board member appraisals
- Board member appointment
- Conditions of employment, including remuneration, of the Group Chief Executive
- Gender Pay Gap reporting

Asset Committee and People and Culture Committee

During the period the board also operated an Asset Committee and a People and Culture Committee, In May 2025 the Board agreed a further an evolution of its governance structures towards a unitary board, also refining the supporting governance structures to facilitate whole board collaboration and participation and reduce duplication. As a component part of this, the decision was taken to step stand down the Asset Committee and the People and Culture Committee, transfer those remits back to matters reserved for the Board and to introducing a Remuneration Committee with a tighter focus on effectiveness of performance appraisals, pay strategies and succession.

NHF Code of Governance

During the year, we have complied with the National Housing Federation's Code of Governance 2020.

During the year, we have complied with the National Housing Federation's Code of Governance 2020. The Board has self-assessed compliance with the National Housing Federation Code of Governance 2020 and is satisfied that the organisation complied with the Code throughout the year except in relation to the recommended tenure of the Senior Independent Director.

The Senior Independent Director remained in post beyond the six– year term to support Board continuity during a period of chair transition. The Board approved this arrangement having considered succession planning and governance stability.

Environmental, social and governance reporting (ESG)

The Group prepares an annual ESG report which will be available on our website from October 2026.

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

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

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

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

In preparing each of the Group and the Association's financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the 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 Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

The Board's report on internal controls assurance

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

The Board recognises that no system of internal control can provide absolute assurance against financial misstatement or loss, fraud or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved.

It also exists to give reasonable assurance about the preparation and reliability of financial statements and operational information and for the safeguarding of the Group's and Association's assets and interests.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing, has been in place throughout the period commencing 1 April 2025 and up to the date of approval of the report and financial statements.

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

- Board members and colleagues follow the Rules of the Association, Standing Orders, Financial Regulations and policies and procedures which cover issues such as delegated authority, procurement,

Board report

- segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection;
- Financial reporting procedures including annual budget setting and reporting on a quarterly basis to the Board;
- Long-term strategic financial plans annually created, stress tested and reviewed by the Board. These are revised during the year if necessary;
- An annual independent review of our risk management framework which enables the Board to confirm that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in place throughout the year under review and is up to date as at the date of the annual report;
- External audit arrangements, including presentation of management letters;
- Appointed internal auditors and a strategy and programme of independent internal audits in accordance with recognised professional standards;
- Quarterly review by the Board of key performance indicators to assure progress towards the achievement of objectives;
- Quarterly review by the Audit and Risk Committee of risk throughout the year with consideration of strategic risks also considered by the Board. Remit relevant risk registers are also considered by committees of the Board;
- A fraud policy and associated register are maintained, and fraud controls and awareness form a regular part of the internal audit programme. The fraud register is made available to the Audit and Risk Committee;
- Reports from the Committees are made to each subsequent Board meetings with their minutes also made available;
- All Board members, Committee members and colleagues are covered by Directors and Officers Liability insurance to protect them from claims made against them in their capacity as representatives of the organisation.

Going concern

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

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in September 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. The Board has an approved set of golden rules and trigger points at which to review and if necessary, commence mitigating actions

The Board, after reviewing the Group and Association budgets for 2026/2027, the long-term business plan, and relying on the assurance from the stress testing and mitigations, 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.

The Board believe the Group and Association has sufficient funding in place and expect the group to be compliant 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.

Regulatory compliance

The Association self-assesses itself as being compliant with the Regulator of Social Housing's regulatory standards. Compliance is monitored by the Audit and Risk Committee quarterly and the Board on an annual basis with any changes or implications arising within the year being reported on an ad hoc basis. As at the reporting date the Board can confirm that they comply in all material respects with the standards.

Board report

The Regulator of Social Housing has assessed our compliance with its Governance and Financial Viability annual stability check during December 2025. This is expressed as grading G1 to G4 for governance and V1 to V4 for viability; gradings 1 and 2 are compliant. We retained a grading of G1 for governance and V2 for viability.

As a result of the Social Housing Regulation Act which came into effect on the 1 April 2024 the Regulator of Social Housing set out new Consumer Standards designed to protect tenants and improve the service they receive. These consumer assessment ratings C1-C4 sit alongside the existing governance and viability measures. We are awaiting our first consumer grading.

Disclosure of information to auditor

In the case of each director in office at the date the directors' report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Association's auditors are unaware, and
- he/she has taken all the steps that he/ she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Audit

A resolution to re-appoint Bishop Fleming LLP as auditors will be proposed at the forthcoming annual general meeting.

Statement of compliance

In preparing this Operating and Financial Review and Board report, the Board has followed the principles set out in the 2018 Statement of Recommended Practice: Accounting by Registered Social Housing Providers (SORP).

By order of the Board



Carol Rosati OBE
Chair
18 August 2026

Opinion

We have audited the financial statements of NSAH (Alliance Homes) Limited (the 'parent association') and its subsidiaries ('the group') for the year ended 31 March 2026 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Group and Association Statement of Changes in Equity, the Group Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 and the parent association's affairs as at 31 March 2026, and of the income and expenditure of the group and the parent association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent 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 Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the group and the parent association have not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the statement of financial position are not in agreement with the group and the parent association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board's responsibilities, 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the group and the parent association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the group or the parent association or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and directors in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act 2014, FRS 102, UK tax legislation, and the Accounting Direction from the Regulator of Social Housing for registered providers.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or avoid a material penalty. These include, data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

This description forms part of our auditor's report.

Independent auditor's report

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. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited
Statutory Auditors
Bristol
United Kingdom

Date: 2 September 2026

Statement of comprehensive income

For the year ended 31 March 2026

		Group		Association	
	Note	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Turnover	2	60,955	62,926	59,865	59,889
Cost of sales	2	(5,978)	(7,810)	(5,978)	(7,810)
Operating expenditure	2	(43,807)	(41,649)	(42,930)	(38,351)
Gain on disposal of fixed assets	6	1,876	709	1,876	709
Operating surplus	2	13,046	14,176	12,833	14,437
Interest receivable and similar income	11	396	1,179	319	1,098
Interest payable and financing charges	12	(7,257)	(6,886)	(7,257)	(6,886)
Impairment loss on other fixed assets	15	(600)	-	(600)	-
Movement in fair value of investment properties	16	18	(273)	18	(273)
Surplus before taxation		5,603	8,196	5,313	8,376
Taxation	13	-	-	-	-
Surplus for the year		5,603	8,196	5,313	8,376
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		5,603	8,196	5,313	8,376

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

The financial statements were approved by the Board on 18 August 2026 and signed on its behalf by:



Carol Rosati OBE
Chair



Joy Luxford
Board Member



Philippa Armstrong-Owen
Company Secretary

Statement of financial position

at 31 March 2026

	Note	Group 2026 £'000	2025 £'000	Association 2026 £'000	2025 £'000
Fixed assets					
Housing properties	14	361,638	312,355	361,638	312,355
Other tangible assets	15	15,474	17,180	9,782	11,104
Investment properties	16	3,495	3,477	3,495	3,477
Investment in subsidiaries	17	-	-	5,070	5,070
		380,607	333,012	379,985	332,006
Current assets					
Properties for sale	18	5,004	5,919	5,004	5,919
Stock	19	167	-	167	-
Debtors	20	4,965	6,765	4,601	6,012
Cash and cash equivalents	21	10,431	16,267	7,781	14,212
		20,567	28,951	17,553	26,143
Creditors					
Amounts falling due within one year	22	(17,860)	(11,576)	(17,791)	(11,039)
Net current assets		2,707	17,375	(238)	15,104
Total assets less current liabilities		383,314	350,387	379,747	347,110
Creditors					
Amounts falling due after more than one year	23	(250,439)	(223,115)	(250,439)	(223,115)
Provisions for liabilities and charges					
Pension liability	10	-	-	-	-
Net assets		132,875	127,272	129,308	123,995
Reserves					
Share capital	28	-	-	-	-
Income and expenditure reserve		132,875	127,272	129,308	123,995
Total capital and reserves		132,875	127,272	129,308	123,995

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 18 August 2026 and signed on its behalf by:



Carol Rosati OBE
Chair



Joy Luxford
Board Member



Philippa Armstrong-Owen
Company Secretary

Statement of changes in equity

Income and expenditure reserve	Group £'000	Association £'000
Balance at 1 April 2024	119,076	115,619
Surplus for the year	8,196	8,376
Balance at 31 March 2025	127,272	123,995
 Balance at 1 April 2025	 127,272	 123,995
Surplus for the year	5,603	5,313
Balance at 31 March 2026	132,875	129,308

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 31 March 2026

Group	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	32	32,414	28,334
Cash flows from investing activities			
Purchase of tangible fixed assets		(60,679)	(51,450)
Proceeds from the sale of tangible fixed assets		2,385	1,187
Grants received		7,649	8,160
Interest received		396	1,181
		(50,249)	(40,922)
Cash flows from financing activities			
Interest and finance costs paid		(8,071)	(7,609)
New secured loans		20,500	44,000
Repayment of borrowings		-	(17,500)
Capital element of finance lease repayments		(2)	(7)
Loan issue fees		(428)	(11)
		11,999	18,873
Net change in cash and cash equivalents		(5,836)	6,285
Cash and cash equivalents at beginning of the year		16,267	9,982
Cash and cash equivalents at end of the year	21	10,431	16,267

The accompanying notes form part of these financial statements.

The net debt reconciliation can be found in note 25.

1. Principal 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: Accounting by registered social housing providers 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Association is registered under the Cooperative and Community Benefit Society Act 2014 and is a registered provider of social housing.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000, unless otherwise indicated.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Association, NSAH (Alliance Homes) Limited, and its subsidiary undertakings listed below:

- Alliance Homes (Ventures) Ltd
- Alliance Homes Partnerships Limited
- Alliance Living Care Ltd

All entities are registered in England.

The parent entity is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent entity financial statements have been applied:

- No cash flow statement has been presented for the parent entity,
- Disclosures in respect of the parent entity's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Entity as their remuneration is included in the totals for the Group as a whole.

Key estimates and judgements

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Measurement convention

The financial statements are prepared on the historical cost basis except that investment properties are stated at their fair value, as are pensions and non-basic financial instruments.

Going concern

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

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in September 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. The Board has an approved set of golden rules and trigger points at which to review and if necessary, commence mitigating actions.

Notes to the financial statements

The Board, after reviewing the Group and Association budgets for 2026/2027, the long-term business plan, and relying on the assurance from the stress testing and mitigations, 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.

The Board believe the Group and Association has sufficient funding in place and expect 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.

Basic financial instruments

Tenant arrears, trade and other debtors

Tenant arrears, trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Bank loans classified as basic financial instruments

Bank loans are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Housing properties

Housing properties include properties available for rent and retained interests in properties sold under shared ownership leases and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges during the development period and directly attributable development administration costs. Shared ownership properties in work in progress are stated net of the estimated cost of the first tranche sale.

Notes to the financial statements

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:

	Years
Structure	100
Roofs	50
Bathrooms	30
Wall/loft insulation and energy improvements	30
Windows	30
Doors	25
Electrical rewiring	25
Kitchens	20
Central heating systems	15
Boilers	12

Non-component works to existing properties

Expenditure incurred which relates to an improvement, which increases the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. 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.

Other Fixed Assets

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

	Years
Freehold land	nil
Freehold offices	25 - 50
Garage doors and roofs	15
Office refurbishment	7
Operatives' vans (in line with the lease term)	4
Computers and office equipment	3
Furniture, fixtures and fittings	3
Photovoltaic panels	25
Photovoltaic panel convertors	10

In addition, pigeon mesh is depreciated over the remaining useful life of the photovoltaic panels.

Grants

Social Housing Grant

Social Housing Grant (SHG) is initially recognised as a long-term liability, specifically as deferred grant income, and released through the statement of comprehensive income as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Other government grants

Other government grants are initially recognised as a long-term liability and released through the statement of comprehensive income over the life of the structure of housing properties. This is the accrual method applicable to social landlords accounting for housing properties at cost.

Where grants are repayable and the associated asset is disposed, the remaining grant and any clawback amount will be held as a liability until repaid to the grant issuer. Where grants are not repayable and the associated asset is sold, the unamortised balance will be recognised as income.

Non-government grants

Non-government grants are recognised through income and expenditure in the year in which the terms of the grant are met

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition, investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in income and expenditure in the period that they arise.

No depreciation is provided in respect of investment properties applying the fair value model.

Rental income from investment property is accounted for as described in the turnover policy.

Properties held for sale and work in progress

Completed properties and properties under construction the estimated first tranche disposal of shared ownership properties are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads.

Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Stock and Work in Progress

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

Impairment excluding investment properties

Financial assets (including trade and other debtors)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

Non-financial assets

The carrying amounts of non-financial assets, other than investment property, 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 is the greater of its value in use and its fair value less costs to sell. 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 "cash-generating unit").

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Reserves

The revenue reserve reflects accumulated surpluses which can be applied at the Group and Association's discretion for any purpose.

Pensions

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees. The Group participates in the AEGON defined contribution scheme.

Defined benefit plans

The Group participated in the Avon Pension Scheme, a multi-employer defined benefit scheme administered by the Avon Pension Fund under the regulations governing the Local Government Pension Scheme, until exiting in October 2024. Consequently, there are no associated obligations or remeasurements recognised in the statement of comprehensive income for the current and prior year.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership, and amortisation of Social Housing Grant (SHG) under the accrual model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sales are recognised on practical completions. Other income is recognised as receivable on the delivery of services provided.

Expenses

Cost of sales

Cost of sales represents the costs including capitalised interest and direct overheads incurred in the development of the properties, and marketing, and other incidental costs incurred in the sale of the properties.

Operating leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the statement of comprehensive income over the term of the lease as an integral part of the total lease expense.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar charges include interest payable on bank loans. Borrowing costs that are directly attributable to the acquisition, construction or production of housing properties that take a substantial time to be prepared for use, are capitalised as part of the cost of that asset during the construction period.

Interest income and interest payable are recognised in the Statement of comprehensive income as they accrue, using the effective interest method.

VAT

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is not recoverable. The balance of VAT payable or recoverable is included as a current liability or asset.

Taxation

The Association is liable for Corporation Tax on non-charitable income. The subsidiary companies are liable for Corporation Tax. The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting.

2. Accounting estimates and judgements

Key Sources of Estimation Uncertainty

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 14 for the carrying amount of the property plant and equipment and note 1 for the useful economic lives for each class of assets.

Impairment of debtors

The Group makes an estimate for the recoverable value of rent arrears, trade and other debtors. When assessing impairment of rent arrears, trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 20 for the net carrying amount of the debtors and associated impairment provision.

Critical accounting judgements in applying the Group's accounting policies

Valuation of Housing Properties

The Group tests annually whether there are any impairment triggers that would require the Group to undertake a full impairment review of housing properties under FRS 102. No such triggers were identified for the 2025/26 financial year.

Notes to the financial statements

Revaluation of investment properties

The Group holds a number of investment properties that are let to tenants. These properties are initially recognised at cost and are subsequently held at fair value based on an annual valuation performed by an independent valuer. Assumptions are made as part of that valuation process to determine the amount to be recorded for investment properties, and factors such as volatile market conditions may cause a material change to the carrying value of investment properties within the next financial year.

Development expenditure

The Group capitalises development expenditure on housing properties in accordance with the accounting policy described in note 1. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

3. Turnover, cost of sales, and operating costs

Group	Turnover 2026 £'000	Cost of sales 2026 £'000	Operating expenditure 2026 £'000	Gain on disposal 2026 £'000	Operating surplus 2026 £'000
Social housing lettings (note 4)	48,508	-	(39,472)	-	9,036
Other social housing activities					
Shared ownership first-tranche sales	7,017	(5,978)	-	-	1,039
Charges for support services	95	-	(185)	-	(90)
Charges for support services – grant funded	1,438	-	(1,438)	-	-
Community development	97	-	(311)	-	(214)
Development services	-	-	(675)	-	(675)
Management services	78	-	(97)	-	(19)
Abortive scheme costs	-	-	(3)	-	(3)
Gain on disposal of fixed assets	-	-	-	1,876	1,876
	8,725	(5,978)	(2,709)	1,876	1,914
Non-social housing activities					
Commercial lettings	932	-	(502)	-	430
Electricity generation	2,543	-	(877)	-	1,666
Other	247	-	(247)	-	-
	3,722	-	(1,626)	-	2,096
Total	60,955	(5,978)	(43,807)	1,876	13,046

Notes to the financial statements

Group	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating expenditure 2025 £'000	Gain on disposal 2025 £'000	Operating surplus 2025 £'000
Social housing lettings (note 4)	45,258	-	(35,116)	-	10,142
Other social housing activities					
Shared ownership first-tranche sales	9,186	(7,810)	-	-	1,376
Charges for support services	71	-	(26)	-	45
Charges for support services – grant funded	1,481	-	(1,481)	-	-
Community development	103	-	(295)	-	(192)
Community development – grant funded	29	-	(29)	-	-
Development services	-	-	(527)	-	(527)
Management services	84	-	(71)	-	13
Abortive scheme costs	-	-	(30)	-	(30)
Gain on disposal of fixed assets	-	-	-	709	709
	10,954	(7,810)	(2,459)	709	1,394
Non-social housing activities					
Commercial lettings	920	-	(426)	-	494
Electricity generation	1,942	-	(865)	-	1,077
Home repairs service	2,434	-	(2,312)	-	122
Other	1,418	-	(471)	-	947
	6,714	-	(4,074)	-	2,640
Total	62,926	(7,810)	(41,649)	709	14,176

Notes to the financial statements

	Turnover 2026 £'000	Cost of sales 2026 £'000	Operating expenditure 2026 £'000	Gain on disposal 2026 £'000	Operating surplus 2026 £'000
Association					
Social housing lettings (note 4)	48,508	-	(39,472)	-	9,036
Other social housing activities					
Shared ownership first-tranche sales	7,017	(5,978)	-	-	1,039
Charges for support services	95	-	(185)	-	(90)
Charges for support services – grant funded	1,438	-	(1,438)	-	-
Community development	97	-	(311)	-	(214)
Development services	-	-	(675)	-	(675)
Management services	78	-	(97)	-	(19)
Abortive scheme costs	-	-	(3)	-	(3)
Gain on disposal of fixed assets	-	-	-	1,876	1,876
	8,725	(5,978)	(2,709)	1,876	1,914
Non-social housing activities					
Commercial lettings	932	-	(502)	-	430
Gift aid	1,108	-	-	-	1,108
Other	592	-	(247)	-	345
	2,632	-	(749)	-	1,883
Total	59,865	(5,978)	(42,930)	1,876	12,833

Notes to the financial statements

Association	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating expenditure 2025 £'000	Gain on disposal 2025 £'000	Operating surplus 2025 £'000
Social housing lettings (note 4)	45,258	-	(34,995)	-	10,263
Other social housing activities					
Shared ownership first-tranche sales	9,186	(7,810)	-	-	1,376
Charges for support services	71	-	(26)	-	45
Charges for support services – grant funded	1,481	-	(1,481)	-	-
Community development	103	-	(295)	-	(192)
Community development – grant funded	29	-	(29)	-	-
Development services	-	-	(527)	-	(527)
Management services	84	-	(71)	-	13
Abortive scheme costs	-	-	(30)	-	(30)
Gain on disposal of fixed assets	-	-	-	709	709
	10,954	(7,810)	(2,459)	709	1,394
Non-social housing activities					
Commercial lettings	920	-	(426)	-	494
Gift aid	1,286	-	-	-	1,286
Other	1,471	-	(471)	-	1,000
	3,677	-	(897)	-	2,780
Total	59,889	(7,810)	(38,351)	709	14,437

4. Social housing lettings

Group	Social rent 2026 £'000	Affordable rent 2026 £'000	Supported housing 2026 £'000	Shared ownership 2026 £'000	Total 2026 £'000	Total 2025 £'000
Turnover						
Rent receivable, net of identifiable service charges and net of voids	36,104	6,785	473	1,304	44,666	42,506
Service charge income	52	624	861	1,865	3,402	2,393
Amortised government grants	271	49	8	112	440	359
Turnover from social housing lettings	36,427	7,458	1,342	3,281	48,508	45,258
Operating expenditure						
Management	(9,223)	(1,168)	(70)	(628)	(11,089)	(10,413)
Service charge costs	(3,816)	(596)	(30)	(266)	(4,708)	(4,160)
Routine maintenance	(11,096)	(1,319)	(79)	(31)	(12,525)	(10,936)
Planned maintenance	(2,760)	(327)	(20)	-	(3,107)	(2,613)
Major repairs expenditure	(2,060)	(244)	(15)	-	(2,319)	(971)
Bad debts	583	(2)	-	(1)	580	(228)
Depreciation of housing properties	(5,243)	(664)	(40)	(357)	(6,304)	(5,795)
Operating expenditure on social housing lettings	(33,615)	(4,320)	(254)	(1,283)	(39,472)	(35,116)
Operating surplus on social housing lettings	2,812	3,138	1,088	1,998	9,036	10,142
Void losses	(857)	(73)	(132)	-	(1,062)	(987)

Notes to the financial statements

Association	Social rent 2026 £'000	Affordable rent 2026 £'000	Supported housing 2026 £'000	Shared ownership 2026 £'000	Total 2026 £'000	Total 2025 £'000
Turnover						
Rent receivable, net of identifiable service charges and net of voids	36,104	6,785	473	1,304	44,666	42,506
Service charge income	52	624	861	1,865	3,402	2,393
Amortised government grants	271	49	8	112	440	359
Turnover from social housing lettings	36,427	7,458	1,342	3,281	48,508	45,258
Operating expenditure						
Management	(9,223)	(1,168)	(70)	(628)	(11,089)	(10,413)
Service charge costs	(3,816)	(596)	(30)	(266)	(4,708)	(4,160)
Routine maintenance	(11,096)	(1,319)	(79)	(31)	(12,525)	(10,815)
Planned maintenance	(2,760)	(327)	(20)	-	(3,107)	(2,613)
Major repairs expenditure	(2,060)	(244)	(15)	-	(2,319)	(971)
Bad debts	583	(2)	-	(1)	580	(228)
Depreciation of housing properties	(5,243)	(664)	(40)	(357)	(6,304)	(5,795)
Operating expenditure on social housing lettings	(33,615)	(4,320)	(254)	(1,283)	(39,472)	(34,995)
Operating surplus on social housing lettings	2,812	3,138	1,088	1,998	9,036	10,263
Void losses	(857)	(73)	(132)	-	(1,062)	(987)

5. Housing stock

The number of properties owned and/or managed at 31 March was:

Group and Association	2026 Number	2025 Number
Social housing		
General needs – social rent	6,059	6,051
General needs – affordable rent	767	735
Supported housing and housing for older people	46	46
Shared ownership	412	340
Total social housing owned	7,284	7,172
<i>Accommodation managed for others</i>		
Low-cost home ownership	194	194
Total social housing owned and managed	7,478	7,366
Non-social housing		
Market rented	2	2
Total owned and managed	7,480	7,368
Social housing properties under construction	407	369

The Group and Association also own 1,610 garages (2025: 1,629), 53 commercial units (2025: 51), and manages 520 Right to Buy leasehold flats where the freehold is retained (2025: 515).

6. Gain on disposal of property, plant and equipment

	Right to buy 2026 £'000	Right to Acquire 2026 £'000	Low-cost home ownership staircasing 2026 £'000	Strategic sales 2026 £'000	Non- housing 2026 £'000	Total 2026 £'000	Total 2025 £'000
Group and Association							
Disposal proceeds	387	513	391	1,094	-	2,385	1,187
Carrying value of disposals	(204)	(42)	(181)	(82)	-	(509)	(478)
Gain on disposal	183	471	210	1,012	-	1,876	709

7. Operating surplus

The operating surplus is stated after charging:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Auditors' remuneration (excluding VAT):				
- Audit of group financial statements	41	49	41	49
- Audit of subsidiaries' financial statements	10	16	-	-
- Non-audit services	4	4	4	4
Operating lease rentals - land and buildings	11	11	11	11
Operating lease rentals – equipment	6	4	6	4
Depreciation of housing properties	6,304	5,795	6,304	5,795
Depreciation of other fixed assets	2,106	2,138	1,574	1,603
Amortisation of loan issue costs	139	136	139	136

8. Remuneration of directors and Strategic Leadership Team

Key management personnel have the authority and responsibility for planning, directing, and controlling the activities of the Group. They comprise the Board and Strategic Leadership Team.

Non-executive Board Member remuneration:

Group and Association	2026	2025
	£	£
Simon MacSorley	11,515	-
Andrew Willis	6,712	15,681
Richard Gaunt	3,000	8,363
Carol Rosati OBE	11,500	8,852
Paul Foster	8,363	8,363
Sarah Frost	-	2,905
Ciaran Cronnelly	9,000	6,000
Amanda Hamilton-Stanley	9,000	6,000
Joy Luxford	11,000	6,000
Venura Perera	7,250	-
	77,340	62,164

Expenses paid during the year to Board Members amounted to £2k (2025: £1k).

Notes to the financial statements

Emoluments for the Strategic Leadership Team, including the Chief Executive:

	2026 £'000	2025 £'000
Salary and other benefits	744	658
Pension contributions	82	71
Termination benefits	-	42
	826	771

Remuneration paid to the Chief Executive, excluding pension contributions, were £170k (2025: £166k).

The Chief Executive was also the highest paid director and participates in the defined contribution scheme at the same contribution levels as all eligible staff and no enhanced or special terms apply. The employer's contribution paid on behalf of the Chief Executive amounted to £18k (2025: £18k).

9. Staff numbers and costs

The average number of persons employed during the year expressed in full time equivalents (37 hours per week):

Group and Association	2026 No.	2025 No.
Administration	74	71
Development	10	12
Housing support and care	184	184
Maintenance operatives	89	96
	357	363

Employee costs for the year:

Group and Association	2026 £'000	2025 £'000
Wages and salaries	14,250	14,044
Social security costs	1,747	1,408
Pension contributions	1,125	1,096
	17,122	16,548

Notes to the financial statements

Full-time equivalent number of staff who received remuneration of £60,000 and above:

Group and Association	2026 No.	2025 No.
£60,001 - £70,000	6	9
£70,001 - £80,000	4	3
£80,001 - £90,000	7	7
£90,001 - £100,000	3	1
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	2	3
£130,001 - £140,000	1	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	1

10. Pension obligations

The Group no longer has an admitted body in the Avon Pension Scheme, which is a multi-employer, defined benefit scheme administered by the Avon Pension Fund under the regulations governing the Local Government Pension Scheme (LGPS).

At 1 April 2024, the Group had one admitted body in the Avon Pension Scheme comprising the Ebdon Court scheme. The Ebdon Court scheme exited the Avon Pension Scheme on 18 October 2024.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability):

Group and Association	2026 £'000	2025 £'000
Fair value of plan assets	-	-
Present value of defined benefit obligation	-	-
	-	-
Effect of asset ceiling	-	-
	-	-

Changes in the fair value of plan assets:

Group and Association	2026 £'000	2025 £'000
Opening fair value of plan assets	-	609
Scheme exit value	-	(609)
	-	-

Notes to the financial statements

The actual return on plan assets was £nil (2025: £nil).

Changes in the present value of defined benefit obligation:

Group and Association	2026 £'000	2025 £'000
Opening defined benefit obligation	-	(602)
Scheme exit value	-	602
	-	-

Changes in asset ceiling:

Group and Association	2026 £'000	2025 £'000
Asset ceiling at the beginning of the year	-	(7)
Remeasurements - changes in asset ceiling (excluding interest income)	-	7
Asset ceiling at the end of the year	-	-

11. Interest receivable and similar income

	Group 2026 £'000	2025 £'000	Association 2026 £'000	2025 £'000
Interest receivable	396	1,179	319	1,098
	396	1,179	319	1,098

12. Interest payable and similar charges

Group and Association	2026 £'000	2025 £'000
Loan interest	8,102	7,777
Interest capitalised on housing properties under construction	(845)	(891)
	7,257	6,886
Capitalisation rate on housing properties under construction	3.84%	4.01%

13. Tax on surplus on ordinary activities

Group	2026 £'000	2025 £'000
Current tax		
Current tax on profit for the year	-	-
Total tax reconciliation		
Surplus on ordinary activities before tax	5,603	8,196
Theoretical tax at UK corporation tax rate 25% (2025: 25%)	1,401	2,049
Surplus of charitable entity not subject to corporation tax	(1,427)	(2,050)
Movement in deferred tax not recognised	26	1
	-	-

The Association is exempt from UK corporation tax under section 505 of the Income and Corporation Taxes Act 1988.

14. Housing properties

Group and Association	Completed schemes		Under construction		Total £'000
	Social housing lettings £'000	Low-cost home ownership £'000	Social housing lettings £'000	Low-cost home ownership £'000	
Cost					
At 1 April 2025	292,931	38,807	21,065	7,124	359,927
Additions	-	-	29,672	17,284	46,956
Works to existing properties	12,723	-	-	-	12,723
Interest capitalised	-	-	534	311	845
Schemes completed	27,014	15,899	(27,014)	(15,899)	-
Transfers to assets held for sale	-	-	-	(4,437)	(4,437)
Disposals	(470)	(191)	-	-	(661)
At 31 March 2026	332,198	54,515	24,257	4,383	415,353
Depreciation					
At 1 April 2025	(45,920)	(1,652)	-	-	(47,572)
Charge for the year	(5,947)	(357)	-	-	(6,304)
Released on disposal	149	12	-	-	161
At 31 March 2026	(51,718)	(1,997)	-	-	(53,715)
Net book value					
At 31 March 2026	280,480	52,518	24,257	4,383	361,638
At 1 April 2025	247,011	37,155	21,065	7,124	312,355

Housing properties comprise:

Group and Association	2026 £'000	2025 £'000
Freeholds	361,003	311,698
Long leaseholds	635	657
	361,638	312,355

Expenditure on works to existing properties:

Group and Association	2026 £'000	2025 £'000
Improvement works capitalised	1,252	2,183
Components capitalised	11,471	9,942
Amounts charged to expenditure	2,319	971
	15,042	13,096

Notes to the financial statements

Freehold land and buildings with a carrying amount of £60.0m (2025: £60.0m) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Lloyds loan sustainability performance indicators:

Association	2026 £'000	2025 £'000
KPI 1- Average SAP score of homes (excluding shared ownership)	77.31	76.75
KPI 2 – Cumulative from 1 April 2025 build completions (with a minimum EPC rating of B or above)	178	n/a
KPI 3 – Annual Tenant Satisfaction Score (as defined by the regulator's Tenant Satisfaction Measures Standard).	79.8%	73.8%

15. Other tangible assets

Group	Freehold offices £'000	Office and other equipment £'000	Motor vehicles £'000	IT equipment £'000	Garages £'000	Photo- voltaic panels £'000	Pigeon mesh £'000	Total £'000
Cost								
At 1 April 2025	14,069	295	1,967	8,509	161	12,993	564	38,558
Additions	83	1	-	768	-	-	148	1,000
Disposals	-	-	-	-	-	-	-	-
At 31 March 2026	14,152	296	1,967	9,277	161	12,993	712	39,558
Depreciation								
At 1 April 2025	(4,795)	(232)	(1,965)	(6,890)	(15)	(7,429)	(52)	(21,378)
Charge for the year	(468)	(35)	(2)	(1,058)	(11)	(480)	(52)	(2,106)
Impairment losses	(600)	-	-	-	-	-	-	(600)
Released on disposal	-	-	-	-	-	-	-	-
At 31 March 2026	(5,863)	(267)	(1,967)	(7,948)	(26)	(7,909)	(104)	(24,084)
Net book value								
At 31 March 2026	8,289	29	-	1,329	135	5,084	608	15,474
At 1 April 2025	9,274	63	2	1,619	146	5,564	512	17,180

The net book value of assets held under finance leases amounted to £nil (2025: £2k).

Notes to the financial statements

Association	Freehold offices £'000	Office and other equipment £'000	Motor vehicles £'000	IT equipment £'000	Garages £'000	Total £'000
Cost						
At 1 April 2025	14,069	295	1,967	8,509	161	25,001
Additions	83	1	-	768	-	852
Disposals	-	-	-	-	-	-
At 31 March 2026	14,152	296	1,967	9,277	161	25,853
Depreciation						
At 1 April 2025	(4,795)	(232)	(1,965)	(6,890)	(15)	(13,897)
Charge for the year	(468)	(35)	(2)	(1,058)	(11)	(1,574)
Impairment losses	(600)	-	-	-	-	(600)
Released on disposal	-	-	-	-	-	-
At 31 March 2026	(5,863)	(267)	(1,967)	(7,948)	(26)	(16,071)
Net book value						
At 31 March 2026	8,289	29	-	1,329	135	9,782
At 1 April 2025	9,274	63	2	1,619	146	11,104

The net book value of assets held under finance leases amounted to £nil (2025: £2k).

16. Investment properties

Group and Association	2026 £'000	2025 £'000
At 1 April	3,477	3,750
Loss from adjustment in fair value	18	(273)
At 31 March	3,495	3,477

Investment properties (commercial and market rent) were valued at 31 March 2026 by BTG Eddisons, an independent valuer who holds a recognised and relevant professional qualification.

17. Investment in subsidiaries

Group and Association	Alliance Homes (Ventures) Ltd £'000	Alliance Living Care Ltd £'000	Total £'000
Cost			
At 1 April 2025 and at 31 March 2026	5,000	70	5,070
Share of retained profits			
At 1 April 2025 and at 31 March 2026	-	-	-
Net book value at 31 March 2026	5,000	70	5,070
Net book value at 31 March 2025	5,000	70	5,070

NSAH (Alliance Homes) Limited also holds 100 Ordinary £1 shares in Alliance Homes Partnerships Limited.

18. Properties for sale

Group and Association	2026 £'000	2025 £'000
Under construction		
Shared ownership properties	2,463	5,046
Completed		
Shared ownership properties	2,541	873
	5,004	5,919

19. Stock

Group and Association	2026 £'000	2025 £'000
Materials	167	-
	167	-

Notes to the financial statements

20. Debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Rent and service charges receivable	2,522	2,462	2,522	2,462
Less: provision for bad and doubtful debts	(360)	(1,183)	(360)	(1,183)
	2,162	1,279	2,162	1,279
Amounts due from North Somerset Council	433	358	433	358
Amounts due from subsidiary undertakings	-	-	-	250
Other debtors	159	717	145	125
Prepayments and accrued income	2,211	4,411	1,861	4,000
	4,965	6,765	4,601	6,012

All debtors are due within one year.

21. Cash and cash equivalents

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Cash at bank and in hand	10,431	16,267	7,781	14,212
	10,431	16,267	7,781	14,212

22. Creditors: amounts falling due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Trade creditors	1,713	2,853	1,671	2,473
Amounts owed to North Somerset Council	1,852	1,177	1,852	1,177
Amounts owed to group undertakings	-	-	-	-
Rent and service charges paid in advance	1,919	1,666	1,919	1,666
Accruals and deferred income	11,844	5,207	11,817	5,174
Capital grant funds (note 26)	483	387	483	387
Other creditors	49	284	49	160
Obligations under finance leases (note 30)	-	2	-	2
	17,860	11,576	17,791	11,039

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

Group and Association	2026 £'000	2025 £'000
Bank loans (note 24)	209,283	189,072
Capital grant funds (note 26)	41,156	33,997
Recycled capital grant fund (note 27)	-	46
Obligations under finance leases (note 30)	-	-
	250,439	223,115

24. Bank loans

Group and Association	2026 £'000	2025 £'000
Bank loans	210,500	190,000
Less: issue costs	(1,217)	(928)
Total borrowings	209,283	189,072

Based on lenders' earliest repayment dates, borrowings are repayable as follows:

Group and Association	2026 £'000	2025 £'000
In one year or less, or on demand	-	-
Between one and two years	-	-
Between two and five years	19,985	-
In five years or more	189,298	189,072
Total borrowings	209,283	189,072
 Undrawn facilities	 54,500	 75,000

£70m of the loan outstanding is at a fixed rate of 3.795%, £20m is at a fixed rate of 3.39%, £40m is at a fixed rate of 3.45% and £40m is at a fixed rate of 3.46%. £20m of the loan outstanding is at variable rate interest.

£75m of the total facilities is a Revolving Credit Facility. As at 31 March 2026, £54.5m was undrawn. Interest under this facility is on variable rates with the final repayment date being 15 August 2030.

Loans are secured on the assets of the Association.

25. Changes in net debt

Group	At 1 April 2025 £'000	Cash flows £'000	Non-cash movements £'000	At 31 March 2026 £'000
Cash and cash equivalents	16,267	(5,836)	-	10,431
Bank loans due within one year	-	-	-	-
Bank loans due after one year	(189,072)	(20,072)	(139)	(209,283)
Finance lease commitments due within one year	(2)	2	-	-
Total net debt	(172,807)	(25,906)	(139)	(198,852)

Association	At 1 April 2025 £'000	Cash flows £'000	Non-cash movements £'000	At 31 March 2026 £'000
Cash and cash equivalents	14,212	(6,431)	-	7,781
Bank loans due within one year	-	-	-	-
Bank loans due after one year	(189,072)	(20,072)	(139)	(209,283)
Finance lease commitments due within one year	(2)	2	-	-
Total net debt	(174,862)	(26,501)	(139)	(201,502)

26. Capital grant funds

Group and Association	Social housing grant £'000	Major repairs grant £'000	Total £'000
At 1 April 2025	33,107	1,277	34,384
Grants received during the year	6,805	844	7,649
Released to income in the year	(390)	(50)	(440)
Grants transferred from the recycled capital grant fund	46	-	46
Grants transferred to the recycled capital grant fund	-	-	-
At 31 March 2026	39,568	2,071	41,639
Recognised in creditors:			
Falling due within one year (note 19)	411	72	483
Falling due after more than one year (note 20)	39,157	1,999	41,156
	39,568	2,071	41,639

Notes to the financial statements

Group and Association	Social housing grant £'000	Major repairs grant £'000	Total £'000
At 1 April 2024	25,965	651	26,616
Grants received during the year	7,500	660	8,160
Released to income in the year	(325)	(34)	(359)
Grants transferred from the recycled capital grant fund	-	-	-
Grants transferred to the recycled capital grant fund	(33)	-	(33)
At 31 March 2025	33,107	1,277	34,384
Recognised in creditors:			
Falling due within one year (note 19)	337	50	387
Falling due after more than one year (note 20)	32,770	1,227	33,997
	33,107	1,277	34,384

Major repairs grants are received from the Department for Energy Security and Net Zero (DESNZ) relating to the Social Housing Decarbonisation Fund.

27. Recycled Capital Grant Fund

	2026 £'000	2025 £'000
At 1 April	46	11
Inputs into recycled capital grant fund		
Grants recycled	-	33
Interest accrued	-	2
Recycling of grant		
Grant utilised	(46)	-
At 31 March	-	46

28. Share capital

Association	2026 £	2025 £
Allotted, issued and fully paid		
At 1 April	18	18
Issued during the year	1	2
Cancelled during the year	(5)	(2)
At 31 March	14	18

29. Financial instruments

	Group		Association	
	2026	2025	2026	2025
Financial assets	£'000	£'000	£'000	£'000
Measured at amortised cost:				
Rent and service charges receivable	1,222	1,473	1,222	1,473
Amounts due from North Somerset Council	1,733	1,347	1,733	1,347
Amounts due from subsidiary undertakings	-	-	-	250
Other debtors	159	717	145	125
Cash and cash equivalents	10,431	16,267	7,781	14,212
	13,545	19,804	10,881	17,407

	Group		Association	
	2026	2025	2026	2025
Financial liabilities	£'000	£'000	£'000	£'000
Measured at amortised cost:				
Loans payable	209,283	189,072	209,283	189,072
Trade creditors	1,713	2,853	1,671	2,473
Amounts owed to North Somerset Council	1,852	1,177	1,852	1,177
Amounts owed to group undertakings	-	-	-	-
Rent and service charges paid in advance	1,919	1,666	1,919	1,666
Capital grants	41,639	34,384	41,639	34,384
Accruals	10,979	4,382	10,952	4,249
Other creditors	49	330	49	206
Obligations under finance leases	-	2	-	2
	267,434	233,866	267,365	233,229

30. Finance leases

The future minimum lease payments for the Group and Association under non-cancellable finance leases are:

	2026	2025
Motor vehicles	£'000	£'000
Within one year	-	2
Between one and five years	-	-
After five years	-	-
	-	2

31. Operating leases

The future minimum lease payments for the Group and Association under non-cancellable operating leases are:

	2026 £'000	2025 £'000
Land and buildings		
Within one year	12	12
Between one and five years	47	47
After five years	12	24
	71	83

	2026 £'000	2025 £'000
Office equipment		
Within one year	6	6
Between one and five years	4	10
After five years	-	-
	10	16

32. Cash flow from operating activities

	2026 £'000	2025 £'000
Net surplus	5,603	8,196
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	8,410	7,933
Impairment of tangible fixed assets	600	-
Amortisation of grants and fees	(440)	(359)
Increase in properties for sale and stock	748	2,728
Decrease/(increase) in trade and other debtors	1,800	(454)
Increase/(decrease) in trade and other creditors	6,159	(1,036)
Carrying amount of tangible fixed asset disposals	500	478
Adjustments for investing or financing activities:		
Decrease/(increase) in fair value of investment properties	(18)	273
Proceeds from the sale of tangible fixed assets	(2,385)	(1,187)
Transfers to housing properties	4,437	5,919
Interest and financing costs	7,257	6,886
Interest received	(396)	(1,179)
Amortisation of loan arrangement fees	139	136
Net cash generated from operating activities	32,414	28,334

33. Capital commitments

Group and Association	2026 £'000	2025 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	70,564	50,976
Capital expenditure that has been authorised by the Board but has not yet been contracted for	32,495	55,052
	103,059	106,028

Capital commitments will be funded through future revenues, loan facilities and social housing grant.

34. Related party transactions

Tenant Board members

The Board had no members who held tenancy agreements during the year (2025: nil).

Subsidiary companies

The Association has the right to appoint members to the Boards of its subsidiaries and thereby exercises control over them. During the year the Association had the following intra-group transactions:

Alliance Homes Partnerships Limited

Alliance Homes Partnerships Limited is a non-profit making company, that provided repairs and maintenance services. It ceased trading in 2025.

	Allocation basis	2026 £'000	2025 £'000
Payable by the Association			
Maintenance repairs and services	Actual costs	-	10,708
Management services	Percentage of overheads	-	608
		-	11,316

Alliance Homes (Ventures) Ltd

Alliance Homes (Ventures) Ltd principal activity is the generation of electricity.

	Allocation basis	2026 £'000	2025 £'000
Payable to the Association			
Gift aid	Taxable profits	1,096	1,280
Roof lease payments	Legal agreement	289	282
Management services	Time spent	56	53
		1,441	1,615

Notes to the financial statements

Alliance Living Care Ltd

Alliance Living Care Ltd ceased trading in 2021. Its principal activity was the provision of domiciliary care services. It has retained a bank balance that generates interest income.

Alliance Living Care Ltd	Allocation basis	2026 £'000	2025 £'000
Payable to the Association			
Gift aid	Taxable profits	12	5

The intercompany debtor and creditor balances as at 31 March are disclosed in Note 20 and Note 22.

35. Subsequent events

There are no subsequent events to report.

36. Status

Registered office

40 Martingale Way, Portishead, BS20 7AW.

Legal status

NSAH (Alliance Homes) Limited is registered under the Co-operative and Community Benefit Societies Act 2014 on the Mutual Register held by the Financial Conduct Authority (registration 29804R). The Association is registered with the Regulator of Social Housing (registration L4459). NSAH (Alliance Homes) Limited is the ultimate parent company of the Group

At the time of signing these financial statements NSAH (Alliance Homes) Limited had five wholly owned subsidiaries:

Subsidiary	Status	Ownership	Activity
Alliance Homes (Ventures) Ltd (company number 07632446)	Trading	100%	Electricity generation
Alliance Homes Partnerships Limited (company number 11270306)	Non-trading	100%	Repairs and maintenance
Alliance Living Care Ltd (company number 04164129)	Non-trading	100%	Domiciliary care
Alliance Homes Sales Limited (company number 10366705)	Dormant	100%	Non-regulated property sales
Alliance Homes Design and Build Company Limited (company number 10366730)	Dormant	100%	Design and build

All subsidiaries are incorporated under the Companies Act 2006 and are non-regulated.

37. Board members, Senior Leadership Team, and advisors

Board members

Carol Rosati OBE	Senior Independent Director and Interim Chair
Simon MacSorley	Chair (from 3 September 2025 to 16 April 2026)
Andrew Willis	Chair (retired 3 September 2025)
Joy Luxford	Chair of the Audit and Risk Committee (from 1 April 2025) and Chair Designate
Louise Swain	Chief Executive Officer and Board Member
Jon McMahon	Chief Finance Officer and Board Member (from 3 September 2025)
Richard Gaunt	Board Member (retired 3 September 2025)
Paul Foster	Board Member
Ciaran Cronnelly	Board Member
Amanda Hamilton-Stanley	Board Member
Venura Perera	Board Member -Co-optee (from 11 June 2025)

Strategic Leadership Team

Louise Swain	Chief Executive Officer
Iain Lock	Chief Operating Officer
Jon McMahon	Chief Financial Officer
Philippa Armstrong-Owen	Director of Business Services and Group Company Secretary
Helen Grantham	Director of People and Communications
Matt Bingham	Director of Digital and Change

Advisors

Principal solicitors	Trowers and Hamblins Solicitors LLP, 3 Bunhill Row, London, EC1Y 8YZ
Bankers	Barclays Bank Plc, 1 Churchill Place, London, E14 5HP
External auditors	Bishop Fleming LLP, 10 Temple Back, Bristol, BS1 6FL