Annual Report & Financial Statements

For the year ended 31 March 2026

Creating the right home & environment for every person.

Contents

Chair:	David Baybut (until 30/09/25) Alistair How (from 01/10/25)
Board Members:	Alistair How (NED) David Baybut (NED) Matthew Spittles (NED) Jeremy Earnshaw (NED) (from 01/11/2025) Peter Aviston (Executive Director Michael Whitehead (NED) (01/04/25 to 28/01/2026)
Secretary:	Peter Aviston
Registered Office:	First Floor Lister House Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ
Co-operative and Community Benefit Society Registration Number:	8071
Regulator of Social Housing Registration Number:	4784
External Auditors:	Crowe UK LLP Statutory Auditors 3rd Floor St George's House 56 Peter Street Manchester M2 3NQ
Bankers:	Santander Corporate Banking 298 Deansgate Manchester M3 4HH

Encircle Housing ("Encircle" or "the Society") is a registered provider of social housing in England (registration number 4784) and is incorporated as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.

The Society operates on a not-for-profit basis and is recognised by HM Revenue & Customs as a charitable organisation for tax purposes (charity reference ZD01819).

The Board is responsible for ensuring that the Society complies with the requirements of the Regulator of Social Housing and other applicable legal and regulatory obligations.

Overview of the Business

Encircle provides high-quality supported living accommodation and specialist housing management services across England, Wales and Northern Ireland.

We work with adults with learning disabilities, mental ill health, acquired brain injuries, physical or sensory disabilities, long-term conditions such as dementia, and people who are homeless and require short- or long-term support. Our aim is to provide safe, well-maintained homes that enable tenants to live as independently as possible and to thrive within their communities.

Working closely with tenants, their families, care providers, commissioners, and other professional partners, we ensure that each housing solution is tailored to individual needs and remains sustainable over the long term.

Vision and Purpose

There remains a national shortage of specialist, purpose-designed housing to meet the growing and changing needs of people with complex support requirements.

Encircle believes that having a safe, warm, and secure home is fundamental to a successful society.

We recognise that every individual is unique and that some people require additional support to live independently and thrive.

Our vision is to create the right home and environment for every person.

Our purpose is to provide more homes that meet specialised supported housing needs, together with the advice and support that enable people to thrive.

We believe that everyone has the right to feel safe and secure in their own home and to have maximum independence and choice over how they live and with whom they share their lives. We involve tenants in shaping our services and provide the support they need to sustain their tenancy and achieve their full potential.

We work closely with tenants, their families, and their representatives to understand individual needs and aspirations. Our growth strategy reinvests surpluses into new specialist housing, enabling us to respond to increasing demand across the supported living sector.

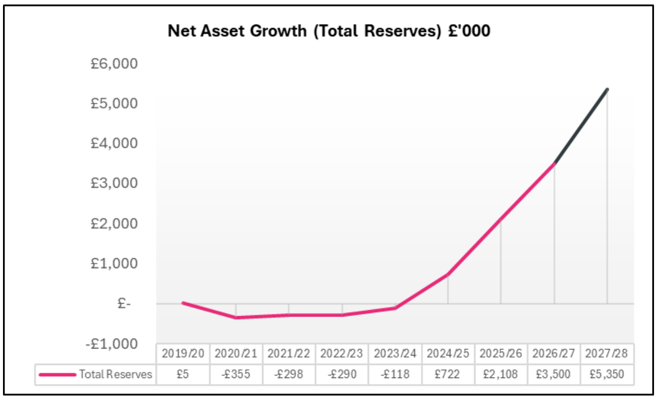
Encircle exists to provide specialist housing solutions through both the direct provision of accommodation and the delivery of tailored advice and assistance beyond that typically available in general needs housing. We are also committed to supporting our employees in developing the skills and knowledge needed to provide safe, personalised, and well-maintained homes.

Core Values

- We are **honest**, **respectful** and **open** about everything we say & do
- We **understand** people's **housing needs** and do our best to help people **achieve their goals**
- We are **committed** to help our tenants find a **personalised housing option**
- We are **approachable** and **passionate** about everything we do

Strategic Objectives

Encircle has now completed its Five-Year Rolling Strategy 2021 to 2026. This provided our framework for reshaping the business to ensure long-term viability and to support the delivery of high-quality specialist supported housing. During the 5-year period, Encircle surrendered or assigned leases on 422 void and/or underperforming/unsuitable long lease units of accommodation which had an annual liability of over £4M. With a year end net asset position of £2.1M which has continued to increase into 2026/27, Encircle is well placed to build on its steady growth and further strengthen our organisational capacity and capabilities.



The Board reviewed the Strategy in May 2026 and reaffirmed the following three strategic objectives, which continue to guide the organisation's activities:

- To maintain a viable business that provides security for existing and future tenants.
- To grow the number of tenancies, primarily for people with learning disabilities, acquired brain injuries, and mental ill health, through a range of delivery models including owned properties, lease assignments, partnerships with care providers, privately and family-owned properties, and an expanded investor and developer network.
- To provide a high-quality, caring, and effective housing service.

Portfolio Overview

At 31 March 2026, Encircle provided 700 units of regulated specialist supported housing in management across England (2025: 646 units), together with a further 38 units in Wales and Northern Ireland, and 135 units in residential care home settings in England.

During the year, Encircle continued to diversify its business model to reduce reliance on traditional long-lease arrangements. Over 45% of our long-lease portfolio has been transitioned to revised lease structures that reduce landlord control and provide a more regulatory compliant contractual arrangement with balanced sharing of risk between the landlord and Encircle. Nearly 60% (436 units) of the full portfolio incorporates significantly more favourable arrangement to mitigate risks associated with any future changes in law and HB regulations and/or changes in commissioner referrals.

Growth

Encircle's growth strategy remains focused on meeting identified housing need while maintaining financial and operational resilience.

During the year, 103 new bedspaces were established through flexible private leasing arrangements with shorter lease commitments and enhanced contractual protections.

Many new schemes support individuals with mental ill health who require bespoke accommodation and high levels of care. This needs-led approach has strengthened relationships with regional care providers, commissioners, and specialist property partners.

In 2026/27, Encircle aims to deliver approximately 60 additional units of specialist supported housing through a combination of leased and owned properties.

Our key growth criteria are:

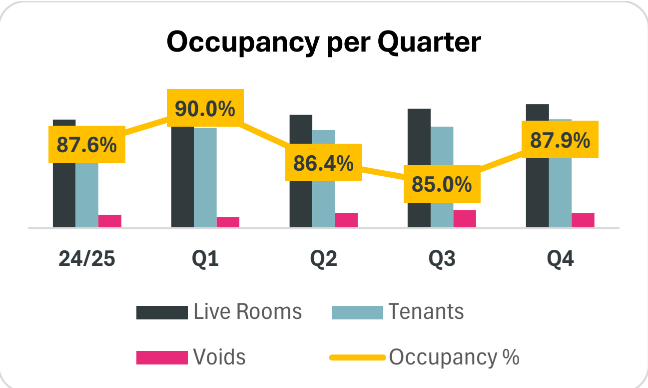
1	Early engagement with commissioners, care providers, housing benefit departments and families.
2	Smaller schemes, typically no more than 10 to 12 self-contained units or six-person shared homes.
3	Focus on people with learning disabilities, autism, mental ill health and sensory impairments.
4	A blended mix of leased and freehold properties.
5	Growth in regions where Encircle has an established presence and strong local partnerships

Operational Performance

The Board continued to receive detailed operational and financial performance reports throughout the year, with particular focus on occupancy, voids, rent collection, compliance, and tenant satisfaction.

Occupancy maintained steadily during the year from 86% in April 2025 to 88% at 31 March 2026 on a higher number of bedspaces than the prior year. This improvement reflects the successful letting of long-standing voids, strengthened relationships with commissioners and care providers, and continued focus on tenancy sustainment.

Day-to-day repairs, compliance, and void costs were managed within budget despite ongoing inflationary pressures affecting labour and materials. Utility costs were also closely monitored, with favourable tariff changes helping to contain communal heating and lighting costs significantly below budget.



Specialised Housing Management

Encircle provides a bespoke housing and tenancy management service designed to enable tenants to live as independently as possible within their communities.

Our involvement begins before a tenancy starts, with pre-tenancy interviews, risk assessments, and affordability reviews to ensure that each placement is suitable and sustainable. Throughout the tenancy, we work closely with tenants, care providers, commissioners, and health and social care professionals to support tenancy sustainment and maximise wellbeing.

Key housing management activities include:

1	Managing referrals and allocations.
2	Supporting Housing Benefit & Council Tax Reduction claims.
3	Income maximisation and arrears prevention.
4	Housing and tenancy support calls and tenancy visits.
5	Safeguarding and risk management.
6	Anti-social behaviour case management.
7	Tenant involvement and consultation.
8	Void management and re-letting.

Tenancy Sustainment and Anti-Social Behaviour

Encircle takes a proactive and person-centred approach to tenancy sustainment and anti-social behaviour ("ASB"), recognising the additional vulnerabilities many of our tenants may experience.

During the year, 58 ASB cases were managed successfully without the need for court action. At the year-end, 4 cases remained open. There were no reported incidents of hate crime or domestic violence.

Our Regional Housing Managers & Housing Officers work closely with tenants, care providers, and partner agencies to resolve issues at an early stage and develop practical action plans to support positive outcomes.

ASB Category	Closed in the Year	Open at 31/03/2026
Alcohol & Illegal Substance Misuse	10	4
Environmental Nuisance, Property damage and vandalism	13	3
Harassment/Verbal Abuse	7	5
Noise Nuisance	4	
Health and Safety breaches, including property condition	3	9
Hate related crime	0	0
Total	**37**	**21**

Void Performance

Our voids performance remained stable throughout the year, despite a significant increase in stock levels from 646 units at the end of March 2025 to 738 units at the end of March 2026. We closed the financial year with a void rate of 12%, representing a modest 2% over the 12-month period.

More notably, we achieved a substantial reduction in long-term voids (> 12 months), which decreased from 31% to 22% over the year. We are also pleased to report continued improvement in care provider voids. Previously, 30% of void units were held by a single care provider; this has now reduced to 21.35%, indicating better distribution and management of these properties.

Year Ending	Total Beds	Voids	Voids (%)
31/03/2020	448	167	37%
31/03/2021	596	148	25%
31/03/2022	596	85	14%
31/03/2023	587	99	17%
31/03/2024	621	104	17%
31/03/2025	646	70	11%
31/03/2026	738	89	12%

Income Management (Housing Benefit)

Most of the tenant income continues to be funded through Housing Benefit and related arrangements.

At 31 March 2026, 88% of tenancies were in receipt of full Housing Benefit, 3.4%% received partial HB, 5.6% were pending assessment, and 4.3% were self-funded or funded through care providers or commissioners.

Our target for 2026/27 is to maintain overall payment performance at 96%.

Year Ending	Full HB	Partial HB	Pending	Self-Funding (*)86.7%
31/03/2020	52%	10%	34%	4%
31/03/2021	85%	4%	2%	9%
31/03/2022	82%	3%	7%	8%
31/03/2023	75%	4%	17%	4%
31/03/2024	90%	2%	5%	3%
31/03/2025	88%	2.5%	4.5%	5%
31/03/2026	86.7%	3.4%	5.6%	4.3%

Tenant Involvement & Satisfaction with Our Services

During the year, tenant engagement activities included:

1	Four tenant focus group meetings.
2	Four editions of the Our Voice newsletter.
3	Garden makeover and decorating events and donation towards an outdoor area for growing vegetables and wildflowers.
4	Six tenant stories and four tenant quotes.
5	Mental Health Awareness Week activities.
6	Publication of accessible factsheets & guidance materials across our services.
7	Keep It Flowing initiative to help raise awareness of keeping drains unblocked using the character Percy Plunger for engagement including through a competition and within materials.
8	Send a message, spread the joy! A Christmas initiative where tenants could share a personalised message on a bauble and give this as a gift to a friend or loved one

During the summer of 2025 we undertook our second tenant satisfaction survey and received 225 responses from 572 tenants (39%). Below are the results compared with all low-cost social rental accommodation median results:

Satisfaction Measure	Encircle (%)	RSH Median 2024/25 (%)
Overall satisfaction with Encircle (TP01)	88.0	71.8
Repairs satisfaction (TP02)	86.1	73.6
Satisfaction with time taken to complete most recent repair (TP03)	84.8	69.5
Satisfaction that the home is well maintained (TP04)	89.1	71.9
Satisfaction that the home is safe (TP05)	91.8	77.6
Satisfaction that the Encircle listens to tenant views and acts (TP06)	88.8	61.6
Satisfaction that the Encircle keeps tenants informed (TP07)	81.8	72.0
Agreement that Encircle treats tenants fairly and with respect (TP08)	90.8	77.9
Satisfaction with the Encircle's approach to handling of complaints (TP09)	82.6	35.5
Satisfaction that the Encircle keeps communal areas clean and well maintained (TP10)	85.1	66.7
Satisfaction that Encircle makes a positive contribution to neighbourhoods (TP11)	67.9	64.6
Satisfaction with the Encircle's approach to handling anti-social behaviour (TP12)	73.1	59.5

Encircle performs favourably compared to the wider social housing sector across all 12 tenant perception measures.

Property Repairs, Maintenance and Compliance

Encircle provides repair help desk where defects are diagnosed and assigned to the correct trades for completion. We have a dedicated compliance team who are responsible for coordinating statutory compliance. We have a team of surveyors who support the planned maintenance delivery.

At the year end, compliance performance was 100% across Gas, Electrical, Water and Fire safety, except for asbestos management, which stood at 97%.

Repair performance remained strong, with:

- 95.9% of non-urgent repairs completed within target timescales.
- 99% of urgent repairs completed within target timescales.
- 100% of emergency repairs were attended too within 4 hours.

During the year, £513k was invested in planned maintenance, including internal decoration works across 14 properties, with tenants involved in selecting colour schemes for their homes.

Encircle also undertook 36 repairs relating to damp, condensation, and mould, all of which were resolved within the time frames set out in Awaab's Law.

Following Board approval, an in-house direct labour organisation (DLO) is planned for implementation during 2026/27 to enhance service quality and improve value for money.

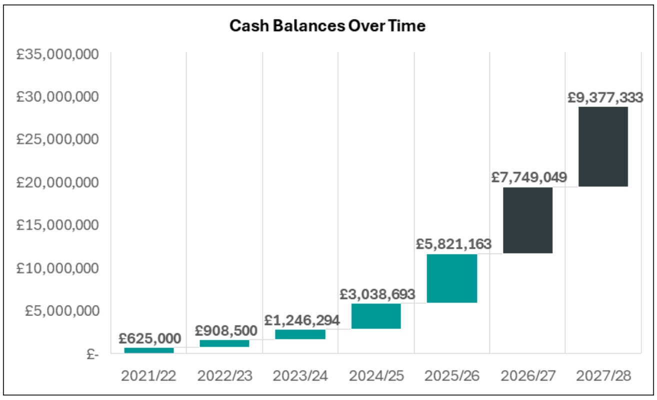
Compliance Area	Result (%)
Boiler Servicing LGSR, Oil and electric	100%
EICR 5-year certificate	100%
Fire Risk Assessments on file.	100%
Fire detection test	100%
Legionella risk assessments	100%
Lift Inspections	100%
Hoist Services	100%
Asbestos Management	97%

Financial Review

Turnover for the year was £14.8m, an increase of £1.1m compared with the previous year. This growth reflects the addition of new schemes, improved occupancy, and the successful resolution of a number of long-standing void properties.

Through sustainable growth, careful cost control, and improved operational performance, Encircle generated a surplus of £1.38m, representing a significant improvement on the prior year and exceeding the budget approved by the Board.

Cash balances increased to £5.8m at 31 March 2026, providing the organisation with a strong level of liquidity and flexibility to support future investment. Debtor and creditor balances also improved during the year, supported by strengthened relationships with key care providers and the timely settlement of obligations to superior landlords.



Bad debt costs reduced during the year following investment in the Income Team and improvements in the timely approval and collection of Housing Benefit. Payment plans remain in place for legacy debt, with recovery expected to be completed during 2026/27.

The strong financial performance has enabled Encircle to consider further investment in owned assets, with up to £1.0m earmarked for additional acquisitions in 2026/27.

Overall, the Board is pleased with the organisation's financial performance and believes Encircle is well placed to continue investing in service quality, growth, and long-term resilience.

Going Concern

The Society's business activities, financial position, and principal risks are set out in this Annual Report.

Encircle maintains a detailed 30-year financial plan, which is updated regularly and subjected to comprehensive stress testing against a range of adverse scenarios, including lower occupancy, increased operating costs, delays in Housing Benefit payments, and changes in regulatory or market conditions.

The surplus achieved during the year was driven by improved occupancy and continued growth through new schemes. The Board-approved budget for 2026/27 forecasts a further surplus of £1.4m, reflecting planned investment in staff, continued operational improvements and service charge uplifts progressing through Housing Benefit approval.

To date, Encircle has renegotiated lease terms across 61% (41 of 67) of its long-lease portfolio, reducing exposure to lease-related risk and aligning future obligations more closely with government rent-setting policy and Housing Benefit regulations. A further 11% (8 of 67) of the remaining long lease portfolio are currently under consideration to be replaced by a new form of risk sharing lease that is better aligned with specialist supported housing.

New business activity continues to be supported by more flexible leasing arrangements with shorter terms and improved contractual protections. These changes, together with the organisation's strong cash position and regular stress testing, have enhanced financial resilience.

After reviewing the current financial position, forecasts, and stress-testing outcomes, the Board is satisfied that the Society has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

Value for Money Statement

Encircle is required to comply with the Value for Money ("VFM") Standard issued by the Regulator of Social Housing ("RSH"), demonstrating economy, efficiency and effectiveness in the use of resources and reporting against the sector-defined VFM metrics.

The Board completed its annual self-assessment in July 2026 and is satisfied that Encircle complies with the RSH's Value for Money Standard.

Encircle's approach to VFM focuses on delivering high-quality specialist supported housing while maintaining financial resilience and ensuring effective use of resources for tenants.

Cash balances were actively managed throughout the year, generating interest income of £93,801 (2025: £82,291).

Encircle continued to deliver elements of repairs and compliance work in-house, including fire risk assessments and asbestos reviews, generating estimated savings of £76,800 (2025: £65,000).

The Board also approved the establishment of an in-house direct labour organisation ("DLO") to undertake day-to-day repairs from Q4 2026, expected to improve service quality and cost efficiency.

Encircle continues to benchmark performance against sector data and peers within the Specialised Supported Housing Network. As a lease-based provider, metrics such as Gearing and EBITDA MRI Interest Cover are less meaningful than for traditional housing associations.

Value for Money
(continued)

The table below summarises Encircle's performance against the seven Value for Money ("VFM") metrics prescribed by the Regulator of Social Housing. It provides a high-level overview of performance for the year ended 31 March 2026, together with comparative data for the prior year, targets for 2026/27, and sector median benchmarks taken from the Regulator's 2025 Global Accounts.

Metric	25/26 Result	24/25 Result	26/27 Target	Sector Median*
New Supply Delivered (%)	13.9%	3.9%	8.3%	1.8%
Gearing (%)	0.0%	0.0%	0.0%	52.0%
EBITDA MRI Interest Cover (%)	12,798%	9,086%	13,339%	87.0%
Heading Social Housing Cost per Unit	18,197	19,833	18,670	
Headline Cost per Unit (excluding lease rent)	6,202	7,246	6,812	6,962
Operating Margin (%)	8.8%	5.7%	8.2%	22.1%
Return on Capital Employed ("ROCE") (%)	61.8%	106.3%	44.5%	

* Sector median data is taken from the Regulator of Social Housing's 2025 Global Accounts for private registered providers.

Encircle's results should be considered in the context of its specialist supported housing model, which differs significantly from that of traditional housing associations. Lease rents represent a substantial proportion of operating costs, resulting in lower operating margins and higher cost per unit than the sector average. To aid comparability, the table includes headline cost per unit excluding lease rents.

During the year, performance improved across several key metrics, reflecting higher occupancy, stronger rent collection, continued growth, and the successful implementation of initiatives to strengthen financial resilience and deliver long-term value for money.

Metric 1: Re-investment (%)

This metric measures investment in existing properties and new supply as a percentage of the value of housing properties held.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
New properties acquired	-	511,131	1,000,000	
Works to existing	-	-	-	
Total	-	511,131	1,000,000	
Divided by:				
Housing properties at Valuation	499,039	511,131	1,523,222	
Re-investment (%)	0.0%	0.0%	0.0%	
New Supply (%)	0.0%	100%	65.6%	5.6%

Historically, Encircle has operated primarily through lease-based arrangements. While owned property investment remains a relatively small component of the overall business model, the Board believes selective acquisitions can provide greater long-term control, improved financial resilience, and enhanced value for money.

The Board has approved a target of up to £1.0m for further property acquisitions during 2026/27, subject to suitable opportunities being identified and meeting required investment criteria.

Metric 2: New Supply Delivered (%)

This metric measures the number of new social housing units delivered during the year as a percentage of total social housing units.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
New social housing units	-	-	6	
New social housing lease units	103	25	60	
Total new social housing units	103	25	66	
Divided by:				
Total social housing units owned	6	6	6	
Total social housing leasehold units	732	640	792	
Total social housing units	738	646	798	
New Supply (%)	13.9%	3.86%	8.27%	1.83%

Encircle delivered 103 new specialist supported housing units during the year, of which 87 were occupied by year end.

This level of delivery remains significantly above the sector median, reflecting the organisation's continued ability to respond to identified need through flexible lease arrangements and strong partnerships with care providers, commissioners, and property partners.

Encircle did not undertake any non-social housing new supply activities

The Board has set a target of delivering 60 additional units during 2026/27.

Metric 3: Gearing (%)

This metric assesses the proportion of adjusted assets financed through debt.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
Loans: amounts falling due < 1 year	-	-	-	
Loans: amounts falling due > 1 year	-	-	-	
Less: cash and cash equivalents	(5,821,163)	(3,438,693)	(7,749,049)	
Total	(5,821,163)	(3,438,693)	(7,749,049)	
Divided by:				
Housing properties at valuation	499,039	511,131	1,523,222	
Gearing (%)	**0.0%**	**0.0%**	**0.0%**	**52%**

Encircle had no external borrowings at the year end and therefore reported gearing of 0%.

This metric is less relevant to Encircle than to traditional housing associations, as the organisation's growth has been funded through retained surpluses and lease-based arrangements rather than debt finance.

The absence of debt provides significant financial flexibility and reduces exposure to interest rate risk.

Metric 4: EBIT MRI Interest Cover (%)

This metric measures the level of earnings generated relative to interest payable.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
Operating surplus	1,303,534	767,384	1,324,473	
Add: Loss on disposal of housing properties	-	-	-	
Add: interest receivable	93,801	82,291	92,160	
Add: total depreciation charge	22,671	17,342	28,821	
Total	1,420,006	867,017	1,445,454	
Divided by:				
Interest payable	11,095	9,543	10,836	
EBITDA MRI interest cover (%)	**12,798%**	**9,543%**	**13,339%**	**87%**

Encircle's EBITDA MRI interest cover remains exceptionally strong due to the combination of improved operating performance and minimal interest costs.

As the organisation has no external borrowings, interest payable is limited to minor financing costs, resulting in an unusually high interest cover ratio.

This metric is therefore of limited relevance but nevertheless demonstrates the organisation's strong liquidity and capacity to meet financing obligations.

Metric 5: Headline Social Housing Cost per Unit

This metric measures the average cost of providing social housing per unit.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
Management (excl. lease rent)	2,179,281	2,265,578		
Lease rents payable	8,852,507	8,131,058		
Service charge costs	1,178,040	1,337,080		
Routine maintenance	504,350	482,939		
Planned maintenance	560,533	372,395		
Major repairs	154,798	223,142		
Total	13,429,509	12,812,191	14,898,875	
Divided by:				
Total social housing units	738	646	798	
Headline social housing cost per unit	**18,197**	**19,833**	**18,670**	
Headline social housing cost per unit (excl. lease rent)	**6,202**	**7,246**	**6,812**	**£6,962**

Headline social housing cost per unit reduced compared with the prior year, reflecting improved operational efficiency and higher occupancy.

The Board continues to focus on controlling operating costs while maintaining high standards of compliance, maintenance, and tenant support.

Metric 6: Operating Margin (%)

This metric measures profitability as a percentage of turnover.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
A: Operating margin (%)				
Operating surplus	1,303,534	767,384	1,324,473	
Divided by:				
Turnover from social housing lettings	14,733,043	13,579,576	16,223,348	
Operating margin (%)	8.8%	5.7%	8.2%	
B: Overall operating margin (%)				
Operating surplus	**1,303,534**	**767,384**	**1,324,473**	
Add: Loss on disposal of housing properties	-	-	-	
Total	1,303,534	767,384	1,324,473	
Divided by:				
Turnover	14,733,043	13,579,576	16,223,348	
Operating margin (%)	**8.8%**	**5.7%**	**8.2%**	**22.1%**

Operating margin improved significantly during the year because of higher occupancy, growth in new schemes, and tighter cost control.

Margins remain below the sector median, reflecting the economics of the lease-based specialist supported housing model, where lease rents are a substantial fixed cost.

The improvement achieved during the year demonstrates the success of management actions to strengthen financial performance and improve the resilience of the business.

Metric 7: Return on Capital Employed (ROCE)

This metric measures the return generated on capital invested in the organisation.

	25/26 Result	24/25 Result	26/27 Target	Sector Median
Operating surplus	1,303,534	767,384	1,324,473	
Divided by:				
Total assets less current liabilities	2,108,273	722,034	2,979,409	
Return on capital employed (%)	**61.98%**	**106.3%**	**44.5%**	**6.6%**

ROCE improved substantially during the year, driven by a strong increase in operating surplus and a positive year-end net asset position.

This metric reflects the successful turnaround in financial performance and demonstrates that capital resources are being deployed effectively.

Encircle's ROCE compares favourably with the sector median and provides further evidence of the organisation's improving financial resilience.

Ongoing Delivery of Value for Money

Encircle remains committed to delivering value for money by using resources efficiently and reinvesting surpluses to improve services and provide more specialist supported housing.

During the year, improved occupancy, stronger rent collection, tighter cost control and active lease management contributed to a significant improvement in financial performance and increased capacity for reinvestment.

The Board monitors a range of financial and operational indicators, including occupancy, voids, rent collection, compliance, tenant satisfaction and the Regulator of Social Housing's seven Value for Money metrics.

The key priorities for 2026/27 are to increase occupancy and reduce void losses, deliver up to 60 additional units of specialist supported housing, invest selectively in property acquisitions, launch an in-house repairs team, continue to renegotiate lease terms to reduce risk, and share best practice and internally benchmark our service delivery through the Specialised Supported Housing Network.

These actions will help ensure that Encircle continues to deliver efficient, high-quality services and reinvest surpluses to meet growing demand for specialist supported housing.

Risk and Governance

The Board recognises the principal risks associated with operating a specialist supported housing business and maintains a comprehensive Strategic Risk Register, which is reviewed quarterly. The register reflects the Regulator of Social Housing's Sector Risk Profile and other emerging regulatory, financial, operational and external risks.

Emphasising significance (xy+y)
x axis: likelihood (Remote 1, Unlikely 2, Possible 3, Probable 4, Highly Probable 5)
y axis: significance (Insignificant 1, Minor 2, Moderate 3, Major 4, Catastrophic 5)

10	15	20	25	30
8	12	16	20	24
6	9	12	15	18
4	6	8	10	12
2	3	4	5	6

The principal risks facing Encircle as set out in our Risk Register are:

- Insufficient demand from commissioners for available properties.
- Short-term income pressures arising from Housing Benefit delays, void losses and welfare reform.
- Reduced long-term financial viability due to rising operating and maintenance costs.
- Exposure to risks associated with long-lease commitments.
- Financial failure of a major care provider.
- Data loss or cyber-attack.
- Unaffordable long-term property maintenance costs.
- Limited flexibility within the property portfolio to meet changing commissioner requirements.

The Board continues to monitor legislative and regulatory developments, including the implementation of the Supported Housing (Regulatory Oversight) Act 2023, and assesses their potential impact on the business model.

The Board is responsible for ensuring that Encircle maintains effective governance arrangements and remains financially viable.

We are now over seven years on from the Regulator of Social Housing's April 2019 Regulatory Notice, and the Board is pleased to report that Encircle has addressed all of the Regulator's concerns and continues to make further improvements working collaboratively with the Regulator.

The Board comprises members with experience in social housing, finance, property, law, asset management and the health and social care sectors. The Board met monthly throughout the year to provide strategic direction and oversight.

In March 2026, the Board completed its annual self-assessment against the Regulator of Social Housing's Governance and Financial Viability Standard and concluded that Encircle remained compliant. Our self-assessment is assured by a comprehensive financial viability and stress testing review that was undertaken by Altair over a 3-month period.

During 2025/26, TIAA also completed the annual internal audit programme. All audits received either substantial or reasonable assurance, and the Head of Internal Audit provided an overall opinion that Encircle has substantial and effective risk management, control and governance processes.

Completed internal audits in the year:

Audit Area	Result
Strategic Control	Substantial Assurance
Support Audit	Reasonable Assurance
GDPR	Reasonable Assurance
Complaints	Reasonable Assurance
Cyber Security	Reasonable Assurance
Health & Safety	Reasonable Assurance

We have agreed with the Regulator given the significant advancement in governance and financial viability that a review of our historical Notice will be undertaken in 2026/27.

Financial Plan

Encircle maintains a detailed 30-year financial plan, which is updated regularly and stress tested against a range of adverse scenarios.

In January 2026, Altair completed an independent review of Encircle's 30-year business plan and concluded that '*the model is structurally sound, based on reasonable assumptions and supported by comprehensive stress testing, providing a solid foundation for the organisation's long-term financial resilience and alignment with the Regulator of Social Housing's Governance and Financial Viability Standard*'. The plan supports strategic decision-making and demonstrates the long-term viability of the organisation. It is supplemented by monthly management accounts, scheme-level reporting, the Strategic Risk Register and a formal framework of financial responsibilities and delegated authorities.

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, including the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Directors and Officers Indemnity Insurance

Encircle maintains Directors' and Officers' liability insurance with a limit of indemnity of £5m.

The organisation also maintains appropriate commercial, business travel, and cyber insurance cover to protect the Society and its Board members.

Employees

At 31 March 2026, Encircle employed 20 full-time employees, together with 6 employees working 0.8 full-time equivalent contracts and 1 employee working 0.5 full-time equivalent contracts.

Employees are actively involved in the delivery and development of the organisation's services. Encircle is committed to equality, diversity and inclusion and provides opportunities for training and professional development, together with a range of employee benefits.

Internal Controls Assurance

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

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board is satisfied that the principal risks facing the organisation are understood and that appropriate controls and mitigation plans are in place. During the year, the organisation continued to strengthen its control framework through internal audit, policy reviews and investment in finance, ICT and operational systems.

The Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2026 and is satisfied that it remains appropriate to the size and complexity of the organisation.

Statement of Board Responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society's and of the Society's income and expenditure for the year then ended.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Society 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 Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Board was approved by the Board on 29 July 2026 and signed on its behalf by:

Chair
Alistair How

Independent Auditor's Report to the Members of Encircle Housing

Opinion

We have audited the financial statements of Encircle Housing "the Society" for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society 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 Society'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 Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Encircle Housing
(continued)

Independent Auditor's Report to Members of Encircle Housing

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Board for the financial period for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the Society; or
- a satisfactory system of controls over transactions has not been maintained; or
- the Society financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board Responsibilities set out on page 16, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Society'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 intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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:

Independent Auditor's Report to the Members of Encircle Housing
(continued)

We obtained an understanding of the legal and regulatory frameworks within which the Society operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England. We also considered the risks of non-compliance with the other requirements imposed by the Regulator of Social Housing, and we considered the extent to which non-compliance might have material effect on the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases and substantive testing of key income streams.

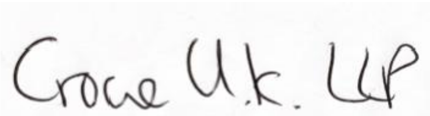
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the members of the Society, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Society those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP, Statutory Auditor, 3rd Floor, St George's House, 56 Peter Street, Manchester, M2 3NQ
Date: 07.08.2026

Statement of Comprehensive Income
For the year ended 31 March 2026

	Notes	2026 (£)	2025 (£)
Turnover	2	14,733,043	13,576,974
Operating expenditure	2	(13,429,509)	(12,809,590)
Operating surplus		**1,303,534**	**767,384**
Interest receivable	5	93,801	82,291
Interest and financing costs	6	(11,095)	(9,543)
Surplus before taxation		**1,386,240**	**840,133**
Taxation	7	-	-
Surplus for the year	**8**	**1,386,240**	**840,133**
Total comprehensive income for the year		**1,386,240**	**840,133**

The association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements. The financial statements were authorised and approved by the Board on 18 August 2025 and signed on 30 July 2025.

Peter Aviston
SECRETARY

Alistair How
CHAIR, MAIN BOARD

Matthew Spittles
CHAIR, AUDIT & RISK

Statement of Financial Position
As at 31 March 2026

	Notes	2026 (£)		2025 (£)	
Fixed assets					
Housing properties	11	499,039		511,131	
Other fixed assets	12	53,036		11,516	
			552,075		522,647
Current assets					
Trade and other debtors	13	2,912,665		2,839,147	
Cash and cash equivalents	14	5,821,163		3,438,693	
		8,733,827		6,277,840	
Less:					
Creditors: amounts falling due < 1 year	15	(7,177,629)		(6,078,458)	
Net current liabilities			1,556,198		199,387
Total assets less current liabilities			2,108,274		722,034
Total net assets/liabilities			2,108,274		722,034
Reserves					
Non-equity share capital	17		5		5
Income and expenditure reserve			2,108,269		722,029
Revaluation reserve			-		-
Total reserves			**2,108,274**		**722,034**

The association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements. The financial statements were authorised and approved by the Board on 29 July 2026 and signed on 30 July 2026.

Peter Aviston
SECRETARY

Alistair How
CHAIR, MAIN BOARD

Matthew Spittles
CHAIR, AUDIT & RISK

Statement of Changes in Reserves
For the year ended 31 March 2026

	Non-equity share capital	Income and expenditure reserve (£)	Revaluation reserve (£)	Total (£)
Balance at 1 April 2024	5	(118,106)	-	(118,106)
Surplus for the year	-	840,133	-	840,133
Transfer to income and expenditure reserve	-	-	-	-
Balance at 31 March 2025	**5**	**722,034**	**-**	**722,034**
Balance at 1 April 2025	5	722,034	-	722,034
Surplus for the year	-	1,386,240	-	1,386,240
Balance at 31 March 2026	**5**	**2,108,274**	**-**	**2,108,274**

The notes on pages 23 to 33 form an integral part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2026

	2026 (£)		2025 (£)	
Net cash (used in)/generated from operating activities (note 1)		2,351,863		1,881,926
Cash flow from investing activities				
Purchase of tangible fixed assets	(52,100)		(531,634)	
Proceeds from sale of property	-		-	
Interest received	93,801		82,291	
		41,701		(449,343)
Cash flow from financing activities				
Interest paid	(11,095)		(9,543)	
Loan repayments	-		-	
		(11,095)		(9,543)
Net change in cash and cash equivalents		2,382,468		1,423,040
Cash and cash equivalents at beginning of year		3,438,694		2,015,653
Cash and cash equivalents at end of the year		5,821,162		3,438,693
Note 1				
Surplus for the year		1,386,240		840,133
Adjustments for:				
Depreciation of tangible fixed assets		22,671		17,341
(Increase)/ decrease in trade and other debtors		(73,518)		1,537,947
Increase/(decrease) in trade and other creditors		1,099,177		(440,747)
Interest payable		11,095		9,543
Interest receivable		(93,801)		(82,291)
		2,351,863		**1,881,926**

The notes on pages 23 to 33 form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies

The Society is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is First Floor, Lister House, Lister Hill, Horsforth, Leeds, West Yorkshire, LS18 5AZ.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

The financial statements have been prepared in compliance with FRS 102. In complying with FRS 102 the Society meets the definition of a public benefit entity.

Future changes in accounting standards

In September 2024, the Financial Reporting Council issued amendments to FRS 102 following its Periodic Review. The amendments are effective for accounting periods beginning on or after 1 January 2026. The Society has not early adopted these amendments.

Management has undertaken an initial assessment of the impact of the amendments. The principal area expected to affect the Society is the revised lease accounting requirements, under which most leases will be recognised on the Statement of Financial Position through the recognition of right-of-use assets and corresponding lease liabilities.

The Society has also reviewed the implications of the revised revenue recognition and disclosure requirements. The detailed assessment of the financial impact of the amendments is ongoing, and the effect will be quantified prior to adoption.

Based on the work completed to date, no changes have been identified that are expected to affect the Society's underlying business model or cash generation.

Going concern

The Society's business activities, its current financial position, and factors likely to affect its future development are set out within the Report of the Board. Encircle has a stress tested 30-year business plan and assessed for any imminent or likely impact and no significant concerns have been noted. We consider it appropriate to continue to prepare the financial statements on a going concern basis.

On this basis the Board has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the financial statements were approved.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a. Classification of operating leases

The Society classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership otherwise the lease is classified as an operating lease. The Society has reviewed its lease agreements and concluded that all current leases meet the criteria of an operating lease as ownership of the properties is not transferred to the Society at the end of the leases, there is no option to purchase the properties, the leases are not for a major part of the economic life of the properties and the properties can be used by any specialised supported housing organisation or can be easily repurposed for use by other lessees too.

b. Bad debt provision

Bad debts associated with tenant arrears have been provided for on a specific debt recoverability probability, estimates were agreed by the board. However, there is a large trade debtor of £789k included in the balance sheet which is being negotiated together with a deferred creditor payment agreement of £784k on settlement of the outstanding debt. Directors are confident these negotiations will lead to full recovery of the balance. Since the year end, Encircle has continued to progress negotiations with the superior landlord and the care provider debtor and is confident of a resolution that will suit all parties without a detrimental impact on Encircle via a debt write off.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Financial Instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments, which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102, are accounted for under an amortised historical cost model.

Taxation

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies (continued)

Value Added Tax

The Society is an exempt business from Value Added Tax (VAT). The nature of supplied services of residential letting for social housing is exempt from VAT. The financial statements include VAT to the extent that it is suffered by the Society and not recoverable from HM Revenue and Customs. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Turnover and revenue recognition

Turnover comprises rental income receivable in the year and other services included at the invoiced value of goods and services supplied in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Deferred income at the year-end is included in creditors for rent contribution, sinking fund, voids, furniture and white goods.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Particulars of turnover, operating expenditure and operating surplus

2026

	Turnover (£)	Operating Expenditure (£)	Operating Surplus (£)
Social housing lettings (see note 3)	14,733,043	(13,429,509)	1,303,534
Total	**14,733,043**	**(13,429,509)**	**1,303,534**

2025

	Turnover (£)	Operating Expenditure (£)	Operating Surplus (£)
Social housing lettings (see note 3)	13,576,974	(12,809,590)	767,384
Total	**13,576,974**	**(12,809,590)**	**767,384**

Notes to the Financial Statements
For the year ended 31 March 2026

2. Particulars of turnover and operating expenditure from social housing lettings

	Supported housing (£)	Registered care homes (£)	Total 2026 (£)	Total 2025 (£)
Income				
Rent receivable net of service charges	11,894,930	741,321	12,636,252	11,959,723
Service charge income	1,710,884	-	1,710,884	1,317,296
Other income	385,908	-	385,908	299,955
Total turnover	**13,991,722**	**741,321**	**14,733,043**	**13,576,974**
Operating expenditure				
Management	2,282,869	13,727	2,296,596	1,920,783
Lease costs	8,250,921	601,586	8,852,507	8,131,057
Service charge costs	1,177,701	340	1,178,041	1,520,243
Routine maintenance	504,350	-	504,350	482,939
Planned maintenance	560,533	-	560,533	369,187
Major repairs	154,798	-	154,798	226,351
Rent losses from bad debts	(117,315)	-	(117,315)	159,030
Total operating expenditure	**12,813,857**	**615,652**	**11,802,358**	**12,809,590**
Operating surplus	**1,177,865**	**125,669**	**1,303,534**	**767,384**
Net void losses			**264,928**	**170,894**

Notes to the Financial Statements
For the year ended 31 March 2026

3. Accommodation owned, managed and in development

	At 1 April 2025	Additions	Disposals	Transfers	At 31 March 2026
Under management					
Held under an operating lease (Supported housing)	646	103	11	-	738
Held under an operating lease (Registered care homes)	135	-	-	-	135
	781	**103**	**11**	**-**	**873**
Managed by other organisations					
Held under an operating lease (Supported housing)	-	-	-	-	-
Under development					
Held under an operating lease (Supported housing)	26	-	6	-	20
	26	**-**	**6**	**-**	**20**

Supported housing units under management includes 32 units in Northern Ireland (2025: 32 units).

4. Interest receivable

	2026 (£)	2025 (£)
Bank interest receivable	93,801	82,291

5. Interest payable and similar charges

	2026 (£)	2025 (£)
Interest and financing costs (bank charges)	11,095	9,543

6. Taxation

Encircle Housing is registered with HMRC as having charitable status, it is entitled to exemption from corporation tax on donations, investment income and gains, and on profits from any trading activities carried out in the furtherance of the charitable primary objectives, if they are applied to charitable purposes. This charitable status was confirmed from 11th March 2019.

7. Surplus for the year

	2026 (£)	2025 (£)
Is stated after charging:		
Auditors' remuneration (excl. VAT)		
In their capacity as auditors	31,560	30,600
In respect of other services	1,500	-
Depreciation of other tangible fixed assets	22,671	17,342
Operating lease rentals	8,852,507	8,131,058

Notes to the Financial Statements
For the year ended 31 March 2026

8. Employee information

The average number of employees expressed in full-time equivalents (calculated based on a standard working week of 37.5 hours) was:

	2026 (£)	2025 (£)
Average number of employees	30	21
Staff costs		
Wages and salaries	1,206,484	969,220
Social security costs	145,607	87,054
Other pension costs	48,274	30,160
Average number of full-time staff whose remuneration exceeded £60,000 in the year		
£60,000 - £70,000	2	3
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	4	4

2026

	Salary (£)	NI (£)	Pension (£)	Total (£)
Chief Executive Officer: PA	108,224	15,484	7,957	131,665
Non-Exec Chairman: DB	12,250	1,088	-	13,338
Non-Exec Board Member: AH	10,500	825	-	11,325
Non-Exec Board Member: MW	7,917	562	-	8,479
Non-Exec Board Member: MS	7,856	428	-	8,284
Non-Exec Board Member: JE	3,125	156	-	3,281
	137,622	17,455	7,957	163,034

2025

	Salary (£)	NI (£)	Pension (£)	Total (£)
Chief Executive Officer: PA	109,396	13,510	4,096	127,002
Non-Exec Chairman: DB	13,500	607	-	14,107
Non-Exec Board Member: MW	9,500	55	-	9,555
Non-Exec Board Member: AH	7,500	-	-	7,500
Non-Exec Board Member: MS	7,500	-	-	7,500
Non-Exec Board Member: JE	-	-	-	-
	147,396	14,172	4,096	165,664

Notes to the Financial Statements
For the year ended 31 March 2026

9. Employee information (continued)

	2026 (£)	2025 (£)
Emoluments: paid to the highest paid Director (excl. pension contributions)	108,224	109,396

The Chief Executive is an ordinary member of the Society's defined contribution pension scheme. No enhanced or special terms apply. There are no additional pension arrangements. A contribution of £7,957 (2025: £4,096) was made by the Society in addition to the personal contributions of the Chief Executive.

Compensation paid to a director in relation to the period of account in respect of loss of office was £Nil (2025: £Nil).

10. Housing Properties

	Social Housing Properties held for letting (£)	Total (£)
Cost		
At 1 April 2025	523,222	523,222
Additions	-	-
Disposals	-	-
At 31 March 2026	523,222	523,222
Depreciation		
At 1 April 2025	12,091	12,091
Charge for the year	12,092	12,092
Eliminated on disposals	-	-
At 31 March 2026	24,183	24,183
Net book value	499,039	499,039
At 31 March 2026	499,039	499,039
At 31 March 2025	511,131	511,131

Notes to the Financial Statements
For the year ended 31 March 2026

11. Other fixed assets

	Office equipment (£)	Fixtures and fittings (£)	Total (£)
Cost			
At 1 April 2025	27,657	2,508	30,165
Additions	11,966	40,134	52,100
Disposals	-		-
At 31 March 2026	39,623	42,642	82,265
Depreciation			
At 1 April 2025	16,141	2,508	18,649
Charge for the year	4,337	6,242	10,579
Eliminated on disposals	-	-	-
At 31 March 2026	20,478	8,750	29,229
Net book value	19,144	33,892	53,036
At 31 March 2026	19,144	33,892	53,036
At 31 March 2025	11,516	-	11,516

12. Debtors

	2026 (£)	2025 (£)
Amounts falling due within one year:		
Rental debtors	1,379,113	1,200,367
Less: Provision for rental bad debts	(198,201)	(165,839)
	1,180,912	1,034,528
Other debtors	1,600,831	1,835,318
Less: Provision for other bad debts	(410,459)	(361,592)
Prepayments	469,381	330,893
Accrued income	72,000	-
	2,912,665	2,839,147

13. Cash at bank

	2026 (£)	2025 (£)
Cash at bank	5,821,163	3,438,693
	5,821,163	3,438,693

Notes to the Financial Statements
For the year ended 31 March 2026

14. Creditors: Amounts falling due within one year

	2026 (£)	2025 (£)
Trade creditors	1,968,880	1,801,600
Rent received in advance	181,236	168,702
Corporation tax	-	-
Other taxation and social security	34,452	24,717
Accruals and deferred income	4,989,042	4,077,772
Other creditors	4,019	5,667
	7,177,629	6,078,458

15. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2026 (£)	2025 (£)
Properties		
Not later than one year	11,242,397	8,715,673
Later than one year and not later than five years	44,064,594	35,872,167
Later than five years	37,490,868	55,481,868
	92,797,860	100,069,708

The lease agreements do not include any contingent rent or restrictions. Leases for land and buildings include renewal periods after 25 years and throughout the lease.

16. Non-equity share capital

	2026 (£)	2025 (£)
Allotted, issued and fully paid:		
At 1 April 2025	5	5
Issued during the year	-	-
Surrendered during the year	-	-
At 31 March 2026	5	5

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding up and are not redeemable. Each share has full voting rights.

17. Contingent liabilities

At the balance sheet date there were no contingent liabilities (2025: £Nil).

18. Contingent liabilities

The Society operates a defined contribution scheme for its employees.
The costs for the year were £48,274 (2025: £30,160).
Total outstanding contributions as at 31 March 2026 were £11,204 (2025: £5,667).

Notes to the Financial Statements
For the year ended 31 March 2026

19. Analysis of changes in net debt

	At 1 April 2025 (£)	Cash flows (£)	Other non-cash changes (£)	At 31 March 2026 (£)
Cash and cash equivalents	3,438,693	2,382,468	-	5,821,162
Loans falling due < one year	-	-	-	-
Loans falling due > one year	-	-	-	-
	3,438,693	2,382,468	-	5,821,162

20. Related parties

There were no related party transactions in the year.