

MANY VOICES ONE *community*

Report and Financial Statements **2024-2025**

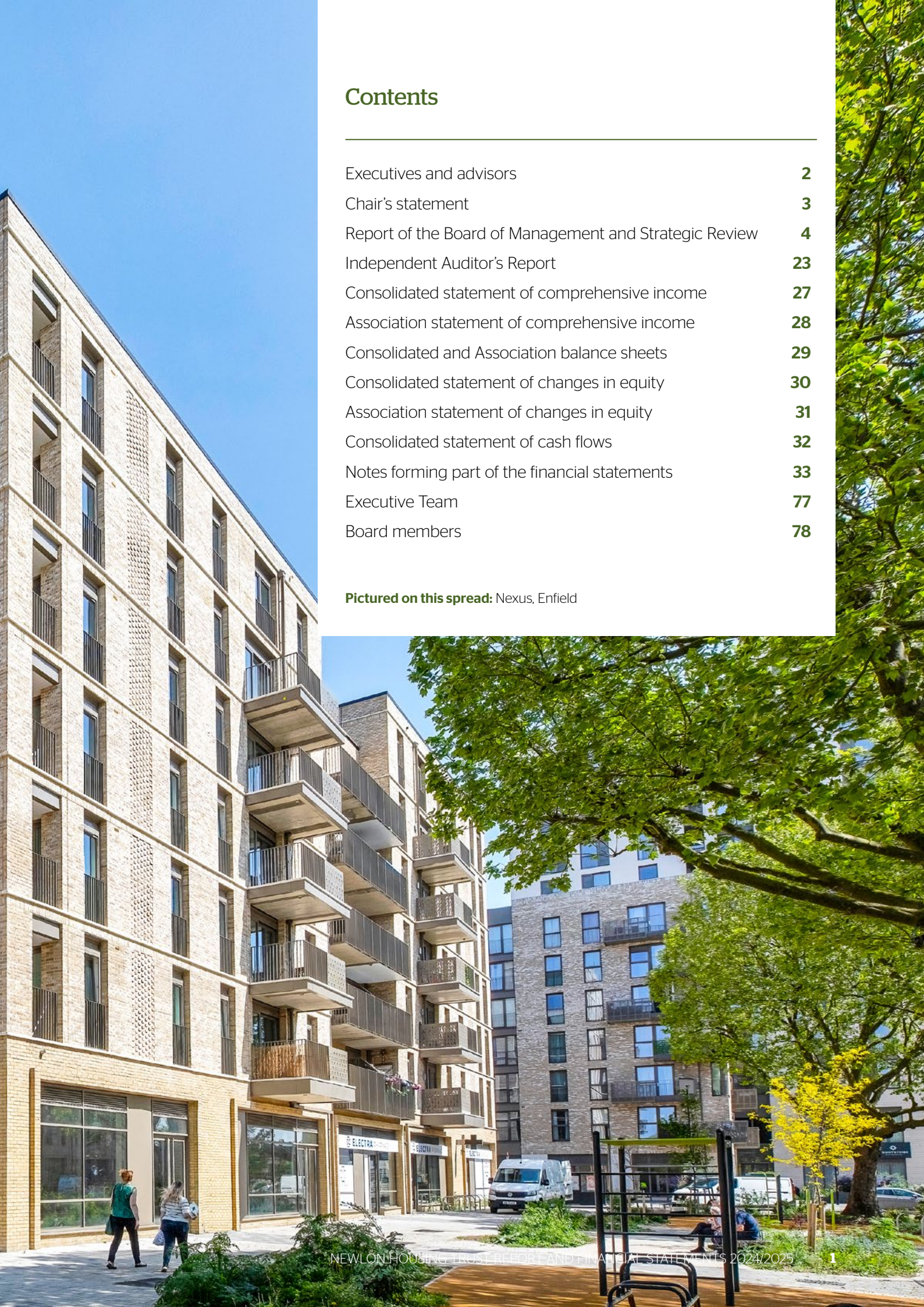




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Pictured on this spread: Nexus, Enfield



The Board

Aman Dalvi, Chair
Mike Hinch, Appointed Executive
(resigned April 2025)
Edward Ihejirika
Blossom Shakespeare
Lloyd Gale-Ward
Chris Cheshire
Jane Everton
Alison Muir
Peter Cogan
Keith McLeod
John Cross (resigned September 2024)
Geoff Pearce (appointed November 2024)

Group Audit and Risk Committee

Keith McLeod, Chair
Edward Ihejirika
Peter Cogan
Eilish Kavanagh (appointed November 2024)

Executive Management Team

Mike Hinch, Group Chief Executive
(resigned April 2025)
Ruth Davison, Group Chief Executive
(appointed June 2025)
Surjit Dhande, Group Finance and
Resources Director*
Sarah Shaw, Housing Services Director
Ezinne Ogbonna,
Business Development Director
Nicky Boland, Outward Chief Executive
Symon Sentain, Property Services Director

*Surjit Dhande served as interim Chief Executive
between April 2025 and June 2025.

Company Secretary

Tom O'Malley

Registered office

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Hale Village
London
N17 9FE

Bankers

Barclays Bank PLC
Level 28
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London
E14 5HP

External Auditors

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Beehive Ring Road
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West Sussex
RH6 OPA

Principal Solicitors

Devonshires Solicitors LLP
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EC2M 7DT

Internal Auditors

Beever and Struthers LLP
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EC3N 1LS

Chair's statement for the year ended 31 March 2025

It is appropriate to begin this statement by bidding a fond farewell to Mike Hinch and extending a warm welcome to Ruth Davison, Mike's successor as Group Chief Executive.

Mike stood down in April 2025 after more than 30 years at Newlon and 25 years as Chief Executive. During this time Newlon has delivered some of London's largest regeneration projects and grown from having 1,700 homes and 40 staff to providing nearly 8,500 affordable homes and employing more than 200 people. With our supported housing subsidiary, Outward, the Newlon Group employs more than 600 people. Mike will be missed by our staff and Board as well as the many partners we work with.

The last part of Mike's tenure coincided with an extremely complex period for Newlon and the social housing sector, including issues such as the need for major investment in building safety works post-Grenfell, a period of high inflation and the cost of living crisis.

It is with some pride that I can say although the last year has been challenging Newlon has navigated this period successfully. We have retained our credit rating, as well as our G1 and V2 ratings from the Regulator of Social Housing and ensured we continue to meet any loan covenants.

At the same time we have continued to develop new affordable homes, invested record amounts in our existing stock and seen an improvement in residents' satisfaction for a third year in a row.

Although Ruth has joined us at what continues to be a challenging time, I am confident that her commitment to championing the communities we support will ensure that we can continue with the positive progress we are making.

The Chancellor's Spending Review has also delivered some very positive news for the sector with the commitment of large-scale funding to support delivery of new affordable homes and the remediation of social rent housing as well as the stability of a ten year rent settlement.

I would like to express my thanks to Newlon's staff and my Board colleagues for their hard work during the last year.



Aman Dalvi OBE

Chair

16 July 2025

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

Business model

The Newlon Group comprises two registered housing providers, two registered charities¹, and two limited companies, led by Newlon Housing Trust, a charitable organisation established in 1968.

Newlon Housing Trust is a registered provider of social housing in north and east London, founded to deliver high-quality, affordable housing for local people.

The Group's primary activities are:

- **General Needs housing:** Social rented homes primarily for individuals and families unable to rent or buy at market rates.
- **Supported housing and care:** Services for older people, individuals with learning disabilities and people on the autism spectrum.
- **Low-cost home ownership:** Primarily Shared Ownership, allowing people to get on the housing ladder through purchasing a share of equity in their home.
- **Intermediate housing products:** Sub-market rent aimed at key workers and young professionals who are seeking secure, affordable housing.

Mission and objectives

Our simple mission is to provide high quality affordable homes in London. To do this we provide a range of housing options designed to meet the diverse needs of local people.

Our latest Corporate Plan acknowledges the need to meet the challenges of new regulation, to invest in our properties and to continue delivering new homes.

Newlon will continue to place an emphasis on financial security and ensure we remain in a strong position to fulfil our mission for the years to come in accordance with the following priorities:

Priority 1 - to deliver excellent services

We push ourselves and our partners to deliver high-quality services that truly meet residents' needs. We are supportive, responsive, and fair, making it easy for residents to engage with us. We build trust by getting the essentials right and take pride in solving complex challenges with care and commitment.

Priority 2 - to provide high quality homes

We ensure our homes are safe, secure, and well-maintained, and that residents feel confident and comfortable where they live. Through a strategic approach to asset management, we make the best use of our homes – maximising their financial sustainability and social impact while addressing any issues that affect residents' health and safety. At the same time, we are investing in long-term environmental improvements, ensuring our homes are not only fit for today but fair to future generations.

Priority 3 - to achieve sustainable growth

We are committed to delivering new homes that meet high environmental standards and contribute to thriving, sustainable communities. By working within our financial capacity, we maximise opportunities to develop high-quality homes across a range of tenures, ensuring we meet diverse housing needs, including supported housing. Our approach goes beyond just building homes – we invest in places, creating well-designed, energy efficient housing that supports strong communities and a more sustainable future.

¹ A third registered charity, Newlon Fusion, operated in 24/25 but was dissolved in June 2025.

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for the year ended 31 March 2025

Priority 4 - to be a diverse and dynamic organisation

We are proud to have a team made up of people with different backgrounds, skills, and perspectives, and this diversity makes us stronger. We are committed, supportive, and work together to achieve our best, both as individuals and as a team. We hold ourselves to high standards, ensuring we meet residents' expectations while continuously improving our performance. Strong internal relationships and a shared culture of collaboration help us get the best out of each other and our partners. By maintaining a strong focus on staff wellbeing and commitment, we create an environment where everyone can thrive.

Priority 5 - to be efficient and effective

We are an organisation for the long term and our financial security is a priority. With finances tightening over the past few years, we need to keep a sharp focus on value for money, making sure every pound we spend helps us to achieve our objectives. We aim to keep management costs low by streamlining processes and integrating systems with partners, but we are prepared to invest in smarter ways of working to drive greater efficiency over the long term. We will ensure we get a strong return on our assets, using our resources wisely so we can continue to invest where it matters most, delivering high-quality services and maintaining sustainable, well-managed homes for the future.

Our Values

We deliver our mission and objectives in line with our core values. These values guide our actions and decisions, ensuring we always work with the priorities of our residents at the forefront of our minds and strive to deliver high quality services to residents and foster a collaborative and supportive environment for staff. Our values are:

- we are truthful
- we are committed to quality
- we are supportive
- we are committed to safety
- we are fair
- we can be trusted

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

Results

At 31 March 2025 we had assets of £1.45 billion, reserves totalling £229m and an annual turnover of £115m. The Group turnover from our social housing and other activities for the year ended 31 March 2025 is shown below:

	Turnover 2025	Turnover 2024
	£'m	£'m
Social housing letting:		
General Needs housing for rent	46	47
Supported housing	7	7
Low cost home ownership	16	14
Key Worker housing	14	12
Other social housing activities:		
First tranche low cost home ownership sales:	9	7
Supporting people and care	14	12
Building safety funding	3	7
Building defect settlement	3	3
Other activities	3	4
Other non-social housing activities:		
Outright sales	-	-
Total	115	113

Summary consolidated statement of comprehensive income

	2025	2024	2023	2022	2021
	£'m	£'m	£'m	£'m	£'m
Turnover	115	113	116	92	100
Cost of sales	(10)	(7)	(17)	(10)	(12)
Surplus on disposal of fixed assets	13	2	5	8	8
Operating costs	(89)	(82)	(73)	(59)	(61)
Operating surplus	29	26	31	31	35
Share of (loss)/profit from joint venture	(1)	(2)	(1)	-	3
Net interest payable	(27)	(23)	(21)	(18)	(18)
Fair value movement	-	-	-	-	-
Surplus for the year	1	1	9	13	20

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

Summary consolidated balance sheet

	2025	2024	2023	2022	2021
	£'m	£'m	£'m	£'m	£'m
Tangible fixed assets – housing properties and others	1,292	1,274	1,236	1,184	1,138
Net current assets	111	130	42	46	65
Total assets less current liabilities	1,403	1,404	1,278	1,230	1,204
Long term liabilities and provisions	(1,174)	(1,176)	(1,051)	(1,011)	(999)
Net assets/reserves	229	228	228	219	205

Housing properties are held at historic cost and unamortised grant is held in long term creditors. The increased carrying cost of £1,292m of completed properties in 2024/25 includes a £4m investment in new homes and £30m spend on improvement and remedial work to the existing homes. As at 31 March 2025 we had £456m of social housing and capital grant to support our development programme.

Consolidated cash flow

	2025	2024
	£'m	£'m
Cash generated from operations	52	25
Cash used in investing activities	(42)	(47)
Cash from financing activities	(31)	01
Net change in cash	(21)	79

At 31 March 2025 we had £100m cash and cash equivalent. In the year we:

- Received £52m from operating activities, including housing asset sales of £32m.
- Invested £46m in existing and new stock.
- Received £8m of additional government grant funding.
- Paid interest of £34m.

Key financial indicators – Group

	2025	2024	2023	2022	2021
Operating margin ¹	14%	21%	22%	25%	27%
EBITDA MRI ²	34%	66%	60%	110%	132%
EBITDA MRI (Defects) ²	(10%)	32%	24%	96%	108%
Bank interest cover ³	122%	130%	175%	199%	193%
Bank gearing ⁴	49%	48%	49%	48%	46%
Debt per unit	£85k	£86k	£75k	£70k	£71k
Average cost of capital	4.20%	4.50%	3.86%	3.50%	3.40%
Housing units owned/managed	8,501	8,400	8,384	8,360	8,119
Units developed as % of current stock	1.55%	0.25%	0.58%	3.1%	2.9%

¹ Operating margin is defined as operating surplus excluding surplus on disposal of fixed assets as a proportion of turnover.

² EBITDA MRI is defined as operating surplus excluding surplus on disposal of fixed asset, amortised grant in year, capitalised major works plus interest receivable and depreciation, as a proportion of gross interest payable. EBITDA MRI is presented both including and excluding the costs of building defect works expected to be recovered through a combination of Building Safety Fund, insurance and legal claims against developers.

³ Bank interest cover is for the Association and is defined as operating surplus plus housing depreciation, less grant amortisation as a proportion of net interest payable.

⁴ Bank gearing covenant is for the Association and is defined as net loans as a proportion of housing asset cost.

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for the year ended 31 March 2025

Value for money

The Board considers value for money (VfM) to be integral to delivering our core objectives. The principles of VfM are embedded within Newlon's Corporate Plan, improving performance, and responding to sector-wide challenges—including building safety, environmental efficiency, service standards, and economic pressures.

In a challenging financial environment, we have continued to make strategic choices to support long-term sustainability. This includes strengthening performance management and, where necessary, identifying new partners who can help us deliver our objectives more economically and effectively. Our focus remains on making best use of our assets, investing in smarter ways of working, and aligning spending with our priorities.

To deliver value for money across all areas of our work, we have embedded VfM principles within each of our five strategic objectives. Our approach is summarised below:

Excellent services

We continue to improve service quality and efficiency by streamlining processes, making better use of data, and working closely with partners to deliver services that meet residents' needs and represent good value.

High quality homes

We invest in maintaining safe, decent homes and take a strategic approach to improving environmental performance and cost-efficiency across our stock.

Sustainable growth

We ensure that new homes are delivered in a way that is financially sustainable, securing good value through procurement, partnerships, and careful project selection.

A diverse and dynamic organisation

We are developing a culture of professionalism, collaboration, and accountability—creating the conditions for continuous improvement, better decision-making, and stronger value for money outcomes.

An efficient and effective business

We manage our resources prudently, adapting to economic pressures while maintaining strong foundations. We continue to strengthen our internal systems, reduce overheads, and use automation and insight to support more agile, responsive ways of working that deliver better outcomes and reduce waste. Where costs are passed to residents, we act on their behalf to ensure these are well-managed and represent fair value.

Our VFM performance

We have reported value for money metrics at both Group and Association level, in line with the presentation of the financial statements. The following section (page 9) sets out performance at Group level, followed by a more detailed focus on the Association, where we assess performance against both the Regulator of Social Housing's VfM metrics and the Board's selected indicators. Targets were set by the Board, informed by:

- The VfM principles and priorities embedded in our Corporate Plan;
- Peer group median performance—drawn from eight comparable groups at Group level, and from all London-based providers at Association level;
- Relevant budgets and performance expectations agreed through corporate planning;
- A commitment to continuous improvement, which underpins the Board's wider approach to performance management.

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for the year ended 31 March 2025

Group VFM metrics

Registered providers are required by the Regulator of Social Housing to report their performance against the value for money metrics set out below. As the Newlon Group includes non-registered entities—most notably Outward, our care and support provider—the figures presented offer a broad view of Group-level costs but do not capture all sources of income, as explained in the accompanying commentary.

To provide context, we have compared our performance with a small peer group of organisations with similar group structures. The median of that peer group is shown alongside our results in the table below.

Group performance		2025	2024	Peer median 2024	Target 2025	Target 2026
Business health	Operating margin	13.9%	20.8%	14.2%	22.8%	18.3%
	Operating margin social housing lettings	13.1%	16.2%	16.2%	23.5%	18.5%
	EBITDA MRI interest cover	34.2%	66.0%	70.1%	69.2%	56.4%
Development	New supply social	1.8%	0.3%	0.6%	1.9%	0.4%
	New supply non-social	0.0%	0.0%	0.0%	0.0%	0.0%
Debt	Gearing	48.6%	47.9%	42.3%	54.0%	50.9%
Outcomes	Reinvestment	2.60%	4.22%	5.0%	5.85%	7.20%
Asset management	ROCE	2.0%	1.7%	2.0%	2.5%	2.4%
Cost per unit	Headline social housing cost ¹	£12,291	£11,110	£8,207	£10,850	£13,031

Despite ongoing inflationary pressures and sustained investment in building safety, our operating margin and overall financial performance remain broadly in line with our peer group. While the operating margin has declined to the peer median and our EBITDA MRI is now significantly lower, these outcomes reflect the scale of our building safety programme rather than underlying weaknesses in financial management or longer-term viability.

We have continued to deliver new social homes in line with our strategic priorities, even as financial constraints have intensified. Headline social housing costs have risen slightly above expectations, largely due to a higher level of investment in repairs and maintenance. This metric is expected to remain suppressed in the short-term, as it includes the cost of fire wardens at sites impacted by fire related defects and £2.5m of legal costs incurred in seeking compensation from third parties involved in the development of buildings with defects.

It is also important to note that our reported headline social housing cost per unit at Group level includes care and support activity delivered by our subsidiary, Outward. This inflates the figure under the Regulator's definition. A more accurate reflection of our housing management costs can be found in the Trust-only calculation on page 13, which excludes contractual care activities.

Reinvestment was below target for the year, primarily due to delays in development such as the Patchworks scheme, in Waltham Forest, following the insolvency of the developer. We have now entered into contract with an alternative partner and expect 156 rented units and 72 shared ownership units to complete between September 26 and April 28.

¹ Headline social housing cost excludes the cost of building defect works. If these costs were included the headline social housing cost would be £14,281 (2024: £12,862).

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for the year ended 31 March 2025

Group entities

When assessing Group performance, the Board considers the role and contribution of each subsidiary to the Group's overall value and objectives.

Four subsidiaries operate without dedicated staff, sharing central services and back-office functions provided by Newlon Housing Trust. NewlonBuild and NewlonInvest support the development programme, helping to optimise resources and deliver new homes. Access Homes channels profits from commercial activity back into the Group via gift aid. Newlon Fusion, a charitable subsidiary focused on fundraising and community investment, continued to operate during the year but was formally dissolved in June 2025, following the end of the financial year.

Outward, our care and support subsidiary, is the only entity in the Group whose activities generate significant non-housing costs and introduce a broader risk profile than is typical of core housing operations.

Outward operates under an intra-group agreement and benefits from shared governance and support, including finance, landlord compliance, and health and safety. With oversight from the Group Audit and Risk Committee, the Board considers the risks associated with Outward to be lower than those involved in commissioning external care and support providers, particularly in a complex and volatile market.

Does Outward add value and make the best use of properties?

In 2024/25 Outward attracted £14.0m in funding for care and support services, up £1.6m on the previous year. Newlon residents are beneficiaries of many of those services that have been especially vital over the past year. Occupancy was maintained at a level of 94.7% which is marginally below Outward's target of 95%.

Does Outward provide high quality services?

Outward has maintained 100% good ratings from the Care Quality Commission (CQC) and the latest customer survey showed high levels of satisfaction amongst service users and stakeholders.

Is Outward financially independent and secure?

Despite the very challenging economic conditions and their commitment to paying the London Living Wage, Outward made a surplus of £340k. The Board are pleased to see Outward continues to be profitable in a difficult operating environment and takes additional comfort from the £6.7m Outward holds in cash reserves, which would provide some time and flexibility in the event of a serious downturn in financial performance or unexpected loss.

Is Outward efficient?

The Outward Board is seeking continuous improvement in relation to occupancy, financial performance and efficiency. In the year, there was particularly pleasing progress in relation to arrears with ambitious targets being met. Void losses, meanwhile, exceeded target due to issues with referrals from local authority clients. Though it has been a challenging time to reduce costs and deliver efficiency savings, Outward have maximised their capacity by securing circa 1,500 hours from community volunteers. Overall, Outward's financial performance remains stable.

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for the year ended 31 March 2025

Association metrics

We benchmark the Association's performance across a broad set of indicators that reflect financial strength, new home delivery, asset performance, service quality, efficiency, and overall cost. The indicators used remain consistent with previous years, supporting meaningful year-on-year comparison. Where possible, we have included the latest available London medians for context, drawing on data from the Regulator of Social Housing's Global Accounts (2024), HouseMark (2024), and, for customer satisfaction, benchmarking provided by our partners at Acuity Research (2025).

Business health

Association performance	2025	2024	Median 2024	Target 2025	Target 2026
Operating margin overall	17.1%	24.6%	14.2%	27.2%	22.2%
Operating margin social housing lettings	12.8%	15.4%	16.2%	26.3%	19.9%
EBITDA MRI interest cover*	36.7%	67.0%	70.1%	40.3%	31.7%
Weighted average interest rate	4.20%	4.50%	-	4.52%	4.30%

* EBITDA MRI is defined as operating surplus excluding surplus on disposal of fixed asset, amortised grant in year, capitalised major works plus interest receivable and depreciation, as a proportion of gross interest payable.

While the Association's operating margin remains above the 2024 peer benchmark, performance fell short of our internal targets. This was due to a combination of sector-wide cost pressures and specific operational challenges, particularly in relation to repairs and maintenance and the legal fees incurred pursuing third parties for defect-related costs. During the year, we experienced increased costs driven by the need to supplement core contractor capacity and address issues affecting quality and reliability. In many cases, this required the use of smaller, higher-cost contractors to maintain service levels and deliver more complex works.

Recognising the need to improve performance in this area, we have now procured two new contractors for our core maintenance services, which are due to commence in July. This dual-provider model is designed to improve quality, increase resilience, and provide greater flexibility in driving performance improvements whilst benefiting from the lower rates and efficiency advantages associated with long-term partnering agreements.

We expect EBITDA MRI to remain under pressure over the coming years, largely due to sustained investment in building safety and major works, but we anticipate a strengthening position in the medium term as these programmes are completed. The Chancellor's Spending Review in June 2025 improved prospects for cost recovery and the availability of additional funding for works will also have a positive impact.

Our weighted average interest rate remains favourable – both in comparison to the wider sector and relative to expectations set at the beginning of the year. This is a significant factor for Newlon given the scale of our borrowing as it supports long-term resilience in the face of inflationary pressures and funding uncertainty.

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

Growth

Association performance	2025	2024	Median 2024	Target 2025	Target 2026
New supply (social units) as a percentage of current stock	1.8%	0.3%	0.6%	1.9%	0.4%
New supply (non-social units) as a percentage of current stock	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing	49.9%	49.1%	42.3%	54.6%	51.7%

In light of the challenging economic climate, we have temporarily reduced our development pipeline and are aiming to deliver around 100 new homes annually. We delivered 132 new homes during the year and priority remains meeting housing need across a mix of tenures. Total delivery was marginally below target due to a delay in the handover of some low-cost rental homes in Tower Hamlets, which were taken into management shortly after the year-end.

Asset management

Association performance	2025	2024	Median 2024	Target 2025	Target 2026
ROCE	2.1%	1.9%	2.0%	2.5%	2.4%
Occupancy %	97.5%	99.9%	99.8%	99.8%	99%
% of residents satisfied with property condition	63%	61%	61%	65%	70%
Reinvestment %	2.6%	4.3%	5.0%	5.9%	7.2%

The Board has approved a comprehensive programme of disposal, development, and improvement to enhance the overall quality, safety, and economic performance of our housing stock. Our level of investment in new and existing properties is reflected in the reinvestment percentage, which falls below target due to the delayed start of some tall building safety projects.

Our Return on Capital Employed (ROCE) stands at 2.1%, slightly above the median but below our target, primarily due to increased investment costs and delayed project starts.

Outcomes

Association performance	2025	2024	Median 2024	Target 2025	Target 2026
Customer satisfaction with the service overall (Rented)	61%	60%	60%	65%	65%
Customer satisfaction overall (Supported Housing)	91%	85%	-	90%	90%

Overall resident satisfaction has continued to improve this year, marking the third consecutive year of upward progress. While the improvement has been modest, it reflects a positive and sustained trajectory in how residents experience our services. This is a significant achievement given the wider sector challenges - overall sector satisfaction had been in decline for five successive years until 2025. This demonstrates that our efforts to listen, respond, and improve are beginning to have an impact.

This improvement has been driven in part by our Trust Newlon service improvement programme, which brings together targeted actions across key areas of resident experience. Alongside this, the introduction of the Newlon Way framework has provided a clear set of behaviours and values that are helping to embed a more positive, resident-focused culture across the organisation. Together, these initiatives are laying the foundations for more consistent and responsive service delivery, and we will continue to build on this progress in the year ahead.

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

Operating efficiency

Association performance	2025	2024	Median 2024	Target 2025	Target 2026
Rent collected %	99.7%	97.7%	99.7%	99.7%	99.9%
Overheads as a % of adjusted turnover	11.0%	10.5%	15.7%	15.7%	11.6%

Our overhead costs remain well-controlled and below sector benchmarks, reinforcing our commitment to operating efficiently. By keeping central costs lean, we have been able to direct more resources to frontline services, ensuring we remain responsive to residents' needs while maintaining long-term financial resilience.

Our overall rent collection improved from the previous year and we achieved our target.

Cost per unit

Association performance	2025	2024	Median 2024	Target 2025	Target 2026
Headline social housing cost ¹	£9,957	£8,942	£8,061	£8,553	£9,612
Management cost	£1,443	£1,383	£1,695	£1,332	£1,523
Maintenance ²	£6,052	£5,519	£3,998	£3,088	£5,895
Service charge costs	£2,040	£1,694	£1,375	£1,658	£1,839
Other social housing costs	£422	£346	£993	£338	£355

Operational Value for Money targets

A key element of our Value for Money Strategy is enhancing efficiency through the more effective delivery of services. The Board has prioritised reducing failure demand, setting a target to significantly decrease overall telephone and email contact. We aim to achieve this by integrating systems more closely with our contractors, providing timely updates to residents, and enhancing the reliability of the repairs service. The Board is pleased to observe early signs that this approach is yielding results, and we have included an update on progress below:

Increase in satisfaction and reduction in avoidable contact

We continue to see a steady improvement in tenant satisfaction across almost all TSM metrics, with a slight increase in overall satisfaction and a significant decrease in the number of residents expressing dissatisfaction. This reflects the impact of an effective change programme, Trust Newlon, but has also been driven by increased spending on repairs and maintenance to ensure the quality of the service is maintained.

Continued increase in online service access

Over 50% of households are now registered for online services and we took close to £5m in rent payments via our portal last year. Uptake for repairs has continued to increase too but there is scope for further improvement here with only around 10% of repairs ordered online. We expect this to improve further over the next year with an improvement in user experience as we take on new contractors with more comprehensive IT integrations.

¹ Headline social housing cost excludes the cost of building defect works. If these costs were included the headline social housing cost would be £11,972 (2024: £10,717).

² Maintenance excludes the cost of building defect works. If these costs were included the maintenance would be £8,067 (2024: £7,294).

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

Sustainability

As part of our most recent funding exercise, we developed a Sustainable Finance Framework.

We identified key spend areas fundamental to our corporate strategy and set tangible environmental and social targets. Our goal is to attract investors and partners who support our sustainability objectives and to embed environmental considerations within our project approval process.

This year, we published our first ESG report and a comprehensive assessment against the Sustainability Reporting Standard for Housing. We are currently updating our report and assessment and will publish a refreshed report as a companion to these financial statements.

The objectives of the standard align closely with Newlon's values and our report demonstrates our significant contribution to local communities, active commitment to equality, diversity, and inclusion, and sets out the positive steps we are taking to become a more sustainable business. Our dedication to sustainability is an integral part of our mission, and we are excited to share our progress and future goals with our stakeholders.

Capital Structure and Treasury Policy

Borrowings at the year-end were £719m after fair value adjustment. Undrawn facilities amounted to £110m, which were fully secured.

The debt is sourced from a number of banks and building societies in the UK as well as corporate investors from the UK and US.

All drawn and undrawn loans were secured against social housing assets. Together with our available cash balance these funds are sufficient to meet our contractual development commitments.

Newlon Housing Trust has a Treasury Management Policy which is annually approved by the Board. The Treasury Policy seeks to address funding and liquidity risk and covenant compliance.

Interest rate risk is managed through the use of hedges. As at 31 March 2025, 90% of our debt portfolio was hedged, comprising of 82% fixed and 8% index-linked, and the remaining 10% was unhedged.

	Newlon		Access		Total	
	2025	2024	2025	2024	2025	2024
	£'m	£'m	£'m	£'m	£'m	£'m
Fixed	587	587	-	-	587	587
Index-linked hedge	60	61	-	-	60	61
Variable	70	73	2	3	72	76
Total drawn (after fair value adjustment)	717	721	2	3	719	724
Total facilities	827	832	2	3	829	835

We structure our loan portfolio to ensure the maturity period is staggered such that large repayments do not occur in the same financial year. This helps us to minimise the refinancing risk. The table below provides an analysis of when the drawn debt falls due for repayment.

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for the year ended 31 March 2025

Maturity	Group	Association
	£'m	£'m
0 - 1 year	5.2	5.1
1 - 2 years	23.8	23.7
2 - 5 years	70.7	70.1
5 - 10 years	238.5	237.0
10 - 20 years	326.7	326.7
20 - 30 years	29.2	29.2
30 - 40 years	24.9	24.9

Available funding ensures the Group's business plan is fully funded and sufficient level liquidity is maintained.

Compliance with the loan covenants is monitored by the management team monthly and by the Development Committee and the Board, quarterly. We fully complied with our financial covenants in 2024/25 and expect to continue to be compliant.

Principal risks and uncertainties

Risk	Mitigation
Delivering within financial constraints	<p>We operate within a complex and highly regulated environment, balancing increasing expectations around service quality, building safety, and the condition of existing homes with constrained operating margins. There is a risk that we may not be able to deliver service improvements and new homes at the pace or standard expected by residents, regulators, and stakeholders within the current financial envelope. This risk is being actively managed through:</p> <ul style="list-style-type: none"> • prioritisation of investment, ensuring that health and safety obligations and the needs of existing residents are met before expanding development ambitions; • phased delivery of change programmes, to ensure service improvements and building safety works are manageable and sustainable; • regular monitoring of resident satisfaction, with Board oversight to quickly address areas of concern; and • ongoing scenario planning and stress testing, to ensure our business plan remains robust under varying economic conditions. <p>While short-term pressures remain, the medium-term outlook has improved as a result of greater policy certainty, targeted government funding, and early indications that the investment in existing homes is delivering better outcomes for residents.</p>

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Risk	Mitigation
Non-recovery of building safety costs	<p>We are progressing a significant programme of building safety improvements, which continues to place upward pressure on our costs. In the short term, this includes the use of 24-hour fire warden services, with medium-term expenditure focused on major remediation works. A dedicated team is overseeing the delivery of these essential safety measures, with a clear focus on prioritising completion and minimising disruption to residents. At the same time, we are actively pursuing all available third-party contributions and grant funding to reduce the financial burden on the organisation and residents. The Government's recent Spending Review has improved our recovery prospects by extending the funding to include rented homes, which provides us with opportunities to recover costs that were expected to be fully funded by Newlon.</p>
Barnsbury project delivery	<p>The Barnsbury regeneration project is a major undertaking for Newlon, and its scale brings increased financial risk and the potential to divert focus from other priorities. Minimising delays and working effectively with other stakeholders will be critical. To manage this effectively, we have established a dedicated project team based on the estate and a governance structure through the BEST Programme Board. We carried out extensive resident consultation early in the process, with residents directly involved in selecting Mount Anvil—an experienced, Islington-based developer — as our delivery partner.</p>
Stock condition	<p>Resident satisfaction and operational effectiveness are impacted by the rise in disrepair cases, complaints and more complex maintenance issues such as leaks. Newlon established an asset appraisal model integrated into the new Asset Management Strategy approved by the Board that is aimed at effectively managing our stock. Resident satisfaction is a priority for us and we monitor it on a regular basis, by analysing the repair trends data.</p> <p>The introduction of a Complex Repairs Unit has improved case management and the team has also overseen a targeted, data driven approach to identifying and addressing property condition issues such as damp and mould.</p>
Viability of new development	<p>The Board continues to keep this risk under close review, ensuring that we have the necessary capacity and resources to deliver on our plans. The Board has temporarily scaled back our development programme to 100 homes per year. We will revisit this position during the year but will temper future ambitions until we are confident that the organisation has the capacity to deliver sustainably. Current commitments are embedded within our long-term financial and corporate plans, with regular stress testing and scenario planning forming part of our business planning cycle. The Development Committee monitors market conditions closely and carries out detailed horizon scanning to inform our approach.</p>

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Risk	Mitigation
Sales risk	Sales continue to play an important role in supporting our financial assumptions this year. We have a strong track record of delivering sales in changing market conditions, and our planning processes are designed to ensure that this remains a reliable income stream. For new-build homes, marketing typically begins 18–24 months before handover, with clear performance triggers in place to allow early intervention if needed. These are actively monitored by the Executive Team and Board to ensure we remain responsive to market shifts. We are also making good progress with our planned disposals. A Decant Manager has been appointed to coordinate the smooth transition of homes identified for disposal, particularly those where ongoing investment would not represent good value for money. This forms part of our wider strategy to manage assets effectively and support long-term financial sustainability.
Contractor failure	While economic pressures have eased slightly, helped by greater policy certainty and a more stable financial environment, we recognise that some of our partners in the construction and maintenance sectors remain vulnerable. Traditional controls, such as periodic financial monitoring, may not always detect emerging issues—particularly where suppliers are affected by sudden or unexpected shocks. We continue to monitor risk closely across all major construction projects and supplier contracts. Our project and contract managers remain in regular contact with key partners and escalate any concerns through the Executive Team to ensure a prompt and coordinated response.

Anti-slavery statement

We fully comply with the provisions of the Modern Slavery Act 2015 by being vigilant and ensuring that our values and best practices are reflected by all our external suppliers. Our procurement processes are reviewed regularly by the Group Audit and Risk Committee to ensure oversight over our supply chain. Newlon Housing Trust benefits from clear employment procedures that ensure that our employees have a right to work in the UK and are paid a fair and legal wage. Newlon has zero tolerance to slavery and human trafficking, therefore we confirm that we had no acts of modern slavery within our organisation.

Future prospects

The Newlon Board remains committed to meeting housing needs through sustainable growth while balancing investment in new homes with the essential investment required in our existing properties. This includes the continued delivery of our extensive building safety programme, vital remediation works, and steps to reduce our environmental impact.

The scale and urgency of the building safety programme – particularly the need for costly temporary measures such as 24-hour warden services – have placed considerable pressure on our finances and limited profitability this year. These pressures are expected to continue in the short term. As more of these projects reach completion, however, we anticipate a progressive reduction in operating costs and a gradual recovery in financial performance.

Despite these short-term challenges, the Board is confident in the long-term resilience of our financial plan. Recent developments, including the Government's Spending Review, have brought greater certainty around the rent settlement and additional funding for building safety works on rented homes. This gives us a more stable platform from which to plan, invest, and deliver against our objectives.

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We are already seeing encouraging signs that our sustained investment in existing homes and frontline services is delivering results. Resident satisfaction has improved over the past year, amongst both tenants and shared owners, reflecting the impact of our service improvement programme. The Housing and Property Services Directors continue to work closely together to monitor performance and ensure that repairs, complaints, and local issues are resolved swiftly and effectively.

However, we acknowledge that our leaseholders and shared owners continue to face significant challenges, particularly around rising service charges and the complexity of mortgage and sales transactions in buildings affected by safety works. We are committed to doing more in this area, ensuring that costs are managed robustly and transparently, and that residents are supported throughout.

Looking ahead, the Board remains focused on delivering new affordable homes in a prudent and phased manner. Although we have temporarily reduced our development pipeline, we remain on track to resume a steady programme of growth, underpinned by improved medium-term prospects and a strong track record of delivery.

Governance

Newlon Housing Trust follows the best governance practices by complying with the National Housing Federation (NHF) Code of Governance 2020, except for the six-year tenure rule for Board members; and NHF's Code of Conduct 2022. Compliance with both codes was self-assessed within the year. We have commissioned an external review of Board effectiveness for 2025 and maintain an action plan to support continuous improvement in governance.

We have gradually been moving to six-year terms as standard having extended some terms to smooth transition towards the Code. This approach was taken to achieve a balance, ensuring the stability of Group governance whilst regularly refreshing the skills and perspectives of the Board. There was one resignation during the year and one appointment in the move towards the implementation of the six-year term as standard.

There are currently two members of the Board whose terms within the Board and Group committees exceed six years:

Ed Ihejirika – The decision was taken to allow Ed to serve a six-year term on the Board after developing his skills with earlier service on the Development Committee. The Board took the view that his continued service would be beneficial given his knowledge of key development schemes such as the Barnsbury Estate Transformation.

Lloyd Gale-Ward – When we were implementing the Code, the Board took the decision to allow Lloyd to serve a full six-year term as a resident Board member despite prior service on a committee. The Board has taken the view that it can be appropriate for individuals to work on a committee to gain experience before applying for a Board position if this increases Board diversity or resident representation. Lloyd's tenure will end in September.

Blossom Shakespeare – As our second resident Board Member, the Board has decided to retain Blossom for a further term when her current term ends in September. This is in order to stagger changes in resident representation and provide continuity in the important Member Responsible for Complaints role.

The Board

The Group Board, which is also the Association's Board, consists of ten non-executives including two residents, and the Group Chief Executive. The Group's subsidiaries have their own Boards of directors. The present Board members and Executive Directors of the Group are set out on page 2.

The Board delegates authority to four main functional committees, enumerated below and the Urgency Committee, which deals with any urgent commercial and strategic decisions.

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for the year ended 31 March 2025

Group Audit and Risk Committee

The Group Audit and Risk Committee oversees the work of both the internal and external audit function and the risk management and internal controls for the Group. The Committee meets four times per year and gains external assurance that the Group has appropriate systems of internal control. The Group Audit and Risk Committee reviews the Risk Registers of the Group, reviews the audited financial statements for all parts of the Group and recommends them to the relevant Boards.

Residents' Services Committee

The Residents' Services Committee oversees the provision of services and housing management activities to the Association's residents and met four times during the year. The Committee is supported by a Residents' Forum and Residents' Scrutiny Panel.

Residents' Forum

The Forum became a formal committee of the Board in 2025. This strengthens the voice of the resident within our governance structure and ensures that the Board has insight to the views and needs of residents via direct resident perspective.

Development Committee

The Development Committee is responsible for reviewing and approving development activities within the Group. The Committee also assists the Board in formulating growth strategies and monitors their progress.

People and Governance Committee

The People and Governance Committee meets five times per year and considers all aspects of the Group's best governance practices, remuneration of Board and Committee members, and remuneration of the Executive Team.

The Committee rigorously follows the performance of Executive Team members and appraises the Chair and the Chief Executive. The Committee is responsible for Board member appointments and significant human resource matters around the Group structure.

The Executive Team

The Group Executive Team acts within the authority delegated by the Board and holds no interest in the Association's shares, in accordance with the Articles of Association.

The Chief Executive and Executive Team members are on notice periods ranging from three to six months. Details of the Board and Executive Team remuneration are shown in notes 9 and 10 (pages 51 and 52).

Newlon operates a defined contribution scheme for all staff including the Executive Team. Newlon contributes 8% of employee salaries.

Compliance with Governance and Financial Viability Standard

The Board confirms that the Group has complied with the Regulator of Social Housing's Governance and Financial Viability Standard. An in-depth report has been prepared in accordance with applicable standards and legislation.

Going concern

The financial statements are prepared on the basis that Newlon Housing Trust will continue for the forthcoming 12 months from the date of signing of these financial statements. The annual budget for

Report of the Board of Management and Strategic Review

for the year ended 31 March 2025

2025/26 and the 30 year business plan have also been issued and approved by the Board. The Budget and the 30 year business plan were subjected to various adverse scenarios. This work, along with the consideration of the mitigation plans and good level of liquidity, provides evidence in support of the going concern. For this reason Newlon continues to adopt the going concern basis in preparation of the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

These are outlined in note 3 (page 43) of the notes forming part of the financial statements.

Post balance sheet events

There were no post balance sheet events.

Board members' responsibilities

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

Co-operative and Community Benefit Society law and social housing legislation require the Board to prepare financial statements for each financial year for the Group and Association in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018 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 Association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy, at any time, the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018.

Financial statements are published on the Association's website (www.newlon.org.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the Association's website is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

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for the year ended 31 March 2025

Statement of internal controls

The Newlon Housing Trust 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 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 and operational information and the safeguarding of the Group's assets and interests.

The Group Executive Team presents a detailed report to the Group Audit and Risk Committee and Board each year on Internal Controls Assurance. As a result of the consideration of this report the Board is prepared to make this statement.

The Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group and a robust and prudent business planning, risk and control framework is in place. This approach has operated throughout the year under review up to and including the date of approval of the annual report and financial statements.

Some of the key elements of the control process that the Board has established for Newlon Housing Trust are as follows:

- The incorporation of key risks into a risk register with the Board considering significant risks as part of the decision-making process.
- The adoption of a corporate plan with a financial plan and the modelling and evaluation of long-term financial scenarios.
- The operation of an outsourced internal audit function, reporting directly to the Group Audit and Risk Committee, which follows a needs and risk-based plan. The implementation of recommendations is monitored by the Group Audit and Risk Committee.
- A comprehensive and regularly tested framework of controls to ensure landlord health and safety responsibilities are met.
- The formal appraisal by the Board of new business opportunities including significant new schemes and a delegated framework for investment decisions.
- The operation of a comprehensive budgeting system and the regular review of financial and operational performance, including key indicators.
- The collection of mandatory regulatory metrics in accordance with the RSH's TSM Standard.
- The completion of self-assessments against frameworks and codes issued by the RSH and Housing Ombudsman Service.
- The Group has in place an Anti-Fraud and Corruption Policy and Anti-Money Laundering Policy and Procedure which is aimed at tackling fraud, corruption, theft and breaches of regulations.
- There are whistleblowing and disciplinary policies and procedures in place for all Group entities which link into the Group Anti-Fraud and Corruption Policy.
- There is a Fraud Response Plan which is aimed at ensuring the Group responds promptly to fraud or fraud allegations and is able to recover its assets where relevant.
- There is a Fraud & Bribery Register which is reviewed at each Group Audit and Risk Committee meeting.

The Board confirms that there have been no regulatory concerns which have led the Regulator of Social Housing to intervene in the affairs of the Group. While there was an isolated control failure resulting in one statutory asbestos inspection being overdue at the year end, the issue was identified as part of a

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for the year ended 31 March 2025

year-end reconciliation and addressed. The Board is satisfied that this does not represent a material weakness in the overall system of internal controls, which remains robust.

The Board has reviewed the Trust's compliance with the RSH's Governance and Financial Viability Standard during the year. In June 2022 the Regulator of Social Housing confirmed the outcome of their In-Depth Assessment of Newlon's governance, which resulted in the Group retaining its rating of G1 for governance and V2 for viability. This grading was reaffirmed in January 2025 via a routine stability check. The Board is confident that there are no issues of concern to the Regulator that will impact Newlon's rating.

All subsidiaries of the Trust have their own Boards of Management with financial services provided through the Trust's Finance function. Group members also provide significant non-financial services to each other.

Auditors

At the date of this report each Board member confirms the following:

- So far as each Board member is aware, there is no relevant information needed by the Trust's auditors in connection with preparing their report of which the Trust's auditors are unaware.
- Each Board member has taken all of the steps that they ought to have taken as a Board member in order to make themselves aware of any information needed by the Trust's auditors in connection with preparing their report and to establish that the Trust's auditors are aware of that information.

By order of the Board



Tom O'Malley
Company Secretary

16 July 2025

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Newlon Housing Trust ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association balance sheets, the consolidated and Association statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The Board are responsible for the other information. 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 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society's books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Board members' responsibilities statement set out on pages 20 to 22, 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 members determine 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 are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the Association and the sector in which it operates;
- discussion with management and those charged with governance including the Group Audit and Risk Committee; and
- obtaining and understanding of the Group and the Association's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Housing SORP, the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, UK tax legislation, Employment Taxes and the Bribery Act 2010.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- enquiry with management and those charged with governance including the Group Audit and Risk Committee regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group and the Association's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be improper revenue recognition on other income and supported people and care income and management override through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- testing a sample of journal entries throughout the year that do not meet a defined risk criteria (i.e. non-risky journals);
- assessing significant estimates made by management for bias, including the recoverable amount of property developed for sale, impairment of housing properties, rent arrears provision and defined benefit pension scheme assumptions;
- testing the application of cut off on other income to the evidence that it was recorded in the correct period; and
- testing the existence and accuracy of other income and supported people and care income.

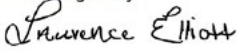
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Association, as a body, in accordance with the Housing and Regeneration Act 2008 and 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Laurence Elliott (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Gatwick, West Sussex, United Kingdom.

Date: **15 September 2025**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

for the year ended 31 March 2025

		Group 2025	Group 2024
	Note	£'000	£'000
Turnover	4	115,073	113,451
Cost of sales	4	(9,708)	(7,579)
Operating costs	4	(89,313)	(82,299)
Surplus on disposal of fixed assets: housing properties	11	12,564	2,336
Operating surplus	4,7	28,616	25,909
Share of loss from joint venture	19	(527)	(1,589)
Surplus on sales of other fixed assets	11	7	-
Other interest receivable and similar income	12	4,613	7,116
Interest and financing costs	13	(31,752)	(30,779)
Movement in fair value of investment properties	17	162	122
Surplus before taxation		1,119	779
Taxation on surplus	14	-	-
Surplus for the financial year		1,119	779
Movement in fair value of defined benefit pension schemes	30	58	(117)
Total comprehensive income for the financial year		1,177	662

The notes on pages 33 to 76 form part of these financial statements.

All activities relate to continuing operations.

Association statement of comprehensive income

for the year ended 31 March 2025

		Association 2025	Association 2024
	Note	£'000	£'000
Turnover	4	96,868	96,394
Cost of sales	4	(9,546)	(7,486)
Operating costs	4	(70,730)	(65,221)
Surplus on disposal of fixed assets - housing properties	11	11,869	2,170
Operating surplus	4,7	28,461	25,857
Surplus on sales of other fixed assets	11	7	-
Other interest receivable and similar income	12	4,906	7,284
Interest and financing costs	13	(31,611)	(30,627)
Surplus before taxation		1,763	2,514
Taxation on surplus	14	-	-
Surplus for the financial year		1,763	2,514
Total comprehensive income for the financial year		1,763	2,514

The notes on pages 33 to 76 form part of these financial statements.

All activities relate to continuing operations.

Consolidated and Association balance sheets

at 31 March 2025

		Group 2025	Group 2024	Association 2025	Association 2024
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets – housing	15	1,274,562	1,258,028	1,263,987	1,246,661
Tangible fixed assets – other	16	10,303	9,932	9,705	9,330
Investment properties	17	3,524	3,362	-	-
Investments	18	1	1	-	-
Investments in Joint Ventures	19	3,644	2,587	-	-
		1,292,034	1,273,910	1,273,692	1,255,991
Current assets					
Properties developed for sale	20	11,220	22,874	11,220	22,874
Debtors – receivable within one year	21	21,539	17,902	40,017	34,656
Debtors – receivable after one year	21	27,289	16,562	9,003	-
Current asset investments	22	30	30	30	30
Cash and cash equivalents		99,885	120,630	90,562	113,351
		159,963	177,998	150,832	170,911
Creditors: amounts falling due within one year	23	(48,149)	(47,920)	(44,803)	(45,611)
Net current assets		111,814	130,078	106,029	125,300
Total assets less current liabilities		1,403,848	1,403,988	1,379,721	1,381,291
Creditors: amounts falling due after more than one year	24	(1,174,295)	(1,175,612)	(1,160,510)	(1,163,843)
Provisions for liabilities and charges	29	(7)	(7)	(7)	(7)
Net assets		229,546	228,369	219,204	217,441
Capital and reserves					
Called up share capital	31	-	-	-	-
Designated reserve		2,385	2,385	-	-
Income and expenditure reserve		227,127	225,950	219,204	217,441
Restricted reserve		34	34	-	-
		229,546	228,369	219,204	217,441

The financial statements were approved by the Board of Directors and authorised for issue on 16 July 2025.



Aman Dalvi
Chair



Blossom Shakespeare
Director



Tom O'Malley
Company Secretary

The notes on pages 33 to 76 form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2025

Group	Cashflow hedge reserve	Designated reserve	Income and expenditure reserve (restated)	Restricted reserve	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	-	2,385	225,950	34	228,369
Surplus for the year	-	-	1,119	-	1,119
	-	2,385	227,069	34	229,488
Actuarial gain on defined benefit pension schemes	-	-	58	-	58
Other comprehensive income for the year	-	-	58	-	58
Balance at 31 March 2025	-	2,385	227,127	34	229,546

Group	Cashflow hedge reserve	Designated reserve	Income and expenditure reserve (restated)	Restricted reserve	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	-	2,385	225,288	34	227,707
Surplus for the year	-	-	779	-	779
	-	2,385	226,067	34	228,486
Actuarial losses on defined benefit pension schemes	-	-	(117)	-	(117)
Other comprehensive loss for the year	-	-	(117)	-	(117)
Balance at 31 March 2024	-	2,385	225,950	34	228,369

Association statement of changes in equity

for the year ended 31 March 2025

Association	Cash flow hedge reserve	Income and expenditure reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2024	-	217,441	217,441
Surplus for the year	-	1,763	1,763
	-	219,204	219,204
Other comprehensive income for the year	-	-	-
Balance at 31 March 2025	-	219,204	219,204

Association	Cash flow hedge reserve	Income and expenditure reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2023	-	214,927	214,927
Surplus for the year	-	2,514	2,514
	-	217,441	217,441
Other comprehensive income for the year	-	-	-
Balance at 31 March 2024	-	217,441	217,441

Consolidated statement of cash flows

for the year ended 31 March 2025

		Group 2025	Group 2024
	Note	£'000	£'000
Cash flows from operating activities			
Surplus for the financial year		1,119	779
Adjustments for:			
Depreciation of fixed assets – housing properties	15	10,838	10,841
Depreciation of fixed assets – other	16	901	755
Decrease/(increase) in stock	20	11,653	(700)
Amortised housing grant	5	(6,787)	(8,541)
Amortised building safety funding	4	(2,900)	(7,214)
Housing asset component write off	15	580	2,192
Interest payable	13	31,752	30,779
Interest received	12	(4,613)	(7,116)
Movement in fair value of investment properties	17	(162)	(112)
Taxation expense	14	-	-
Surplus on the sale of fixed assets – housing properties	11	(12,564)	(2,336)
Proceeds from sales of fixed assets – other	11	(7)	-
Loss on first tranche sales	4	379	114
Increase in trade and other debtors	21	(14,728)	(3,107)
Proceeds from sales of fixed assets – housing properties	11	22,382	5,238
Proceeds from sales of fixed assets – other	11	13	-
Proceeds from first tranche and outright sales	4	9,167	7,372
Provision for losses on accounts receivable	5	364	313
Increase/(decrease) in trade creditors	23/24	5,155	(6,179)
(Decrease)/increase in pension liability	30	(163)	18
Share of Joint Venture loss	19	527	1,589
Transaction costs from sale of housing properties	11	(514)	(166)
Cash from operations		52,392	24,519
Taxation paid		-	-
Net cash generated from operating activities		52,392	24,519
Cash flows from investing activities			
Purchase of fixed assets – housing properties	15	(44,355)	(50,670)
Purchase of fixed assets – other	16	(1,272)	(715)
Interest received	12	4,613	7,116
Distributions paid to joint venture	19	(160)	(91)
Purchase of investment in joint venture	19	(1,424)	(2,367)
Net cash used in investing activities		(42,598)	(46,727)
Cash flows from financing activities			
Interest paid	13	(34,007)	(34,006)
New loans – banks		-	100,000
Repayment of loans		(4,324)	(5,859)
Grants received during the year	25	7,792	41,248
Net cash (used in)/generated from financing activities		(30,539)	101,383
Net (decrease)/increase in cash and cash equivalents		(20,745)	79,175
Cash and cash equivalents at beginning of year		120,630	41,455
Cash and cash equivalents at end of year		99,885	120,630

The notes on pages 33 to 76 form part of these financial statements.

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1. Legal status

The Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider and is a public benefit entity. The registered office is Newlon House, 4 Daneland Walk, Hale Village, London, N17 9FE.

2. Accounting policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Newlon Housing Trust includes the Co-operative and Community Benefit Societies Act (and related Group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, ‘Accounting by registered social housing providers’ 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The currency used throughout these financial statements is pounds sterling rounded to two decimal places.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group’s accounting policies.

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent Association would be identical.
- No cash flow statement has been presented for the parent Association.
- Disclosures in respect of the parent Association’s financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Association as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Basis of preparation

The financial statements are prepared on the basis that Newlon Housing Trust will continue for the forthcoming 12 months from the date of signing of these financial statements. The annual budget for 2025/26 and the 30 year business plan have also been issued and approved by the Board. The budget and the business plan were subjected to various adverse scenarios. These scenarios include high inflation, high interest and delays in sales income. Under these stressors the business plan remains compliant with our financial covenants. Mitigation actions for these scenarios have been identified and will be applied if required. This work, along with the consideration that the mitigation plans are achievable and within Newlon’s ability to control and the good level of liquidity, provides evidence in support of the going concern. For this reason Newlon Housing Trust continues to adopt the going concern basis in preparation of the financial statements.

Basis of consolidation

The consolidated financial statements present the results of Newlon Housing Trust and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Income

Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting).
- First tranche sales of low cost home ownership housing properties developed for sale.
- Service charges receivable.
- Revenue grants
- Proceeds from the sale of land and property.
- Supporting People contract income.
- Works completed by developers in lieu of cash settlements for buildings impacted by defects.

Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Supported People contract income is recognised on delivery of supported services. Revenue arising from works completed by developers in lieu of cash settlements is recognised in line with the progress of the works.

Supported housing schemes

The Group receives Supporting People grants from a number of London boroughs, county councils and health authorities. The grants received in the period, as well as costs incurred by the Group in the provision of support services, have been included in the income and expenditure account. Any excess of cost over the grant received is borne by the Group where it is not recoverable from tenants.

Social housing capital grants are claimed by the Association as developer and owner of the property and included in the balance sheet of the Association. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Association and its managing agents and on whether the Association carries the financial risk.

The Group provides support directly and through sub-contracting to agencies and payments to the agencies are included as Supporting People operating costs.

Service charges receivable

The Association operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance recognised through income for the surplus and deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the balance sheet.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents. Until these costs are incurred this liability is held in the balance sheet within creditors.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in income and expenditure, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except where:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

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 suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the statement of comprehensive income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension costs

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension costs included in these financial statements represent contributions payable by the Association to the fund, which in turn represent a regular pension cost over the average service lives of employees.

A number of the former employees of Tower Hamlets Consortium Limited, now employed by Outward Housing, participate in the Social Housing Pension Scheme, a multi-employer defined benefit scheme, the details of which are shown in note 30. The scheme is closed to new employees.

The difference between the fair value of the assets held and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible fixed assets - housing properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable costs of acquisition includes capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

Expenditure on major refurbishment of properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the statement of comprehensive income.

Mixed developments are held within Property, Plant and Equipment (PPE) and accounted for at cost less depreciation. Commercial elements of mixed developments are held as investment properties.

Housing properties in the course of construction, excluding the estimated cost of the element of Shared Ownership properties expected to be sold in first tranche, are included in PPE and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Land is not depreciated on account of its indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Freehold land is not depreciated.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description	Economic useful life (years)
Structure	125
Kitchen	15
Bathroom and central heating	20
Roofs	75
Windows and electrics	30

Where schemes are identified as subject to regeneration the useful economic lives for the components of the associated housing properties are reduced to match the anticipated date the scheme will become fully decanted and income flows cease.

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease; when the lease and building elements are depreciated separately over their expected useful economic lives.

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised in the statement of financial position as a liability. Where the donation is from a non-public source the value of the donation is included as income.

Shared Ownership properties and staircasing

Under low cost home ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions and up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining 'staircasing' element, is classed as PPE and included in completed housing property at cost and any provision for impairment.

Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Low cost home ownership properties are not depreciated on the expectation that the net realisable value at the time of disposal will be in excess of the historical cost.

For Shared Ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other Shared Ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the statement of comprehensive income.

Allocation of costs for mixed tenure and Shared Ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme. Surplus/(deficits) on service charges will be adjusted against income.

Tangible fixed assets - other

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Leasehold land and buildings	Lease term or 125
Motor vehicles	4
Office furniture, fixtures, equipment and computers	5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Government grants

Grant received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (see table on page 37).

Where Social Housing Grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Impairment of fixed assets and goodwill

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU-SP.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

Stock

Stock represents work in progress and completed properties of Shared Ownership properties. For Shared Ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Debtors and creditors

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 income statement in other operating expenses.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and service charge agreements

The Group has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, investments and short term deposits

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents in the Group's consolidated statement of financial position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

The Group has also identified some investments, which meet the definition of cash and cash equivalents but are restricted in their use; these investments have been classified as restricted cash equivalents.

Financial instruments

Valuation techniques have been used to determine the value of financial instruments by estimating how financial instruments will be priced by market participants. In arriving at the valuations actual data is used (or best available information if data is not available).

As a result their measurement is determined by Section 12 of FRS 102. In determining the appropriate accounting treatment for these instruments we have assumed that the Regulations referred to in 12.8c, which are the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, are applicable to Newlon Housing Trust.

Joint ventures

An entity is treated as a joint venture where the company is party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, joint ventures are accounted for using the equity method of accounting. Under this method equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the consolidated share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Association. In the consolidated balance sheet, the interests in associated undertakings are shown as the consolidated share of the identifiable net assets, including any unamortised premium paid on acquisition.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Provision for liabilities

The Group has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers and leaseholders, overage for gap funding and restructuring.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

Provisions relating to the Building Safety Act 2022 will be recognised when there is a legal or constructive obligation to make a building safe. A legal obligation will be recognised as a provision when enforced through a first tier tribunal and where the cost to make the building safe can be reliably measured. A constructive obligation will be recognised as a provision when the obligation has been communicated to residents and that the communication confirms Newlon Housing Trust will fund the works.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Contingent liabilities

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

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

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. The revaluation reserve is created from surpluses on asset revaluation.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash generating units as a scheme. This was followed by establishing our net cash flows for each scheme over the estimated life of 100 years. Net cash flows consist of cash inflows which are solely from annual rent and cash outflows consisting of management costs, routine maintenance, service costs (for Affordable Rent units only) and planned and major works. A terminal value is also included in the net cash flow to account for business into the foreseeable future. This is based on the net cash flow for year 100. Annual rental income is assumed to increase by CPI plus 1%.
- The anticipated costs to complete a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for first tranche sale. This judgement is also based on the member's best estimate of sales value based on economic conditions within the area of development.
- The appropriate proportion of work completed by developers in lieu of cash settlements for buildings impacted by defects recognisable as income. This has been estimated by apportioning the value of work completed between units at affected schemes and recognising as income the proportion where Newlon retains an economic interest in the underlying unit.
- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to Shared Ownership between current and fixed assets.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review. A housing scheme is considered to be a cash generating unit as this is the smallest group of assets which generates independent cash flows.
- The expected date schemes impacted by the planned regeneration of the Barnsbury Estate will be fully decanted and therefore the remaining useful economic lives of the components of housing properties within those schemes.
- Recoverability of amounts due from the Barnsbury Joint Venture entities in respect of leaseholder units at the Barnsbury Estate, bought by Newlon.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 15, 16 and 17)**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

- **Rental and other trade receivables (debtors) (see note 21)**

The estimate for receivables relates to the recoverability of the balances outstanding at year-end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Other areas of estimation uncertainty may include:

- Project or scheme costs are capitalised on the basis that the scheme will be completed and the costs for each unit upon completion is apportioned on square feet or area of each unit.
- If a project or scheme becomes unfeasible then the costs will be written off to the income and expenditure as abortive costs.
- Revenue recognition around particular contracts – income is generated from a range of sources, in particular from rent and service charges to local authority income under a wide variety of contract types, durations and service specifications. Judgement is applied as to income recognition and recoverability on a source by source and/or contract by contract basis.
- Fair value measurements for fixed asset revaluations are carried out by suitably qualified independent third parties.
- Obligations under defined benefit pension scheme is accounted for as multi-employer.

4. Particulars of turnover, cost of sales, operating costs and operating surplus

Group	Turnover	Cost of sales	Operating costs	Surplus on sale of fixed assets	Operating surplus/ (deficit)
	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	83,228	-	(72,357)	-	10,871
Other social housing activities					
First tranche low cost home ownership sales	9,167	(9,546)	-	-	(379)
Development services	1,414	(162)	(2,923)	-	(1,671)
Support and care services	14,013	-	(13,645)	-	368
Community regeneration	61	-	(59)	-	2
Surplus on sale of fixed assets	-	-	-	12,564	12,564
Building safety funding	2,900	-	-	-	2,900
Defect settlement income	2,511	-	-	-	2,511
Other activities	1,779	-	(329)	-	1,450
	31,845	(9,708)	(16,956)	12,564	17,745
Total social housing activities	115,073	(9,708)	(89,313)	12,564	28,616
Outright property sales	-	-	-	-	-
Total income from social and non-social activities	115,073	(9,708)	(89,313)	12,564	28,616

Group	Turnover	Cost of sales	Operating costs	Surplus on sale of fixed assets	Operating surplus/ (deficit)
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	79,565	-	(66,707)	-	12,858
Other social housing activities					
First tranche low cost home ownership sales	7,372	(7,486)	-	-	(114)
Development services	2,309	(93)	(2,463)	-	(247)
Support and care services	12,373	-	(12,928)	-	(555)
Community regeneration	58	-	(82)	-	(24)
Surplus on sale of fixed assets	-	-	-	2,336	2,336
Building safety funding	7,214	-	-	-	7,214
Defect settlement income	2,725	-	-	-	2,725
Other activities	1,835	-	(119)	-	1,716
	33,886	(7,579)	(15,592)	2,336	13,051
Total social housing activities	113,451	(7,579)	(82,299)	2,336	25,909
Outright property sales	-	-	-	-	-
Total income from social and non-social activities	113,451	(7,579)	(82,299)	2,336	25,909

4. Particulars of turnover, cost of sales, operating costs and operating surplus

Association	Turnover	Cost of sales	Operating costs	Surplus on sale of fixed assets	Operating surplus/ (deficit)
	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	77,529	-	(67,606)	-	9,923
Other social housing activities					
First tranche low cost home ownership sales	9,167	(9,546)	-	-	(379)
Development services	1,254	-	(2,954)	-	(1,700)
Surplus on sale of fixed assets	-	-	-	11,869	11,869
Building safety funding	2,900	-	-	-	2,900
Defect settlement income	2,511	-	-	-	2,511
Other activities	3,507	-	(170)	-	3,337
	19,339	(9,546)	(3,124)	11,869	18,538
Total social housing activities	96,868	(9,546)	(70,730)	11,869	28,461
Outright property sales	-	-	-	-	-
Total income from social and non-social activities	96,868	(9,546)	(70,730)	11,869	28,461

Association	Turnover	Cost of sales	Operating costs	Surplus on sale of fixed assets	Operating surplus/ (deficit)
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	74,041	-	(62,679)	-	11,362
Other social housing activities					
First tranche low cost home ownership sales	7,372	(7,486)	-	-	(114)
Development services	2,384	-	(2,427)	-	(43)
Surplus on sale of fixed assets	-	-	-	2,170	2,170
Building safety funding	7,214	-	-	-	7,214
Defect settlement income	2,725	-	-	-	2,725
Other activities	2,658	-	(115)	-	2,543
	22,353	(7,486)	(2,542)	2,170	14,495
Total social housing activities	96,394	(7,486)	(65,221)	2,170	25,857
Outright property sales	-	-	-	-	-
Total income from social and non-social activities	96,394	(7,486)	(65,221)	2,170	25,857

5. Income and expenditure from social housing lettings

Group	General Needs	Supported Housing	Low cost home ownership	Key Worker	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rents net of identifiable service charges	36,811	3,808	8,652	13,091	62,362	58,007
Service charge income	3,561	3,092	6,846	140	13,639	12,720
Amortised government grants	5,976	128	363	320	6,787	8,541
Net rental income	46,348	7,028	15,861	13,551	82,788	79,268
Other income	3	-	207	230	440	297
Turnover from social housing lettings	46,351	7,028	16,068	13,781	83,228	79,565
Expenditure						
Management	5,709	2,068	2,631	1,931	12,339	10,782
Service charge costs	6,706	2,764	5,051	3,642	18,163	15,796
Routine maintenance*	8,755	(100)	1,520	2,413	12,588	13,542
Planned maintenance	13,489	228	1	1,255	14,973	11,415
Major repairs expenditure	255	-	1,283	973	2,511	1,826
Bad debts	218	146	-	-	364	313
Depreciation of housing properties:						
Annual charge	9,655	249	-	934	10,838	10,841
Accelerated disposal of components	494	6	-	81	581	2,192
Operating expenditure on social housing lettings	45,281	5,361	10,486	11,229	72,357	66,707
Operating surplus on social housing lettings	1,070	1,667	5,582	2,552	10,871	12,858
Void losses	519	507	-	414	1,440	940

* Includes fire warden costs of £3.3m (2024: £3.2m).

5. Income and expenditure from social housing lettings

Association	General Needs	Supported Housing	Low cost home ownership	Key Worker	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rents net of identifiable service charges	36,527	2,633	8,298	13,091	60,549	56,234
Service charge income	3,539	-	6,290	140	9,969	9,102
Amortised government grants	5,944	128	340	320	6,732	8,482
Net rental income	46,010	2,761	14,928	13,551	77,250	73,818
Other income	2	-	47	230	279	223
Turnover from social housing lettings	46,012	2,761	14,975	13,781	77,529	74,041
Expenditure						
Management	5,637	499	2,629	1,931	10,696	10,156
Service charge costs	6,668	4	4,800	3,642	15,114	12,434
Routine maintenance*	8,762	35	1,513	2,413	12,723	13,618
Planned maintenance	13,495	228	1	1,255	14,979	11,408
Major repairs expenditure	255	-	1,283	973	2,511	1,826
Bad debts	218	-	-	-	218	269
Depreciation of housing properties:						
Annual charge	9,601	249	-	934	10,784	10,778
Accelerated disposal of components	494	6	-	81	581	2,190
Operating expenditure on social housing lettings	45,130	1,021	10,226	11,229	67,606	62,679
Operating surplus on social housing lettings	882	1,740	4,749	2,552	9,923	11,362
Void losses	519	-	-	414	933	435

* Includes fire warden costs of £3.3m (2024: £3.2m).

6. Units of housing stock

Group	Balance brought forward	Disposal	Transfers Completed developments	Transfers Final staircasings	Balance Carried forward
	No.	No.	No.	No.	No.
General Needs housing:					
- Social	3,957	(31)	54	-	3,980
- Affordable	347	-	20	-	367
Low cost home ownership	1,352	-	58	(39)	1,371
Supported housing	637	-	-	-	637
Intermediate Rent	1,146	-	-	-	1,146
Total social housing units	7,439	(31)	132	(39)	7,501
Leaseholder	876	-	-	39	915
Private sale (unsold)	3	-	-	-	3
Commercial properties	82	-	-	-	82
Total owned and/or managed	8,400	(31)	132	-	8,501
Units under construction	541	-	(132)	-	409

Association	Balance brought forward	Disposal	Transfers Completed developments	Transfers Final staircasings	Balance Carried forward
	No.	No.	No.	No.	No.
General Needs housing:					
- Social	3,926	(31)	54	-	3,949
- Affordable	346	-	20	-	366
Low cost home ownership	1,295	-	58	(34)	1,319
Supported housing	637	-	-	-	637
Intermediate Rent	1,139	-	-	-	1,139
Total social housing units	7,343	(31)	132	(34)	7,410
Leaseholder	750	-	-	34	784
Private sale (unsold)	3	-	-	-	3
Commercial properties	82	-	-	-	82
Total owned and/or managed	8,178	(31)	132	-	8,279
Units under construction	541	-	(132)	-	409

7. Operating surplus

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000

The operating surplus is arrived at after charging:

Depreciation of housing properties:

- Annual charge	10,838	10,841	10,784	10,778
- Accelerated depreciation on replaced components	581	2,192	581	2,190

Depreciation of other tangible fixed assets	884	755	796	681
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Operating lease charges

- Other leases	2	4	2	4
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Auditors' remuneration (excluding VAT):

- Fees payable to the Group's auditor for the audit of the Group's annual accounts	42	36	42	36
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- Fees for audit of accounts of associated entities	44	43	-	-
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- Fees for tax advice	11	11	-	-
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Defined contribution pension cost	1,112	989	821	730
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8. Employees

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000

Staff costs (including Executive Management Team) consist of:

Wages and salaries	22,482	19,727	10,905	9,496
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Social security costs	2,201	1,966	1,162	1,057
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Cost of defined contribution scheme	1,112	989	821	730
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Temporary agency workers	319	437	43	258
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	26,114	23,119	12,931	11,541
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A defined contribution pension scheme is operated by the Group on behalf of the employees of one of the subsidiary undertakings. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The pension charge represents contributions payable by the Group to the fund and amounted to £1,112,000 (2024: £989,000).

Contributions amounting to Nil (2024: Nil) were payable to the fund and are included in creditors.

The average number of employees (including the Executive Management team) expressed as full time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

	Group 2025	Group 2024	Association 2025	Association 2024
	No.	No.	No.	No.
Administration	76	75	50	50
Development and sales	23	22	23	22
Support and care	428	410	-	-
Housing management	156	143	137	123
	683	650	210	195

9. Directors' and senior executive remuneration

The Directors are defined as the members of the Board of Management, the Chief Executive and the Executive Management team. The Executive Management team are the key management personnel and are listed on page 2.

	Group 2025	Group 2024	Association 2025	Association 2024
	£	£	£	£
Executive Directors' emoluments	844,453	833,462	844,453	833,462
Contributions to money purchase pension schemes	63,513	60,489	63,513	60,489
	907,966	893,951	907,966	893,951

The total amount payable to the Chief Executive, who was also the highest paid Director in respect of emoluments was £187,494 (2024: £179,488). The total amount payable to the Chief Executive per social housing unit managed was £25 (2024: £24).

Pension contributions of £14,191 (2024: £13,515) were made to a money purchase scheme on his behalf.

As a member of the Scottish Widows defined contribution pension scheme, the pension entitlement of the Chief Executive is identical to those of other members.

There were six Directors in the Group's defined contribution pension scheme (2024: 6).

None of the Directors accrued benefits under the Group's defined benefit pension scheme during the year (2024: Nil).

The remuneration paid to staff (including the Executive Management Team) earning over £60,000 upwards:

	Group 2025	Group 2024	Association 2025	Association 2024
	No.	No.	No.	No.
£60,000 - £69,999	23	25	23	23
£70,000 - £79,999	7	4	5	4
£80,000 - £89,999	12	10	12	10
£90,000 - £99,999	3	3	3	3
£100,000 - £109,999	1	-	1	-
£110,000 - £119,999	1	1	1	1
£120,000 - £129,999	2	2	2	2
£130,000 - £139,999	-	1	-	1
£140,000 - £149,999	1	1	1	1
£150,000 - £159,999	1	-	1	-
£160,000 - £169,999	-	-	-	-
£170,000 - £179,999	-	1	-	1
£180,000 - £189,999	1	-	1	-

10. Board members

Board member	Remuneration £	Member of:			
		Audit and Risk Committee	Development Committee	People and Governance Committee	Residents' Services Committee
Aman Dalvi - Chair	21,469			✓	
Jane Everton	8,562			✓	
Keith McLeod	8,562	✓			
John Cross	4,281		✓	✓	
Lloyd Gale-Ward	8,562				✓
Blossom Shakespeare	8,562				✓
Ed Ihejirika	6,977	✓	✓		
Chris Cheshire	8,562		✓		✓
Peter Cogan	8,562	✓			✓
Alison Muir	7,044				✓

11. Surplus on disposal of fixed assets

Group	Housing properties 2025	Other fixed assets 2025	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Housing properties:				
Disposal proceeds	22,382	13	22,395	5,238
Cost of disposals	(8,807)	(6)	(8,813)	(2,677)
Selling costs	(514)	-	(514)	(166)
Grant recycled	(583)	-	(583)	(124)
Grant abated	86	-	86	65
Surplus on disposal of other tangible fixed assets	12,564	7	12,571	2,336

Association	Housing properties 2025	Other fixed assets 2025	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Housing properties:				
Disposal proceeds	21,185	13	21,198	4,977
Cost of disposals	(8,283)	(6)	(8,289)	(2,536)
Selling costs	(511)	-	(511)	(165)
Grant recycled	(583)	-	(583)	(124)
Grant abated	61	-	61	18
Surplus on disposal of other tangible fixed assets	11,869	7	11,876	2,170

12. Interest receivable and income from investments

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Interest receivable and similar income	4,613	7,116	4,906	7,284

13. Interest payable and similar charges

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	33,328	33,396	33,189	33,251
Recycled capital grant fund accrued interest	379	305	377	377
Interest capitalised on construction of housing properties	(1,955)	(2,922)	(1,955)	(2,922)
	31,752	30,779	31,611	30,627

14. Taxation on surplus on ordinary activities – Group only

	Group 2025	Group 2024
	£'000	£'000
UK corporation tax		
Current tax on surplus for the year	-	-
Adjustment in respect of prior period	-	-
Total current tax	-	-
Taxation on surplus on ordinary activities	-	-

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to surplus before tax. The differences are explained below:

	Group 2025	Group 2024
	£'000	£'000
Surplus on ordinary activities before tax	1,119	779
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 25%	280	148
Effects of:		
- Income not taxable for tax purposes	-	-
- Expenses not deductible for tax purposes	-	-
- Charitable exemption	(280)	(148)
- Adjustments to tax charge in respect of previous period	-	-
	-	-

There was no tax charge for the year (2024: Nil) for the Association.

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of Nil (2024: Nil).

Factors that may affect future tax charges

The Group has used all brought forward tax losses, which have significantly reduced tax payments in the current year.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief.

15. Tangible fixed assets – housing properties

Group	General Needs completed	General Needs under construction	Shared Ownership completed	Shared Ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation:					
At 1 April 2024	1,013,188	90,946	250,466	31,967	1,386,567
Additions:					
Construction costs	-	178	-	3,304	3,482
Works to existing properties	14,433	-	229	-	14,662
Completed cladding works	-	-	-	-	-
Cladding works in progress	-	-	14,929	-	14,929
Reclassification of properties	-	14,116	-	(14,116)	-
Completed schemes	33,100	(33,100)	18,669	(18,669)	-
Reclassifications from/(to) held for sale	-	-	2,202	9,451	11,653
Disposals:					
Property sales	(3,188)	-	-	-	(3,188)
Staircasing sales	-	-	(14,231)	-	(14,231)
Replaced components	(1,576)	-	-	-	(1,576)
At 31 March 2025	1,055,957	72,140	272,264	11,937	1,412,298
Depreciation:					
At 1 April 2024	(128,541)	-	-	-	(128,541)
Charge for the year	(10,838)	-	-	-	(10,838)
Eliminated on disposals:					
Disposal	647	-	-	-	647
Accelerated charge on components	996	-	-	-	996
At 31 March 2025	(137,736)	-	-	-	(137,736)
Net book value at 31 March 2025	918,221	72,140	272,264	11,937	1,274,562
Net book value at 31 March 2024	884,647	90,946	250,467	31,968	1,258,028

15. Tangible fixed assets – housing properties (continued)

Association	General Needs completed	General Needs under construction	Shared Ownership completed	Shared Ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation:					
At 1 April 2024	1,006,042	91,196	244,625	32,318	1,374,181
Additions:					
Construction costs	-	228	-	3,495	3,723
Works to existing properties	14,405	-	229	-	14,634
Completed cladding works	-	-	-	-	-
Cladding works in progress	-	-	14,929	-	14,929
Reclassification of properties	-	14,116	-	(14,116)	-
Completed schemes	33,100	(33,100)	18,669	(18,669)	-
Reclassifications from/(to) held for sale	-	-	2,202	9,451	11,653
Disposals:					
Property sales	(3,188)	-	-	-	(3,188)
Staircasing sales	-	-	(13,707)	-	(13,707)
Replaced components	(1,562)	-	-	-	(1,562)
At 31 March 2025	1,048,797	72,440	266,947	12,479	1,400,663
Depreciation:					
At 1 April 2024	(127,521)	-	-	-	(127,521)
Charge for the year	(10,783)	-	-	-	(10,783)
Eliminated on disposals:					
Disposal	647	-	-	-	647
Accelerated charge on components	981	-	-	-	981
At 31 March 2025	(136,676)	-	-	-	(136,676)
Net book value at 31 March 2025	912,121	72,440	266,947	12,479	1,263,987
Net book value at 31 March 2024	878,521	91,196	244,626	32,318	1,246,660

15. Tangible fixed assets – housing properties (continued)

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000

The net book value of housing properties may be further analysed as:

Freehold	875,932	861,357	867,986	853,143
Long leasehold	398,189	396,230	395,560	393,077
Short leasehold	441	441	441	441
	1,274,562	1,258,028	1,263,987	1,246,661

Interest capitalisation

Interest capitalised in the year	1,955	2,922	1,955	2,922
Cumulative interest capitalised	56,539	53,617	56,539	53,617
	58,494	56,539	58,494	56,539
Rate used for capitalisation	4.20%	4.50%	4.20%	4.50%

Works to properties

Improvements to existing properties capitalised	29,591	25,001	29,563	24,985
Major repairs expenditure to income and expenditure account	2,511	1,826	2,511	1,826
	32,102	26,827	32,074	26,811

Total Social Housing Grant received or receivable to date is as follows:

Capital grant – housing properties	455,972	455,695	450,238	449,704
Recycled Capital Grant Fund	7,466	5,961	7,241	5,915
Revenue grant – I&E	99,486	92,700	99,806	93,074
	562,924	554,356	557,285	548,693

Properties held for security

The Association had property with a net book value of £792m pledged as security at 31 March 2025 (2024: £790m).

16. Other tangible fixed assets

Group	Land and office buildings	Plant, machinery and vehicles	Motor vehicles	Fixtures, fittings, tools and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	9,418	5,662	135	3,124	18,339
Additions	286	870	-	121	1,277
Disposals	-	-	(22)	-	(22)
Revaluation in the year	-	-	-	-	-
At 31 March 2025	9,704	6,532	113	3,245	19,594
Depreciation					
At 1 April 2024	(1,108)	(4,244)	(73)	(2,982)	(8,407)
Disposals	-	-	17	-	17
Charge for year	(74)	(684)	(18)	(125)	(901)
At 31 March 2025	(1,182)	(4,928)	(74)	(3,107)	(9,291)
Net book value					
At 31 March 2025	8,522	1,604	39	138	10,303
At 31 March 2024	8,310	1,418	62	142	9,932

Association	Land and office buildings	Plant, machinery and vehicles	Motor vehicles	Fixtures, fittings, tools and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	8,962	5,662	47	1,532	16,203
Additions	286	870	-	37	1,193
Disposals	-	-	(22)	-	(22)
At 31 March 2025	9,248	6,532	25	1,569	17,374
Depreciation					
At 1 April 2024	(1,057)	(4,244)	(42)	(1,530)	(6,873)
Charge for year	(74)	(684)	-	(55)	(813)
Disposals	-	-	17	-	17
At 31 March 2025	(1,131)	(4,928)	(25)	(1,585)	(7,669)
Net book value					
At 31 March 2025	8,117	1,604	-	(16)	9,705
At 31 March 2024	7,905	1,418	5	2	9,330

16. Other tangible fixed assets (continued)

The net book value of office buildings may be further analysed as:

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Freehold	8,522	8,310	8,117	7,905

17. Investment properties

Group	Commercial	Total
	£'000	£'000
At 1 April 2024	3,362	3,362
Additions	-	-
Reclassification during the year	-	-
Revaluations	162	162
At 31 March 2025	3,524	3,524

All investment properties are held within Outward Housing. The freehold holiday accommodation, comprising Nutley Edge in East Sussex was valued as at 31 March 2025 at £2,450k, on an open market basis, as set out in a side letter dated 7 May 2025 by an external firm, Avison Young (UK) Ltd, Leisure Division. Avison Young are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards – January 2025. The services of Avison Young were procured in accordance with the Charity's procurement procedures and the Trustees are satisfied of the independence of Avison Young.

The property was valued as a specialised property used for leisure purposes and method of valuation gave weighting to stabilised earnings, based on historic turnover and potential future turnover, at a capitalisation rate of 9.5% and to comparable local sales and properties offered for sale, in particular holiday complexes.

It was assumed the property has good title and is free from onerous or restrictive covenants and obligations, restrictions and statutory notices and was described as being in excellent condition and not subject to backlog maintenance.

The surplus on revaluation of investment property arising of £162,000 (2024: Gain £109,000) has been credited to the statement of comprehensive income for the year.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	Group 2025	Group 2024
	£'000	£'000
Historic cost	1,885	1,885
Accumulated depreciation	(620)	(605)
	1,265	1,280

18. Investments

Details of subsidiary undertakings and associated undertakings

The principal undertakings in which the Association has an interest in are as follows:

Name	Country of incorporation or registration	Proportion of voting rights/ordinary share capital held	Nature of business	Nature of entity
Subsidiary undertakings				
Outward Housing	England	100%	Provision of community support services	Registered charity
Access Homes Housing Association Limited	England	100%	Registered provider of social housing	Registered provider of social housing
NewlonBuild Limited	England	100%	Development company	Limited company
Newlon Fusion *	England	100%	Community services	Registered charity
NewlonInvest Limited	England	100%	Joint venture and private sales	Limited company
Finsbury Park Homeless Families Project (FPHFP)**	England	100%	Community services for homeless persons	Registered charity

* Newlon Fusion was formally dissolved in June 2025

** FPHFP is a subsidiary of Outward Housing, all other subsidiaries are 100% wholly owned by the parent, being Newlon Housing Trust.

19 Joint ventures

The Newlon Group entered into a joint venture DR4 Developments LLP ("DR4") with Galliford Try in respect of the development of a site at Devon's Road, Bow. The development consist of 6 shared ownership units and 124 for open market sale. Newlon Group subsidiary, NewlonBuild Limited, is the joint venture partner in DR4.

The Newlon Group entered into a joint venture Belmont Street JV LLP ("Belmont") with Vistry Partnerships Limited ("Vistry") in respect of the development of a site at Belmont Street. The development consists of new residential units (26 for affordable rent and 89 for open market sale). Newlon Group subsidiary, NewlonBuild Limited, is the joint venture partner in Belmont and Newlon's funding is through NewlonBuild Limited. The debt funding at 31 March 2025 was £12.3m (2024: £12.3m).

The Newlon Group has also entered into an additional three joint ventures; Barnsbury 1 LLP, Barnsbury 2 LLP & Barnsbury 3 LLP, with Mount Anvil (Barnsbury 1) Limited, Mount Anvil (Barnsbury 2) Limited and Mount Anvil (Barnsbury 3) Limited respectively in respect of the re-development of the Barnsbury Estate in Islington. The re-development comprises affordable and outright sales units. Newlon Group subsidiary, NewlonBuild Limited, is the joint venture partner in all three joint ventures and Newlon's funding is through NewlonBuild Limited. The equity funding at 31 March 2025 was £6.4m (2024: £4.9m).

Notes forming part of the financial statements Year ended 31 March 2025

All development costs/profits of the LLP will be split 50:50 between the LLP members.

Group	Joint ventures	
	2025	2024
	£'000	£'000
Cost		
At 1 April	2,586	661
Additions	1,425	3,423
Share of (loss)	(527)	(1,589)
Distributions repaid	160	91
At 31 March	3,644	2,586

Details of subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company has an interest in are as follows:

Name	Country of incorporation or registration	Proportion of voting rights/ordinary share capital held	Nature of business	Nature of entity
Joint ventures				
DR4 Developments LLP	England	50%	Development company	Limited Liability Partnership
Belmont Street JV LLP	England	50%	Development company	Limited Liability Partnership
Barnsbury 1 LLP	England	50%	Development company	Limited Liability Partnership
Barnsbury 2 LLP	England	50%	Development company	Limited Liability Partnership
Barnsbury 3 LLP	England	50%	Development company	Limited Liability Partnership

DR4 Developments LLP, Belmont Street JV LLP, Barnsbury 1 LLP, Barnsbury 2 LLP and Barnsbury 3 LLP are joint ventures held by NewlonBuild Ltd, a subsidiary of Newlon Housing Trust.

20. Properties for sale

Group and Association	First tranche Shared Ownership properties	Outright market sales	Total	Total
	2025	2025	2025	2024
	£'000	£'000	£'000	£'000
Work in progress	5,116	-	5,116	14,568
Completed properties	6,104	-	6,104	8,306
	11,220	-	11,220	22,874

Properties developed for sale include capitalised interest of £850K (2024: £1,136K).

21. Debtors

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Due within one year				
Rent and service charge arrears	4,212	3,513	3,091	2,584
Less: Provision for doubtful debts	(1,530)	(1,330)	(1,412)	(1,250)
	2,682	2,183	1,679	1,334
Amounts owed by Group undertakings	-	-	22,647	20,266
Other debtors	13,620	11,832	10,797	9,349
Prepayments and accrued income	5,237	3,887	4,894	3,707
	21,539	17,902	40,017	34,656
Due after one year				
Other debtors	27,289	16,562	9,003	-
	48,828	34,464	49,020	34,656

22. Current asset investments

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Opening fair value	30	30	30	30
Purchases	-	-	-	-
Sales	-	-	-	-
Fair value	30	30	30	30

All current asset investments relate to equity investments in MORhomes, a social housing sector borrowing vehicle.

23. Creditors: amounts falling due within one year

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Loans and borrowings (note 27)	5,231	4,631	5,080	4,480
Trade creditors	8,142	5,819	7,104	5,399
Rent and service charges received in advance	2,102	561	1,437	-
Amounts owed to Group undertakings	-	-	3,941	4,068
Taxation and social security	626	561	374	338
Other creditors	2,940	5,520	1,831	4,988
Deferred capital grant (note 25)	6,786	6,980	6,731	6,922
Recycled Capital Grant Fund (note 26)	1,875	1,275	1,836	1,229
Accruals and deferred income	11,489	13,478	7,511	9,092
Accrued interest	7,255	7,676	7,255	7,676
Leasehold maintenance	1,703	1,419	1,703	1,419
	48,149	47,920	44,803	45,611

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

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Loans and borrowings (note 27)	713,865	718,790	711,598	716,375
Deferred capital grant (note 25)	449,186	448,715	443,507	442,782
Recycled Capital Grant Fund (note 26)	5,591	4,686	5,405	4,686
Pension scheme deficit liability	440	603	-	-
Service charge creditors	579	272	-	-
Other creditors	4,634	2,546	-	-
	1,174,295	1,175,612	1,160,510	1,163,843

Housing loans from banks, bondholders and other private lenders are secured by specific charges on the Association's housing properties. The loans are at differing fixed and variable rates of interest between 1.37% and 11.11% per annum. The loans are repayable over their life as set out in note 27.

25. Deferred capital grant

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
At 1 April	455,695	423,983	449,704	417,887
Grants received during the year	7,792	41,248	7,792	41,248
Grants recycled from the recycled capital grant fund/disposal proceeds fund	2,733	-	2,733	-
Grants recycled to the recycled capital grant fund/disposal proceeds fund	(3,198)	(931)	(3,198)	(931)
Released to income during the year	(264)	(65)	(62)	(18)
Grant amortised during the year	(6,786)	(8,540)	(6,731)	(8,482)
At 31 March	455,972	455,695	450,238	449,704

Deferred capital grant	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Due within one year (note 23)	6,786	6,980	6,731	6,922
Due in more than one year (note 24)	449,186	448,715	443,507	442,782
At 31 March	455,972	455,695	450,238	449,704

26. Recycled Capital Grant Fund

Group	Homes England 2025	Homes England 2024
Funds pertaining to activities within areas covered by:	£'000	£'000
At 1 April	5,961	5,742
Inputs to fund:		
Grants recycled from surplus on disposal of fixed asset	761	124
Grants recycled from deferred capital grants	3,198	931
Grants paid back	(100)	(1,141)
Interest accrued	379	305
Recycling of grant:		
New build	(2,733)	-
At 31 March	7,466	5,961

Association	Homes England 2025	Homes England 2024
Funds pertaining to activities within areas covered by:	£'000	£'000
At 1 April	5,915	5,518
Inputs to fund:		
Grants recycled from surplus on disposal of fixed asset	583	124
Grants recycled from deferred capital grants	3,198	931
Grants paid back	(99)	(956)
Interest accrued	377	298
Transfers from other Group members	-	-
Recycling of grant:		
New build	(2,733)	-
At 31 March	7,241	5,915

Recycled capital grant fund	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Due within one year (note 23)	1,875	1,275	1,836	1,229
Due in more than one year (note 24)	5,591	4,686	5,405	4,686
At 31 March	7,466	5,961	7,241	5,915

27. Loans and borrowings

Maturity of debt:

Group	Bank loans		Other loans	Total
	2025		2025	2025
	Bullet	Amortising	Bullet	
	£'000	£'000	£'000	£'000
In one year or less, or on demand	-	5,231	-	5,231
In more than one year but not more than two years	-	23,811	-	23,811
In more than two years but not more than five years	-	35,663	35,000	70,663
In five years or more	20,000	239,392	360,000	619,392
At 31 March	20,000	304,097	395,000	719,097

Group	Bank loans		Other loans	Total
	2024		2024	2024
	Bullet	Amortising	Bullet	
	£'000	£'000	£'000	£'000
In one year or less, or on demand	-	4,631	-	4,631
In more than one year but not more than two years	-	5,231	-	5,231
In more than two years but not more than five years	-	45,609	35,000	80,609
In five years or more	20,000	252,950	360,000	632,950
At 31 March	20,000	308,421	395,000	723,421

Association	Bank loans		Other loans	Total
	2025		2025	2025
	Bullet	Amortising	Bullet	
	£'000	£'000	£'000	£'000
In one year or less, or on demand	-	5,080	-	5,080
In more than one year but not more than two years	-	23,660	-	23,660
In more than two years but not more than five years	-	35,060	35,000	70,060
In five years or more	20,000	237,878	360,000	617,878
At 31 March	20,000	301,678	395,000	716,678

Association	Bank loans		Other loans	Total
	2024		2024	2024
	Bullet	Amortising	Bullet	
	£'000	£'000	£'000	£'000
In one year or less, or on demand	-	4,480	-	4,480
In more than one year but not more than two years	-	5,080	-	5,080
In more than two years but not more than five years	-	45,081	35,000	80,081
In five years or more	20,000	251,214	360,000	631,214
At 31 March	20,000	305,855	395,000	720,855

Notes forming part of the financial statements Year ended 31 March 2025

Housing loans from banks, bondholders and other private lenders are secured by specific charges on the Association's housing properties.

The loans are at different fixed and variable rates of interest between 1.37% and 11.11% per annum. At 31 March 2025 the Group had undrawn facilities of £110m (2024: £111m).

Total issue cost included in the loan books was £2,102k for 2025 (2024: £2,409k).

28. Financial instruments

The Group's and Association's financial instruments may be analysed as follows:

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets measured at fair value				
Investment properties	3,524	3,362	-	-
Financial assets measured at historical cost				
Rental debtors	4,212	3,513	3,091	2,584
Other receivables	13,620	11,831	10,797	9,349
Prepayments and accrued income	5,237	3,887	4,894	3,707
Taxation	-	-	-	-
Cash and cash equivalents	99,885	120,630	90,562	113,351
Total financial assets	126,478	143,223	109,344	128,991
Financial liabilities				
Financial liabilities held at fair value				
Loans payable	-	-	-	-
Financial liabilities held at amortised cost				
Loans payable	719,097	723,421	716,678	720,855
Financial liabilities held at historical cost				
Trade creditors	8,142	5,819	7,104	5,399
Other creditors	33,582	35,176	31,293	33,496
Deferred capital grant	455,972	455,695	450,238	449,704
Total financial liabilities	1,216,793	1,220,111	1,205,313	1,209,454

Financial assets measured at fair value through profit or loss comprises fixed asset investments in properties owned by Outward, namely Nutley Edge Cottages and Wood Street market rented properties.

Financial assets measured at historic cost comprise rental debtors and other debtors. Financial liabilities measured at historic cost comprise trade creditors and other creditors. Financial liabilities measured at amortised cost include bank loans.

To reduce volatility in interest costs the Group selectively contracted interest rate swaps in loan agreements where floating rate Libor on loans was exchanged for fixed rates of between 3.9% and 5.2% per annum. The Group also entered into inflation swaps embedded in certain loan agreements where interest rates are linked to RPI instead of Libor to match RPI related rental income to interest costs.

The cash flows arising from the interest rate swaps will continue until their various maturities' dates between 2026 and 2037 which do not extend beyond the maturity dates of the underlying loans.

29. Provisions for liabilities

Group and Association	Dilapidations	Major repairs on stock transfer	Total
	£'000	£'000	£'000
At 1 April 2024	7	-	7
Utilised in year	-	-	-
At 31 March 2025	7	-	7

As at 31 March 2025, there are ongoing works to an existing property. Remedial works and associated professional fees will be incurred as a result. It is expected that the provision will unwind within the next 12 months.

30. Pensions

Outward Housing participates in the multi-employer Social Housing Pension Scheme and also makes available a defined contribution scheme, through Scottish Widows, to its staff. Employer contributions match those of the employee and are in the range of 5% to 7%.

Those staff who are not otherwise members of a pension scheme are enrolled automatically into a defined contribution scheme also offered by the Social Housing Pension Scheme. Employer and employee contributions are currently set at 1%.

There is a group of staff who have transferred into Outward Housing under TUPE regulations and remain members of local government and other pension schemes.

Multi-employer Social Housing Pension Scheme (the Scheme)

Outward Housing participates in the Social Housing Pension Scheme ('the Scheme'), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1.560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the Scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2025	31 March 2024
	£'000	£'000
Fair value of plan assets	2,547	2,572
Issued during the year	2,987	3,175
Deficit in plan	(440)	(603)
Defined benefit liability to be recognised	(440)	(603)

Reconciliation of the opening and closing balances of the defined benefit obligation

	Period ended 31 March 2025	Period ended 31 March 2024
Defined benefit obligation at start of period	3,175	3,137
Current service cost	-	-
Expenses	6	6
Interest expense	154	152
Actuarial gains/(losses) due to scheme experience	64	(22)
Actuarial gains/(losses) due to changes in demographic assumptions	-	(32)
Actuarial gains due to changes in financial assumptions	(334)	(9)
Benefits paid and expenses	(78)	(57)
Defined benefit obligation at end of period	2,987	3,175

Reconciliation of the opening and closing balances of the fair value of plan assets

	Period ended 31 March 2025	Period ended 31 March 2024
	£'000	£'000
Fair value of plan assets at start of period	2,572	2,552
Interest income	127	126
Experience on plan assets (excluding amounts included in interest income) – (loss)	(212)	(180)
Contributions by the employer	138	131
Benefits paid and expenses	(78)	(57)
Fair value of plan assets at end of period	2,547	2,572

Defined benefit costs recognised in the statement of comprehensive income (SOCl)

	Period ended 31 March 2025	Period ended 31 March 2024
	£'000	£'000
Expenses	6	6
Net interest expense	27	26
Defined benefit costs recognised in the statement of comprehensive income (SOCl)	33	32

Defined benefit costs recognised in other comprehensive income

	Period ended 31 March 2025	Period ended 31 March 2024
	£'000	£'000
Experience on plan assets (excluding amounts included in interest income) – loss	(212)	(180)
Experience gains and losses arising on the plan liabilities – (losses)/gains	(64)	22
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	-	32
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	334	9
Total actuarial losses and gains (before restriction due to some of the surplus not being recognisable) – gain/(loss)	58	(117)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain	-	-
Total amount recognised in other comprehensive income – gain/(loss)	58	(117)

Assets

	31 March 2025	31 March 2024
	£'000	£'000
Global equity	285	256
Absolute return	-	100
Distressed opportunities	-	91
Credit relative value	-	84
Alternative risk premia	-	82
Liquid alternatives	472	-
Emerging markets debt	-	33
Risk sharing	-	151
Insurance-linked securities	8	13
Property	128	103
Infrastructure	-	260
Private equity	2	2
Private debt	305	101
Opportunistic Illiquid credit	-	101
Private credit	312	-
Credit	97	-
Investment Grade Credit	78	-
Cash	35	51
Long lease property	1	17
Secured income	43	77
Liability driven investment	771	1,047
Currency hedging	4	(1)
Net current assets	6	4
Total assets	2,547	2,572

Key assumptions

	31 March 2025	31 March 2024
	% per annum	% per annum
Discount rate	5.77	4.90
Inflation (RPI)	3.11	3.15
Inflation (CPI)	2.78	2.78
Salary growth	3.78	3.78
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

Life expectancy at age 65 (years)	
	No.
Men retiring in 2024	20.5
Women retiring in 2024	23.0
Men retiring in 2044	21.7
Women retiring in 2044	24.5

Change in fair value of defined benefit pension schemes charged to the statement of comprehensive income.

	31 March 2025	31 March 2024
	£'000	£'000
Change in fair value	58	(117)
Interest cost and expense	(33)	(32)
	25	(149)

The Group is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial certifications. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the UK High Court legal ruling from 2023. The Group, together with the pension scheme trustees and their advisors, has not yet assessed the possible impact of this ruling while awaiting the outcome of the benefits review case. As it is not possible at present to estimate the impact, if any, from the ruling, no adjustments have been made to the defined benefit obligation recognised in the financial statements.

Scottish Widows defined contribution scheme - Newlon Housing Trust

During the year employer pension contributions of £821k (2024: £730k) were charged to income and expenditure and at 31 March 2025 226 staff (2024: 211 staff) were in the scheme.

Social Housing Pension Scheme defined contribution (auto-enrolment) - Outward Housing only

During the year employer pension contributions of £285k (2024: £246k) were charged to income and expenditure and at 31 March 2025 388 staff (2024: 346 staff) were in the scheme.

31. Share capital

	2025	2024
	£	£
At 1 April	32	32
Issued during the year	-	-
As at 31 March	32	32

The share capital of the Association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of the Association. Therefore, all shareholdings relate to non-equity interests.

32. Contingent liabilities

The Association has not guaranteed any bank borrowings of its subsidiaries.

The Building Safety Act 2022 creates a legal obligation for building owners and landlords to contribute to the costs of remediating buildings with safety deficiencies over 18m tall with at least two residential units. No provision associated with the Building Safety Act 2022 has been recognised in these financial statements as the costs cannot be reliably estimated.

As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

The Group has disclosed contingent liabilities where there is a possible but uncertain obligation to repay Social Housing Grant in the future.

Actual payment is contingent upon future disposal of housing properties for which the grant was received.

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Grant amortised	97,377	90,590	96,057	89,325

33. Operating leases

The Group and the Association had minimum lease payments under non-cancellable operating leases as set out below:

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Amounts payable as lessee				
Not later than one year	10	2	10	2
Later than one year and not later than five years	29	5	29	5
Total	39	7	39	7

The operating leases above are for photocopiers, franking machines and water coolers. There are no other significant leasing arrangements with third parties.

Amounts to be received as lessor:

The Group's total future minimum lease receipts under non-cancellable operating leases is as follows for each of the following periods:

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Less than one year	81,191	77,338	75,116	71,603

The above details the amounts to be received from the Association's tenants of all tenure types within the next year.

34. Capital commitments

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Commitments contracted but not provided for:				
Construction	146,923	114,735	150,042	115,708
Commitments approved by the Board but not contracted for:				
Construction	161,921	94,810	165,969	95,758
	308,844	209,545	316,011	211,466

All capital commitments will be financed by Social Housing Grant, private loans and internally generated funds. Newlon currently has secured loan facilities of £827m in place. At 31 March 2025 Newlon had undrawn facilities totalling £110m. In addition, the Association has £100m of cash resources. Therefore, sufficient funds are available to finance the contracted commitments stated above.

35. Related party transactions

The Board of Newlon Housing Trust includes tenant representation. Transactions between these individuals and Newlon Housing Trust are in accordance with the Association's normal terms.

We have two Resident Board members - Blossom Shakespeare and Lloyd Gale-Ward. The total rent charged during the year and balance on their accounts at year end are as follows:

Board Member	Total rent charged	Account balance at year end
	£	Credit £
Blossom Shakespeare	7,115	119
Lloyd Gale-Ward	4,335	-

Intercompany sales between NewlonBuild and Newlon Housing Trust were £8m (2024: £19m).

The interest charges between Newlon Housing Trust and NewlonBuild were £2,089k (2024: £1,679k) and between Belmont Street JV LLP and NewlonBuild were £1,557k (2024: £1,283k).

Transactions with non regulated entities

Payable to Association by subsidiaries:	Service level agreements		Other charges		Intercompany balance	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Outward Housing	578	556	2,633	2,555	123	(15)
Access Homes	74	72	-	-	1,418	628
NewlonBuild Limited	20	48	(220)	(220)	(4,064)	(4,053)
NewlonInvest Limited	1	1	-	-	-	-
	673	677	2,413	2,335	(2,523)	(3,440)

Payable to Association by subsidiaries:	Donated services		Loans		Joint venture	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Newlon Fusion	-	2	-	-	-	-
NewlonBuild Limited	-	-	21,022	19,432	-	-
DR4 – Joint Venture	-	-	-	-	(143)	(154)
Belmont Street JV LLP – Joint Venture	-	-	-	-	14,271	12,331
Barnsbury 1 LLP – Joint Venture	-	-	-	-	(2)	(41)
	-	2	21,022	19,432	14,126	12,136

Service level agreements

The service level agreement relates to a percentage of payroll costs associated with each subsidiary as well as a percentage recharge of attributable overheads.

Department	By reference to
Finance	Headcount
IT	Workstation
Facilities	Workstation
Executive	Staff time

Other charges

Outward: Other charges related to the rent and properties owned by the Association but managed by Outward Housing.

NewlonBuild: NewlonBuild applies margins ranging from 1% to 5% on sales made to the Association.

Gift Aid

The Association received a total of £1,321k (2024: £517k) in gift aid from subsidiaries.

Payable to Association by subsidiaries	Gift Aid	
	2025	2024
	£'000	£'000
Access Homes	1,321	436
NewlonBuild Limited	-	81
NewlonInvest Limited	-	-
	1,321	517

36. Capital and reserves

A total revaluation surplus of £162k was recognised on property investments across Nutley Edge Holiday Cottages and Cedar Court, valued at £3.52m, on an open market basis by an independent third party valuer.

37. Post balance sheet event

There are no post balance sheet events.

Executive Team serving during the year



Mike Hinch
Group Chief Executive
Resigned April 2025



Ruth Davison
Group Chief Executive
Appointed June 2025



Surjit Dhande
**Group Finance and
Resources Director**



Nicky Boland
Outward Chief Executive



Ezinne Ogbonna
**Business Development
Director**



Sarah Shaw
**Housing Services
Director**



Symon Sentain
**Property Services
Director**

Board members serving during the year



Aman Dalvi
Chair



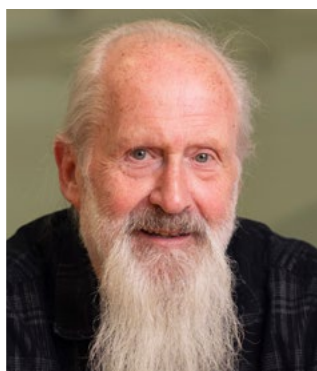
Mike Hinch



Chris Cheshire



Peter Cogan



John Cross



Jane Everton



Edward Ihejirika



Lloyd Gale-Ward



Keith McLeod



Alison Muir



Geoff Pearce



Blossom Shakespeare

Reset resolution on photos of:

Mike x 2

Sarah S

John Cross

Newlon House – 4 Daneland Walk – Hale Village – London – N17 9FE

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www.newlon.org.uk

Newlon Housing Trust is a charitable housing association

Group Chief Executive: Ruth Davison Chair: Aman Dalvi OBE

Newlon Housing Trust is a Community Benefit Society – company no. 18449R, registered with the Regulator of Social Housing no. L0006, HMRC charities reference no. EW91301, VAT registration no. GB778532683.

Access Homes is a Community Benefit Society – company no. 24992R, registered with the Regulator of Social Housing SL3605

Outward Housing, trading as Outward, is a company limited by guarantee – company no. 02151434, registered charity no. 800529.

Finsbury Park Homeless Families Project is a company limited by guarantee – company no. 2879813, registered charity no. 1030970.

Newlon Fusion is a company limited by guarantee – company no. 04000022, registered charity no. 1119673.

NewlonBuild Ltd is a private limited company no. 07884092.

NewlonInvest Ltd is a private limited company no. 09492006.

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