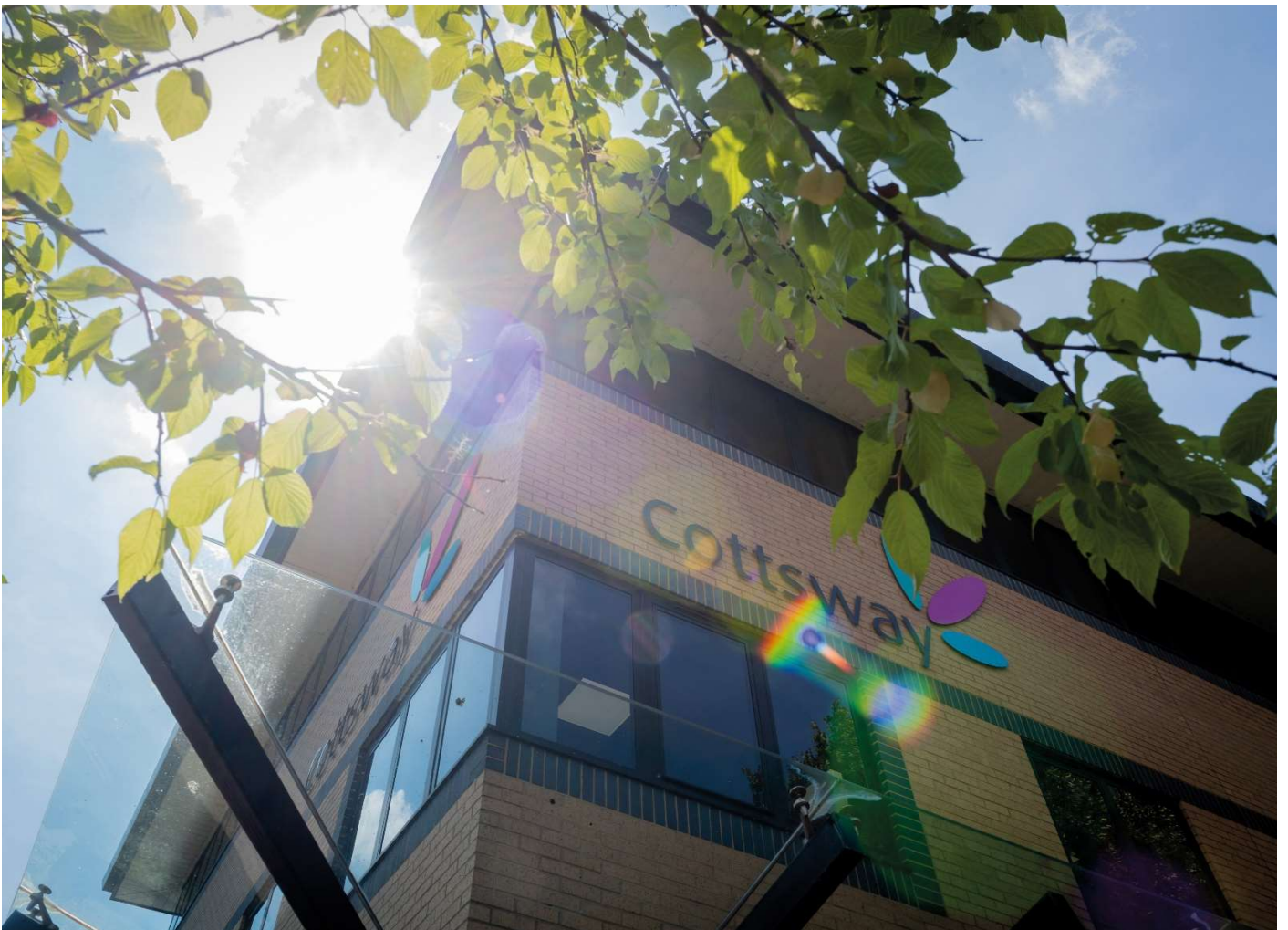


# Financial statements: Year ending 31 March 2025

FCA registration number: 30651R | Regulator of Social Housing number: L4312



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## Group and association information

### Board

Andrew Hall (Chair)  
Alix Green  
Les Henderson  
Lizzie Hieron  
Sue Lakin  
Rebecca Pritchard  
Richard Reynolds  
Alan Shaoul (until 1 April 2025)  
Barbara Taeed  
Jeremy Fletcher (until 30 April 2024)  
Julie Wittich (from 1 August 2024)  
Alice Cummings (Vice Chair) (until 31 August 2025)  
Darren Lee Gibson (from 1 July 2025)

### External Auditor

KPMG LLP  
One Snowhill  
Snowhill  
Queensway  
Birmingham  
B4 6GH

### Internal Auditor

RSM Risk Assurance Services LLP  
Chelmsford, Essex  
CM1 1LN

### Executive directors

Chief Executive - Richard Reynolds  
Deputy Chief Executive - Sue Lakin  
Resources Director - Stephen Leonard (to 31 December 2024)  
Resources Director - Tessa Rollings (from 1 January 2025)  
Director of Development and Partnerships - Colin Bloodworth

### Company Secretary

Rosemary Hart (until 31 March 2025)  
Waterstone Company Secretaries (from 1 April 2025)

### Principal Solicitor

Trowers & Hamblins LLP  
3 Bunhill Row  
London EC1Y 8YZ

### Clearing Banker

NatWest Bank plc  
Oxford Commercial Office  
Willow Court, Minns Business Park  
7 West Way  
Oxford OX2 0JB

## Year at a glance

### Overall



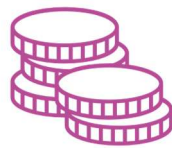
Turnover

**£48.9m**



Homes in management

**5,790**



**£25.9m**

generated for investment in existing and additional homes

### Homes



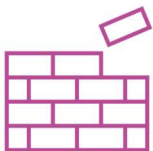
**100%**  
**compliance**

with Decent Homes Standard



**£10.3m**

**invested**  
in existing homes



**1,298**  
**new homes**

committed for the future

### People



**85%**

customer satisfaction



**87%**

satisfaction with repairs



Net promoter score of

**35**

### Business strength



Operating margin

**38%**



**G1/V1**

Housing regulator rating



**12.1%**

Overheads as % turnover

## Chair's Statement

### Strong financial and customer service performance

In the uncertain world in which we all now live, Cottsway has continued to deliver a strong financial performance, high service levels for customers and a significant number of new homes in the face of the various social and economic challenges.

Our customer satisfaction, as measured by Tenant Satisfaction Measures (TSM's), is amongst the best in the sector and the whole organisation remains committed to maintaining this service and support to our customers. Our overall satisfaction remains high at 85% however we are pleased to see our top 3 scores positively reflect how well we treat our customers and maintain our homes; with 89% of customers feeling we provide a safe home, 88% of customers feel we treat them fairly and with respect and 87% of our customers satisfied with repairs in the last 12 months.



As you would expect our landlord health and safety is fully compliant and we continue to work with our customers to deliver non-emergency repairs at a time that suits them and their other commitments. We have invested £10.3m in refurbishment and improvements to our existing homes. We do not face some of the challenges other associations have with high rise buildings and cladding, we do however continue to invest in improving the energy efficiency of homes and reducing our carbon footprint.

We have now completed the second year of our five-year plan and I am pleased to report that we are on track to deliver the ambitions outlined in the plan. During the year Cottsway continued to develop new homes delivering 129 homes for affordable rent and low-cost home ownership. We have increased our committed development pipeline, importantly supported by our operating profit of £19.1m in 24/25, and the level of opportunity in our chosen operating areas appears to continue to strengthen.

The Board continually reviews changes in the regulatory and legislative landscape and recognises its responsibility for ensuring compliance. I am always impressed that our management team are proactively ensuring we are compliant with the requirements and indeed that the Cottsway culture of doing the right thing by our customers goes a very long way to delivering this compliance.

Looking forward, the pressures facing the majority of our customers do not look like getting any easier. However, I remain convinced, without any complacency within the Board or the whole organisation, that Cottsway will maintain and strive to improve the level of service and support it provides whilst importantly developing new homes to support more people.

Cottsway's success is created by its dedicated staff, and I would like to express my gratitude for their commitment and hard work.

A handwritten signature in black ink, appearing to read 'Andrew Hall'.

**Andrew Hall**  
Chair, Cottsway Housing Association

# Strategic Report of the Board

The Board presents this report together with Cottsway's audited financial statements for the year ended 31 March 2025.

Cottsway's core business is providing general affordable housing for rent and shared ownership. Our principal accounting policies are shown on pages 34-39.

Cottsway is a registered housing provider with most of its homes based in West Oxfordshire, as well as in Gloucestershire, Wiltshire and Worcestershire. The majority of Cottsway's properties are rented, with the other 10% shared ownership. Almost all are traditionally built and most of its rented homes are either houses or bungalows, with around a quarter being low-rise flats or maisonettes.

Cottsway has some of the strongest financial and governance ratings in the sector, a robust development programme and we are committed to doing more to help people in housing need, while maintaining our existing homes to a safe, decent standard, and working to bring social value to the communities we serve.

## Purpose:

**"Together we are turning houses into homes, growing and building stronger communities and making a positive difference to people's lives".**

Cottsway group will consider all growth opportunities on a value for money basis, ensuring economies of scale and effectiveness of our service operations in the area we work.

The Group aims to provide homes across a range of tenures to meet the needs of those unable to access secure, affordable accommodation through private rent or buying a property. This requires developing a mix of:

- Social, affordable, and sub-market rental homes.
- Accommodation for shared ownership, exploring partnerships with other organisations to meet the needs of local key workers and other groups who are priced out of home ownership.

Cottsway will work in partnership with service providers in our operating area to:

- Explore the potential to provide specialist accommodation for specific groups of people when needed.
- Ensure our staff can link our customers to local services provided by others and, through these partnerships, ensure that services meet customer needs.

These Financial Statements can be read alongside other publications, including our Annual Report 2024-25, Corporate Plan 2023-28 and the People, Homes and Business strategies that support this. These can be found on the Cottsway website: [www.cottsway.co.uk/publications](http://www.cottsway.co.uk/publications)

## Review of financial performance

Highlights from Cottsway group's three-year income and expenditure accounts and balance sheets are summarised below:

	2025 (£'000)	2024 (£'000)	2023 (£'000)
<b>Income and expenditure account</b>			
Total turnover	48,951	45,529	39,460
Income from lettings	43,203	37,702	32,986
Operating surplus (After pension cessation costs)	19,140	10,045	14,704
Interest payable	13,661	13,836	10,994
Surplus for the year	5,778	5,995	3,992
Total expenditure on repairs	19,130	13,103	11,521
Capitalised major repairs	10,306	5,556	4,445
Total employee cost	9,518	8,838	7,721
Housing depreciation	7,319	6,385	5,996
Average monthly no. of employees	169	161	153
<b>Balance Sheet</b>			
Housing properties	493,710	462,826	412,283
Other fixed assets	3,693	3,724	4,105
Other Investments	30	30	30
Fixed assets	497,433	466,580	416,418
Net current assets (liabilities)	939	(4,401)	1,051
Total assets less current liabilities	498,372	462,179	417,469
Loan (due after more than one year)	305,200	281,074	255,540
Pensions liability	-	-	214
Other long-term liabilities	23,502	17,005	10,297
Reserves : revaluation	56,514	60,063	62,368
: revenue	112,718	103,367	84,281
: restricted	315	315	303
: total	169,547	163,745	146,952
Accommodation figures	Number	Number	Number
Social housing owned	5,790	5,710	5,386

## Operating margin

Cottsway delivered an operating surplus before pension cessation costs of £19.1m (2024: £17.1m) representing a 16.0% increase on the previous year. The key features were:

- Overall turnover increased by £3.4m. £5.5m of this related to the delivery of new rented homes together with the annual rent increase applied. Sales from shared ownership properties decreased by £2.1m.
- Operating costs increased by £3.1m reflecting inflation in costs and salaries, a rise in the demand for responsive repairs, and a continuation of high standards of service to our customers.
- Surpluses from the sale of shared ownership properties were £0.7m lower than the previous year, attributable to fewer units developed compared to the prior year.
- The surplus generated from disposals increased by £0.4m. This relates to the sale of properties and land, and staircasing of shared ownership properties.

## Investment in existing and new homes

During the year, the group:

- Invested £10.3m (2024: £5.6m) in capitalised major repairs to our existing homes.
- Completed 129 (2024: 182) new homes at a cost of £33.9m (2024: £27.6m); 96 (2024: 122) homes for rent and 33 (2024: 60) for low-cost home ownership. As at 31 March 2025, there were no completed low-cost home ownership properties that were unsold (2024:7).

At year-end, Cottsway held 32 (2024: 58) properties for disposal or redevelopment in the near future.

## Treasury management

The group's treasury management is designed to ensure that there is sufficient liquidity to meet committed requirements for at least the next 18 months. It also manages and mitigates the impact from adverse movements in interest rates, while minimising borrowing costs.

The value for money of borrowing new funds is assessed against both the social and financial returns from new investment, and the efficiency of using assets as loan security. Our Board makes investment and other decisions in line with requirements and conditions set out in loan agreements. We would not make a decision that would place at risk our compliance with financial covenants contained in those agreements.

At year-end, the group had:

- Finance available to support all contractually committed development and sufficient liquidity, based on current business plans, for 2 years (2024: 4 years). The weighted average cost of capital for the group was 4.6% (2024: 4.6%). Of the £305m of drawn debt (2024: £281m), £14m was at a variable rate linked to SONIA (2024: £115m) and £291m was at fixed rates of varying lengths (2024: £166m).
- Sufficient security pledged to support drawn and undrawn facilities; £595m (2024: £511m) of assets valued at a combination of EUV-SH (existing use value – social housing) and MV-STT (market value subject to tenancies) pledged to its lenders. In addition to the assets allocated to lenders, a further £136m (2024: £105.8m) was in charge but not allocated to a specific lender. Cash balance of £9.7m (2024: £4m) were held. In addition, there were undrawn available group facilities of £96m (2024: £87m) of which £96m (2024: £87m) was immediately available.

The group operates a prudent counterparty risk policy in relation to funds on deposit, with limits set in terms of total value and percentage of overall deposits.

Cottsway has a mixture of financial and non-financial covenants which the Board monitors quarterly. Cottsway remained compliant against all covenants in the year.

The group borrows, invests and transacts in sterling and does not have any currency risk.

## Future performance

The group is committed to improving performance over the longer term by delivering value from all our resources and assets. This continual improvement, in conjunction with maintaining a prudent approach to risk management, enables Cottsway to continue to invest in new and existing homes, whilst continually improving the quality of services provided.

Delivering services while ensuring value for money remains a priority. Our Corporate Plan 2025-28 outlines its future plans and sets targets that will be the base position Cottsway aim's to achieve, whilst always looking to enhance delivery of services and homes where possible. The group is focussing on three key areas:

### People

People are central to our success whether they are customers, staff, or stakeholders - without their support and satisfaction we will not succeed. Providing efficient and effective routes for our customers to interact with us helps underpin delivery of services in a constantly-changing world. Our aim is to continue our digital journey and to make more services and information available for our customers, and to enable our staff to work as flexibly and effectively as possible.

### Homes

The properties we build and maintain are key to the wellbeing of our customers and their families. Safety and energy efficiency are at the forefront of our activities to ensure we support our customers as much as possible. We will continue to work with our local authority partners to ensure we deliver the right properties to meet the needs of their areas.

### Business strength

Making sure we are financially strong and delivering value for money is critical to us being able to serve our customers and maintain good quality homes. To ensure this happens we have set ourselves targets and performance indicators to support long-term growth alongside delivery of efficient and effective day-to-day operations.

## Operating and financial review including Value for Money report

Value for Money (VfM) is central to our business planning and performance evaluation. Alongside straightforward financial returns and cost effectiveness of our investment, when determining value for money, consideration needs to be given to the environmental and social impacts of our business decisions.

We operate an open approach to reporting our performance to our customers and to our stakeholders each year. This provides transparency, showing both where we are making progress in delivering better value for money and explaining where we have not achieved our goals, along with clarity about our future aims.

### Our approach to VfM is:

“Working efficiently and effectively in everything we do; we will maximise the return on our assets and maintain or improve customer satisfaction”.

Decisions may occasionally be taken to deliver social or environmental returns rather than purely financial returns.

### Board involvement

Our Board assesses progress on delivering better VfM each year, evaluating our performance against the measures we have decided to use. This is a key part of our commitment to co-regulation with our customers and the Regulator of Social Housing.

Board meetings include reports and debates on progress against our objectives. Members rigorously assess all opportunities to grow or change our services by testing whether they meet at least two of three requirements: improving customer satisfaction, increasing surpluses available for reinvestment, or delivering new homes. We have defined how we measure VfM, however, our assessment also includes the Regulator's Tenant Satisfaction Measures (TSMs) and the Value for Money Metrics (VFMs). We have looked at our performance against our peers and our previous experience where relevant.

## Tenant Satisfaction Measures (TSMs)

TSM name	2024-25 Target	Actual Annual 2024-25 Performance	Housemark March 2025 Median	Housemark March 2025 Upper
Overall satisfaction	78.0%	84.9%	78.1%	80.5%
Satisfaction with repairs	80.0%	86.6%	72.9%	78.6%
Satisfaction with time taken to complete most recent repair	75.6%	84.9%	70.3%	78.2%
Satisfaction that the home is well-maintained	77.8%	86.1%	75.6%	80.1%
Homes that <b>do not</b> meet the Decent Homes Standard	0.5%	0.0%	0.54%	0.04%
Repairs completed within target timescale (non-emergency)	81.3% (combined)	70% (combined)	77.6%	85.2%
Repairs completed within target timescale (emergency)	94.8%	100%	92.7%	97.5%
Satisfaction that the home is safe	82.1%	89.2%	83.3%	85.4%
Gas safety checks	100%	100%	100%	100%
Fire safety checks	100%	100%	100%	100%
Asbestos safety checks	100%	100%	100%	100%
Water safety checks	100%	100%	100%	100%
Lift safety checks	100%	100%	100%	100%
Satisfaction that the landlord listens to tenant views and acts upon them	67.3%	73.6%	66.3%	69.6%
Satisfaction that the landlord keeps tenants informed about things that matter to them	76.6%	85.0%	76.5%	80.1%
Agreement that the landlord treats tenants fairly and with respect	83.3%	87.7%	81.5%	85.6%
Satisfaction with the landlord's approach to handling of complaints	40%	41.9%	39.7%	44.4%
Complaints relative to size of landlord (per 1,000 homes)		54.5 (Stage 1) 5.6 (Stage 2)	39.7 (Stage 1) 5.3 (Stage 2)	23.57 (Stage 1) 2.98 (Stage 2)
Complaints responded to within Complaint Handling Code timescales	96.8% (1) 97.0% (2)	100 (Stage 1) 100 (Stage 2)	83.3% (Stage 1) 83.3% (Stage 2)	96.8% (Stage 1) 97.0% (Stage 2)
Number of formal complaints (HO)	No target	5	No target	No target
Satisfaction that the landlord keeps communal areas clean and well-maintained	72.0%	68.4%	68.0%	72.1%
Satisfaction that the landlord makes a positive contribution to neighbourhoods	71.1%	76.5%	67.7%	74.4%
Satisfaction with the landlord's approach to handling anti-social behaviour	64%	68.9%	62.9%	69.3%
Anti-social behaviour cases relative to the size of the landlord (per 1,000 homes)	49.9	13.8	44.96	59.93

## Above target for most TSMs

Our ambition for 2025/26 is to maintain our current performance in a challenging operating environment, ensuring we remain within the upper or median quartiles for performance based on the 2025/26 benchmarks when compared to peer organisations.

As shown in the table above, we have exceeded the targets for almost all measures. Those which performed below target are as follows:

- Complaints relative to size of landlord – we encourage our customers to provide feedback on our services and recognise and respond to complaints when they arise. The targets we set ourselves were not wholly aligned to our customer engagement approach. The number of complaints that reach Stage 2 is low, particularly compared with peers, and we have 100% compliance with Housing Ombudsman Complaint Handling Code timescales.
- Satisfaction that the landlord keeps communal areas clean and well-maintained – our full year results are slightly off target. Throughout the year, we have instigated reviews with contractors to rectify issues where there has been under-performance in service, and we continue to monitor this. We liaise with customers to understand their concerns and take steps to work with providers to resolve these, whether related to frequency of services, repairs or another issue.

## Regulator of Social Housing Value for Money Metrics (VFM)

VFM Metric	2024-25 Target	Actual Annual 2024-25 Performance	2025-26 Target	2025-26 Target Basis
Reinvestment %	10.2%	9.1%	9.7%	Budget & Business Plan
New supply delivered % - social housing properties	2.5%	2.2%	3.79%	Budget & Business Plan
New supply delivered % - non-social housing properties	0.00%	0.00%	0.00%	Budget & Business Plan
Gearing %	61.8%	59.8%	62.6%	Budget & Business Plan
EBITDA MRI % Interest	113.8%	114.5%	104.0%	Budget & Business Plan
Headline social housing cost per home	£4,710	£5,124	£5,331	Budget & Business Plan
Operating margin % - Social housing lettings only	38.2%	38.2%	36.0%	Budget & Business Plan
Operating margin % - overall	38.8%	37.7%	37.0%	Budget & Business Plan
Return on capital employed (ROCE) %	3.5%	3.8%	3.40%	Budget & Business Plan

## Our internal VfM measures

We measure VfM using 5 'tests'. Each test consists of a mix of our own internal metrics, TSMs and VfMs:

### Test 1: How Healthy is our business?

Measure	2024-25 Target	Actual Annual 2024-25 Performance	2025-26 Target	2025-26 Target Basis
Operating margin % - overall	38.8%	37.7%	37.0	Budget & Business Plan
Operating margin % - social housing lettings only	38.2%	38.2%	36.0	Budget & Business Plan
EBITDA MRI % Interest	113.8%	114.5%	104.0%	Budget & Business Plan

### Test 2: How many more homes can we build?

Measure	2024-25 Target	Actual Annual 2024-25 Performance	2025-26 Target	2025-26 Target Basis
New supply delivered - absolute	128	129	228	Budget & Business Plan
New supply delivered % - social housing units	2.5%	2.2%	3.79%	Budget & Business Plan
Reinvestment %	10.2%	9.1%	9.7%	Budget & Business Plan
Gearing %	61.8%	59.8%	62.6%	Budget & Business Plan

### Test 3: What difference do we make to people?

Measure	2024-25 Target	Actual Annual 2024-25 Performance	2025-26 Target	2025-26 Target Basis
Overall satisfaction	78.0%	84.9%	84.9%	Maintain / upper quartile, set at Housemark March 2025 Report
Satisfaction with repairs	80.0%	86.6%	86.6%	Maintain / upper quartile, set at Housemark March 2025 Report
Net Promoter Score	39	35	39	Maintain performance

### Test 4: How well do we manage our assets?

Measure	2024-25 Target	Actual Annual 2024-25 Performance	2025-26 Target	2025-26 Target Basis
Return on capital employed (ROCE) %	3.5%	3.8%	3.4%	Budget & Business Plan
Occupancy	99.9%	99.7%	99.7%	Maintain performance
Ratio of responsive repairs to planned maintenance spend	48.0%	46.1%	47.1%	Budget & Business Plan
Homes that do not meet the Decent Homes Standard	0.5%	0.0%	0.0%	Maintain / median quartile, set at Housemark March 2025 Report

## Test 5: How efficient are we?

Measure	2024-25 Target	Actual Annual 2024-25 Performance	2025-26 Target	2025-26 Target Basis
Headline social housing cost per unit	£4,710	£5,124	£5,331	Budget & Business Plan
Rent collected as a percentage of rent due	N/A	100.7%	N/A	N/A
Overheads as a percentage of adjusted turnover	N/A	12.1%	N/A	N/A
Cost of standard repairs versus ARK benchmark	100%	94%	100	ARK constancy benchmark

### Above target for most VfMs measures

As shown in the tables above, we exceeded targets in most areas. The measures which performed below target are as follows:

- Reinvestment spend – is the amount invested in both our existing and new build homes including committed developments and uncommitted development opportunities. Unfortunately, we did not convert all of our uncommitted spend into committed developments during the year so our spend is lower than targeted. However, we have now secured more new homes, which are due to be completed early in the forthcoming year and will make up a high proportion of available development spend, with uncommitted making up a very small proportion.
- Headline social housing cost per unit – higher-than-expected increases in insurance premiums, coupled with the need to carry out more responsive repairs than expected, meant that our unit costs were above our target. An increase in the number of response repairs needed, coupled with major works (including energy efficiency improvements) taking longer than expected, skewed our predicted work ratio. However, this will improve in 2025-26 as major works catch up to plan.

## Transparency, Influence & Accountability Standards Metrics

The Transparency, Influence and Accountability Standard requires us to provide customers with accessible information about our directors' remuneration and management costs.

The table below shows performance against the three metrics set by the Regulator of Social Housing. We will seek comparable information from our peer group when it becomes available.

Measure	Actual Annual 2024-25
The remuneration payable to the highest paid director, relative to the size of the landlord	£30.60
The aggregate amount of remuneration paid to the directors, relative to the size of the landlord	£101.40
Management costs relative to the size for the landlord	£1,550.70

## Environmental, Social and Governance report

Environmental considerations are a key factor in the delivery of our new homes, and we are also focussing on improving the energy efficiency of our existing, older housing stock. This work represents a significant proportion of our reinvestment programme for our existing homes. The Government has set a target for all social housing properties to have an Energy Performance Certificate (EPC) rating of at least C by 2030. We have set our own target to ensure that 95% of our properties are at least EPC C-rated by March 2028.

Social value and our contribution to communities is embedded into all of our core work.

We recognise the benefits of high-quality governance and how this supports our business strength. We retain the highest G1 regulatory rating for governance.

We continue to develop and report on our Environmental, Social and Governance metrics to demonstrate our performance in these areas. The table below outlines measures and the results from 2024/25.

Measure	Result 2024/25
EPC ratings of existing homes	EPC A-B 37% EPC C 43% EPC D-G 20%
EPC ratings of new homes handed over during the year	EPC A 14% EPC B 60% EPC C 26%
Is the housing provider registered with the regulator?	Yes
Most recent viability and governance assessment	G1/V1
What code of governance is followed?	NHF code of Governance 2020
Is the housing provider not for profit	Yes
Demographics of Board	64% Female 36% Male
Is there a maximum tenure for a Board member?	NEDs are appointed for 2 terms of up to 3 years but may serve for up to three additional terms of one year each (up to a maximum of nine consecutive years).
What %age of the Board are Non-Executive	82%
Number of board members on the Audit Committee with recent and relevant financial experience	2
Has a succession plan been provided to the board in the last 12 months?	Yes
For how many years has the housing provider's current external audit partner been responsible for auditing the accounts	4 years, Mark Dawson, KPMG
When was the last independently run, board-effectiveness review?	2025
Are the roles of the chair of the board and CEO held by two different people?	Yes
How does the housing provider handle conflicts of interest at the board?	Approved declaration of interests' policy in place
Does the housing provider pay the Real Living Wage?	Yes
What is the gender pay gap?	Mean 2.59% Median 4.15%

## Governance

Our Board is committed to the highest standards of corporate governance - this is the whole system of governance, leadership and management of the business that leads to successful delivery of our purpose and strategic objectives. This includes the role of the Board in fulfilling the co-regulation responsibility set out in the Regulatory Framework published by the Regulator of Social Housing.

We follow best practice regarding corporate governance. The group complies with the principal recommendations of the National Housing Federation's Code of Governance 2020 and has adopted a range of policies and procedures to help achieve these. The Board evaluated compliance as at 31 March 2025 and did not identify any potential areas of material non-compliance.

## Committees

We receive feedback directly from customers through structured independent surveys and other methods. We have a Scrutiny Group made up of customers and they meet regularly to scrutinise our work and provide feedback and suggestions to help us make improvements. This includes reviewing and providing reports directly to our Board on key aspects of service delivery and operational performance.

The Board is ultimately responsible for governance; however it is supported in this by sub-committees. These committees are supplemented by short-life 'task and finish' groups that are established as and when required to focus on specific emerging issues.

Membership of the committees is based on a Board skills matrix - a split of the governance responsibilities between the Board and Committees is shown below:

## Board

### Main responsibilities

- Performance and compliance
- Governance arrangements
- Selection and remuneration of Board members and executive appointments
- Financial management and borrowing
- Audit, risk and controls
- Contracts and disposals
- Customer services
- Asset management including repairs and maintenance
- Sustainability and Economic, Social and Governance (ESG) matters
- Communications
- Equality, Diversity and Inclusion (EDI)
- Approval of strategies and policies

The Board also maintain a schedule of significant matters, specifically reserved for the Board's decision, which will not be delegated.

## Audit and Risk Committee

### Purpose

The Audit and Risk Committee oversees risk management and is responsible to the Board for the overall audit operation within the group.

### Main responsibilities

- Financial reporting and external audit activity
- Internal controls, risk and assurance management systems
- Internal audit
- Health and safety
- Probity
- Pension risk

## Customer Committee

### Purpose

The Customer Committee's main role and purpose is to provide the Board with assurance that we are meeting consumer regulation obligations. This includes monitoring Tenant Satisfaction Measures (TSM's), landlord safety compliance, customer satisfaction and complaints.

### Main responsibilities

- Performance monitoring and reporting against TSMs
- Customer feedback and complaints handling
- Customer engagement and involvement
- Co-regulation

## Investment Committee

### Purpose

The Investment Committee's main role and purpose is to provide the Board with assurance over our investment activities, in accordance with legislation and our Corporate Plan. The Investment Committee oversees the overall monitoring and review of future investment decisions.

### Main responsibilities

- Development scheme approval including review of investment, partnership or joint venture opportunities
- Stock acquisition opportunities
- Monitoring delivery against the group's investment strategy
- Asset management
- Decarbonisation approach
- Investment strategy
- Environmental Social and Governance



## Treasury and Finance Committee

### Purpose

The Treasury and Finance Committee's role is to provide the Board with assurance over the group's main financing activities. This includes monitoring and reviewing financial performance, future finance and borrowing decisions, and reviewing and making recommendations on financial assumptions. It also has remuneration responsibilities and oversees Chair and Vice Chair fees.

### Main responsibilities

- Review and recommend financial assumptions, business plans, targets and budgets;
- Review and recommend the Treasury Management Strategy to the Board;
- Monitor the organisation's finances, liquidity and borrowing;
- Review and recommend to the Board for approval treasury and borrowing activity on behalf of the group; and
- Review and recommend remuneration activity on behalf of the group.
- Financial regulatory compliance

### Board Members

Membership of our Board is skills-based, and competencies are assessed against our strategic objectives. Board rules state that there can be a total of 10 members in addition to co-optees.

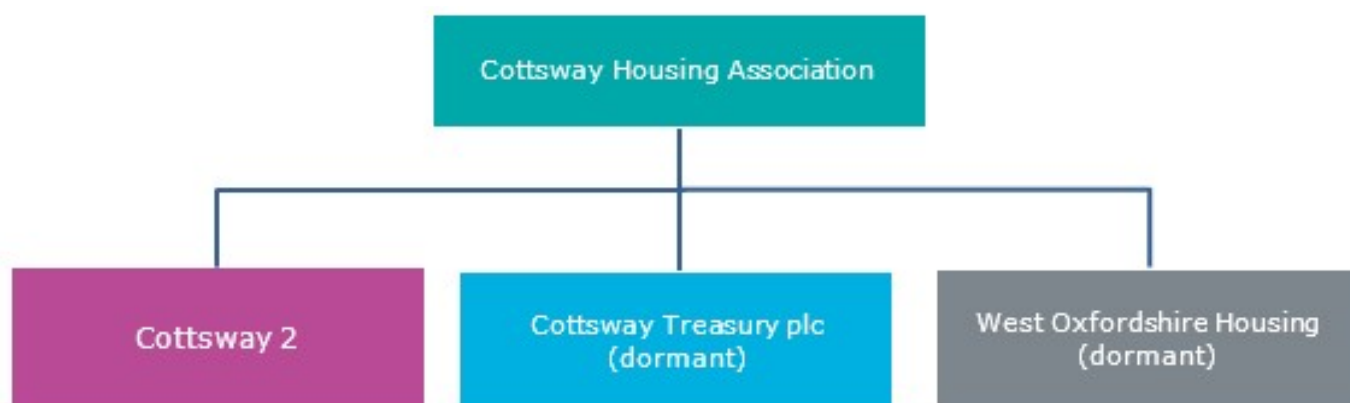
There are currently 11 members on the Board and membership is comprised of nine Non-Executive (including two co-optees) and two Executive Directors (Chief Executive and Deputy Chief Executive). All Board members, including the Chair, are appraised every year. Non-Executive Directors are appointed for 2 terms of up to 3 years but may serve for up to three additional terms of one year each (up to a maximum of nine consecutive years). Co-optee appointments are reviewed annually.

The following members served during 2024-25:

Membership	Group Board	Audit & Risk Committee	Treasury and Finance Committee	Customer Committee	Investment Committee
Alan Shaoul (from 1 March 2024 to 1 April 2025)	✓	✓ (from 1 April 2024 to 1 April 2025)	✓ (from 1 April 2024 to 1 April 2025)		
Alice Cummings	Vice Chair	Chair (until 30 September 2024)			
Alix Green	✓			✓	Chair
Andrew Hall	Chair		✓ (from 10 June to 6 August 2024)		✓
Barbara Taeed (co-optee, from 1 February 2024)	✓	✓ (from 1 April 2024 and Chair from 1 October 2024)			
Jeremy Fletcher (until 30 April 2024)	✓		✓		
Les Henderson	✓	✓	✓ (until 31 May 2024)	Chair (from 1 June 2024)	
Lizzie Hieron	✓	✓ (until 31 March 2024)	✓ (until 31 March 2024)	Chair (until 31 May 2024)	
Rebecca Pritchard (co-optee, 1 February 2024 – 31 March 2024. NED from 1 April 2024)	✓		Chair (from 1 April 2024)		
Julie Wittich (co-optee, from 1 August 2024)	✓		✓ (from 6 August 2024)		
Richard Reynolds	✓				✓
Sue Lakin	✓			✓	

## Group structure

The Cottsway group structure is illustrated below:



## Internal controls assurance statement

There is risk in any business activity. To succeed as a business, we need to understand the risks associated with each activity and actively manage those risks to an acceptable level. Effective and efficient risk governance and oversight provide the Board with assurance that our activities will not be adversely impacted by risks that could have been foreseen. This in turn reduces the uncertainty of achieving our corporate objectives.

## Risk framework

We utilise a risk framework. Our Board keeps the risk appetite of the group under review and annually reviews our risk framework to ensure that it continues to be relevant to our current and planned activities.

## Risk management

### Identifying risks

The first activity in the risk management process is to identify relevant operational risks. Risk identification ascertains our exposure to uncertainty. This requires detailed knowledge of our organisation, the sector in which we operate, the legal, social, political, and cultural environment in which Cottsway exists, as well as the development of a sound understanding of our strategic and operational objectives.

### Prioritising risks

Once a risk has been identified it needs to be understood and prioritised. This involves assessing risks against likelihood (the probability of a particular risk occurring) and the impact (the estimated effect on one or more objectives of a particular threat occurring).

Risks are assessed using likelihood / impact matrix to determine the inherent risk:

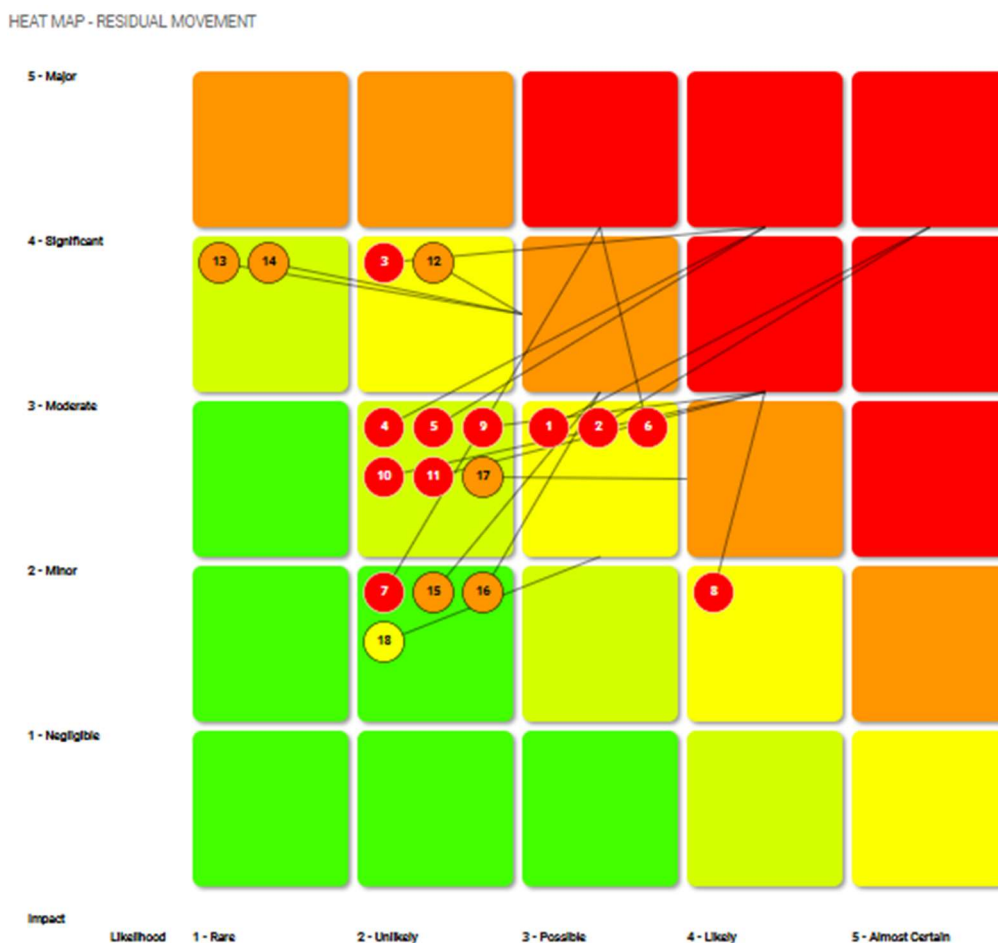
Impact	Likelihood				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 Major	15	19	22	24	25
4 Significant	10	14	18	21	23
3 Moderate	6	9	13	17	20
2 Minor	3	5	8	12	16
1 Negligible	1	2	4	7	11

Cottsway has adopted a three lines assurance model for risk management and control. In this model, the first level of assurance comes from the team that performs the day-to-day activity; the various control, compliance and oversight functions established by management are the second line of assurance; and assurance provided from outside the organisation is the third. Each of these three lines plays a distinct role within Cottsway’s governance framework.

Taking into account the likely efficacy of the controls, the residual likelihood, impact, and overall score for each risk is assessed. This is the residual risk.

Cottsway has identified 18 key risks which, if they were to crystallise, would impact on the ability to deliver the objectives of the Corporate Plan. These risks include 5 legal and regulatory compliance risks, which are areas where the Board is particularly risk averse.

The inherent risk to residual risk movement of the key risks is illustrated below:



At the most recent Audit and Risk Committee meeting (15 July 2025), the five risks with the highest residual score were identified as:

Description	Inherent score	Residual score	Risk vs appetite
Inability to obtain and secure competitive funding	18	14	Below
Inability to use systems	25	13	Below
Extreme events	22	13	Below
Failure to maintain our shared ownership income line	24	14	Below
Cyber security failure	25	13	Below

## Risk Review

Based on the residual risk score, risk owners and managers are required to review their risks at the following intervals. This is monitored by the Audit and Risk Committee.

Risk Scores	Overall Risk Rating	Review Period
20 – 25	A	Monthly
15 – 19	B	Quarterly
11 – 14	C	Every 3 – 6 Months
7 – 10	D	Every 6 – 9 Months
1 – 6	E	Every 12 Months

## 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 has 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.
- 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 association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

## Risk management

The principal risks and uncertainties and how they are mitigated are outlined on page 20.

Risks are scored on a matrix of impact and probability, with reporting escalating increasingly critical risks through the management structure and through to the Board. Strategic risks are compiled with reference to operational risk registers, but also with an independent scrutiny and risk identification approach from the Executive and Board. The Chief Executive is the Chief Risk Officer. Risks are reported to the Audit and Risk Committee and to the Board.

## Internal controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating, and managing the significant risks faced by the group is ongoing and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the Board report and financial statements.

Key elements of the control framework include:

- Board-approved terms of reference and delegated authorities for committees, together with standing orders and financial regulations.
- Board oversight of subsidiary company activities.
- Clearly defined management responsibilities for identifying, evaluating and controlling significant risks, based on a comprehensive corporate risk map which is reviewed regularly.
- A clear strategic planning process, based on consultation with stakeholders and supported by a 30-year business plan with detailed financial budgets and forecasts.
- Formal recruitment, training and appraisal/development policies for all staff and Board members.
- Established authorisation and appraisal procedures for all significant new initiatives and commitments, which consider any material risk and control implications.
- Clear treasury management and procedures, subject to external and Board review annually.
- An independent internal audit function, which reports regularly to members on control issues.
- Regular reporting to the Board on key strategic and performance objectives, targets and outcomes; and
- Board-approved whistle-blowing and anti-fraud policies, to support a shared commitment within the group to working strictly within this control framework, executed to the highest standards of integrity.

A fraud register is maintained, and a report is given at each meeting of the Audit and Risk Committee on any instances of detected fraud. There were no such instances during the period under review resulting in material financial loss to the group. Cottsway has an appointed Money Laundering Reporting Officer as part of compliance with money laundering legislation.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can delegate, and has delegated, authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives reports and minutes following each meeting of the Audit and Risk Committee.

The Audit and Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the association and its subsidiaries, and the annual report of the internal auditor, and has reported its findings to the Board.

In conclusion, the Board has reviewed the effectiveness of the system of internal control and is satisfied that there is sufficient evidence to confirm that robust systems of internal control existed and operated throughout the year, and that those systems were aligned to an ongoing process for management of the significant risks facing the organisation.

## Employee involvement

We recognise that the strength of the group lies in the quality and commitment of its employees, all of whom work towards ensuring we meet our objectives and commitments to customers in an efficient and effective manner. Employees participate actively in the development of the group's objectives, both strategic and operational, through the Corporate Leadership Team, team meetings, staff away days, regular briefing sessions and the group consultative body, Staff Matters.

The group is committed to ensuring the continued development of all employees. To help achieve this, we have in place a comprehensive appraisal procedure, as well as a detailed induction programme for all new members of staff. This is supported through regular one-to-one meetings for all staff and a group-wide approach to learning and development.

## Equality, Diversity and Inclusion

The group is fully committed to promoting the benefits of equality, diversity and social inclusion/cohesion and ensuring this principle underpins our work. The Board is ultimately responsible for effective governance including equality, diversity and inclusion. The Chief Executive is then responsible for the effective implementation of our equality, diversity and inclusion policy and corporate action plans.

## Modern Slavery

In accordance with the Modern Slavery Act 2015, Cottsway has published a Modern Slavery Statement. It sets out the steps taken by the group during the year ending 31 March 2025 to prevent modern slavery and human trafficking in its business and supply chain. It has been approved by the Board.

## Going concern

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

The Board has received and scrutinised cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the going concern period), which indicate that, taking account of severe but plausible downsides, the group and association will have sufficient funds to meet their liabilities as they fall due for that period. In addition, the Board receives and scrutinises a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2025 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the group and association budgets for 2025-26 and the group's medium term financial position as detailed in the cash flow forecasts and 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. In order to reach this conclusion, the Board have considered:

- **Property repair costs** – The business plans included the impact of rising costs and investment to bring all homes to EPC 'C' by 2030 and future investment to decarbonise the portfolio.
- **The property market** – In our base plan we have assumed a three-month lag in shared ownership sales (six-months for flats) and reviewed the impact if sales were delayed by up to 24 months. Also the level of assumed property asset disposals are not significant to the viability of the group.

- **Development costs** – We have modelled the impact of delays and accelerations to the development programme to ensure there is enough liquidity to manage the impacts. The level of committed expenditure is shown in note 26.
- **Rent and service charge receivable** – Given the continuing cost-of-living crisis we remain alert to challenges in terms of our customers' ability to pay their rent. Within our standard assumptions we have doubled the bad debt provision on properties let on an affordable basis. We have also looked at the impact on the plan if all of these rates doubled.
- **Regulatory hazards** – We have modelled a sudden increase in operating costs over a five-year period that may arise as a result of regulatory/legislative changes and/or significant cost increases.
- **Liquidity** – As at 31 March 2025, the group cash balance was £9.7m. In addition, there were undrawn available group facilities of £96m of which £96m is immediately available. The contracted for commitments of £73.2m will be funded from group facilities together with operating cash surpluses.
- **Impact on the supply chain** – We have not suffered any significant disruptions to our key supply chains in the last year and do not foresee any in the future. There may be some delay to the delivery of new homes however from a cash perspective any loss in rental would be offset by reduced development expenditure.

As the vast majority of our debt is at fixed rates we have not made any adjustment to interest costs.

The Board believe the group and association have sufficient funding in place and expect the group and association to be compliant with their debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the group and association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Statement of compliance

In preparing this strategic report, the Board has followed the principles set out in the 2018 Statement of Recommended Practice (SORP): Accounting for registered social housing providers.

The Board is pleased to report that the association complies in full with the requirements of the NHF 2020 Code of Governance.

In preparing this report, a review of group governance procedures has been undertaken and the Board is satisfied that Cottsway Housing association is compliant with the Governance and Financial Viability Standard as set out by the Regulator of Social Housing.

## Disclosure of information to auditors

All current Board members have taken all the steps they ought to have taken to ensure that they are aware of any information needed by the group and association's auditor for its audit, and to establish that the auditors are aware of that information. The Board members are not aware of any relevant audit information of which the auditors are not aware.

A resolution to reappoint KPMG as auditors will not be proposed at the forthcoming Annual General Meeting. A resolution to appoint BDO, subject to member approval, will be proposed instead.

By order of the Board



**Andrew Hall**  
Chair  
5 August 2025

## Independent auditor's report to Cottsway Housing Association

### Opinion

We have audited the financial statements of Cottsway Housing Association ("the Association") for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Consolidated Statement of Cash Flows, Consolidated statement of movement in reserves and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2025 and of the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group's and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Association will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the audit and risk committee and inspection of policy documentation as to the group's high-level policies and procedures to prevent and detect fraud, and the Association's channel for whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the group's fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls, in particular the risk that group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is fraud risk related to revenue recognition because we do not consider there to be financial incentives or pressures that increase the risk of fraudulent revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation of some of the group-wide fraud risk management controls.

We performed procedures including:

- • Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), and taxation legislation, pensions legislation and specific disclosures required by housing legislation, and we assessed the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: employment law health and safety, recognising the nature of the group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## Other information

The Association's Board is responsible for the other information, which comprises Strategic Report of the Board and the Statement on Internal controls assurance report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

## Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

## Board's responsibilities

As explained more fully in their statement set out on page 21, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; 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; assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.


## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association 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 those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association, for our audit work, for this report, or for the opinions we have formed.



**Mark Dawson**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
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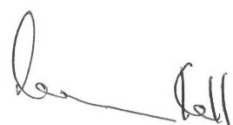
8 August 2025

## Consolidated statement of comprehensive income

	Note	2025 £'000	2024 £'000
<b>Turnover</b>	3	48,951	45,529
Operating Expenditure (before pension cessation costs)	3	(30,840)	(29,059)
Pension Cessation Costs	24	-	(7,094)
Surplus on disposal of property, plant and equipment	7	1,029	669
<b>Operating Surplus</b>	3,6	19,140	10,045
Interest receivable	8	299	142
Interest payable and financing costs	9	(13,661)	(13,836)
Gain on Transfer of Engagements	34	-	9,644
<b>Surplus on ordinary activities before taxation</b>		5,778	5,995
Tax on surplus on ordinary activities	12	-	-
<b>Surplus for the year</b>		5,778	5,995
Actuarial surplus in respect of pension schemes	24	-	6,287
<b>Total comprehensive income for the year</b>		5,778	12,282

The financial statements were approved by the Board on 5 August 2025.

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.



Andrew Hall  
Chair



Richard Reynolds  
Board Member and CEO



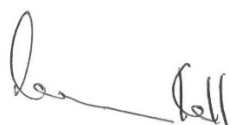
Tessa Rollings  
Resources Director

## Association statement of comprehensive income

	Note	2025 £'000	2024 £'000
Turnover	3	48,386	45,084
Operating expenditure (before pension cessation costs)	3	(30,712)	(28,965)
Pension Cessation Costs	25	-	(7,094)
Surplus on disposal of property, plant and equipment	7	1,029	595
<b>Operating Surplus</b>	<b>3</b>	<b>18,703</b>	<b>9,620</b>
Interest receivable	8	289	130
Interest and financing costs	9	(13,408)	(13,684)
Gain on Transfer of Engagements	34	-	9,644
<b>Surplus on ordinary activities before taxation</b>		<b>5,584</b>	<b>5,710</b>
Tax on surplus on ordinary activities	12	-	-
<b>Surplus for the year</b>		<b>5,584</b>	<b>5,710</b>
Actuarial surplus in respect of pension schemes	25	-	6,287
<b>Total comprehensive income for the year</b>		<b>5,584</b>	<b>11,997</b>

The financial statements were approved by the Board on 5 August 2025.

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



Andrew Hall  
Chair



Richard Reynolds  
Board Member and CEO



Tessa Rollings  
Resources Director

## Statement of financial position

	Note	Group 2025 £000's	Association 2025 £000's	Group 2024 £000's	Association 2024 £000's
<b>Fixed assets</b>					
Tangible fixed assets - Housing	12	493,710	482,172	462,826	451,494
Tangible fixed assets - Other	13	3,693	3,693	3,724	3,724
Investment in Subsidiaries	14	30	43	30	43
		<b>497,433</b>	<b>485,908</b>	<b>466,580</b>	<b>455,261</b>
<b>Current assets</b>					
Properties held for sale	15	2,720	2,720	1,892	1,892
Trade and other debtors	16	737	761	1,820	1,816
Cash and cash equivalents		9,713	9,169	4,020	3,114
Inventory		201	201	179	179
		<b>13,371</b>	<b>12,851</b>	<b>7,911</b>	<b>7,001</b>
<b>Creditors</b>					
Amounts due within one year	17	(12,432)	(12,299)	(12,312)	(12,049)
<b>Net current assets /(liabilities)</b>		<b>939</b>	<b>552</b>	<b>(4,401)</b>	<b>(5,048)</b>
<b>Total assets less current liabilities</b>		<b>498,372</b>	<b>486,460</b>	<b>462,179</b>	<b>450,213</b>
Creditors Amounts Falling Due after one year	18	(328,536)	(318,264)	(297,890)	(287,371)
<b>Provisions for liabilities</b>					
Pension provision	23	-	-	-	-
Other provision	21	(289)	(289)	(544)	(542)
<b>Total net assets</b>		<b>169,547</b>	<b>167,907</b>	<b>163,745</b>	<b>162,300</b>
<b>Reserves</b>					
Income and expenditure reserve		112,718	111,078	103,367	101,922
Revaluation reserve		56,514	56,514	60,063	60,063
Restricted reserve		315	315	315	315
<b>Total reserves</b>		<b>169,547</b>	<b>167,907</b>	<b>163,745</b>	<b>162,300</b>

The accompanying notes form part of these financial statements. The financial statements were approved by the Board on 5 August 2025.



Andrew Hall  
Chair



Richard Reynolds  
Board Member and CEO



Tessa Rollings  
Resources Director

## Consolidated statement of cash flows

	2025 £000	2024 £000
<b>Surplus for the financial year</b>	<b>5,778</b>	<b>5,995</b>
Depreciation of housing properties and early write off	7,319	6,385
Depreciation of other fixed assets	832	698
Pensions operating charge	-	(214)
Adjustment for non-cash items	23	5,254
<b>Investing or financing activities adjustments:</b>		
Surplus on the disposal of properties	(1,029)	(669)
Interest paid and finance costs	13,661	13,835
Interest received	(299)	(142)
Transaction costs for sale of fixed assets	(525)	-
<b>Working capital movements</b>		
Properties for sale	(827)	(766)
Debtors	1,084	(374)
Inventory	(22)	-
Creditors	120	477
Provisions	(255)	255
<b>Net cash generated from operating activities</b>	<b>25,860</b>	<b>30,734</b>
<b>Cash flow from investing activities</b>		
Purchase of housing properties	(43,387)	(62,290)
Proceeds from sales of housing properties	7,178	6,699
Social housing grant – received	6,497	7,106
(Purchase)/Sale of other fixed assets	(804)	(317)
Interest received	299	142
	<b>(30,217)</b>	<b>(48,660)</b>
<b>Cash flow from financing activities</b>		
Interest paid (including other finance costs)	(14,098)	(14,504)
New secured loans	137,000	26,315
Repayment of borrowings	(112,852)	-
Withdrawal from deposits	-	-
	<b>10,050</b>	<b>11,811</b>
<b>Net Change in cash and cash equivalents</b>	<b>5,693</b>	<b>(6,115)</b>
Cash and cash equivalents at beginning of the year	4,020	10,135
<b>Cash and cash equivalents at end of the year</b>	<b>9,713</b>	<b>4,020</b>

## Consolidated statement of movement in reserves

### Group

	I&E Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total £'000
<b>Balance as at 1 April 2024</b>	<b>103,367</b>	<b>315</b>	<b>60,063</b>	<b>163,745</b>
Surplus/deficit for the year	5,778	-	-	5,778
Other Comprehensive Income for the year	-	-	-	-
Transfer from Revaluation reserve to Income and Expenditure Reserves	3,549	-	(3,549)	-
Increase in reserves	24	-	-	24
<b>Balance as at 31 March 2025</b>	<b>112,718</b>	<b>315</b>	<b>56,514</b>	<b>169,547</b>

### Association

	I&E Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total £'000
<b>Balance as at 1 April 2024</b>	<b>101,922</b>	<b>315</b>	<b>60,063</b>	<b>162,300</b>
Surplus/deficit for the year	5,584	-	-	5,584
Other Comprehensive Income for the year	-	-	-	-
Transfer from Revaluation reserve to Income and Expenditure reserve	3,549	-	(3,549)	-
Increase in reserves	23	-	-	23
<b>Balance as at 31 March 2025</b>	<b>111,078</b>	<b>315</b>	<b>56,514</b>	<b>167,907</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## 1. Legal status

The association is a Co-operative and Community Benefit Society and a registered housing provider. It currently has three subsidiaries, two of which are dormant. Cottsway 2 is consolidated within this set of accounts.

The financial statements are presented in thousands of pounds (£'000).

The individual accounts of the association have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
  - categories of financial instruments
  - items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks
  - the requirement to disclose transactions and balances with related parties, which form part of the group

## 2. Accounting policies

### Basis of accounting

The financial statements of the group and association are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. Cottsway Housing is a public benefit entity.

### Going concern

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

The Board has prepared cash flow forecasts covering a period of twelve months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the group and association will have sufficient funds to meet their liabilities as they fall due for that period. In addition, the Board prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2025 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the group and association budgets for 2025/26 and the group's medium term financial position as detailed in the cash flow forecasts and 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. To reach this conclusion, the Board have considered:

- **Property repair costs** – The business plans included the impact of rising costs and investment to bring all homes to EPC 'C' by 2030 and future investment to decarbonise the portfolio.
- **The property market** – In our base plan we have assumed a six-month lag in shared ownership sales and reviewed the impact if sales were delayed by up to 24 months. Also the level of assumed property asset disposals are not significant to the viability of the group.

- **Development costs** – we have modelled the impact of delays and accelerations to the development programme to ensure there is enough liquidity to manage the impacts. The level of committed expenditure is shown in note 26.
- **Rent and service charge receivable** – Given the cost-of-living crisis we anticipate a challenging time ahead in terms of our customers' ability to pay their rent. Within our standard assumptions we have doubled the bad debt provision on properties let on an affordable basis. We have also looked at the impact on the plan if all of these rates doubled.
- **Property voids** – The standard void rate has been assumed but the impact of this doubling has also been reviewed.
- **Liquidity** – As at 31 March 2025, the group cash balance was £9.7m. In addition, there were undrawn available group facilities of £76m of which £76m is immediately available. The contracted for commitments of £95m in Note 26, will be funded from group facilities together with operating cash surpluses.
- **Impact on the supply chain** – We have not suffered any significant disruptions to our key supply chains in the last year and do not foresee any in the future. There may be some delay to the delivery of new homes however from a cash perspective any loss in rental would be offset by reduced development expenditure.
- Other than the £90m revolving credit facility, the vast majority of our debt is at fixed rates ranging between 2.0% and 5.85%.

The Board believe the group and association have sufficient funding in place and expect the group and association to be in compliance with their debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the group and association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

#### Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. For each scheme the capitalisation cost includes acquisition, build costs and associated fees with delivering the scheme, plus directly attributable costs and an apportionment of non-direct staff resources and interest attributed to the cost of the scheme in line with average borrowing as specified in Note 9. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required.

#### Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected use of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the use of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation of Housing Properties at 31 March 2025 was £52.4m.

#### Basis of consolidation

The group's accounts consolidate the accounts of the association and its subsidiary, Cottsway 2.

## **Turnover**

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year, revenue grants receivable in the year and amortisation of capital grants received.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of other properties is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Turnover also includes income from feed in tariff and renewable heat incentive. Income is accounted for on an accruals basis and represents the feed in tariff and renewable heat generated over the accounting period.

## **Amortisation of Grant**

Social Housing Grant received for building new homes is amortised once the grant conditions have been met with this amount included as part of turnover.

## **Taxation**

Any charge for taxation is based on surpluses arising on those activities which are liable to tax.

## **Value added tax (VAT)**

The group charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by group bodies and not recoverable from HM Revenue & Customs. The balance of VAT payable or recoverable at the period end is included as a current liability or asset.

## **Interest payable**

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

Interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or

Interest on borrowings of the association, after deduction of interest on SHG in advance, to the extent that they can be deemed to be financing the development programme.

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

## **Financial instruments**

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

## **Housing properties**

Housing properties are principally those available for rent.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment. A full year depreciation charge is made in the year of acquisition.

Housing properties under construction are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

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

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and the related sales proceeds included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for impairment.

### Social Housing Grant (SHG)

Government grants received on housing properties from 1 April 2014 are recognised in income over the useful life of housing property structure and, where applicable, its individual components excluding land under the accruals model. The table below details the allocation and amortisation period for grant allocated to each component.

Component	Percentage	Years
Structure	80%	125
Roofs	4%	60
Heating	4%	30
Boiler	1%	15
Windows	2%	30
Electrical	2%	30
Bathrooms	1%	30
Kitchens	1%	20
External Doors	1%	25
Lifts	1%	10
PV Cells	1%	25
Green Heating	1%	15
Cloakrooms	1%	30

In accordance with the deemed cost transition provisions of FRS 102, the government grant received before 31 March 2014 has been accounted for using the performance model and taken to the income and expenditure reserve.

Grant due from Homes England or received in advance is included as a current asset or liability. Grant received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

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

### Creditors falling due after more than one year

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the group is required to recycle these proceeds, as such a contingent liability is disclosed to reflect this.

## Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

## Depreciation of housing properties

The group separately identifies the major components which comprise its housing properties, and charges depreciation, to write down the cost of each component to its estimated residual value. This is on a straight-line basis, over its estimated economic useful life.

Freehold land and shared ownership properties are not depreciated. Structure is depreciated according to the age of the property as set out in the table below. The group depreciates the other major components of its housing properties based on the following estimated economic useful lives, or the age of the structure if lower:

Structure	Years
Non-traditional	25
Pre-1960	75
1961-1980	100
Post-1980	125
Other components	
Roofs	60
Heating	30
Boiler	15
Windows	30
Electrical	30
Bathrooms	30
Kitchens	20
Lifts	20
External Doors	25
PV Cells	25
Green heating	15
Cloakrooms	30

## Impairment

Properties that are depreciated over a period of 50 years or more are subject to impairment reviews where an impairment event has occurred. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write-down is charged to operating surplus.

## Other fixed assets

Other tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Freehold property	2.5%
Office furniture and equipment	At various rates from 10-20%
Computer equipment	33 1/3 %
Digitalisation Programme	20%
Vehicles	25%

## Bad and doubtful debts

The group provides against rent arrears of current and former tenants and other miscellaneous debts to the extent that they are considered to be irrecoverable.

## Inventory

Stock held is valued at the lower of cost or net realisable value.

## Operating lease rentals

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

## Properties for sale

Shared ownership first tranche sales - completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

## Sales under Right to Buy legislation

Surpluses or deficits arising from the disposal of properties under Right to Buy legislation are disclosed on the face of the income and expenditure account. The surpluses or deficits disclosed are net of any sums payable to West Oxfordshire District Council under the terms of a claw back agreement ending on 31 March 2031.

## Reserves

The group establishes restricted reserves for specific purposes where their use is subject to external factors and designated reserves where reserves are earmarked for a specific purpose by the Board. Further details are provided in note 31.

## Revaluation Reserve

The difference on transition between the fair value of social housing properties and historical cost carrying value is credited to the revaluation reserve using the deemed cost transition provision rule.

### 3. Particulars of turnover, cost of sales, operating costs and operating surplus

#### Group – continuing activities

	Note	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
<b>Year ended 31 March 2025</b>				
Social Housing lettings	4	43,203	26,678	16,525
Other social housing activities		-	-	-
First tranche shared ownership sales		4,586	3,256	1,330
Other		1,162	906	256
		5,748	4,162	1,586
Surplus from the disposal from Properties		-	-	1,029
		<b>48,951</b>	<b>30,840</b>	<b>19,140</b>
<b>Year ended 31 March 2024</b>				
Social Housing lettings	4	37,702	23,501	14,201
Other social housing activities				
First tranche shared ownership sales		6,750	4,741	2,009
Pension Cessation Costs		-	7,094	(7,094)
Other		1,077	817	260
		7,827	12,652	(4,825)
Surplus from the disposal from Properties		-	-	669
		<b>45,529</b>	<b>36,153</b>	<b>10,045</b>

## Association – continuing activities

	Note	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
<b>Year ended 31 March 2025</b>				
Social Housing lettings	4	42,638	26,551	16,087
Other social housing activities		-	-	-
First tranche shared ownership sales		4,586	3,256	1,330
Other		1,162	905	257
Sales made to group undertakings		-	-	-
		5,748	4,161	1,587
Surplus from the disposal from Properties				1,029
		48,386	30,712	18,703
<b>Year ended 31 March 2024</b>				
Social Housing lettings	4	37,258	23,409	13,849
Other social housing activities				
First tranche shared ownership sales		6,750	4,741	2,009
Pension Cessation Costs		-	7,094	(7,094)
Other		1,076	815	261
Sales made to group undertakings		-	-	-
		7,826	12,650	(4,824)
Surplus from the disposal from Properties				595
		45,084	36,059	9,620

#### 4. Particulars of income and expenditure from social housing lettings

Group	General Needs Housing £'000	Shared Ownership £'000	2025 Total £'000	2024 Total £'000
<b>Turnover from social housing lettings</b>				
Rent receivable net of identifiable service charges	39,328	2,571	41,899	36,756
Service charge income	1,049	129	1,178	847
Amortised Government Grants	126	-	126	99
<b>Turnover from social housing lettings</b>	<b>40,503</b>	<b>2,700</b>	<b>43,203</b>	<b>37,702</b>
<b>Expenditure on social housing lettings</b>				
Management	7,649	496	8,145	7,348
Service charge costs	1,390	170	1,560	1,347
Routine maintenance	4,781	-	4,781	4,135
Planned maintenance	3,266	-	3,266	2,435
Major repairs expenditure	777	-	777	978
Bad debts	(2)	-	(2)	176
Depreciation of housing properties	7,319	-	7,319	6,385
Other Costs	832	-	832	697
<b>Operating costs on social housing lettings</b>	<b>26,012</b>	<b>666</b>	<b>26,678</b>	<b>23,501</b>
<b>Operating surplus on social housing lettings</b>	<b>14,491</b>	<b>2,034</b>	<b>16,525</b>	<b>14,201</b>
Void losses	516	-	516	594

Association	General Needs Housing £'000	Shared Ownership £'000	2025 Total £'000	2024 Total £'000
<b>Turnover from social housing lettings</b>				
Rent receivable net of identifiable service charges	38,886	2,476	41,362	36,321
Service charge income	1,039	126	1,165	838
Amortised Government Grants	111	-	111	99
<b>Turnover from social housing lettings</b>	<b>40,036</b>	<b>2,602</b>	<b>42,638</b>	<b>37,258</b>
<b>Expenditure on social housing lettings</b>				
Management	7,644	497	8,141	7,333
Service charge costs	1,390	170	1,560	1,347
Routine maintenance	4,761	-	4,761	4,114
Planned maintenance	3,257	-	3,257	2,430
Major repairs expenditure	775	-	775	975
Bad debts	(6)	-	(6)	182
Depreciation of housing properties	7,231	-	7,231	6,331
Other Costs	832	-	832	697
<b>Operating costs on social housing lettings</b>	<b>25,884</b>	<b>667</b>	<b>26,551</b>	<b>23,409</b>
<b>Operating surplus on social housing lettings</b>	<b>14,152</b>	<b>1,935</b>	<b>16,087</b>	<b>13,849</b>
Void losses	483	-	483	585

## 5. Accommodation in management and development

	Group 2025 No. of Properties	Association 2025 No. of Properties	Group 2024 No. of Properties	Association 2024 No. of Properties
<b>Social Housing</b>				
Social Rent	4,081	4,066	4,071	4,071
Affordable Rent	1,127	1,095	1,084	1,052
Low-Cost Home Ownership	577	562	550	535
Other Properties	5	5	5	5
<b>Total owned</b>	<b>5,790</b>	<b>5,728</b>	<b>5,710</b>	<b>5,663</b>
Accommodation managed for others	-	62	-	47
<b>Total managed</b>	<b>5,790</b>	<b>5,790</b>	<b>5,710</b>	<b>5,710</b>
Accommodation in development at the year end	505	505	127	112

## 6. Operating surplus

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>This is arrived at after charging:</b>				
Depreciation of housing properties	7,319	7,231	6,385	6,331
Depreciation of other tangible fixed assets	832	832	697	697
Operating lease rentals	319	319	282	282
Other fixed assets	-	-	-	-
<b>Auditor's remuneration:</b>				
- for audit services	152	146	154	137
- for non-audit services: transfer of engagement, refinancing and tax	12	12	41	41

## 7. Surplus on sale of fixed assets – housing properties

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Property sales</b>				
Receipts from Property Sales	2,593	2,593	1,879	1,690
Cost of Properties Sold	(871)	(871)	(600)	(443)
Claw Back Payment to WODC on Right to Buy Sales	(647)	(647)	(558)	(600)
Sundry costs of sale	(46)	(46)	(52)	(52)
	1,029	1,029	669	595
Capital Grant Recycled	-	-	-	-
Surplus on disposal of property, plant and equipment	1,029	1,029	669	595

## 8. Interest receivable and other income

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Interest receivable and similar income	299	289	142	130
	299	289	142	130

## 9. Interest payable and financing costs

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Loans and bank overdrafts	13,203	12,932	14,956	14,749
Other Financing Costs	895	895	(327)	(327)
Interest on Pension Fund liability	-	-	(124)	(124)
	<b>14,098</b>	<b>13,827</b>	<b>14,505</b>	<b>14,298</b>
Interest payable capitalised on housing properties under construction	(437)	(419)	(669)	(614)
	<b>13,661</b>	<b>13,408</b>	<b>13,836</b>	<b>13,684</b>

A rate of 4.5% (2024: 4.4%) has been used in calculating the amount of interest capitalised.

## 10. Employees

Total Employee costs for the year for the group and association including Executive Directors:

Average monthly number of employees expressed in full time equivalents	2025 No.	2024 No.
Administration	36	36
Development	10	10
Housing, support and care	59	62
Cottsway Repairs	64	53
	<b>169</b>	<b>161</b>

Full time equivalent staff numbers are calculated by converting the actual number of hours contracted to a normal working week, being 37 hours for office staff and 42 hours for staff in Cottsway Repairs.

Employee Costs	Office £'000	Cottsway Repairs £'000	2025 £'000	Office £'000	Cottsway Repairs £'000	2024 £'000
Wages and salaries	5,284	2,728	8,012	5,079	2,399	7,478
Social security costs	579	291	870	545	244	789
Pension costs (note 23)	422	214	636	386	185	571
	<b>6,285</b>	<b>3,233</b>	<b>9,518</b>	<b>6,010</b>	<b>2,828</b>	<b>8,838</b>

The full-time equivalent number of staff including Executive Directors who received emoluments:

	2025 No.	2024 No.
£60,001 to £70,000	12	11
£70,001 to £80,000	2	1
£80,001 to £90,000	-	-
£90,001 to £100,000	-	2
£100,001 to £110,000	1	3
£110,001 to £120,000	4	1
£120,001 to £130,000	-	-
£130,001 to £140,000	-	2
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-
£160,001 to £170,000	1	1
£170,001 to £180,000	-	-
£180,001 to £190,000	-	1
£190,000 to £200,000	1	-

## 10. Board Members and Executive Directors

### Group and Association

The total emoluments and fees received by the Executive Team and Board Members were £800,000 (2024: £647,000). The Executive Team received total emoluments and fees of £728,000 (2024: £587,000). The emoluments of the highest paid director in the year were as follows:

	2025 £'000	2024 £'000
Remuneration	177	169
Pension Contributions – in respect of services as director	17	16
	<b>194</b>	<b>185</b>

The Chief Executive and Directors are normal members of Social Housing Pension Scheme. Non-executive Board Members were paid as follows:

Board Member	2025 £'000	2024 £'000
Andrew Hall	17	16
Alice Cummings	9	8
Alix Green	8	7
Emma Kenny	0	7
Jeremy Fletcher	0	6
Les Henderson	8	6
Lizzie Hieron	4	7
Rebecca Pritchard	8	1
Alan Shaoul	6	1
Barbara Taeed	8	1
Julie Wittich	4	-
<b>Total</b>	<b>72</b>	<b>60</b>

## 11. Tax on surplus on ordinary activities

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Current tax</b>				
UK corporation tax on surplus for the year	-	-	-	-
	-	-	-	-
<b>Current tax reconciliation</b>				
<b>Surplus on ordinary activities before tax</b>	<b>5,778</b>	<b>5,584</b>	<b>5,995</b>	<b>5,710</b>
Theoretical tax at UK corporation tax rate 25% (2024 25%)	1,445	1,396	1,499	1,423
Tax Provision	-	-	-	-
Charitable activities not liable to tax	(1,445)	(1,396)	1,499	1,423
<b>Current tax charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

No additional provision was made in 2025.

## 12. Fixed assets - housing properties

### Group

Cost	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	Total housing properties £'000
<b>At 1 April 2024</b>	<b>439,572</b>	<b>21,843</b>	<b>45,630</b>	<b>8,137</b>	<b>515,182</b>
Additions	-	25,348	-	8,560	33,908
Reclassification	-	-	(827)	-	(827)
Works to existing properties	10,306	-	-	-	10,306
Interest capitalised	-	334	-	104	438
Units completed	24,916	(24,916)	9,687	(9,687)	-
Transfer of Engagements	-	-	-	-	-
Disposals/Transfers	(3,482)	-	(3,659)	-	(7,141)
<b>At 31 March 2025</b>	<b>471,312</b>	<b>22,609</b>	<b>50,831</b>	<b>7,114</b>	<b>551,866</b>

Depreciation and Impairment	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	Total housing properties £'000
<b>At 1 April 2024</b>	<b>(52,356)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52,356)</b>
Depreciation charge in year	(7,319)	-	-	-	(7,319)
Transfer of Engagements	-	-	-	-	-
Depreciation Released on disposal	1,519	-	-	-	1,519
<b>At 31 March 2025</b>	<b>(58,156)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58,156)</b>
<b>Net book value at 31 March 2025</b>	<b>413,156</b>	<b>22,609</b>	<b>50,831</b>	<b>7,114</b>	<b>493,710</b>
Net book value at 31 March 2024	387,216	21,843	45,630	8,137	462,826

## 12.Fixed assets - housing properties (continued)

### Association

Cost	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	Total housing properties £'000
<b>At 1 April 2024</b>	<b>433,634</b>	<b>17,996</b>	<b>43,835</b>	<b>8,137</b>	<b>503,602</b>
Additions	-	25,075	-	8,560	33,635
Reclassification	-	-	(827)	-	(827)
Works to existing properties	10,304	-	-	-	10,304
Interest capitalised	-	315	-	104	419
Units completed	20,778	(20,778)	9,687	(9,687)	-
Transfer of Engagements	-	-	-	-	-
Disposals/Transfers	(3,480)	-	(3,659)	-	(7,139)
<b>At 31 March 2025</b>	<b>461,236</b>	<b>22,608</b>	<b>49,036</b>	<b>7,114</b>	<b>539,994</b>

Depreciation and Impairment	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	Total housing properties £'000
<b>At 1 April 2024</b>	<b>(52,108)</b>	-	-	-	<b>(52,108)</b>
Depreciation charge in year	(7,231)	-	-	-	(7,231)
Transfer of Engagements	-	-	-	-	-
Depreciation Released on disposal	1,517	-	-	-	1,517
<b>At 31 March 2025</b>	<b>(57,822)</b>	-	-	-	<b>(57,822)</b>
<b>Net book value at 31 March 2025</b>	<b>403,414</b>	<b>22,608</b>	<b>49,036</b>	<b>7,114</b>	<b>482,172</b>
Net book value at 31 March 2024	381,526	17,996	43,835	8,137	451,494

<b>Expenditure on works to existing properties</b>	<b>Group 2025 £'000</b>	<b>Association 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Association 2024 £'000</b>
Components capitalised	10,306	10,306	5,556	5,556
Amounts charged to the income and expenditure account	8,824	8,794	7,547	7,520
	<b>19,130</b>	<b>19,100</b>	<b>13,103</b>	<b>13,076</b>

<b>Social housing assistance</b>	<b>Group 2025 £'000</b>	<b>Association 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Association 2024 £'000</b>
Total accumulated capital and revenue SHG received or receivable	50,917	48,949	45,629	44,269

The above figures include £28.3m in grant received before 1 April 2014 that has been recognised in revenue reserves. This would become repayable if a property was disposed of where a grant had been received.

<b>Housing properties at book value</b>	<b>Group 2025 £'000</b>	<b>Association 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Association 2024 £'000</b>
Freehold land and buildings	493,710	482,172	462,826	451,494
Long leasehold land and buildings	-	-	-	-
Short leasehold land and buildings	-	-	-	-
	<b>493,710</b>	<b>482,172</b>	<b>462,826</b>	<b>451,494</b>

In accordance with the requirements of the Financial Reporting Standard FRS102, impairment is assessed on the basis of cash generating units (CGU). A CGU is considered to be a group of properties in the same area or scheme; properties in each parish district are considered a group for impairment purposes. No triggers for impairment were identified for the year ended 31 March 2025.

### 13. Tangible fixed assets (Group and Association)

	Freehold offices £'000	Computers, office equipment & vehicles £'000	Total £'000
<b>Cost</b>			
At 1 April 2024	4,863	3,775	8,638
Additions	196	608	804
Disposals	-	(120)	(120)
At 31 March 2025	5,059	4,263	9,322
<b>Depreciation</b>			
At 1 April 2024	(2,370)	(2,544)	(4,914)
Charged in period	(153)	(679)	(832)
On disposals	-	117	117
At 31 March 2025	(2,523)	(3,106)	(5,629)
<b>Net book value at 31 March 2025</b>	<b>2,536</b>	<b>1,157</b>	<b>3,693</b>
Net book value at 31 March 2024	2,493	1,231	3,724

### 14. Investments in subsidiaries

Cottsway has 3 subsidiary companies included within the group.

Investments in Subsidiaries	Investment £000's	Registered Office	Status
Cottsway 2	-	Cottsway House, Heynes Place, Avenue Two, Witney OX28 4YG	Active
Cottsway Treasury Group Plc	13	Cottsway House, Heynes Place, Avenue Two, Witney OX28 4YG	Dormant
West Oxfordshire Housing Limited	-	Cottsway House, Heynes Place, Avenue Two, Witney OX28 4YG	Dormant

Cottsway also has a shareholding of £30,000 in MORhomes that has been established by housing associations as a borrowing vehicle (2024: £30,000).

## 15. Properties for sale

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Completed Properties for Sale	-	-	578	578
Properties under Construction	2,720	2,720	1,314	1,314
	2,720	2,720	1,892	1,892

## 16. Debtors and inventory

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Debtors</b>				
Rent and service charges receivable	1,046	1,039	1,386	1,378
Less: Provision for bad and doubtful debts	(795)	(789)	(671)	(671)
	251	250	715	707
Due from group undertakings	-	25	-	4
Other debtors	222	222	-	-
Prepayments and accrued income	264	264	1,105	1,105
	737	761	1,820	1,816
Due after more than one year	-	-	-	-
	737	761	1,820	1,816

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Inventory	201	201	179	179

The inventory value represents building materials held in respect of our in-house repairs and maintenance service.

## 17. Creditors: amounts falling due within one year

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Trade creditors	2,818	2,818	1,922	1,772
Rent and service charges received in advance	599	586	680	671
Due to group undertakings	-	13	-	13
Other creditors	44	44	13	14
Debt	165	74	188	100
RTB claw back payment	647	647	600	600
Accruals and deferred income	8,159	8,117	8,909	8,879
<b>At 31 March</b>	<b>12,432</b>	<b>12,299</b>	<b>12,312</b>	<b>12,049</b>

## 18. Creditors: amounts falling due after more than one year

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Loans and Borrowings	305,035	295,714	280,886	271,725
Loan Amortisation	-	-	-	-
Due to group undertakings	-	1,000	-	-
SHG Deferred Income	23,499	21,548	17,002	15,644
Recycled Capital Grant Fund	2	2	2	2
<b>At 31 March</b>	<b>328,536</b>	<b>318,264</b>	<b>297,890</b>	<b>287,371</b>

## 19. Deferred capital grant

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Social Housing Grant</b>				
At 1 April	17,002	15,644	9,896	9,896
Grants Received in Year	6,623	6,013	7,205	5,847
Released to Income in Year	(126)	(111)	(99)	(99)
<b>At 31 March</b>	<b>23,499</b>	<b>21,548</b>	<b>17,002</b>	<b>15,644</b>

## 20. Recycled capital grant fund

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Social Housing</b>				
At 1 April	2	2	112	-
Grants recycled	-	-	-	-
Interest accrued	-	-	2	2
Withdrawals	-	-	(112)	-
At 31 March	2	2	2	2

## 21. Other provisions

There is an outstanding provision as at 31<sup>st</sup> March 2025 of £0.3m (2024: £0.5m). This relates to provision of £0.3m made for the uncertainty in the tax treatment of the feed in tariff income. The general provision created in 2023 due to the uncertainty around the impact of the cost-of-living crises of £0.3m through a change in the calculation of the bad debt provision has now been released.

## 22. Debt analysis

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Debt is repayable as follows:</b>				
Within one year or on demand	165	74	188	100
Between one and two years	169	77	40,040	38,271
Between two and five years	14,539	14,247	9,604	9,319
After five years	290,327	281,391	231,242	224,135
	<b>305,200</b>	<b>295,789</b>	<b>281,074</b>	<b>271,825</b>

At 31 March 2025 the Group held bonds and loans which were drawn on a secured basis at all-in rates of interest averaging 4.7%. The average maturity of these loans is 22.5 years. At 31 March 2025 the group had available undrawn loan facilities of £96m (2024 £87m). The security value of properties secured against these loans was £624m.

## 23. Pensions (Group and Association)

### Oxfordshire County Council Pension Fund (OCC LGPS)

The Oxfordshire County Council Pension Fund (OCC LGPS) was closed to further accrual on 31 March 2017. The association was a member of the OCC LGPS until the cessation date of 31 October 2024.

The following tables show the comparatives to the prior year.

## Assumptions

The principal assumptions used by the actuaries in updating last year's valuation of the Fund for FRS102 purposes were:

	2025 % p.a.	2024 % p.a.
Salary increases	-	-
Pension increases	-	-
Discount rate	-	-

## Mortality assumptions

The post-retirement mortality assumptions adopted to value the benefit obligation at 31 October 2024 are based on the S3 SAPS table. The assumed life expectations from age 45 are:

Life Expectancy from Age 65 (years)	2025 No. of years	2024 No. of years
Current Pensioners – Males	-	-
Current Pensioners – Females	-	-
Future Pensioners – Males	-	-
Future Pensioners – Females	-	-

## Amounts recognised in The Statement of Comprehensive Income

	2025 £'000	2024 £'000
Net Interest cost	-	(134)
Net Management Cost	-	(1)
Net Operating Charges	-	(135)

The operating charge for 2025 represents charges to the date of cessation of the scheme on 31 October 2024.

### Reconciliation of opening and closing balances of the present value of scheme liabilities

	2025 £'000	2024 £'000
Opening scheme liabilities	-	18,799
Interest cost	-	506
Re-measurements	-	(2,296)
Benefits paid including unfunded benefits	-	(636)
Effect of Settlements	-	(16,373)
Closing scheme liabilities	-	-

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

	2025 £'000	2024 £'000
Opening fair value of plan assets	-	23,653
Interest income	-	640
Return/(loss) on plan assets (in excess of interest income)	-	(817)
Other Actuarial gains/(losses)	-	-
Contributions by employer	-	-
Benefits paid including unfunded benefits	-	(635)
Effect of Settlements	-	(22,841)
Closing fair value of plan assets	-	-

### Fund assets and expected rates of return

The approximate split of assets for the Fund as a whole at 31 March 2025 is shown below (only a proportion of these assets are allocated to Cottsway):

	2025 % p.a.	2024 % p.a.
Asset split	-	-
Equities	-	-
Property	-	-
Bonds	-	-
Cash	-	-

## Social Housing Pension Scheme (SHPS)

The Association has ceased to be a member of the SHPS as at 31 March 2024. The final cessation debt is currently unknown and so an estimate of £370k has been provided for within the accounts. The following tables show the movement of fund assets and obligations under the rules set of by FRS 102 for the comparative year.

### Assumptions

The principal assumptions used by the actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

	2025	2024
Discount Rate	-	4.91
Inflation (RPI)	-	3.12
Inflation (CPI)	-	2.79
Salary Growth	-	3.79
Allowance for commutation of pension for cash at retirement	-	75% of maximum allowance

### Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.25% p.a. for both males and females. The assumed life expectations from age 65 are:

Life Expectancy from Age 65 (years)	2025 No. of years	2024 No. of years
Retiring today – Males	-	20.5
Retiring today – Females	-	23.0
Retiring in 20 years – Males	-	21.8
Retiring in 20 years – Females	-	24.4

### Amounts recognised in surplus or deficit

	2025 £'000	2024 £'000
Net Interest cost	-	9
Net Management Cost	-	(45)
Net Operating Charges	-	(36)

The operating charge for 2024 represents charges to the date of cessation of the scheme on 31 March 2024.

### Reconciliation of opening and closing balances of the present value of scheme liabilities

	2025 £'000	2024 £'000
Opening scheme liabilities per accounts	-	1,144
Current service cost	-	3
Interest cost	-	55
Changes in financial assumptions	-	(15)
Change in demographic assumptions	-	(11)
Experience (Gain)/Loss	-	7
Benefits paid including unfunded benefits	-	(10)
Effect of Settlements	-	(1,173)
Closing scheme liabilities	-	-

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

	2025 £'000	2024 £'000
Initial recognition plan assets at fair value	-	930
Interest income	-	46
Return/(loss) on plan assets (in excess of interest income)	-	(65)
Experience Gain	-	-
Administration Expenses	-	-
Contributions by employer	-	48
Contributions by Scheme Participants	-	-
Benefits paid including unfunded benefits	-	(10)
Effect of Settlements	-	(949)
Closing fair value of plan assets	-	-

At 31 March 2025, there were 173 (2024:168) members in the DC scheme. Contributions to the DC scheme are between 2% and 10% for employees. An employers' contribution of between 4% and 10% is paid by Cottsway in respect of all members.

Total employer contributions during the year were £ 627,868 (2024: £571,805).

## 24. Share capital (Group and Association)

	2025 £	2024 £
As at 1 April	6	6
Shares issued	-	-
Shares cancelled	-	-
As at 31 March	6	6

## 25. Contingent assets/liabilities

The group and association had no contingent assets or liabilities as at 31 March 2025 (2024: £nil).

## 26. Capital commitments

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Capital expenditure</b>				
Expenditure contracted for but not provided in the accounts	73,220	73,220	21,976	21,742
Expenditure authorised by the Board, but not contracted for	22,124	22,124	-	-
	<b>95,344</b>	<b>95,344</b>	<b>21,976</b>	<b>21,742</b>

The contracted-for commitments will be funded from the loan facility referred to in note 30 together with operating cash surpluses.

## 27. Leasing commitments (Group and Association)

The future minimum lease payments of leases are as set out below. Leases relate to vehicles and IT equipment.

	2025 £'000	2024 £'000
<b>Operating leases</b>		
Within one year	320	162
Between two to five years	912	326
As at 31 March	<b>1,232</b>	<b>488</b>

## 28. Related parties

Cottsway Housing Association is providing management and repair services to Cottsway 2. In addition, Cottsway has two other dormant subsidiaries Cottsway group Treasury plc and West Oxfordshire Housing Limited.

## 29. Financial assets and liabilities (Group and Association)

The Board policy on financial instruments is explained in the Board Report as are references to financial risks. The only financial instruments the group holds are basic and the liabilities for these are included at amortised cost.

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
<b>Basic financial instruments</b>				
Financial assets that are debt instruments held at amortised cost	-	-	-	-
Financial liabilities held at amortised cost	(305,200)	(295,788)	(281,074)	(271,825)

## Borrowing facilities (Group and Association)

The group has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent had been met were as follows:

	2025 £'000	2024 £'000
Expiring in more than two years	76,000	67,000

## 30. Reconciliation of net cash flow to movement in net debt

	2025 £'000	2024 £'000
(Decrease)/Increase in cash	5,693	(6,115)
Cash movement in debt finance	(24,126)	(26,418)
<b>Movement in net debt in year</b>	<b>(18,433)</b>	<b>(32,533)</b>
Loan issue costs	-	-
Movement in amortised cost of financial instruments	-	-
Other	-	-
<b>Total change in net debt</b>	<b>(18,433)</b>	<b>(32,533)</b>
Net debt 1 April	(277,054)	(244,521)
<b>Net debt 31 March</b>	<b>(295,487)</b>	<b>(277,054)</b>

## Analysis of net debt

Group	31 March 2024 £'000	Cash Flow £'000	Non-Cash & Other Movement £'000	31 March 2025 £'000
Cash at bank and in hand	4,020	5,693	-	9,713
Loans	(281,074)	(24,126)	-	(305,200)
Changes in Net Debt	(277,054)	(18,433)	-	(295,487)

## 31. Restricted Reserve

Group	2025 £'000	2024 £'000
At 1 April	315	315
Additions to Reserve	-	-
Applications of Reserve	-	-
At 31 March	315	315

Association	2025 £'000	2024 £'000
At 1 April	315	315
Additions to Reserve	-	-
Applications of Reserve	-	-
At 31 March	315	315

The reserve holds receipts for properties sold that were transferred from West Oxfordshire District Council (WODC) in 2001. Under the terms of the transfer agreement 50% of the receipt is payable to WODC. They have agreed to 100% of the receipt being retained for all non-right to buy sales on the condition that the money received is reinvested in new properties in West Oxfordshire.

The reserve will be allocated to schemes on a case-by-case basis in agreement with WODC.

## 32. Group Structure

Cottsway Housing Association Limited is the ultimate parent Private Registered Provider (PRP) of the group and it is required by statute to produce consolidated accounts.

## 33. Transfer of Engagements from Cirencester Housing Association

On 30 November 2023 following consultation with all stakeholders, Cottsway completed a transfer of engagements from Cirencester Housing Association resulting in the transfer of 176 homes from Cirencester to Cottsway. The fair value of the assets and liabilities were recognised in the Statement of Financial Position and a gain of £9.6m was recognised in the Statement of Comprehensive Income for the year ended 31 March 2024.

## Assets and liabilities acquired

	Cirencester book value 2024 £'000	Fair value adjustment 2024 £'000	Grant liability adjustment 2024 £'000	Total 2024 £'000
<b>Fixed assets</b>				
Property (social housing)	7,765	4,644	-	12,409
<b>Current assets</b>				
Cash and cash equivalents	180	-	-	180
Other debtors	19	-	-	19
	199	-	-	199
Creditors: < one year	(52)	-	-	(52)
<b>Net current assets</b>				
Other creditors: > one year	(3,941)	-	1,275	(2,666)
Cost of Transfer of Engagement	-	(246)	-	(246)
<b>Net assets</b>	<b>3,971</b>	<b>4,398</b>	<b>1,275</b>	<b>9,644</b>

The creditor greater than one year relates to an existing loan.

## Amounts recognised in the Statement of Comprehensive Income

	2024 £'000
Gain on acquisition	9,644

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