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Co-operative and Community Benefit Society No. 25197R
Regulator of Social Housing No. C3675

CO-OP HOMES (SOUTH) LIMITED

REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Docusign Envelope ID: 0C369EDA-52B7-8701-832D-B3964DBAF224

CO-OP HOMES (SOUTH) LIMITED

Report and financial statements for the year ended 31 March 2026

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EXECUTIVES AND ADVISORS

Board

Katharine Hibbert	Chair
Maame-Yaa Bempah	RHP Appointee
Naresh Aggarwal	
Jacqueline Lodge	
Justin McCarthy	
Fiona McAusian	Appointed 19 March 2026
Isabelle Parasram OBE	Appointed 19 March 2026

Registered Office
8 Waldegrave Road
Teddington
Middlesex
TW11 8GT

Auditors
PKF Littlejohn LLP
30 Churchill Place
Canary Wharf
London E14 5RE
United Kingdom

Bankers

The Co-operative Bank	Lloyds Bank PLC
PO Box 718	City Office, PO BOX 72
Ealing	Bailey Drive
W5 2XA	Gillingham Business Park
	Kent, ME8 0LS

Co-operative and Community Benefit Society registered number	25197R
Regulator of Social Housing Number	C3675

Report of the Board

The Board presents the audited financial statements for the year ended 31 March 2026, together with their report on the performance for the year. This includes how the business has met the requirements of the Value for Money Standard (VfM) and supporting Code of Practice.

Principal activity

The core business activity of the company (Co-op Homes) is to provide a range of services which meet the needs of our customers, both individual and corporate, principally:

- The provision of good quality, well managed, affordable housing for people in housing need.
- The provision of management and support services to affiliated organisations.
- The provision of new homes. Our work to provide new homes continues, and our latest scheme will build 29 new units and 8 replacement units by summer 2026.

Review of performance

The financial performance for the year is shown in the Statement of Comprehensive Income on page 13. During the year turnover increased by 6.4% (2025: 8.4%) to £4.5m (2025: £4.2m) which has resulted in a surplus for the year of £356k (2025: £456k). The operating margin was 12.0% (2025: 15.9%).

Co-op Homes' social housing activities cover the management of permanent accommodation (310 units) and temporary accommodation (1 units).

Permanent accommodation housing management has contributed an operating surplus of £644k (2025: £742k). Temporary social housing management generated a loss of £8k (2025: £39k loss), mainly due to lost rent through voids, fixed rent charges and rent provisions on arrears. The lower loss when compared to the previous year is attributable to four of these properties being handed back to their landlords. The remaining lease is due to expire in December 2028.

Co-op Homes provided management and other services to 28 (2025: 28) affiliated organisations during the year, generating revenue of £1,637k (2025: £1,408k). This activity has generated a loss of £31k in the year (2025: profit £3k).

We remain in a strong financial position albeit with a slightly reduced overall margin due to the reduction in activity for clients who have also seen a rise in regulatory and building safety requirements which have taken a lot of focus and resource for the coop and their volunteers. Coop Homes are also continuing to invest in their service to close the gap with client expectations.

Within our own stock we continue to report full safety compliance, 93% of our homes meeting EP C C and a full stock condition survey which has been costed in our long-term financial plan. We have achieved customer satisfaction of 68.2% using the regulators' tenant satisfaction metric (TSM) methodology. Our void turnaround time of 10 days represents a consistently high performance in this area. Arrears ended the year on 4.7% which represents a marked improvement with a lot of activity on legal and other casework to deliver this outcome.

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Report of the Board (continued)

Review of performance (continued)

We successfully moved residents from an existing block, due to be demolished, to their new build homes, delivering our contract requirements to both the Local Authority and the Developer at the Carnwath Road site. This allowed the rest of the site to be built out and supply new homes for the remaining residents as well as additional nominations from the Local Authority.

Staff satisfaction increased to 82% (from 78% in 2025) following work with external consultants over the summer to increase staff engagement, collaborative working and creating clear and consistently managed expectations around behaviours.

Looking forwards

Our updated business plan was presented to the Board in March 2026 and has been stringently tested against several possible adverse scenarios. This exercise has concluded that Co-op Homes has retained sufficient strength to continue with our strategic objectives without causing undue risk to our stakeholders. All of the hurdles are met from 2027/8 onwards, with two areas below in 2026/7 for margin on landlord stock (26% vs 28%) and EBITDA/revenues target (39% vs 40%).

We continue to borrow funds for development from the £8m revolving credit facility (RCF) provided by RHP, which was restated in March 2025 expiring in 2030. Currently £4.5m has been utilised for the Carnwath Road and The Fountain developments.

We have invested over £800k into our properties this year and plan to spend a further £900k in the coming year through various programmes of work to replace end of life cycle components, improve our homes and maintain our 100% decent homes position. Additional funding has also been identified for costs associated with Awaab's law (work on damp and mould).

This year we launched our Service Squad, made up of residents as part of our Resident Engagement policy. The group were impressed with the user research presented to them and were able to validate our findings. This will help set the direction for future service improvement work based around resident priorities and in line with our 'Coop ethos'.

As part of our strategy which has been refreshed for the coming 12 months (allowing the new Managing Director to balance continuity with potential changes in direction) we will continue to pursue both growth and service improvement work. We are working on plans to underpin our client relationships with a compelling value proposition and partnership approach built on trust.

To this end we have embarked on a transformation programme for our finance transactions team, undertaken detailed work on how we report performance and keep clients updated, started work to upgrade our main software system and worked with our partners to give clients greater transparency on finances.

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Our Strategic Objectives

As an organisation, we have a strategy built across three pillars which aim to deliver the following outcomes:

- **Growth –** grow the business in line with our vision to ensure viable agency services and quality affordable housing for our own residents.
- **People –** create a caring, effective and collaborative learning culture where our behaviours support our culture.
- **Services –** improve our services in ways that existing and new customers value.

Delivering Value for Money (VfM) to Stakeholders

Our Value for Money (VfM) approach aims to optimise the benefits we deliver from our resources in an economic, cost effective and efficient manner.

The Board has a commitment to deliver VfM, which is demonstrated by the strategic aim to focus on margins by delivering greater efficiency through both growth and service improvements. Our achievement towards this strategic aim is measured by a set of performance indicators agreed by the Board that allows Co-op Homes to demonstrate delivery of VfM to our stakeholders and compare performance within the Group and externally.

CHS Scorecard	CHS 25/26	Board Target	Peer 1 24/25
Emergency Repairs completed within target time	95%	≥ 98%	97%
Arrears (as a % of rent income)	4.7%	< 5.0%	1.8%
Customer Satisfaction	68%	≥70%	65%
Employee Pride to work for CHS	82%	≥ 85%	93%

The table above illustrates a continued strong position in relation to operational delivery of challenging services and income collection where customer satisfaction remains strong at 68%. There has been a notable improvement in the rent arrears which have been brought under target in line with our plans.

Each year we conduct a review of whether the performance metrics continue to be relevant and target the areas which challenge us in the current operating environment.

VfM Metrics and Self-Assessment

The chart below shows the Value for Money (VfM) performance metrics for the last two years, along with Sector Scorecard and competitors' metrics from 25/26.

Performance Metrics	CHS 25/26	CHS 24/25	Peer 1 24/25	Sector Scorecard 24/25
Reinvestment	2.23%	1.99%	3.3%	2.70%
New Supply Delivered	0.0%	0.0%	0.0%	0.00%
Gearing	8.3%	10.5%	-12.0%	17.30%

Interest Cover (using EBITDA MRI)	124%	187%	158%	200%
Headline social housing cost per unit	£7,670	£7,131	£6,250	£6,447
Operating Margin (social housing only)	26.9%	30.0%	18.4%	18.52%
Operating Margin Overall	8.70%	10.90%	18.4%	15.52%
Return on Capital Employed	1.48%	1.74%	20.6%	2.53%

Peer 1 has a similar business model, as it is one of the few small organisations that provide management services in addition to owning its own stock. The sector scorecard data includes registered providers with less than 2,500 units in London and the Southeast.

We note our strong performance in the margins on social housing compared with our peers and the sector. Cost per unit of £7,670 is higher than both benchmarking figures, however, this is due to a maintained investment in our own stock where we are keeping on top of our stock condition requirements and reducing the costs of day to day repairs.

Co-op Homes' gearing and interest cover ratios also indicate a greater capacity for debt and interest cost compared with other small housing associations. We have an £8m inter-company revolving credit facility of which £2m has been utilised for The Fountain Development, the remaining £6m will fund our development at Carnwath Road. The intercompany loan agreement has been reviewed as part of our treasury strategy. This has been restated, and further review is expected to take place in 2030.

Measuring Value for Money

Co-op Homes operates in a competitive market in the provision of management services to housing co-ops and other organisations. To retain and attract new customers, Co-op Homes must offer an excellent service at competitive prices - this means that offering VfM is integral to our success.

The table below shows our financial performance for the managed services part of our business compared with a competitor. Sector Scorecard data is not available for this business stream.

Managed Services	**CHS 25/26**	**CHS 24/25**	**Peer 1 24/25**
Turnover £000	1,637	1,408	1,568
Margin	-1.89%	0.21%	10.20%
Units in management	1,141	1,143	1,517

Client turnover increased towards the end of the year which was balanced by increased turnover from fees. We are currently mobilising a new client which will help recover the position on the margin for future years. The margin for the peer comparator was also boosted by property disposal.

Overall operating results – Owned stock			**CHS 25/26**	**CHS 24/25**	**Sector scorecard 24/25**
Management	cost per unit	£	1,519	1,264	536
Routine repairs	cost per unit	£	1,888	1,524	901
Major repairs	cost per unit	£	2,266	1,727	1,040

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Report of the Board (continued)

Measuring Value for Money (continued)

We recognise that cost per unit is higher than our peers, but this is necessary to ensure residents have a safe, secure and well maintained home whilst at the same time ensuring best value in the use of public funds. We are also keen to avoid a backlog of stock investment leading to higher responsive repair costs and disrepair claims.

To ensure that we can continue to maintain our properties to a good standard and deliver high quality services, our Board has concluded that it is necessary to increase our rent in line with the Regulator of Social Housing's guideline, announced by the government in September 2025, of 4.8% for the forthcoming year. We remain mindful of our customers' economic circumstances and will continue to offer support and signposting to help them to manage their finances.

Delivering VfM is embedded within Co-op Homes' culture. The Board has a continued commitment to VfM and seeks to continually improve our cost per unit within our owned stock. We also seek to sustainably grow the management services we deliver by winning work we can deliver successfully.

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Report of the Board (continued)

Statement of responsibilities of the Board for the report and financial statements

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

The Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Societies legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the organisation for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply these consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and, that the financial statements have been prepared in accordance with housing SORP: 2018 Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, 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 organisation will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Co-op Homes and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

It is also responsible for safeguarding the assets of Co-op Homes and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Board is aware:

- there is no relevant audit information of which Co-op Homes' auditor is unaware; and
- the Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Internal controls assurance

The Board acknowledges its overall responsibility for monitoring the effectiveness of the internal control system for the organisation. It is supported by three committees, the Group Audit and Risk Committee, the Governance and People Committee and the Group Investment Committee with one member of the Board as a member of the first two committees.

The Group Audit and Risk Committee is responsible for overseeing internal and external audit, and for providing advice to the Co-op Homes Board on the effectiveness of the systems of internal controls, any major failures in the control assurance framework, and the arrangements for the management of risk.

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Report of the Board (continued)

Internal controls assurance (continued)

The Group Audit and Risk Committee is responsible for the detailed scrutiny of Co-op Homes' financial planning and treasury management, reporting any areas of concern to both boards.

The purpose of the Group Governance and People Committee is to ensure best practice governance arrangements and to keep under review the reward and engagement strategies.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss. The process for identifying, evaluating and managing the significant risks faced by Co-op Homes is on-going and has been in place throughout the period commencing 1 April 2025 up to the date of approval of the report and financial statements. Key elements in the control framework include:

- Board approved the Governance Framework and delegated authorities.
- Clearly defined management responsibilities for the identification, evaluation, and control of significant risks.
- Robust strategic and business planning processes, with detailed financial budgets and forecasts.
- Formal recruitment, retention, training and development policies for all employees.
- Established authorisation and appraisal procedures for significant new initiatives and commitments.
- A robust approach to treasury management which is subject to external review each year.
- Regular reporting to both the Co-op Homes and RHP boards on key business objectives, targets and outcomes.
- Group-wide board approved whistle-blowing and anti-theft and corruption policies.
- Group-wide board approved fraud policies covering prevention, detection and reporting and recoverability of assets.
- Regular monitoring of loan covenants and requirements for new loan facilities.

The Co-op Homes Board has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

The Board confirms that Co-op Homes has on-going processes for identifying, evaluating and managing significant risks faced by the company. This process has been in place throughout the year under review and up to the date these accounts have been approved.

Code of Governance

During the year, the Board carried out a review of its governance arrangements and assessed its compliance with the National Housing Federation (NHF) Code of Governance (2020). The Board confirms compliance with the code.

Statement of Compliance

In accordance with the requirements of the Accounting Direction 2019, the Board certifies that Co-op Homes has complied with the requirements of the Regulator of Social Housing Governance and Financial Viability Standard.

Report of the Board (continued)

The Board and executive officers

The Board and senior leadership team of Co-op Homes are as follows:

Board

Katharine Hibbert	Chair
Maame-Yaa Bempah	
Naresh Aggarwal	
Jacqueline Lodge	
Justin McCarthy	
Fiona McAusian	Appointed 19 March 2026
Isabelle Parasram OBE	Appointed 19 March 2026

The board are insured under Co-op Homes Directors' and officers' liability insurance policy.

Going concern

After making enquiries, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed.

Co-op Homes has a 5-year intercompany revolving credit facility from 28 March 2025, expiring in 2030. This is being used to fund development activities. The business plan indicates that refinancing is required at the end of the facility term however it is expected that Co-op Homes will be able to secure new funding using newly developed homes and existing stock to offer as security.

Co-op Homes has extensively stress tested its Business Plan, which is updated every 12 months, for material shortages, increases in inflation and interest rates causing cost pressures on its operations and potential development activity. In all scenarios tested, after mitigating actions were considered, Co-op Homes continues to be financially viable for the 30-year scope of the plan. Therefore, the Board continues to adopt the going concern basis in the financial statements.

External auditors

A resolution to reappoint PKF Littlejohn as auditors of the Association will be proposed at the forthcoming Annual General Meeting.

By order of the Board.

Signed by:
Katharine Hibbert
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Katharine Hibbert
Chair
Approved by the Board 12th August 2026

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CO-OP HOMES (SOUTH) LIMITED

Opinion

We have audited the financial statements of Co-Op Homes (South) Limited (the 'association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the Statement of Responsibilities of the Board, 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 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 is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the association and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research, cumulative audit knowledge and application of experience of the sector.

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- We determined the principal laws and regulations relevant to the association in this regard to be those arising from the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, employee legislation, tax legislation, and health and safety laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the association with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, review of legal correspondence and communications with the Regulator.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to indicators of impairment of tangible assets; useful economic lives of assets; and assumptions within the calculation of pension liabilities.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilitieshttp://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor's-responsibilities-forhttps://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1). This description forms part of our auditor's report.

Use of our report

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

PKF Littlejohn LLP

PKF Littlejohn LLP
Statutory auditor
9 September 2026

30 Churchill Place
London
E14 5RE

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2026

Statement of Comprehensive Income			
	Notes	**2026**	**2025**
		£000's	**£000's**
Turnover	3	4,457	4,188
Operating costs	3	(3,921)	(3,523)
Operating surplus	3 & 9	**536**	**665**
Interest receivable		-	-
Interest payable and similar charges	7	(180)	(209)
Surplus before tax		**356**	**456**
Taxation	8	-	-
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme	15 (e)	40	13
Total comprehensive income for the year		**396**	**469**

The notes on pages 16 to 32 form part of these financial statements.

All amounts relate to continuing activities.

Statement of Changes in Reserves

	Note	2026	2025
		£000's	**£000's**
Income and expenditure account reserve at 1 April		11,975	11,506
Actuarial loss on defined benefit pension scheme	15 (e)	40	13
Surplus on ordinary activities		356	456
Income and expenditure account reserve at 31 March		**12,371**	**11,975**

The notes on pages 16 to 32 form part of these financial statements.

Statement of Financial Position					
	Notes	**2026**		**2025**	
		£000's	**£000's**	**£000's**	**£000's**
Tangible fixed assets					
Housing properties	10	24,844		24,477	
Other tangible fixed assets	11	34		16	
			24,878		24,493
Current assets					
Debtors	12	1,013		1,242	
Cash at bank and in hand		1,963		1,377	
		2,976		2,619	
Creditors					
Other amounts falling due less than one year	13	(1,492)		(888)	
Net current assets			1,484		1,731
Creditors: amounts falling due more than one year	14		(13,762)		(13,896)
Net pension liability	15 (a)		(214)		(338)
Provisions for liabilities	16		(15)		(15)
Total net assets			**12,371**		**11,975**
Capital and reserves					
Share capital	18	-		-	
Income and expenditure reserve		12,371		11,975	
			12,371		**11,975**

The notes on pages 16 to 32 form part of these financial statements.
These financial statements were authorised and approved by the Board and signed on its behalf by:

Signed by:
Katharine Hibbert
95DE0782FA814F2...
Katharine Hibbert
Chair

Signed by:
Abigail Robson
C68CE623F872459...
Abigail Robson
Company Secretary

Signed by:
Steven Wild
83662BBAED9B4E7...
Steven Wild
Managing Director

Date of approval: 12th August 2026

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Notes to the financial statements

1. Legal status

Co-op Homes is registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014 and is a registered housing provider. It is a public benefit entity.

2. Accounting policies

Basis of accounting
The financial statements have been prepared under the historic cost basis in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. The Financial Reporting Council (FRC) has published amendments to FRS102 which are mandatory for accounting periods beginning on or after 1 January 2026. Co-Op Homes (South) Limited has elected not to early adopt these revisions. Management is assessing the impact on the financial statements regarding the recognition of lease commitments on the balance sheet and the impact of revenue recognition for service charge income and management fee income following the five-step revenue model.

Disclosure Exemptions
Advantage of the following exemptions available through FRS102 has been taken:

- No Statement of Cash Flows has been prepared as the parent, RHP, prepares publicly available consolidated financial statements.

Going Concern
Co-op Homes prepares a long-term business plan which is tested against various adverse scenarios. This is now prepared every 6 months, due to the current economic uncertainty. The results of this testing indicate that Co-op Homes has sufficient resources to continue with day-to-day activities as well as the re-investment programme and planned development activity and is unconstrained by lenders' covenants.

Co-op Homes has a 5-year intercompany revolving credit facility from 28 March 2025, expiring in 2030. This is being used to fund development activities. The business plan indicates that refinancing is required at the end of the facility term however it is expected that Co-op Homes will be able to secure new funding using newly developed homes and existing stock to offer as security.
On this basis, the Board has a reasonable expectation that Co-op Homes has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, we continue to adopt the going concern basis in the financial statements.

Significant judgements and estimates
The following are the significant management judgements or estimates made in applying the organisation's accounting policies that have the most significant effect on the financial statements.

<u>Useful lives of depreciable assets</u>
Co-op Homes reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standards and regulatory requirements which may require more frequent replacement of key

Notes to the financial statements (continued)

2. Accounting policies (continued)

components. As at 31 March 2026, the carrying amount of the housing properties was £24,844k (2025: £24,477k) and the accumulated depreciation was £6,011k (2025: £5,645k).

Significant judgements and estimates (continued)

Impairment review
There have been no events to trigger an impairment review that have been identified for the year ended 31 March 2026.

Defined benefit obligation
Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rate of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as shown in note 15). The net defined benefit pension liability at 31 March 2026 was £214k (2025: £338k).

Loans with National Westminster Bank plc
Co-op Homes has one loan with National Westminster Bank plc (previously Orchardbrook) totalling £79k (2025: £79k). Co-op Homes has still been unable to obtain full details of the loan agreements to definitively determine how to account for the loans under FRS102. Based on the loan characteristics Co-op Homes considers the loans can be basic under FRS102 and has accounted for them on this basis in the financial statements.

Turnover
Turnover comprises rental income receivable in the year and fees for management services provided to other housing co-ops and customers. Fee income is recognised as the underlying work is undertaken in accordance with contractual arrangements. Rental income is recognised from the point when properties under development reach practical completion and are formally let. The rental income receivable is recognised in the period to which it relates.

Value added tax (VAT)
Co-op Homes charges VAT on the fees charged to housing co-ops and other customers and can recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the organisation and not recoverable from HM Revenue and Customs. As Co-op Homes is part of a VAT Group with its parent, RHP, the balance of VAT payable or recoverable at the year-end is included within amounts due to parent company (Note 13).

Debtors
Short term debtors are measured at transaction price less any impairment.

Creditors
Short term trade creditors are measured at transaction price.

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

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Notes to the financial statements (continued)

2. Accounting policies (continued)

Pensions
Co-op Homes participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). However, this scheme is closed for any new employees and future accrual. Under defined benefit accounting the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Housing properties
Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Government grants
Government grants include grants receivable from local authorities and other government organisations. Government grants received for housing properties are recognised as income over the lower of 100 years or the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accrual concept.

Social Housing Grants (SHG) receivable or received in advance are included as a liability. SHG received in respect of revenue expenditure would be credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the relevant government organisation. SHG released on sale of a property may be repayable but is normally available to be recycled. There is currently no Recycled Capital Grant Fund.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Depreciation of housing properties
Co-op Homes separately identifies the major components which comprise its housing properties and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group's housing properties held on leases are amortised over the life of the lease or their estimated useful lives in the business if shorter. Housing properties are split between the structure and the major components which require periodic replacement.

Co-op Homes depreciates the major components of its housing properties over the following useful lives:

Structure	100 years
Walls	50 years
Roofs	50 years
Kitchens	20 years
Bathrooms	30 years
Windows	30 years
Doors	30 years
Boilers	15 - 20 years

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

Impairment
Housing Properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the carrying value is written down to the recoverable amount. The resultant impairment loss is recognised as operating expenditure. Where the scheme is currently deemed not to be providing service potential to Co-op Homes, its recoverable amount is its fair value less costs to sell.

Co-op Homes 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.

Temporary social housing improvements
Co-op Homes renovates leased properties using temporary social housing grant, which comprises works and lease elements. On receipt, the grant is deferred and then taken to development income over the course of the renovation works.

For schemes in progress, the excess of grant received over works cost plus attributable direct cost and the surplus recognised, is shown as a current liability. If scheme costs exceed grant received the excess is shown as development in progress within current assets. Surplus is only recognised where the outcome of the scheme is reasonably certain.

On completion of the renovation works the excess of grant received over costs is deferred and amortised to the income and expenditure account over the period of the lease.

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Notes to the financial statements (continued)

2. Accounting policies (continued)

Temporary social housing improvements (continued)
For schemes where costs exceed grant received the investment is capitalised as temporary social housing improvements provided that there is expected to be sufficient rental income over the period of the lease to meet the cost of depreciation. If there is expected to be any shortfall in rental income the excess costs are written off immediately.

Other tangible fixed assets
Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. Estimated useful lives are as follows:

Temporary social housing improvements -	period of lease
Office furniture and equipment -	4 years

Capitalisation of finance costs
Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings specifically financing the development programme after deduction of interest on SHG in advance; or
- interest on borrowings of the association after deduction of interest on SHG in advance to the extent that it can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year incurred.

Operating leases
Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the lease.

Dilapidation costs
Co-op Homes' leases for temporary social housing properties contain repair covenants relating to the upkeep of the properties. These lease covenants can give rise to dilapidation works or claims during or at the end of the related lease. Co-op Homes accounts for these costs in accordance with FRS 102 (provision and contingencies) which requires a provision to be recognised when there is an obligation at the reporting date regarding wants of repair at the related property. Co-op Homes makes provision for the expected cost of dilapidation work required. The provision is shown as a provision for liabilities in the financial statements.

Taxation
The tax expense for the period would comprise current tax, if applicable. The current income tax charge would be 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 operates and generate taxable income. Due to the charitable status of the company no tax charge is applicable, though a calculation has been prepared on note 8.

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Notes to the financial statements (continued)

Financial assets and liabilities

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recorded at transaction price less issue costs. Subsequent measurement depends on the designation of the instrument as follows: Bonds, loans, short term borrowings and overdrafts are held at amortised cost where they meet the relevant criteria of section 11 of FRS102.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at the undiscounted value of amounts expected to be received. Any losses arising from impairment are recognised in the income statement in other operating expenses.

3. Turnover, operating costs and operating surplus before tax and interest

	2026			2025		
	Turnover	**Operating costs**	**Operating surplus**	**Turnover**	**Operating costs**	**Operating surplus**
	£000's	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Social Housing Lettings (note 4)	2,820	(2,184)	636	2,780	(2,076)	704
Other social housing activities						
New business development	-	(69)	(69)	-	(42)	(42)
Management fees	1,637	(1,668)	(31)	1,408	(1,405)	3
	4,457	(3,921)	536	4,188	(3,523)	665

4. Income and expenditure from social housing lettings

	Permanent accommodation	**Temporary social housing**	**Total**	**Total**
			2026	**2025**
	£000's	**£000's**	**£ 000's**	**£ 000's**
Rent receivable	2,510	5	2,515	2,473
Service charges receivable	171	-	171	173
Amortisation of Capital Grant (Note 17)	134	-	134	134
Other income	-	-	-	-
Turnover from social housing lettings	2,815	5	2,820	2,780

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4. Income and expenditure from social housing lettings (continued)

Expenditure on lettings

	Permanent	Temporary social housing	Total	Total
			2026	2025
	£000's	£000's	£ 000's	£ 000's
Rents payable	11	7	18	21
Services	121	2	123	129
Management	705	-	705	589
Routine maintenance	586	3	589	455
Planned maintenance	134	-	134	250
Loss on disposal of property components	90	-	90	200
Depreciation of housing properties	473	-	473	457
Rent losses from bad debts	1	-	1	2
Other	50	1	51	(27)
Operating costs on social housing lettings	2,171	13	2,184	2,076
Operating surplus / (deficit) on lettings	644	(8)	636	704
Void losses	32	11	43	55

5. Key management personnel emoluments

The company defines the key management personnel to include the Board members, the Managing Director, and the senior management team.

	2026	2025
	£000's	£000's
Aggregate emoluments of the senior management team	466	406
Pension Contribution	30	27
Emoluments of the highest paid director (include benefits in kind)	95	109
Pension contributions of the highest paid director (Executive)	9	-
Aggregate emoluments of the Board members	16	17

Notes to the financial statements (continued)

6. Employees

	2026	2025
Average monthly number of employees expressed as full time equivalent (calculated based on standard working week of 36 hours) during the year was:	**Number**	**Number**
Office staff	26	25

	2026	2025
Employee costs (for the above persons):	**£000's**	**£000's**
Wages and salaries	1,257	1,179
Social security costs	165	127
Pension costs & expenses – defined benefit (note 15. d)	5	4
Pension costs – other pension costs	103	89
	1,530	1,399

The number of full-time employees who received remuneration (excluding employer pension contribution) greater than £60,000 (including senior management team):	2026	2025
£60,001 to £70,000	2	4
£70,001 to £80,000	1	-
£80,001 to £90,000	1	-
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1

7. Interest payable and similar charges

	2026	2025
	£000's	**£000's**
On loans repayable in one to five years	157	181
On loans repayable in more than five years	7	9
Unwinding of discount rate assoc. with pension liability (note 15.d)	16	19
	180	209

Interest of £135k has been capitalised in the year (2025: £69k). Included in the above is £157k (2025: £181k) of parent company (Richmond Housing Partnership) loan interest and commitment fees.

8. Taxation

	2026 £000's	2025 £000's
Surplus on ordinary activities before tax	356	456
Corporation tax at rate of 25% (2025: 25%)	89	114
Exemption from corporation tax	(89)	(114)
Current tax charge for the year	-	-

Notes to the financial statements (continued)

9. Operating surplus

	2026	2025
	£000's	£000's
Is stated after charging:		
Depreciation - other fixed assets	4	3
Depreciation - social housing properties	473	457
Loss on disposal of components	91	130
Auditor's remuneration (in their capacity as auditors)	24	23
Amounts payable under operating leases	5	9

10. Tangible Fixed Assets – Social Housing Properties

	Under Construction	Social housing properties for letting	Total
	£000's	£000's	£000's
Cost			£
At 1 April 2025	796	29,326	30,122
Additions	207	724	931
Transfer to completed properties	-	-	-
Disposals of components	-	(198)	(198)
At 31 March 2026	1,003	29,852	30,855
Depreciation			
At 1 April 2025	-	(5,645)	(5,645)
Charge for the year	-	(473)	(473)
Disposal of components	-	107	107
At 31 March 2026	-	(6,011)	(6,011)
Net book value			
At 31 March 2026	1,003	23,841	24,844
At 31 March 2025	796	23,681	24,477

The above cost relates to Co-op Homes' 310 owned units (2025: 310). The managed units' details are shown in note 24.

Notes to the financial statements (continued)

10. Tangible Fixed Assets – Social Housing Properties (continued)

	2026	2025
Expenditure on works to existing properties	£000's	£000's
Components capitalised	724	646
Amounts charged to the Income and Expenditure account	134	249

Housing properties book value net of depreciation	2026	2025
	£000's	£000's
Freehold land and buildings	22,767	22,347
Long leasehold land and buildings	2,077	2,130
	24,844	24,477

11. Other Tangible Fixed Assets

	Temporary social housing improvements	Office furniture & equipment	Total
	£000's	£000's	£000's
Cost			
At 1 April 2025	100	197	297
Additions	-	22	22
At 31 March 2026	100	219	319
Depreciation			
At 1 April 2025	95	186	281
Charge for the year	-	4	4
At 31 March 2026	95	190	285
Net book value			
On 31 March 2026	5	29	34
At 31 March 2025	5	11	16

12. Debtors

	2026	2025
	£000's	£000's
Amounts receivable within one year:		
Rental and service charges receivable	270	304
Less: provision for bad and doubtful debts	(196)	(195)
	74	109
Other debtors	760	1,004
Prepayments	179	129
	1,013	1,242

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Notes to the financial statements (continued)

13. Creditors: amounts falling due within one year	**2026**	**2025**
	£000's	**£000's**
Loans	-	-
Trade creditors	154	60
Amount due to parent company	310	39
Prepaid rent	103	87
Other creditors	654	263
Accruals and deferred income	138	305
Housing grant to be released within 1 year	133	134
	1,492	888

14. Creditors: amounts falling due after one year	**2026**	**2025**
	£000's	**£000's**
Deferred temporary social housing grant	3	4
Loans	4,529	4,529
Social Housing Grant (Note 17)	9,230	9,363
	13,762	13,896
Loan Analysis		
Due within one year (Note 13)	-	-
Due more than one year but less than two years	1	1
Due between two and five years	4,453	4,453
Due more than five years or more	75	75
	4,529	4,529
Housing loans by lenders:		
National Westminster Bank plc	79	79
Richmond Housing Partnership (inter group loan)	4,450	4,450
	4,529	4,529

Co-op Homes has arranged a £8m intercompany revolving facility with its parent, RHP, available from 28 March 2025, expiring 2030. This revolving credit facility will be used to support development activity and is secured by a floating charge over the company's existing and future housing properties. When funds are drawn, they will attract a margin of 1.51% and undrawn funds incur a commitment fee of 0.604%. £4.45m of the revolving credit facility has been drawn to support development activities.

The NatWest Loan is secured by a fixed charge on selected properties owned by the company. Interest is charged at rates ranging from 1.12% to 10.38%.

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Notes to the financial statements (continued)

15. Pension

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

	2026	2025
	£000's	£000's
Fair value of plan assets	1,813	1,843
Present value of defined benefit obligation	(2,027)	(2,181)
Net defined benefit liability to be recognised	(214)	(338)

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

	2026	2025
	£000's	£000's
Defined benefit obligation at start of period	2,181	2,312
Expenses	5	4
Interest expense	121	110
Actuarial gains due to scheme experience	(136)	96
Actuarial gains due to changes in demographic assumptions	22	-
Actuarial losses/(gains) due to changes in financial assumptions	(27)	(221)
Benefits paid and expenses	(139)	(120)
Defined benefit obligation at end of period	2,027	2,181

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

	2026	2025
	£000's	£000's
Fair value of plan assets at start of period	1,843	1,878
Interest income	105	91
Loss on plan assets (excluding amounts included in interest income)	(101)	(112)
Contributions by the employer	105	106
Benefits paid and expenses	(139)	(120)
Fair value of plan assets at end of period	1,813	1,843

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 March 2026 was (£27,000) (2025: £221,000).

Notes to the financial statements (continued)

15. Pension (continued)

d. Defined benefit costs recognised in statement of comprehensive income

	2026 £000's	2025 £000's
Expenses	5	4
Net interest expense	16	19
Defined benefit costs recognised in statement of comprehensive income	21	23

e. Defined benefit costs recognised in other comprehensive income

	2026 £000's	2025 '000's
Loss on plan assets (excluding amounts included in net interest cost)	(101)	(112)
(Loss)/Gain arising on the plan liabilities	136	(96)
Gain due to changes in the demographic assumptions	(22)	-
(Loss)/Gain due to changes in the financial assumptions	27	221
Total amount recognised in other comprehensive income	40	13

f. Assets

	2026 £000's	2025 £000's
Global Equity	201	206
Liquid Alternative	323	342
Insurance -Linked Securities	3	6
Property	88	92
Private Equity	4	2
Real Asset	171	221
Private Credit	219	225
Credit	72	70
High Grade Credit	107	57
Cash	-	25
Long Lease Property	-	1
Secured Income	55	31
Liability Driven Investment	552	558
Currency Hedging	-	3
Net Current Assets	18	4
Total assets	1,813	1,843

Notes to the financial statements (continued)

15. Pension (continued)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

g. Key assumptions

	2026	**2025**
	% per annum	**% per annum**
Discount Rate	6.02%	5.73%
Inflation (RPI)	3.33%	3.13%
Inflation (CPI)	3.02%	2.76%
Salary Growth	4.02%	3.76%

Cash commutation	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

Defined Benefit Pension Scheme

The company 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 completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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Notes to the financial statements (continued)

15. Pension (continued)

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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the company’s fair share of the Scheme’s total assets to calculate the company’s net deficit or surplus.

16. Provision for liabilities

	2026	**2025**
	£000’s	**£000’s**
At 1 April	15	15

This provision is the estimated amount of fulfilling the obligations of the short life property leases.

17. Social Housing Grant

	2026	**2025**
	£000’s	**£000’s**
At 1 April	9,497	9,631
Released to income for the year	(134)	(134)
At 31 March	9,363	9,497
Amount to be released within one year (Note 13)	(133)	(134)
Amounts to be released within more than one year (Note 14)	(9,230)	(9,363)

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Notes to the financial statements (continued)

18. Non equity share capital	**2026**	**2025**
	£	**£**
Shares at £5 each issued and fully paid:		
At 1 April	250	250
Issued during the year	-	-
Cancelled during the year	-	-
At 31 March	250	250

Shareholders have a right to vote at general meetings; there are no other rights attached to the shares.

When a shareholder ceases to be a member, that person's share is cancelled, and the amount paid up thereon becomes the property of the company. All shareholdings relate to non-equity interests.

19. Related party transactions

Co-op Homes provides management services to several primary housing co-operatives. These housing organisations are members of Co-op Homes and up to four Board places are available for their tenants as well as up to four Co-op Homes tenant members. In relation to these housing co-ops, the company received £1,637k (2025: £1,408k) for management services during the year. At 31 March 2026 there were no Co-op Homes tenant members on the Board.

As detailed in Note 14, Co-op Homes had arranged a £8m revolving loan facility with the parent, RHP, and £4.5m had been drawn at the year end, which attracted £260k (2025: £250k) interest and loan commitment fee cost during the year.

In addition, Co-op Homes shares office premises, ICT services, HR services and other costs with its parent. Charges for these services during the year amounted to £130k (2025: £408k).

20. Financial assets and liabilities

Intercompany loan

The loan facility was restated in March 2025. The current loan drawdown from RHP is £4.5m. This facility includes a covenant that Co-op Homes will, on demand, pay and discharge the secured liabilities as and when they fall due. The current loan balance is due for repayment in 2030.

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Notes to the financial statements (continued)

21. Contingent liabilities

The company participates in the Social Housing Pension Scheme (SHPS), a multiemployer scheme which provides benefits to some 500 non-associated employers. SHPS is administered by The Pensions Trust (TPT) who have undertaken an historical review of the application of benefits and have concerns about the application of changes in inflation on payments and revaluation and have applied to the courts for a review of their historical approach. Wider developments in pensions law resulted in changes to the questions the Court was asked to consider. The judgment is expected during 2026.

22. Commitments under operating leases

As at 31 March 2026 the company had minimum future payments under operating leases in respect of housing land and buildings as follows:

	2026	**2025**
	£000's	**£000's**
Within one year	2	2
Between one and five years	4	5
After five years	-	-
	6	7

These commitments relate to 1 (2025: 1) accommodation unit. There is a rolling agreement for the rental of office accommodation at a cost of £36k pa. to be reviewed periodically.

23. Commitments relating to assets under construction

Commitments contracted but not yet provided for:

	2026	**2025**
	£000's	£000's
Construction or purchase of housing properties	5,000	5,100

24. Units in management

	2026	**2025**
	No.	No.
Permanent accommodation	310	310
Short-life accommodation	1	1
Managed accommodation for affiliated Co-ops	1,141	1,143
	1,452	1,454

These units in management are all general needs housing with rent at a social rent.

25. Parent company

The consolidated accounts of the parent company, RHP Group, are publicly available and can be obtained from 8 Waldegrave Road, Teddington, TW11 8GT or www.rhp.org.uk.