

BROMFORD HOUSING ASSOCIATION LIMITED

Financial Statements

for the year ended 31 March 2025

**Co-operative and Community Benefit Society
Registration Number 7106**

**Regulator of Social Housing
Registration Number 4819**

Bromford Housing Association Limited

Financial Statements

For the year ended 31 March 2025

Contents	Page
General information	2
Board and Strategic report	3
Independent Auditor's Report	21
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Movement in Reserves	28
Statement of Cash flows	29
Notes to the Financial Statements	30

Bromford Housing Association Limited

General Information

For the year ended 31 March 2025

Board Members as at 31 March 2025:

The board members who served from 1 April 2024 up to the date of approval of these financial statements were as follows:

	Position	Meetings attended 2024/25
Steve Dando (resigned 27 Feb 2025)	Independent Non-Executive Director Chair	12/12
Peter Hawes (appointed 28 Feb 2025)	Independent Non-Executive Director Chair	2/2
Richard Bird	Independent Non-Executive Director	14/14
Dame Sandra Horley	Independent Non-Executive Director	13/14
Charles Hutton-Potts	Independent Non-Executive Director	14/14
Neil Rimmer	Independent Non-Executive Director	14/14
Jerry Toher	Independent Non-Executive Director	11/14
Robert Nettleton	Chief Executive	14/14
Paul Walsh	Chief Finance Officer	14/14
Celia Tredget (appointed 28 Feb 2025)	Independent Non-Executive Director	2/2
Steven Barford (appointed 28 Feb 2025)	Independent Non-Executive Director	2/2
Emma Barton (appointed 28 Feb 2025)	Independent Non-Executive Director	2/2
Roger Lee (appointed 28 Feb 2025)	Independent Non-Executive Director	2/2
David Armstrong (appointed 28 Feb 2025)	Chief Operating Officer	2/2

Meetings attended reflects the number of board meetings that were attended by each board member out of the total number of board meetings they were eligible to attend.

Company Secretary
Sarah Beal

Advisors:

External Auditors:

Beever and Struthers
The Colmore Building
20 Colmore Circus
Queensway,
Birmingham, B4 6AT

Business Assurance Provider:

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol BS2 0FR

Banker:

Barclays Bank plc
15 Colmore Row
Birmingham B3 2BH

Taxation Advisor:

Deloitte LLP
Four Brindley Place,
Birmingham,
B1 2HZ.

Registered office:

Shannon Way, Ashchurch, Tewkesbury, GL20 8ND

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

The board of Bromford Housing Association Limited ('BHA') is pleased to present its annual report and financial statements for the year ended 31 March 2025.

Who are we and what do we do?

BHA is a subsidiary of Bromford Flagship Limited ('BFL'). It is a Registered Provider of Social Housing and a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

We exist to provide affordable homes for people who can't access market housing. We believe in providing safe, secure and warm homes, but we're ultimately a people business. Not only do we care about what happens to people that live in our homes, we want people to thrive.

That's why our purpose is simple and honest: *Enabling people to thrive.*

Bromford Flagship is a housing group – one that owns over 82,000 homes, has individual relationships with more than 170,000 customers and has a very strong balance sheet.

BHA's principal activities are to develop and manage affordable homes for sale, rent or shared ownership and to provide a range of services that help customers to thrive.

Our board – who are they and what do they do?

BFL is the parent company of BHA. Under the group's Governance Framework, BHA delegates matters of governance and financial authority to the BFL board (the board).

The BFL board's role is to set and uphold Bromford Flagship's strategy and values and to make sure that effective leadership and sufficient resources are in place for the group to achieve its strategic aims and objectives. The board monitors and tests performance in relation to approved plans and budgets and is also responsible for determining risk appetite, to make sure good governance and decision-making is taking place. It promotes and supports our probity and values and ensures there are succession plans for board members and the senior team. The group's day-to-day leadership is delegated to the Chief Executive.

Board composition, meetings, decisions and delegations

Bromford Flagship Limited operates a group structure with coterminous boards across the five main entities – the parent – Bromford Flagship Limited and our main operating subsidiaries Bromford Housing Association (BHA), Merlin Housing Society (MHS), Flagship Housing (FHL) and Bromford Home Ownership (BHO). The membership of all entities is the same except for BHO where two members, Charles Hutton Potts and Roger Lee are not members. This is in line with our group Conflicts of Interest Policy and protects the charitable interests of BFL, BHA, FHL and MHS. All members of the board, executive and non-executive make decisions by working together and achieving a general consensus. Certain board members are also directors of the other subsidiaries in the group.

The board met 14 times in 2024 to 2025. Each board meeting has a planned agenda which allows enough time to discuss both strategic and operational matters and includes consideration of performance and risk management.

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

Board effectiveness

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

Each year the board carries out a formal evaluation of board, committee and individual director performance. At least every three years, as recommended by the code, this evaluation is facilitated by an external advisor to provide an

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

independent perspective. The last independent review was carried out by Campbell Tickell during 2023 to 2024 and no material matters of concern were identified. Altair have been asked to undertake a further review and will report in the summer of 2025.

Board and Committee decision-making

Although there is a coterminous board, the individual entities make decisions as appropriate. To retain control of key decisions and to provide a clear division of responsibility the board and the other registered providers in the group have identified 'reserved matters' that only those boards can approve. Other matters, decision making and otherwise, have been delegated by the boards to the board committees and panels. Any matters outside of these delegations fall within the chief executive's responsibility and authority.

Over the past 12 months we have reviewed our committee and panel structure to ensure that we can deliver at scale and pace and that the board has a direct line of sight to the voice of our customers. We have implemented customer led scrutiny, the outputs of which will be monitored by the Audit and Risk Committee.

The board and each committee or panel receive sufficient, reliable and timely information in advance of meetings and are provided with or are given access to all the necessary resources and expertise to enable them to undertake their duties in an effective manner. Further details about the committee and panel structure is included in the BFL annual report and accounts.

Audit and Risk Committee

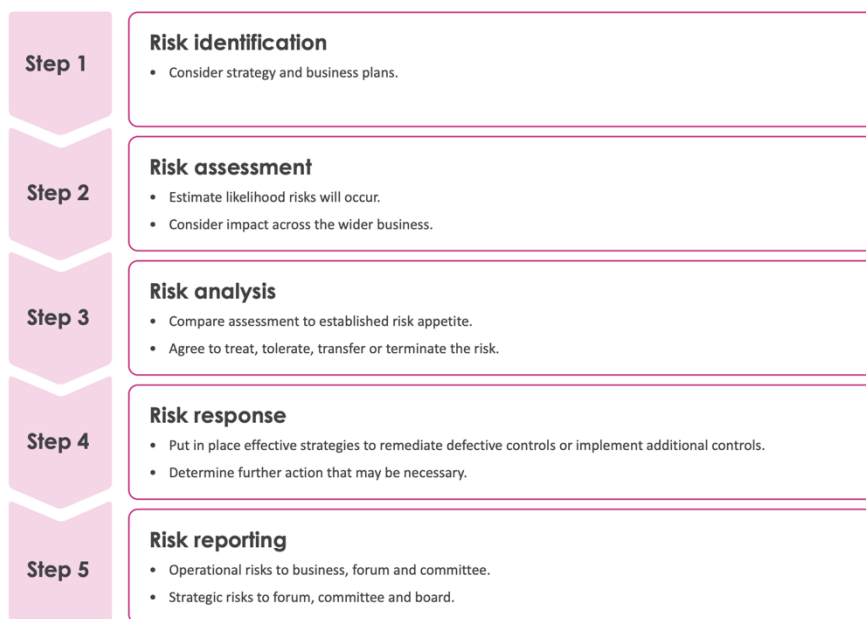
The committee provides oversight and advice to the board on the matters listed in its terms of reference including the monitoring of the integrity of financial reporting, the audit process and Bromford Flagship's systems of internal control. The committee also oversees risk management and compliance, including landlord health and safety. The committee makes recommendations to the board on the level of risk appetite acceptable to the organisation. The committee is authorised to seek external legal or other independent professional advice but did not need to do so during the year. The committee did consider the work of corporate advisors and specialists regarding material risk, governance and control aspects as part of board oversight. The committee has the opportunity to hold private discussions with the internal and external auditors without management present. The committee chair regularly holds one-to-one meetings with the chief risk officer, chief finance officer, head of internal audit and external auditor to better understand any areas for concern or issues.

Risk management

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

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

**Board and Strategic Report
For the year ended 31 March 2025**



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

Risk appetite






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

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

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

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

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

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

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

**Board and Strategic Report
For the year ended 31 March 2025**

Our principal risks

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

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

Death, injury or harm		Direction of travel: static
Risk: Our approach to health and safety lacks robust controls and oversight. This results in death, injury or harm caused to colleagues, customers, contractors or the public.		
Risk mitigations: <ul style="list-style-type: none"> a well-established health and safety policy and framework sets out no one should be harmed by what we do audit and risk committee and board receive independent assurance from technical experts throughout the year monitoring of our supply chain to ensure safe practice Safety Hub, our dedicated health and safety software allows real time recording of incidents and near misses to allow prompt review and analysis external health and safety provider for our construction subsidiary (BDL) 		Changes in year <ul style="list-style-type: none"> updated health and safety policy and landlord compliance policies approved by board new Safety Hub system rolled out across the Midlands and West regions to increase data and insights available to drive continuous improvement new asset and landlord compliance group and health and safety group established to support the work of the executive disclosure committee in overseeing compliance assurance East region has achieved the globally recognised ISO45001 standard

Safeguarding customers and protecting colleague welfare		Direction of travel: static
Risk: We fail to promote the safeguarding of customer and colleague welfare including responding to and identifying allegations or suspicions of neglect or abuse in a timely manner.		
Risk mitigations: <ul style="list-style-type: none"> domestic abuse policy and procedure in place mandatory safeguarding training for front line colleagues safeguarding leads and champions in place across all geographical regions colleagues who are specifically trained as mental health first aiders who act as a point of 		Changes in year <ul style="list-style-type: none"> quarterly safeguarding reporting now embedded operational teams sample audit cases to ensure consistency in reporting, responsiveness and quality following the support of the national Safeguarding Adults Week, reports of safeguarding cases increased, a positive

**Board and Strategic Report
For the year ended 31 March 2025**

contact for anyone who may be experiencing a mental health issue	indicator of the effectiveness of the campaign
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Financial pressures for customers		Direction of travel: static
Risk: Uncertainty with the external environment leads to increased financial pressure for customers.		
Risk mitigations: <ul style="list-style-type: none"> • our coaching approach is designed to support our customers • income management policies in place to support customers 		Changes in year <ul style="list-style-type: none"> • over 38,000 customer reviews completed which includes topics relating to financial wellbeing • additional £22m Warm Homes: Social Housing Fund Wave 3 government grant funding secured to install energy saving measures which will help to reduce energy costs for customers • Hopestead's Hope Funds programme provided 11 homelessness charities with £150,000 of funding • a total of 344 households received support through the HACT (Housing Associations' Charitable Trust) and British Gas funds, with £83,496 distributed to our customers. The scheme aimed to support customers in managing rising energy costs by providing vouchers for fuel expenses.

Cyber security and network controls		Direction of travel: improving
Risk: Failure of infosec controls in our network, applications, infrastructure or devices, results in severe detriment to the group or customers.		
Risk mitigations: <ul style="list-style-type: none"> • dedicated information security team, head of information security and data governance and data protection officer responsible for monitoring information security and cyber threat • mandatory annual cyber security training for all colleagues • all operational and office teams have business continuity and crisis management 		Changes in year <ul style="list-style-type: none"> • external vulnerability and physical penetration test completed • regular phishing tests completed including an executive team whaling exercise, with eLearning refreshers completed where necessary • monthly sessions delivered for the cyber champions to cascade to wider business

**Board and Strategic Report
For the year ended 31 March 2025**

<p>plans in place</p> <ul style="list-style-type: none"> information security management systems aligned to ICO/EIC 27000 standards, with oversight through business forums and audit and risk committee reporting 	<ul style="list-style-type: none"> implemented connection with myNCSC which provides insight and alerts for web and mail checks the Security Operations Centre (SOC) team has been working on data loss prevention policies and data labelling within Microsoft Purview, which will in future automatically label and classify data depending on its confidentiality and sensitivity
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Development and market sales		Direction of travel: static
Risk: Internal and external factors lead to a failure to deliver our new homes programme in line with our strategy.		
<p>Risk mitigations:</p> <ul style="list-style-type: none"> a dedicated forum considers opportunities against strategy to ensure compliance with business policy, tracks programme delivery and monitors the external market for potential impacts minimum return rates approved by the board board approval for developments that exceed a predetermined financial commitment 	<p>Changes in year</p> <ul style="list-style-type: none"> we have delivered 1,770 new homes, of which 1,698 are affordable in our West region one of our biggest regeneration projects to date has been unanimously approved by South Gloucestershire Council which will see 85 energy efficient homes built sales remain strong with a continued focus on shared ownership and supporting customers to increase staircasing 	

Financial planning and performance		Direction of travel: static
Risk: Our financial and resilience planning and/or monitoring fails to mitigate substantial macro-economic or political events.		
<p>Risk mitigations:</p> <ul style="list-style-type: none"> robust financial planning, stress testing scenarios and resilience plans are in place, incorporating plausible macro-economic and political impacts, with close tracking at forum, committee and board level against the financial framework and golden rules 	<p>Changes in year</p> <ul style="list-style-type: none"> frequent revision of the 30- year plan to understand the impacts of risks to our long-term business model including latest economic inputs from our independent advisors and assessment of new regulatory or statutory requirements such as Awaab's Law 30-year plan is subject to a series of single and multi-variant stresses ongoing assessment and monitoring of impact of inflation, interest rate changes and potential 	

**Board and Strategic Report
For the year ended 31 March 2025**

	<p>for rent caps</p> <ul style="list-style-type: none"> • Moody's reaffirmed our credit rating as A2 (stable) • Standard & Poor's reaffirmed as A+ (stable)
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Regulatory reporting		Direction of travel: improving
Risk: We provide delayed, unreliable or incorrect information to the regulator via regulatory returns leading to reputational damage or regulatory intervention.		
<p>Risk mitigations:</p> <ul style="list-style-type: none"> • skilled colleagues collate, review and challenge regulatory returns. We have an effective level of checks and balances of the data submitted to the regulator • we use a Leadership Self-Assessment, asking relevant senior leadership colleagues to complete a self-declaration each year 	<p>Changes in year</p> <ul style="list-style-type: none"> • new risk and regulation group introduced to support the executive disclosure committee, ensuring robust arrangements are in place to respond to regulatory submissions • increased assurance and internal audit overview across second line of assurance for critical regulatory returns, which now feature as part of the assurance map • control framework created to support colleagues in understanding the level of assurance required for each disclosure, including regulatory returns 	

People		Direction of travel: improving
Risk: Failure to lead, retain, recruit and engage colleagues with the right capabilities to deliver our strategy and purpose.		
<p>Risk mitigations:</p> <ul style="list-style-type: none"> • performance management including a talent matrix for our most senior leaders • continued investment in leadership capability and apprenticeships and graduates • a dedicated colleague engagement group, that provides a sounding board to influence, challenge, debate, add value and exchange ideas • a clearly defined Equality, Diversity and Inclusion (EDI) road map developed by our 	<p>Changes in year</p> <ul style="list-style-type: none"> • our first Be.You conference held for all EDI colleague champions to build a forward road map of activity for the year ahead to ensure alignment with our broader EDI ambitions • 77% of colleagues stating this is a great place to work • new colleague competency framework developed ahead of launching in the new financial year • A new London hub has been established to 	

**Board and Strategic Report
For the year ended 31 March 2025**

Be.You group with champion groups embedded in the organisation	attract tech and treasury talent from outside of the operating regions
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Emerging risks

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

		Area	Time horizon
Political and policy volatility	Shifting government priorities, funding mechanisms and housing policy (e.g. rent caps, planning reforms, devolution) as well as government proposals for the creation of new unitary councils in England can rapidly alter the operating landscape, affecting long-term strategy and investment decisions and the ability to secure debt at rates which allow for sustainable investment in new and existing homes.	Political	Short – medium term
Climate resilience of housing stock	Increased frequency of flooding, storms and heatwaves poses long-term risks to housing stock resilience, insurance availability and customer wellbeing. Decarbonisation targets and the scale, cost and technical complexity of retrofitting older homes, especially with unclear long-term funding, poses a challenge to viability and delivery.	Environmental	Long term
Demographic shifts	An ageing population and rising complexity of customer needs will drive demand for adaptable, supported housing models, requiring long-term redesign of housing strategies and more partnerships with areas such as health and social care providers.	Social	Long term

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

Internal audit

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

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

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

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

Significant issues considered by the audit and risk committee for the year ended 31 March 2025

Significant issues were discussed with management and the external auditor in March 2025 when the Audit and Risk Committee reviewed the audit plan and strategy for the year and at the conclusion of the audit when the financial statements were reviewed in July 2025.

The committee also considered all relevant reports and findings presented by the external auditor and also the adequacy of management's response. In addition, the committee reviewed the external auditor's independence, objectivity and effectiveness of the audit.

Key audit matter	Committee response
Loan covenants and treasury management	The group had £2,646m of borrowings at 31 March 2025 with undrawn facilities of £800m and available cash and cash equivalents of £153m. The undrawn facilities are predominantly revolving credit facilities. The loan covenant calculations as at 31 March 2025 show that the loan covenant position is compliant with funder requirements across the group. Following audit testing across a number of areas the external auditor found no issues of concern in this area. In line with Auditing Standards, the external auditor reviewed judgements and estimates until the point of signing the financial statements and reviewed the group's long term financial plan and stress testing of that plan. Management gave assurances that the group will remain a going concern and is able to avoid breaching its loan covenants even in a serious stressed scenario. The committee was satisfied with outcomes and management response.
Development and sales	During the year the group capitalised £359.4m on new developments. The group delivered 1,975 new homes during 2024/25. The group generated proceeds from the sale of existing housing properties of £59.4m in the year to 31 March 2025, in addition to £51.7m of first tranche low cost home ownership sales, generating a surplus across these categories of £43.6m. The external auditor tested a number of areas including the key controls over the approval and recording of development expenditure and disposals, including development appraisal assumptions and assessed the accounting policies for capitalising development overheads and interest on loans. The external auditor

Bromford Housing Association Limited

Board and Strategic Report

For the year ended 31 March 2025

	also reviewed the carrying value of the group's work in progress at the year end to ensure it is stated at its selling price less costs to complete and sell. The committee was satisfied with the outcomes of the audit which noted no issues of concern.
Defined benefit pension schemes	The association participates in the Bromford pension scheme. The external auditor reviewed the pension schemes information provided by the actuaries to the group and considered the disclosure implications, the actuarial valuations and assumptions to ensure consistency with 2023/24 and the accuracy of the journals processed at year-end. The external auditor noted the financial statements show balances and disclosures in line with the actuarial reports. The committee was satisfied that the appropriate assumptions were within a reasonable range.
Transformation programme	The final part of our multi-year transformation project took place in 2024 to 2025 with asset and repairs data being transferred to Microsoft Dynamics 365 in two stages, one for Merlin in October 2024 and one for other Bromford entities in January 2025. The external auditor reviewed a sample of benefits arising from the transformation programme as well as benefits realised trackers. The audit also ensured additions to Intangible Fixed Assets have been capitalised appropriately in line with the definitions in FRS 102 as well as reviewing the workings for the future benefits arising as a result of the additions to ensure these are reasonable and in line with FRS 102. The committee was satisfied with the outcomes of the audit which noted no issues of concern.

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

Financial review (5-year summary)

Income and Expenditure £m	2021	2022	2023	2024	2025
Turnover	175	191	209	227	243
Operating costs and cost of sales	(127)	(139)	(155)	(164)	(177)
Surplus on disposal of assets	12	17	8	9	11
Operating surplus	60	69	62	72	77
Net interest charge and other finance costs	(32)	(35)	(33)	(35)	(44)
Movement in fair value of financial instruments	6	9	11	1	-
Change in valuation of investment properties	-	1	-	-	-
Gift aid received	1	7	-	-	-
Surplus for the year	35	51	40	38	33

Statement of Financial Position £m	2021	2022	2023	2024	2025
Housing properties at cost less depreciation	1,761	1,956	2,106	2,268	2,513
Other tangible fixed assets, intangible fixed assets and investments	53	71	79	94	110
Debtors due after more than one year	7	16	-	-	-
Net current assets	12	7	45	122	118
Total assets less current liabilities	1,833	2,050	2,230	2,484	2,741
Loans due after one year	(508)	(492)	(466)	(451)	(436)
Unamortised grant	(413)	(451)	(463)	(484)	(545)
Other long-term liabilities and provisions	(336)	(459)	(633)	(853)	(1,032)
Total net assets	576	648	668	696	728
Total reserves	576	648	668	696	728

Overall a strong performance in a continued challenging environment. We knew this year was going to be a challenge with continued cost pressures, our core rental income has increased however costs have increased at a higher rate due to investing in areas such as driving down repairs volumes and focussing on reducing condensation, damp and mould as well as an increase in other central costs. This has resulted in lower operating margins and surplus than prior year.

Our principal financial ratios show good performance in both areas. Operating margins were broadly maintained in the year with social housing letting operating margin of 31% (2024: 32%) and overall operating margin before gains on disposal of fixed assets of 27% (2024: 28%).

Liquidity remains a key focus and at 31 March 2025 we have:

- Cash and cash equivalents of £21.6m (2024: £18.4m)
- £22.7m (2024: £22.7m) in undrawn loan facilities (Revolving Credit Facilities)

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

Income and expenditure

The surplus before tax of £33m (2024: £38m) is a solid financial performance for BHA.

Social housing lettings

Social housing lettings remains the core of our business and increased to £208m (2024: £188m) driven by strong new build performance from the previous year and the 7.7% annual social rent increase. Social housing lettings turnover as a proportion of total turnover increased in the year to 85% (2024: 83%).

Shared Ownership

Shared ownership sales income for the year was £30.6m (2024: £33.8m). We sold 289 shared ownership homes at an average 100% sales value of £286k (2024: 303 homes, 100% value: £269k). The average first tranche share sold was 37.2% (2024: 41.5%).

Costs

Cost control is a core deliverable across the business. Success in controlling costs drives our strong operating margins. Our focus on cost is a central part of our Value for Money framework, evidencing not just the cost of what we do but its effectiveness and the outcomes we achieve for our customers.

Over the last year we have seen an increase of 11% in our total operating costs per the Statement of Comprehensive Income from £137m last year to £152m in the current year, driven by continued investment in our existing homes through higher maintenance and repairs as we continue to focus on reducing repair volumes and condensation, damp and mould. Colleague costs have increased reflecting pay awards made during the year. Insurance premium costs have seen an increase in the year and an increase in technology costs reflects our continued investment in our IT systems and higher licence costs.

Disposals

Disposals are not a material feature in our financial results and we expect them to vary over time as we proactively manage our homes to deliver a strong return on assets.

Disposal profits in the year were £11.1m (2024: £8.9m). We continued to receive receipts for right to buy and right to acquire sales that generated £0.2m (2024: £0.3m) of disposal profit. Staircasing activity generated profits of £5.1m (2024: £3.2m). Other property disposals generated profits of £5.8m (2024: £5.4m).

Corporation tax

We continue the policy of gift aiding taxable surpluses from non-charitable group members to charitable group members. During the year, BHA received no gift aid payments from other group members (2024: £nil).

Balance sheet

Fixed assets

Details of the movements in fixed assets during the year are set out in notes 12, 15 and 16 to the financial statements.

Sales exposure

Exposure to unsold shared ownership stock is not a material issue for us. At 31 March, we had £0.8m of completed shared ownership properties held as stock (2024: £1.0m) see note 19.

Investment in our homes

In the year we invested £47.9 in major repair and refurbishment programmes (2024: £38.2m) and £239.1m in new homes (2024: £173.2m).

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

Treasury

The following table highlights our position on key measures:

	2025	2024
Borrowing	£1,459m	£1,291m
Undrawn facilities	£22.7m	£22.7m
Cash and cash equivalents	£21.6m	£18.4m
Fixed rate borrowing	98%	98%
Cost of borrowing	4.75%	4.68%
Interest cover covenant*	3.2 times	3.2 times
Asset gearing covenant (67% max)*	39%	41%

*These are based on group results

Cash and liquidity

Rigorous control of cash is a key focus for us. Operating cash flow was again strong at £279m (2024: £230m) and represents 360% (2024: 317%) of operating surplus, an excellent cash conversion performance. Cash balances remain strong at £21.6m with a further £15.4m (2024: £15.2m) held as investments.

Facilities and funding

External loans of £448m (2024: £463m) decreased by £15m during the year and group loans of £1,011m (2024: £829m) increased by £182m, with all group drawings from BFL. Undrawn facilities are RCFs which provide flexibility and assist in mitigating the cost of carry-on excess funds.

Interest rate management and mark to market position

We use fixed rate borrowings to manage our exposure to increases in interest rates and 98% of our borrowings are at fixed rates (2024: 98%) limiting our exposure to any rises in SONIA. No further interest rate hedging was undertaken during the year.

The average cost of borrowing has remained constant at 4.75% (2024: 4.68%).

The association had historically entered into three ISDA arrangements with Barclays and Lloyds to hedge variable debt. These ISDAs were never assigned to specific underlying loans and hedge accounting was never employed by the group. As the volume of variable debt has reduced over time, the ISDA arrangements have become ineffective and are surplus to requirements. The three remaining ISDAs all carry Bermudan options and, after careful analysis, the higher costs associated with their exit are still not deemed to be economically viable at the current time.

Security

We have a healthy level of available uncharged security. Our £22.7m of undrawn facilities are all fully secured. We continue to review our security pool for excess security which could be released to support future funding plans.

Covenants

Funder covenants are based on group numbers and are broadly consistent in their composition. We have considerable capacity on both our interest cover and asset gearing covenants and they do not limit our activities.

Operating performance

Operational performance against targets is monitored at group level and a summary is included within the Annual Report and Accounts of BFL – which are available on the group website www.bromford-flagship.co.uk.

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

Value for money (VfM)

Details of the group's VfM performance are summarised in the Annual Report and Accounts of BFL – which are available on the group's website www.bromford-flagship.co.uk.

The Regulator for Social Housing metrics for BHA as a stand alone entity are shown below.

Sector metrics

Ref	Metric Name	2021	2022	2023	2024	2025
1	Reinvestment %	5.2%	8.6%	8.9%	8.8%	10.9%
12A	New supply delivered (Social housing units) %	2.1%	3.5%	3.3%	2.9%	2.9%
2B	New supply delivered (Non-social housing units) %	0.1%	0.1%	0.1%	0.0%	0.0%
3	Gearing %	40%	41%	45%	48%	49%
4	EBITDA MRI interest cover	157%	145%	159%	181%	138%
5	Headline Social housing cost per unit (£000s)	3.53	3.55	3.99	4.02	4.66
6A	Operating Margin (social housing lettings only) %	31%	31%	28%	32%	31%
6B	Operating Margin (overall) %	28%	28%	26%	28%	27%
7	ROCE	3.3%	3.4%	2.8%	2.9%	2.8%

The metrics show another strong performance with operating margins at 31% for social housing lettings (2024: 32%) and 27% overall (2024: 28%). EBITDA MRI interest cover has reduced to 138% (2024: 181%) as a result of increased interest costs on intercompany loans.

Board compliance statements

Statement of compliance with the regulatory standards

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

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

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

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

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

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

Bromford Housing Association Limited

Board and Strategic Report

For the year ended 31 March 2025

Statement of compliance with our code of governance

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

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

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

Fair, balanced and understandable

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

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

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and assess the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

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

Bromford Housing Association Limited

Board and Strategic Report For the year ended 31 March 2025

Going concern

The board, after reviewing the group and association's budget for 2025 to 2026 and the group's medium term financial position as detailed in the 30-year business plan is of the opinion that, taking account of severe but plausible downsides, the group and association have adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements set out on pages 26 to 64 have been prepared on a going concern basis.

Viability statement

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

This assessment was made using the following core business processes:

- **Thirty year business plan (the plan)** – the board reviews each iteration of the plan during the year as part of its strategic planning process, the most recent business plan was approved in May 2025. This process includes detailed stress testing of the plan which involves flexing a number of assumptions underlying the forecast both individually and together under particular scenarios.
- **Risk management** – as set out in the risk section of the strategic report, the group has a structured approach to the management of risk and the principal risks identified are reviewed regularly by the board.
- **Liquidity** – based on the output of the plan and regular reforecasting of cashflows, the board reviews the liquidity position of the group ensuring funding is secured in accordance with the group's treasury policy. Current available cash and unutilised loan facilities are over £900m, which gives significant headroom for committed spend and other forecast cash flows that arise.

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

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

Appointment of auditors

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

Information for auditors

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

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



Peter Hawes
Chair

Bromford Housing Association Limited

Independent Auditor's Report to the members of Bromford Housing Association Limited

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2025 and of the association's 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.

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

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

Materiality for the financial statements as a whole was set at £4,870,400 (2024: £4,544,520), determined with reference to a benchmark of Turnover (of which it represents 2%). We consider turnover to be the most appropriate benchmark, and more appropriate than a profit-based benchmark as the association is a not-for-profit organisation and the focus is on turnover rather than any surpluses, which are reinvested in the association.

Performance materiality was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £3,652,800 (2024: £3,408,390). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £243,520 (2024: £227,226), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Key Audit Matters

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

Bromford Housing Association Limited

Recoverability of stock and fixed asset work in progress

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

The association recorded turnover from properties developed for first tranche shared ownership sale of £30.6m (2024: £33.8m) and generated a surplus of £5.5m (2024: £7.2m). Other property sales (such as staircasing, RTB and asset disposals) generated a surplus of £11.1m (2024: £8.9m). At 31 March 2025, the association held within current assets unsold properties with cost value of £0.8m (2024: £1.0m). Work in progress in relation to properties being developed for sale but still under construction at 31 March 2025 totalled £21.1m (2024: £22.2m).

Refer to pages 30 to 36 (accounting policies) and page 49 (financial disclosures).

Our response

Our procedures included the following tests of detail:

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

Our results

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

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

Conclusions relating to going concern

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

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

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

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

Bromford Housing Association Limited

Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Corporate governance disclosures

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

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 20;
- Directors' explanation as to their assessment of the association's prospects, the period this assessment covers and why the period is appropriate set out on page 20;
- Director's statement on whether it has a reasonable expectation that the association will be able to continue in operation and meets its liabilities set out on page 20;
- Directors' statement on fair, balanced and understandable set out on page 19;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 8 to 12;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 5; and;
- Section describing the work of the audit committee set out on page 4.

Responsibilities of the board

As explained more fully in the Statement of Board's Responsibilities set out on page 19, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Bromford Housing Association Limited

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

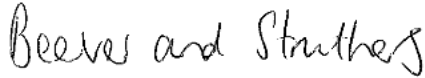
- We obtained an understanding of laws and regulations that affect the association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the board and reviewed correspondence and board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the board have in place to prevent and detect fraud. We enquired of the board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the association's activities and the regulated nature of the association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Bromford Housing Association Limited

Use of our report

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



**Beever and Struthers
Chartered Accountants
Statutory Auditor**

**The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT**

Date: 31 July 2025

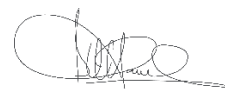
Bromford Housing Association Limited
Statement of Comprehensive Income
For the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Turnover	2	243,520	227,226
Cost of sales	2	(25,075)	(26,596)
Operating costs	2	(152,216)	(137,040)
Gain on disposal of assets	10	11,103	8,867
Operating surplus	5	77,332	72,457
Interest receivable	6	1,176	1,407
Interest and financing costs	7	(45,903)	(36,304)
Movement in fair value of financial instruments	34	465	656
Movement in fair value of investments	21	(38)	(22)
Increase in valuation of investment properties	14	102	28
Surplus before tax		33,134	38,222
Taxation	11	-	-
Surplus for the year after tax		33,134	38,222
Actuarial loss relating to pension scheme	36	(1,119)	(6,159)
Total comprehensive income for the year		32,015	32,063

The association's results relate wholly to continuing activities.

The notes on pages 30 to 64 form an integral part of these financial statements.

The financial statements on pages 26 to 64 were approved and authorised for issue by the board on 25 July 2025 and were signed on its behalf by:



Peter Hawes - Chair



Robert Nettleton - Chief Executive



Sarah Beal - Company Secretary

Registration number 4819

Bromford Housing Association Limited
Statement of Financial Position
As at 31 March 2025

	Notes	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets - housing properties	12	2,512,894	2,267,500
Investment properties	14	1,377	1,978
Tangible fixed assets - other	15	10,745	11,562
Intangible Fixed Assets	16	93,682	76,071
Investments - other	17	4,000	4,220
Homebuy loans receivable	18	364	382
		<u>2,623,062</u>	<u>2,361,713</u>
Current assets			
Stocks	19	23,286	24,622
Trade and other debtors : receivable within one year	20	145,761	136,564
Investments	21	15,434	15,195
Cash and cash equivalents	22	21,649	18,429
		<u>206,130</u>	<u>194,810</u>
Creditors: amounts falling due within one year	23	<u>(88,288)</u>	<u>(73,041)</u>
Net current assets		<u>117,842</u>	<u>121,769</u>
Total assets less current liabilities		<u>2,740,904</u>	<u>2,483,482</u>
Creditors - amounts falling due after more than one year	24	<u>(1,997,795)</u>	<u>(1,775,167)</u>
Provisions for liabilities			
Pension liability	36	(10,526)	(9,569)
Other provisions	27	(4,530)	(2,708)
Total net assets		<u>728,053</u>	<u>696,038</u>
Reserves			
Called up share capital	28	-	-
Income and expenditure reserve		654,631	621,082
Revaluation reserve		73,422	74,956
Total reserves		<u>728,053</u>	<u>696,038</u>

The notes on pages 30 to 64 form an integral part of these financial statements. The financial statements on pages 26 to 64 were approved and authorised for issue by the board on 25 July 2025 and were signed on its behalf by:



Peter Hawes
Chair



Robert Nettleton
Chief Executive



Sarah Beal
Company Secretary

Bromford Housing Association Limited

Statement of Movement in Reserves For the year ended 31 March 2025

	Revaluation reserve £'000	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2023	76,180	591,469	667,649
Surplus from statement of comprehensive income	-	38,222	38,222
Other comprehensive income:			
Actuarial losses relating to pension schemes	-	(6,159)	(6,159)
Total comprehensive income for the year	-	32,063	32,063
Reserve transfers:			
Transfer in respect of depreciation	(1,224)	1,224	-
Transfer deferred capital grant	-	(3,674)	(3,674)
Balance at 31 March 2024	74,956	621,082	696,038
Surplus from statement of comprehensive income		33,134	33,134
Other comprehensive income:			
Actuarial losses relating to pension schemes	-	(1,119)	(1,119)
Total comprehensive income for the year	-	32,015	32,015
Reserve transfers:			
Transfer in respect of depreciation	(1,534)	1,534	-
Balance at 31 March 2025	73,422	654,631	728,053

The notes on pages 30 to 64 form an integral part of these financial statements.

Bromford Housing Association Limited

Statement of Cash flows For the year ended 31 March 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Net cash generated from operating activities (note 30)		278,653		210,134
Cashflow from investing activities				
Purchase of tangible fixed assets - housing properties	(270,867)		(188,682)	
Purchase of tangible fixed assets - other	(1,873)		(3,333)	
Purchase of intangible fixed assets	(23,540)		(21,672)	
Purchase of tangible asset investments	(8)		-	
Proceeds from the sale of housing properties	23,917		19,346	
Proceeds from sale of other fixed assets	6		45	
Proceeds from sale of investments	-		-	
Grants received	56,627		29,504	
Interest received	616		1,123	
Net cashflow from investing activities		(215,122)		(163,669)
Cashflow from financing activities				
Interest paid	(48,353)		(38,603)	
Repayment of borrowings	(11,958)		(13,385)	
Transfer from current asset investment	-		5,000	
Net cashflow from financing activities		(60,311)		(46,988)
Net change in cash and cash equivalents		3,220		(523)
Cash and cash equivalents at the beginning of the year		18,429		18,952
Cash and cash equivalents at the end of the year		21,649		18,429

The notes on pages 30 to 64 form an integral part of these financial statements.

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

Legal Status

Bromford Housing Association Limited (BHA) is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (Registered Society number 7106R) and is registered with the Regulator of Social Housing (RSH) as a Private Registered Provider of Social Housing (registration number L4819). The registered office is Shannon Way, Ashchurch, Tewksbury, GL20 8ND.

1. Principal accounting policies

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

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000. The financial statements are prepared on the historical cost basis as modified by the fair value of certain investments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The preparation of the accounts requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on pages 37 to 38.

Going concern

The board, after reviewing the company budgets for 2025 to 2026 and the group’s medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue in business for the foreseeable future. The board therefore continues to adopt the going concern basis in preparing the annual financial statements.

Turnover and revenue recognition

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

The association generates the following material income streams:

- Rental and service charge income

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

- Shared ownership first tranche sales

Income from first tranche sales is recognised at the point of legal completion of the sale. The surplus or deficit arising on a first tranche sale is shown after deducting the cost of the properties and related sale expenses.

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

- Grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. If there are specific performance requirements, the grant is recognised in turnover when the performance requirements are met.

- Interest income

Interest income is recognised on an accruals basis.

Taxation

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

Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively. Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted by the period end.

Value Added Tax

The association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the association and is not recoverable. The balance receivable or payable at the year-end is included in current assets or current liabilities.

Tangible fixed assets and depreciation

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

Housing properties

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

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

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

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

	Years
Boilers	15
Heating systems	25- 30
Electrics and wiring	30
Insulation	30
PV Panels	25-30
Lifts	25-40
Kitchens	20
Bathrooms	30
Roofs	50-80
Windows and doors	25-30

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

Structure – houses	130
Structure – flats	100

Freehold land is not depreciated.

The association depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

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

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

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

Other tangible fixed assets

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

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

Intangible fixed assets

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

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

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

	Years
Computer software	3-7
Business transformation costs	10

Investment property

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

Valuation of investments

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

Operating leases

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

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 30 days which cannot be accessed within 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Stock and properties held for sale

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

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

Cash and cash equivalents

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

Social housing and other government grants

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model. Grants relating to revenue are recognised in the statement of comprehensive income over the same period as the expenditure to which they relate once reasonable assurance has been gained that the association will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets, current liabilities, or non-current liabilities in accordance with the expected realisation of the income. Government grants received for housing

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on the sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

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

Provisions

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

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

Colleague benefits

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

Short-term benefits

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

Annual bonus plan

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

Defined benefit pension

The association operates a defined benefit plan for certain colleagues. A defined benefit plan defines the benefit that the colleague will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the association engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the association's policy for similarly held assets. This includes the use of appropriate valuation techniques. The amounts charged to operating surplus are the costs arising from the colleague services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to surplus for the year and included within finance costs. Remeasurement of the net assets/defined liability are recognised in other comprehensive income. Defined benefit schemes are funded in separate trustee administered funds. The actuarial valuations are obtained triennially and are updated at each reporting date.

**Notes to the Financial Statements
For the year ended 31 March 2025**

Defined contribution pension

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

Revaluation reserve

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

Financial instruments

The association has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments.

Financial assets

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

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

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

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

Financial liabilities

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

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

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

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

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

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

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

Offsetting

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

Carrying amounts

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

Segmental reporting

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

The material operating segments are disclosed in note 2 where information about income and expenditure attributable to the material operating segments are presented on the basis of tenure type. This is appropriate based on the similarity of the services provided, the nature of the risks associated and the nature of the regulatory environment in which the association operates. Assets and liabilities are not reported by operating segment or tenure, other than housing properties which are split by tenure type and are shown in note 12.

**Notes to the Financial Statements
For the year ended 31 March 2025**

Critical accounting judgements and estimation uncertainty

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

Operating surplus

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

- Gain on disposal of housing properties and other property, plant and equipment

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

Tangible fixed assets

Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Housing property allocation

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

Categorisation of debt

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

Intangible fixed assets

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

Pension and other post-employment benefits

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

**Notes to the Financial Statements
For the year ended 31 March 2025**

Impairment of non-financial assets

Reviews for impairment of housing properties and intangible assets are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the statement of comprehensive income.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified. Following a trigger for impairment, the association performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the association as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include any restructuring activities that the association is not yet committed to nor any significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

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

Rent arrears and bad debt provisions

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

Bromford Housing Association Limited

**Notes to the Financial Statements
For the year ended 31 March 2025**

		2025				
2. Turnover and operating surplus	Note	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposal £'000	Operating surplus/ (deficit) £'000
Social housing lettings						
Housing accommodation	3	173,668	-	(121,208)	-	52,460
Supported housing accommodation	3	14,290	-	(12,679)	-	1,611
Shared ownership accommodation	3	19,775	-	(9,418)	-	10,357
		<hr/> 207,733	<hr/> -	<hr/> (143,305)	<hr/> -	<hr/> 64,428
Other social housing activities						
First tranche shared ownership sales		30,595	(25,075)	-	-	5,520
Supported people contract income		618	-	(441)	-	177
Sales and development		-	-	(3,988)	-	(3,988)
Other		2,327	-	(2,838)	-	(511)
Gain on disposal of property, plant and equipment		-	-	-	11,103	11,103
Non-social housing activities						
Market rents		1,854	-	(1,020)	-	834
Commercial rents		(115)	-	(441)	-	(556)
Other		508	-	(183)	-	325
		<hr/> 243,520	<hr/> (25,075)	<hr/> (152,216)	<hr/> 11,103	<hr/> 77,332

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

				2024		
2. Turnover and operating surplus	Note	Turnover	Cost of sales	Operating costs	Surplus on disposal	Operating surplus/ (deficit)
	Note	£'000	£'000	£'000	£'000	£'000
Social housing lettings						
Housing accommodation	3	157,275	-	(111,690)	-	45,585
Supported housing accommodation	3	12,953	-	(7,498)	-	5,455
Shared ownership accommodation	3	17,966	-	(9,035)	-	8,931
		<u>188,194</u>	<u>-</u>	<u>(128,223)</u>	<u>-</u>	<u>59,971</u>
Other social housing activities						
First tranche shared ownership sales		33,755	(26,565)	-	-	7,190
Supported people contract income		681	-	(642)	-	39
Agency services		1,763	-	(1,142)	-	621
Sales and development		-	-	(4,071)	-	(4,071)
Other		89	-	(924)	-	(835)
Gain on disposal of property, plant and equipment		-	-	-	8,867	8,867
Non-social housing activities						-
Market rents		1,650	-	(1,220)	-	430
Sewerage services		-	-	(128)	-	(128)
Commercial rents		1,005	-	(690)	-	315
Properties developed for outright sale		-	-	-	-	-
Property development/equity loan sales		89	(31)	-	-	58
		<u>227,226</u>	<u>(26,596)</u>	<u>(137,040)</u>	<u>8,867</u>	<u>72,457</u>

Bromford Housing Association Limited

**Notes to the Financial Statements
For the year ended 31 March 2025**

	2025			2024	
3. Income and expenditure from social housing lettings					
	Housing accommodation £'000	Supported housing for older people and My Place £'000	Shared Ownership £'000	Total £'000	Total £'000
Income					
Rent receivable net of identifiable service charge	166,156	8,840	17,265	192,261	173,009
Service charge income	3,958	4,687	1,761	10,406	9,211
Charges for support services	187	205	487	879	1,108
Amortised government grants	3,367	558	262	4,187	4,526
Revenue grants from other sources	-	-	-	-	340
Turnover from social housing lettings	173,668	14,290	19,775	207,733	188,194
Expenditure					
Management	23,646	3,919	2,913	30,478	26,105
Service charge costs	14,268	2,776	817	17,861	15,066
Routine maintenance	30,578	2,271	769	33,618	29,507
Planned maintenance	14,480	846	577	15,903	14,059
Major repairs expenditure	10,386	562	2,357	13,305	11,903
Bad debts	(44)	469	8	433	2,439
Depreciation of housing properties	27,894	1,836	1,977	31,707	29,144
Operating expenditure on social housing lettings	121,208	12,679	9,418	143,305	128,223
Operating surplus on social housing lettings	52,460	1,611	10,357	64,428	59,971
Voids	(1,398)	(450)	(44)	(1,892)	(2,392)

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

4. Accommodation - owned and managed

	As at 1 April 2024 No.	Additions No.	Disposals No.	Transfer from RP within group No.	Other No.	As at 31 March 2025 No.
Social housing						
General Needs housing - social rent	21,526	309	(97)	119	5	21,862
General Needs housing - affordable/intermediate rent	3,954	351	(6)	-	(1)	4,298
Supported housing	1,558	-	(2)	-	(10)	1,546
Care homes	128	-	-	-	-	128
Low-cost home ownership	3,912	304	(85)	56	82	4,269
Leasehold	1,190	-	(2)	-	(99)	1,089
Total social housing units	32,268	964	(192)	175	(23)	33,192
Owned and managed	31,711	964	(192)	175	31	32,689
Managed on behalf of others	424	-	-	-	(53)	371
Managed for others	133	-	-	-	(1)	132
	32,268	964	(192)	175	(23)	33,192
Non-social housing						
Staff accommodation	2	-	-	-	-	2
Market rent	142	-	-	-	(1)	141
Commercial	31	-	(2)	-	(6)	23
Offices and resource	88	-	(1)	-	1	88
Retained freehold	844	-	(8)	39	40	915
Total non-social housing units	1,107	-	(11)	39	34	1,169

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

5. Surplus on ordinary activities

The surplus on ordinary activities is stated after charging	2025	2024
	£'000	£'000
Operating lease rentals		
- office land and buildings	62	42
- Other operating lease rentals	1,262	1,145
Auditors' remuneration		
- Audit of financial statements	75	64
- service charge certification	-	34
- other	-	10

6. Interest receivable and income from investments

	2025	2024
	£'000	£'000
Interest receivable from cash, deposits and intragroup loans	1,176	1,407

7. Interest payable and similar charges

	2025	2024
	£'000	£'000

Interest on loans, overdrafts and other financing

Repayable wholly within five years	814	917
Repayable wholly or partly in more than five years	17,051	17,684
	17,865	18,601
On loans from Bromford Flagship Limited	30,746	22,924
Other finance charges	286	235
Amortised net finance costs	550	(1,971)
	49,447	39,789
Interest payable capitalised on housing properties under construction 4.04% (2024: 3.72%)	(4,514)	(3,666)
	44,933	36,123
Net interest cost on defined benefit deficit	970	181
	45,903	36,304

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

8. Colleague costs	2025	2024
	£'000	£'000
Wages and salaries	55,451	47,261
Social security costs	5,613	4,809
Other pension costs	2,691	2,391
	<u>63,755</u>	<u>54,461</u>

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

	2025	2024
	No.	No.
Asset management	629	579
Central services	219	217
Development, construction and sales	82	75
Housing management and support	432	415
	<u>1,362</u>	<u>1,286</u>

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

The details above relate to colleagues directly attributable to Bromford Housing Association. Colleagues in the group are employed on a joint and several basis by Bromford Flagship Limited and its members. Details of the number of FTE's whose total remuneration exceeds £60k are disclosed in the BFL Annual Report and Accounts

9. Directors' emoluments

The total emoluments of the directors are paid through BFL and are disclosed in the BFL Annual Report and Accounts. Directors' emoluments are part of the overheads recharged to the association, however, cannot be separately identified.

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

	Proceeds of sales £'000	Cost of sales £'000	Surplus £'000	Capital grant recycled £'000
Further tranches of shared ownership	13,215	(8,134)	5,081	112
Right to buy	438	(508)	(70)	-
Right to acquire	496	(222)	274	15
Other property disposals	9,768	(3,956)	5,812	896
Other fixed asset disposals	6	-	6	-
Total 2025	<u>23,923</u>	<u>(12,820)</u>	<u>11,103</u>	<u>1,023</u>
Total 2024	<u>19,391</u>	<u>(10,524)</u>	<u>8,867</u>	<u>1,539</u>

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

11. Taxation on surplus on ordinary activities

2025	2024
£'000	£'000

Current tax

UK corporation tax charge/(credit) on ordinary activities

-	-
---	---

Tax on surplus on ordinary activities

-	-
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Total tax reconciliation

Surplus on ordinary activities

33,134	38,222
---------------	--------

Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)

8,284	9,556
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Effects of

Surplus relating to charitable activities

(8,284)	(9,556)
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-	-
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Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

12. Tangible fixed assets - housing properties

	Housing properties held for letting £'000	Completed shared ownership housing properties £'000	Housing properties under construction £'000	Total £'000
Cost				
At 1 April 2024	2,034,692	303,946	261,842	2,600,480
Additions	-	-	234,600	234,600
Capitalised interest	-	-	4,513	4,513
Replacement of components	34,591	25	-	34,616
Transferred on completion	140,032	33,357	(173,389)	-
Disposals	(3,536)	(7,867)	-	(11,403)
Components disposed	(4,938)	(12)	-	(4,950)
Transfers to/(from) group company	21,543	6,137	(12,514)	15,166
Revaluation	-	-	-	-
Transfer to investment properties	460	-	-	460
At 31 March 2025	2,222,844	335,586	315,052	2,873,482
Depreciation				
At 1 April 2024	326,540	6,440	-	332,980
Charge for the year	29,997	1,827	-	31,824
Transfer from group company	108	-	-	108
Disposals	(4,196)	(128)	-	(4,324)
At 31 March 2025	352,449	8,139	-	360,588
Net book value				
At 31 March 2025	1,870,395	327,447	315,052	2,512,894
At 31 March 2024	1,708,152	297,506	261,842	2,267,500
			2025	2024
			£'000	£'000
Housing land value in respect of long leaseholds			22,868	22,868
Housing land value in respect of freeholds			458,171	405,702
			481,039	428,570
Component depreciation within the depreciation charge			21,389	16,222
Development administration costs capitalised during the year			3,296	3,323
Aggregate amount of interest and finance cost included within the cost of housing properties			40,016	35,503

Properties held for security

Bromford Housing Association - Registered Social Housing Provider - has property pledged as security value (existing use value – social housing and market value (EUV – SH) and market value – subject to tenancy (MV - STT)) of £2,107m (2024: £1,819m).

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

13. Expenditure on work to existing properties	2025	2024
	£'000	£'000
Replacement of components	34,616	26,228
Amounts charged to statement of comprehensive income	13,305	11,903
	47,921	38,131

14. Investment properties held for letting	2025	2024
	£'000	£'000
As at 1 April	1,978	1,950
Transfer to tangible fixed assets - housing properties	(460)	-
Additions	8	-
Gain from adjustment in value	102	28
Disposals	(251)	-
As at 31 March	1,377	1,978

Investment properties (commercial and market rent) were valued at 31 March 2025 by professional qualified external valuers.

The valuation of investment properties was undertaken by Jones Lang Lasalle Limited in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. In valuing the properties, the following significant assumptions were applied

Discount rate	7-7.5%
Annual inflation rate	1%

Notes to the Financial Statements
For the year ended 31 March 2025

15. Tangible fixed assets - other

	Freehold offices £'000	Fixtures, fittings & equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2024	7,214	1,055	7,979	6,425	22,673
Additions	51	481	909	426	1,867
Disposals	(676)	-	-	-	(676)
At 31 March 2025	6,589	1,536	8,888	6,851	23,864
Depreciation and impairment					
At 1 April 2024	3,415	518	5,639	1,539	11,111
Charge for the year	190	171	1,439	884	2,684
Disposals	(676)	-	-	-	(676)
At 31 March 2025	2,929	689	7,078	2,423	13,119
Net book value					
At 31 March 2025	3,660	847	1,810	4,428	10,745
At 31 March 2024	3,799	537	2,340	4,886	11,562

16. Intangible fixed assets

	Software £'000	Total £'000
Cost		
At 1 April 2024	92,993	92,993
Additions	23,972	23,972
Disposals	(1,273)	(1,273)
As at 31 March 2025	115,692	115,692
Amortisation		
At 1 April 2024	16,922	16,922
Charge for the year	6,361	6,361
Disposals	(1,273)	(1,273)
As at 31 March 2025	22,010	22,010
Net book value		
At 31 March 2025	93,682	93,682
At 31 March 2024	76,071	76,071

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

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

17. Investments - other	2025	2024
	£'000	£'000
Bromford Assured Homes Limited	4,000	4,000
Igloo Insurance PCC Limited (Cell BR04)	-	220
	4,000	4,220

During the year Igloo Insurance PCC Limited was closed and is no longer a subsidiary of the association.

18. HomeBuy loans	2025	2024
	£'000	£'000
As at 1 April	382	413
Loans redeemed in the year	(18)	(31)
As at 31 March	364	382

19. Stocks and work in progress	2025	2024
	£'000	£'000
Consumable stock	1,069	1,048
Land	274	330
Cost of first tranche element of shared ownership properties	21,943	23,244
	23,286	24,622
Completed	835	1,048
Under construction	21,108	22,196
	21,943	23,244

20. Trade and other debtors	2025	2024
	£'000	£'000
Amounts falling due within one year		
Rent arrears	12,722	12,481
Less: provision for bad debts	(4,569)	(4,385)
	8,153	8,096
Trade debtors	404	984
Amounts due from group companies	126,720	118,290
Other debtors	3,322	4,681
Prepayments and accrued income	7,162	4,513
	145,761	136,564

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

21. Current asset investments	2025	2024
	£'000	£'000
Opening fair value at 1 April	15,195	20,013
Additions to investments	-	-
Withdrawals from investments	-	(5,000)
Interest	277	204
Losses on re-measurement to fair value	(38)	(22)
Fair value at 31 March	15,434	15,195
22. Cash and cash equivalents	2025	2024
	£'000	£'000
Cash at bank	21,649	18,429
	21,649	18,429

Included in the above are balances totalling £4.0m (2024: £4.0m) which are held in trust for shared ownership leaseholders.

23. Creditors: amounts falling due within one year	2025	2024
	£'000	£'000
Prepaid rental income	7,795	7,288
Loans	12,109	11,958
Interest rate swaps	106	-
Trade creditors	5,929	6,396
Amounts due to group companies	6,359	351
Social security and other taxes	2,080	1,943
Deferred capital grant	6,250	6,111
Recycled capital grant fund	2,795	3,151
Other creditors	4,699	4,735
Accruals and deferred income	40,166	31,108
	88,288	73,041

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

24. Creditors: amounts falling due after more than one year	2025	2024
	£'000	£'000
Loans	435,764	450,663
Loans due to group companies	1,010,921	828,620
Interest rate swaps	748	1,581
Deferred capital grant	537,210	483,931
Recycled capital grant fund	4,426	4,663
Other capital grants	3,456	-
Other creditors	5,270	5,709
	<u>1,997,795</u>	<u>1,775,167</u>

Loan repayment profile

Repayable within one year	12,109	11,958
Repayable between one and two	13,050	12,109
Repayable between two and five years	37,850	38,043
Repayable after five years	385,126	399,794
Less: Loan finance costs	(262)	(283)
	<u>447,873</u>	<u>461,621</u>

The association has entered into interest rate swaps with the following institutions

	Period	End	Rate	Amount
	Years	date	%	£'000
Barclays	25	20 July 2031	4.31	12,500
Lloyds TSB	19	26 October 2026	4.45	6,000
Lloyds TSB	22	20 March 2029	4.50	15,000
				<u>33,500</u>

Interest rate swap creditor profile	2025	2024
	£'000	£'000
Due within one year	106	(262)
Due between one and two	276	159
Due between two and five years	445	1,059
Due after five years	27	363
	<u>854</u>	<u>1,319</u>

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

24. Creditors: amounts falling due after more than one year - (continued)

The interest risk profile of loan liabilities are as follows

	2025 £'000	2024 £'000
Floating rate - average 4.97% (2024: 5.74%)	7,650	9,759
Fixed rate - average 4.72% (2024: 4.73%)	440,485	453,145
	448,135	462,904

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

	2025 £'000	2024 £'000
Expiring within one year	-	-
Expiring between one and two	-	-
Expiring between two and five years	22,749	22,749
Expiring after five years	-	-
	22,749	22,749

25. Deferred capital grant

	2025 £'000	2024 £'000
At 1 April	489,455	468,686
Grants received in year	53,758	33,178
Transfer to other grants	(587)	-
Transferred to third party	-	(3,486)
Transferred from another group company	2,572	(4,176)
Grants recycled from the recycled capital grant fund	2,969	1,492
Grants recycled to the recycled capital grant fund	(2,019)	(1,539)
Amortised in year	(4,342)	(4,695)
Disposals	1,067	582
As at 31 March	543,460	490,042
Amount due to be released within one year	6,250	6,111
Amount due to be released in more than one year	537,210	483,931
	543,460	490,042

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

26. Recycled capital grant fund	2025	2024
	£'000	£'000
At 1 April	7,814	7,051
Inputs to reserve		
Grants recycled	2,019	1,539
Transfer from group company	-	330
Interest accrued	357	386
Utilised		
New build	(2,969)	(1,492)
	7,221	7,814
Amounts due within one year	2,795	3,151
Amounts due after more than one year	4,426	4,663
	7,221	7,814
Amount three years or older where repayment may be required	-	443

Withdrawals from the Recycled Capital Grant Fund were used for the purchase and development of new schemes.

27. Provision for liabilities and charges	2025	2024
	£'000	£'000
As at 1 April 2024	2,708	1,214
Additions	3,862	1,984
Utilised	(2,040)	(490)
As at 31 March 2025	4,530	2,708

28. Share Capital	2025	2024
	£	£
Issued and fully paid (nominal value £1)		
At 1 April	7	7
Allotted	5	-
Cancelled	(1)	-
	11	7

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

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

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

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

29. Analysis of changes in net debt	2024 £'000	Cashflows £'000	Non cashflow movements £'000	Movement in creditors due within one year £'000	2025 £'000
Cash at bank and cash equivalents	18,429	3,220	-	-	21,649
Short term investments	15,195	277	(38)	-	15,434
	33,624	3,497	(38)	-	37,083
Other loans					
Housing loans due within one year	(11,958)	11,958	-	(12,109)	(12,109)
Housing loans due after more than one year	(450,663)	-	2,790	12,109	(435,764)
Change in debt resulting from cashflows	(428,997)	15,455	2,752	-	(410,790)
30. Cash flow from operating activities			2025 £'000		2024 £'000
Surplus for the year			33,134		38,222
Adjustments for non-cash items					
Movement in value of investment property			(102)		(28)
Movement in value of current asset investments			38		22
Movement in value of swaps			(465)		(656)
Net interest expense			45,181		34,897
Depreciation of tangible fixed assets			34,508		32,113
Amortisation of intangible assets			6,361		5,908
Amortisation of government grant			(4,342)		(4,695)
Decrease/(increase) in stock			1,336		(7,430)
Increase in trade and other debtors			(905)		(4,201)
Increase/(decrease) in trade and other creditors			5,648		(5,417)
Increase in intergroup balances			168,158		134,672
Increase in provisions			1,822		1,494
Pension costs less contributions payable			(616)		(1,074)
Gain on disposal of fixed assets			(11,103)		(13,693)
Net cashflow from operating activities			278,653		210,134

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

31. Capital commitments	2025	2024
	£'000	£'000

Capital expenditure contracted for but not provided for in the financial statements	217,013	235,085
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Capital expenditure authorised by not yet contracted for	51,401	28,510
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These commitments are to be financed by the receipt of social housing grant and a mixture of loan finance, reserves and proceeds from the sales of housing properties as follows

Social housing grant	38,857	29,666
Proceeds from the sale of properties	42,424	40,081
Loans and reserves	187,133	193,848
	268,414	263,595

32. Other financial commitments

The minimum lease payments due under operating leases are as follows

	Land and buildings		Vehicles and office equipment		Total leases	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Operating leases which expire						
Within one year	65	47	522	866	587	913
Within two to five years	-	-	958	972	958	972
After more than five years	-	-	-	-	-	-
	65	47	1,480	1,838	1,545	1,885

33. Grant and financial assistance

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

	2025	2024
	£'000	£'000
Held as deferred capital grant	543,460	490,042
Recognised as income in Statement of Comprehensive Income	112,856	109,581
	656,316	599,623

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

34. Financial instruments

The company's financial instruments may be analysed as follows

	2025 £'000	2024 £'000
Financial liabilities measured at fair value through the income and expenditure account		
Derivative financial instruments	854	1,319
Total financial liabilities	854	1,319

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

Bromford Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2025

35. Related party transactions

Transactions with non-regulated members of the group

	2025			
	Bromford Developments Limited £'000	Strand Services Limited £'000	Riverside Mews Limited £'000	Igloo Insurance PCC Limited (Cell BR04) £'000
Income				
Management recharges	-	4	2	-
	<u>-</u>	<u>4</u>	<u>2</u>	<u>-</u>
Expenditure				
Construction services	47,889	-	-	-
Insurance fees	-	-	-	55
	<u>47,889</u>	<u>-</u>	<u>-</u>	<u>55</u>

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

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

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

35. Related party transactions (continued)

2024

	Bromford Developments Limited BDL £'000	Strand Services Limited STR £'000	Riverside Mews Limited RIV £'000	Igloo Insurance PCC Limited (Cell BR04) IGL £'000
Income				
Management recharges	-	4	2	-
	-	4	2	-
Expenditure				
Construction services	60,775	-	-	-
Insurance fees	-	-	-	(27)
	60,775	-	-	(27)

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

35. Related party transactions (continued)

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

	2025 £'000	2024 £'000
Bromford Developments Limited	20,108	15,871
Bromford Assured Homes Limited	(403)	(292)
Strand Services Limited	4	3
Riverside Mews Limited	3	2
	<u>19,712</u>	<u>15,584</u>

The subsidiaries of Bromford Housing Association Limited, which are all non-regulated and incorporated under the Companies Act 1985

Trading companies	Company registration number	Date of incorporation	Intragroup arrangement	Type of transaction
Bromford Assured Homes Limited (100% owned)	2677730	09-Jan-92	BHA provides administrative services to BAH	Administrative recharges
Riverside Mews Management Company Limited (75% owned)	2953846	29-Jul-94	Management company for leasehold schemes in BHA ownership	Management income
Strand Services Limited (75% owned)	2645753	16-Sep-91	Management company for leasehold schemes in BHA ownership	Management income

Under section 33 of FRS102 defined benefit pension schemes are considered to be related parties. BHA is a member of a defined benefit scheme. Details of transactions with the schemes are disclosed in note 36.

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

36. Pension obligations

During the year, the association participated in one defined benefit (DB) scheme, the Bromford DB Scheme (BDBS).

The company also participates in the Bromford defined contribution (DC) scheme. Further details of pension obligations are given below.

Summary of Pension Schemes balances

	2025	2024
	£'000	£'000
Creditors due less than one year		
The Pension Trust DC scheme	(472)	(399)
Provisions for Pensions		
Bromford DB Scheme	(10,526)	(9,569)

Bromford DB Scheme (BDBS)

This is a separate trustee administered DB scheme set up on 31 March 2018 following the transfer of obligations from the Bromford section of the Social Housing Pension Scheme (SHPS) and subsequent transfer of obligations from the Merlin Housing Society section of SHPS on 30 September 2019.

The scheme holds the pension assets to meet long term pension liabilities. Scheme liabilities have been based on data provided for the actuarial valuation as at 30 September 2021. These have been updated to 31 March 2025 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The company has agreed a Schedule of Contributions with the Trustee, with an effective date of 30 September 2021.

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

	2025	2024
	£'000	£'000
Employee	49	50
Employer	2,482	2,589
Total	2,531	2,639
Agreed contribution rates for future years:		
Employee		
1/80 th DB section	14.5%	14.5%
1/120 th DB section	4.7%	4.7%
Employer	10%	10%

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

Principal actuarial assumptions

The following information is based upon the actuarial valuation of the scheme at 30 September 2021 updated to 31 March 2025 by a qualified independent actuary.

Mortality assumptions adopted	2025	2024
Life expectancy at age 65 (Years)		
Male retiring in 2025(2024)	21.9	21.4
Female retiring in 2025 (2024)	24.2	23.8
Male retiring in 2044 (2043)	23.5	22.3
Female retiring in 2044 (2043)	25.6	24.9
Other Assumptions		
% per annum		
Discount Rate	5.90%	4.90%
Inflation (RPI)	3.05%	3.10%
Inflation (CPI)	2.75%	2.80%
Salary Growth	2.75%	2.80%
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.05%	3.10%
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.70%	2.74%
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	1.95%	1.97%
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.20%	2.22%

A summary of the movement in pension assets and liabilities for the BDBS is shown below:

	2025	2024
	£'000	£'000
Fair value of fund assets	64,065	70,952
Present value of defined benefit obligation	(74,591)	(80,521)
Pension deficit	(10,526)	(9,569)

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

The fair value of the assets:

	2025	2024
	£'000	£'000
Equity	6,672	2,656
Corporate bonds	3,986	1,756
Property	2,912	2,941
Cash	1,211	7,712
Other	7,547	5,558
LDI assets	23,836	38,822
Liquid alternatives	10,804	6,624
Private credit	7,097	6,083
Loan	-	(1,200)
Total assets	64,065	70,952

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

Reconciliation of assets and liabilities

Reconciliation of assets at 31 March 2025:

	£'000
Assets at start of period	70,952
Interest income on assets	3,462
Expenses	(764)
Return on assets excluding interest income	(9,754)
Employer contributions paid	2,482
Employee contributions	49
Benefits paid	(2,362)
Assets at end of period	64,065
Actual return on plan assets 1 April 2024 to 31 March 2025	2,031

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

Reconciliation of liabilities at 31 March 2025:

	£'000
Liabilities at start of period	80,521
Service cost	1,102
Interest cost	3,916
Employee contributions	49
Remeasurements	(8,635)
Benefits paid	(2,362)
Liabilities at end of period	74,591

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

	£'000
Employer service cost (net of employee contributions)	1,102
Expenses	764
Total operating charge	1,866
Analysis of pension finance costs	
Expected return on pension scheme assets	(3,462)
Interest on pension liabilities	3,916
Amounts debited to financing costs	454

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

	£'000
Actuarial loss on pension scheme assets	(9,754)
Actuarial loss on pension scheme liabilities	(2,998)
Gain from changes in assumptions	11,633
Actuarial losses recognised	(1,119)

Bromford Housing Association Limited

Notes to the Financial Statements For the year ended 31 March 2025

Movement in deficit during the year:

	£'000
Deficit in scheme at 1 April 2024	(9,569)
Employer service cost	(1,102)
Expenses	(764)
Employer contributions paid	2,482
Net interest cost	(454)
Remeasurements included in other comprehensive income	(1,119)
Deficit in scheme at 31 March 2025	(10,526)

TPT member benefit review

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

37. Parent entity

The company's ultimate parent organisation is Bromford Flagship Limited registered in England and Wales under the Co-operative & Community Benefit Societies Act 2014 (Registered Society Number 29996R).

The results of Bromford Housing Association Limited are included in the results of Bromford Flagship Limited.

Copies of group financial statements for Bromford Flagship Limited are available from the website, www.bromford-flagship.co.uk.