Annual report and financial statements for the year ended 31 March 2026

Aster 3 Limited

Co-operative and Community Benefit Societies Act 2014 number 7605R

Aster 3 Limited

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Aster 3 Limited

Legal and Administrative Details

Registered office: Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ

Legal status: Aster 3 Limited ('the association') is incorporated under the Co-operative and Community Benefit Societies Act 2014 number 7605R and is a wholly owned subsidiary of Aster Group Limited and a member of the Aster Group ('the group').

The association is registered with the Regulator for Social Housing.

Members of the board: The directors of the association who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, are set out below.

Non-executive directors

Stephen Trusler	Chairperson
Mehul Desai	
Mike McCullen	
Richard Hughes	Appointed - 8 September 2025
Nicola Frayne	Appointed - 1 October 2025
Mat Cooling	Appointed - 8 November 2025
Clive Barnett	Resigned - 7 September 2025
Tracey Peters	Resigned - 30 September 2025
Caroline Wehrle	Resigned - 7 November 2025
Claire Whitaker	Resigned - 31 March 2026

Executive directors

Bjorn Howard	Group Chief Executive Officer
Chris Benn	Chief Financial Officer
Amanda Williams	Chief Investment Officer

Executive Team:

Bjorn Howard	Group Chief Executive Officer
Chris Benn	Chief Financial Officer
Rachel Credidio	Chief Innovation Officer & Enham Lead
Dawn Fowler-Stevens	Chief of Staff
Amanda Williams	Chief Investment Officer
Emma O'Shea	Chief Operating & Technology Officer

Company Secretary:

David Betteridge	Resigned - 1 September 2025
Dawn Fowler-Stevens	Appointed - 1 September 2025

Independent Auditor:
KPMG LLP
15 Canada Square
London
E14 5GL

Principal Banker:
Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Principal Solicitor:
Trowers and Hamlins
3 Bunhill Row
London
EC1Y 8YZ

Valuer:
Jones Lang LaSalle Limited
30 Warwick Street
London
W1B 5NH

Financial Adviser:
Chatham Financial Europe Limited
12 St. James Square
London
SW1Y 4LB

Aster 3 Limited

Report of the Board

The board presents its report and the audited financial statements for the year ended 31 March 2026.

Principal activities

The association's principal activity is to provide affordable homes and associated services as a Registered Provider.

The board does not anticipate any significant changes in the association's activities in the foreseeable future.

Results for the year

The profit for the year was £3.5 million (2025: £3.7 million).

The Board

The members of the board are listed on page 1. No members of the board held, at any time during the year, any beneficial interest in the shares of the association.

Directors' indemnities

The association is a member of the Aster Group which has made qualifying third party indemnity provisions for the benefits of its directors and officers (which extend to the performance of any duties as a director or officer of an associated company or subsidiary). The provisions have been in place throughout the year and remain in force at the date of this report.

Going concern

The directors, after reviewing the association’s budgets for 2026/27 and the group’s medium term financial position as detailed in the 30-year business plan, are of the opinion that, the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Reduced reporting disclosures

Section 1.12 of FRS 102 allows subsidiaries to take advantage of certain disclosure exemptions in their financial statements. The following exemptions have been taken:

a) A Statement of Cash Flows as outlined in section 7 of FRS 102;
b) The detailed disclosures of financial instruments, carrying values, terms and conditions and hedging relationships outlined in paragraph 11.41, 11.42, 11.44, 11.45, 11.48, 12.27, 12.29 and 12.29A of FRS 102;
c) The requirement to disclose key management personnel compensation outlined in paragraph 33.7 of FRS 102; and
d) The requirement to disclose related party transactions outlined in paragraph 33.11 of FRS 102.

The association has taken advantage of some of these exemptions this year as set out in note 3. A full set of disclosures are included in the group’s consolidated financial statements.

Paragraph 4.4 of the Housing SORP 2018 allows registered providers that are subsidiaries of a group to opt out of providing a Strategic Report. The association has taken this exemption and not produced a Strategic Report. The group's strategic report, including Aster 3 Limited, is accordingly represented in the financial statements of Aster Group Limited.

Report of the Board (continued)

Review of the association's business

The association owns approximately 2,000 homes and is a developer of new affordable housing.

Operational performance

Turnover increased by £0.7 million to £23.1 million. Lettings income increased by £2.1 million to £12.2 million and first tranche shared ownership sales generated income of £10.7 million, a decrease of £1.4 million. The association made a profit on disposal of housing property, plant and equipment of £0.7 million, an increase of £0.6 million on the prior year, driven by 4 VDP sales (2025: 0 VDP sales).

Operating costs decreased by £0.4 million to £17.1 million. This was mainly due to an £1.8 million decrease in first tranche cost of sales reflecting the related decrease in revenue. Other movements include a £0.9 million increase in maintenance costs and a £0.3 million increase in depreciation.

Operating profit for the year is £6.7 million (2025: £5.1 million).

The association, alongside Aster Property Limited providing asset management and maintenance services, is committed to embedding Value For Money (VFM) within the Customers Services Strategy by delivering efficient and value for money services, without compromising on health and safety.

The following table sets out the association’s key performance indicators (KPIs) in relation to the lettings side of its business:

	2025/26 Target	2025/26 Actual	2024/25 Actual
% rent loss through vacant properties	1.50%	1.00%	0.73%
Average number of days to re-let	21	23	20
% arrears (General Needs & HOPS & Extra Care)*	2.50%	1.30%	1.51%
New homes completed	186	193	263
Overall satisfaction %	80.00%	73.00%	80.00%

Rent losses through vacant properties in the association's general needs properties were 1.00% (2025: 0.73%) against a target of 1.5%. The average re-let time for general needs and supported housing properties of 23 days (2025: 20 days) was over the target of 21 days.

The arrears percentage decreased to 1.30% (2025: 1.51%) which is an improvement on the prior year and is significantly better than the target of 2.5%.

A key priority of the group is customer focus; therefore, it is disappointing that overall customer satisfaction is below target at 73% satisfaction rate (2025: 80%). The group’s customers are at the heart of the business and providing a safe and reliable service is a key priority for the group, one which the customer services directorate is charged with continuously improving.

Report of the Board (continued)

Value for Money (VfM) Statement - Aster Group

Aster 3 Limited is part of the wider Aster Group. The Board follows the approach laid out in the Group Value for Money Statement in our Group Financial Statements, and progress against our Strategic Priorities is monitored quarterly by our Executive and Overlap Boards. Value for Money forms a central part of our business and organisational culture. Our Value for Money metrics are also available in our Group Annual Report.

Principal risks

Throughout 2025/26, the Board maintained active oversight of the Group's ten strategic risk themes, recognising their potential impact on the delivery of strategic objectives and the provision of effective services to customers.
The Board also considered uncertainties within the operating environment that may present opportunities to enhance delivery against the Group's vision and purpose. The principal risks set out below reflect the Board's assessment of the Group's risk profile at 31 March 2026.

Customer Satisfaction and wider perception - Our service delivery doesn't meet customers' needs and expectations, or significant events erode stakeholder trust

Our response:
Delivery against customer satisfaction and reputation continues to be a core focus through the Group's strategic priorities. Activity has remained centred on modernising and improving core services, investing in customers' homes and strengthening the customer contact experience through a consistent and modern omni-channel offer.
Customer insight is drawn from a range of sources, including Tenant Satisfaction Measures, operational performance data, transactional feedback and colleague and customer surveys. Benchmarking through membership of the Institute of Customer Service supports an objective assessment of performance and informs priority-setting within the programme.
Customer voice is embedded through consultation forums and involved customer groups, which have been refreshed and expanded during the year. Learning from complaints has been deepened and used alongside service reviews and performance insight to shape improvements to operational delivery structures and service design, with a clear focus on improving outcomes for customers and the quality of homes.
Service delivery and performance are monitored through a defined framework of OPIs, dashboards and monthly KPI reporting. This information enables timely identification of emerging issues, supports accountability for delivery, and informs targeted improvement activity.

Delivery of new homes - External factors restrict the ability to deliver the planned developer led or land led new build programmes

Our response:
The Group takes a proactive and planned approach to the delivery of new homes, underpinned by strong stakeholder engagement with developers, contractors and local authorities. This supports effective management of external dependencies such as planning, supply chain capacity and market conditions.
Oversight of delivery performance and forecasted outputs is provided through the Group Investment and Asset Panel (GIAP), which regularly reviews progress against approved programmes. This is supported by a series of management controls, including development review meetings, KPI and OPI monitoring, programme forecasting and forward-looking risk assessment.
The Living Business Plan is updated to reflect changes to delivery assumptions, timescales and handover forecasts, ensuring that strategic planning and financial projections remain aligned to the evolving operating environment.
The Group's land-led development programme is delivered through a mini-framework agreement, helping to provide consistency and manage counterparty risk. All build contracts are subject to financial scrutiny, with additional contractual protections and security arrangements applied proportionately where risk levels are higher. During 2025/26, strong contract management and oversight helped mitigate contractor insolvency risk, enabling the Group to deliver its new home targets despite a challenging operating environment.

Investment in Homes and Sustainability - Investing in homes to meet current and future decent home and building fabric requirements, carbon reduction milestones

Our response:
The Group maintains assurance over the condition of customers' homes through comprehensive stock condition survey data, which provides a robust and evidence-based view of asset performance. This data is regularly refreshed and has continued to inform investment planning throughout the year.
Insights from stock condition surveys have been reflected within the Living Business Plan, supporting an increased and targeted programme of investment works over the coming years. This approach is complemented by the planned disposal of homes that perform least well for customers and would require disproportionate investment to meet required standards.
Planned investment programmes are designed to align related workstreams into coordinated delivery phases wherever possible. This maximises value for money while minimising disruption to customers by reducing repeat visits and improving delivery efficiency.
During 2025/26, survey coverage was maintained and investment delivery was achieved in line with agreed targets. In parallel, work commenced on the development of a new environmental sustainability strategy, providing a framework to support future building standards and the Group's longer-term carbon-reduction ambitions.

Report of the Board (continued)

Principal risks (continued)

Property Market - The property market experiences a slowdown and/or a reduction in property values

Our response:
The Group maintains active oversight of property market conditions through regular marketing and sales intelligence reporting to the Group Investment and Asset Panel (GIAP). While this reporting is primarily retrospective, it provides assurance over market conditions and acts as an early indicator of changes in risk profile.
Sales and market performance are monitored monthly by GIAP and the development leadership team. This includes analysis of key indicators such as levels of unsold stock, off-plan sales rates, average initial tranche share purchased, first-time buyer demand and market valuation trends. This monitoring informs timely decision-making on pricing, tenure mix and development phasing.
The Group undertakes regular stress testing across a range of scenarios, including a property market downturn. These scenarios are also modelled alongside other adverse factors, such as sustained higher borrowing costs, to understand compounded risk exposure and inform strategic and financial planning.
During 2025/26, the housing market remained challenging, with reduced buyer confidence, increased interest rates and wider economic uncertainty contributing to lower sales performance and reduced average first-time share purchases. Although sales targets were not achieved, the Group's risk management approach and stress testing provided continued assurance over financial resilience and supported informed management of development plans in a volatile environment.

Financial Performance and Resilience - Below acceptable operating and profit margins and /or challenges accessing viable funding and re-financing options

Our response:
The Group maintains a disciplined approach to financial management, supported by robust budgeting, forecasting and performance monitoring arrangements. Budgets are rigorously set and regularly re-forecast throughout the year, with outputs feeding into the Living Business Plan to ensure continued alignment between financial performance, strategic priorities and delivery plans.
Financial performance is monitored on an ongoing basis through a defined suite of KPIs and OPIs, with results regularly reviewed against budget and against the key metrics and financial parameters set out within the Group's Treasury Management Policy. This enables timely identification of emerging pressures and supports effective management action where required.
The Group undertakes regular stress testing using multi-variant scenarios, covering a range of potential economic conditions, including interest rate movements and wider market volatility. Additional scenarios are modelled as appropriate to assess resilience to emerging risks and inform strategic decision-making.
During 2025/26, operating margin performance was slightly ahead of target, and net profit was significantly better than budget. This reflected stronger-than-planned operating performance and interest costs that were lower than forecast, providing additional assurance over the Group's financial resilience in a challenging operating environment.

Regulatory Standing - Our governance, service delivery or an incident result in a decline in our relationship and reputation with a regulator

Our response:
The Group places a strong emphasis on preventing non-compliance through effective governance, robust controls and high standards of service delivery. Alongside this, the Group recognises the importance of maintaining open, transparent and constructive relationships with its regulators.
Oversight is provided through a comprehensive compliance framework covering all applicable legal and regulatory obligations. This framework supports regular review of services, controls and assurance arrangements againsts regulatory standards, enabling early identification of gaps and timely management action.
The Board and its Committees maintain rigorous oversight of regulatory and safety-related activity, supported by clear accountability and robust scrutiny arrangements. Continued focus is placed on the integrity. accuracy and timeliness of data used in regulatory returns. recognising the importance of data quality in maintaining regulatory confidence.
Strong governance. probity and assurance arrangements reduce the likelihood of regulatory non-compliance and minimise the potential for a signficant corporate or regulatory incident. During the year, the Group continued to engage in regular and open dialogue with the regulator, supporting transparency and reinforcing trust.

Health and Safety - A health & safety issue leads to serious injury or ill health

Our response
The Group's Health and Safety Policy, supporting arrangements and management system provide a clear and consistent framework for maintaining a strong safety culture across the organisation.
Property safety activity is managed through system-driven compliance programmes, covering cyclical inspection, servicing and remedial works. Delivery against these programmes is monitored through defined KPIs and OPIs, reported monthly, with clearly established tolerances reflecting the critical nature of the risks and potential consequences of non-compliance.
During the year, the Group strengthened its organisational structure and assurance model for property compliance, providing clear separation between operational delivery, oversight and independent assurance.
The evolving assurance regime will include enhanced data validation, exception reporting and anomaly analysis, third-party sampling across compliance workstreams, and physical verification of remedial action completion. These arrangements are being embedded progressively and will continue to develop as implementation progresses.

Principal risks (continued)

Technology and change management - Our technology infrastructure is unable to support our current or future needs, and/or our change activity and investment is unsustainable, uncoordinated or misdirected

Our response
Change initiatives are aligned to the Group's strategic priorities, key enabling activity and regulatory-driven requirements. This ensures that investment and organisational capacity are focused on the activity most critical to the delivery of core services and strategic objectives.
During the year, the Group undertook a significant re-set of its approach to strategy delivery, change management and technology. This included changes to leadership and the organisational structure supporting change delivery, alongside strengthening governance and oversight arrangements.
All change activity is now subject to a structured business planning process, aligned to budget setting and financial capacity. This approach supports clearer prioritisation, ensuring that the scale and pace of change remains manageable and focused on the highest-impact activity, with priority given to legally and regulatorily required change over discretionary initiatives.
Oversight of delivery has been provided through the Operational Scrutiny and Assurance Panel (OSAP), supported by targeted groups overseeing integration activity or sets of linked projects. This enables active monitoring of progress, dependencies and risk, and supports timely intervention where required to maintain delivery confidence.

People and culture - We don't have the culture, people, diversity of thought or skills we need to realise our potential into the future

Our response
Colleague insight and engagement have shaped the Group's People and Culture Plan, which began delivery during 2025/26. The plan focuses on strengthening the employment offer, enabling colleagues to do their best work, and supporting the attraction and retention of a diverse range of talent aligned to the Group's long-term ambitions.
A strategic approach to workforce planning enables the Group to identify and develop the skills and capacity required to support both future needs and effective operational delivery. This supports resilience in key roles and helps ensure capability remains aligned to strategic and regulatory priorities.
The Group's apprenticeship programme and use of the apprenticeship levy continue to provide opportunities for colleagues to develop new skills and access professional qualifications. This supports internal progression, upskilling and reskilling, and the development of future talent, contributing to retention and succession planning.
During the first year of delivery of the People and Culture Plan, improvements were seen in colleague engagement and net promoter scores. In parallel, planning and preparation commenced for the implementation of a new talent management system in 2026, designed to further strengthen capability, performance and succession management across the Group.

Data Security, Quality and Integrity - A lack of quality data or a breakdown in data integrity control frameworks, or an IT security breach causing data loss and/or system compromise/failure

Our response
During the year, the Group recognised that its approach to data management, governance and assurance needed to further mature to support effective decision-making, regulatory confidence and efficient delivery. In response, external expertise was commissioned to undertake a comprehensive data management maturity assessment, providing a clear and objective baseline.
A clear data improvement roadmap is being developed for implementation from 2026/27 over a 12–18 month period. This will focus on improving data quality, governance and assurance, strengthening the integrity of management information, and enabling better use of data insight and dashboards to support decision-making at all levels.
Together with the establishment of a revised data operating model and new leadership accountability, these changes represent the foundations of a strengthened and more coordinated approach to data across the Group. Previously separate data teams are being aligned to improve clarity of ownership, consistency of standards and efficiency of delivery.
In parallel, the Group maintains a strong focus on information security. Cyber Essentials accreditation is held, proactive security monitoring remains in place, and disaster recovery and cyber incident response plans are regularly tested to maintain preparedness and resilience against cyber threats.

Treasury policy

The Group operates a centralised Treasury Management function whose primary purpose is to manage liquidity, funding, investment and the Group's financial risk, including risk from volatility in interest rates and liquidity. The Group Treasury and Finance Committee reviews and approves the Group Treasury Policy before recommending it to the Group Board. Details of the policy are included in the Aster Group's consolidated financial statements.

Report of the Board (continued)

Corporate and Social Responsibility

People & Culture

Our people are central to delivering safe, high-quality services. During 2025/26, we made good progress by strengthening leadership, improving culture, and enhancing colleague experience.

We launched a refreshed People and Culture Plan in response to financial pressures, regulatory change and rising expectations. Its aim is to create an environment where colleagues feel supported to do their best work.

The plan focuses on six key priorities: trust and flexibility; leadership support; belonging; reduced hassle; an enhanced offer; and future readiness. These priorities are informed by colleague feedback, including innovation cafés and a group-wide survey, ensuring we respond to the needs of different roles and career stages.

Alongside this, we supported our ongoing leadership development programmes by introducing a Leader Playbook, a Leadership Community, and events and initiatives including New World Leadership and reverse mentoring for the Executive Board.

Professional development has also continued, with 16 colleagues undertaking the Women in Leadership apprenticeship, and 28 studying for Chartered Institute of Housing (CIH) qualifications, helping to build future readiness across the organisation. There is a need for a large number of our colleagues to undertake the housing competence and conduct qualification, and we will be supporting them to do so.

We strengthened our culture through the relaunch of The Aster Way and Culture Handbook, aligned with the CIH Code of Conduct and Code of Ethics. This was supported by the launch of the CIH Club.

We also modernised our People systems by introducing a new People Information System. This has consolidated ten payrolls and is improving data quality, automation and consistency.

We invested in our entire workforce by awarding a 2.5% cost of living pay increase in April 2025.

Inclusion and wellbeing remain a priority. We expanded learning programmes and maintained external recognition, including being recognised as a HouseProud Pledge Pioneer, achieving a TIDE silver award, and retaining our Menopause Friendly accreditation.

Our Gender Pay Gap reduced to 11.6%, below the UK average of 12.8%, reflecting stronger governance and more consistent pay practices.

These improvements are reflected in colleague feedback. Engagement increased to 63% (the highest since 2021), and turnover reduced to 14.36%, below the national average. Flexibility and wellbeing continue to be strengths, supported by initiatives such as Employment Plus, which provides tailored support for colleagues with disabilities and health conditions.

While progress is positive, challenges remain. Sickness absence has increased in some areas, leadership consistency needs further development, and colleague experience is not yet consistent across all teams. We are addressing these through targeted wellbeing support, clearer expectations for leaders, and focused interventions.

Looking ahead to 2026/27, we will focus on:
•embedding consistent leadership behaviours
•strengthening wellbeing through The Way We Work programme
•introducing a new Talent Management approach
•modernising the colleague offer
•improving People data.
Together, these actions will help build a more connected, capable and resilient workforce.

Environmental and Social - Energy efficiency action

As part of the Group, Aster 3 Limited, is acutely aware of the responsibility we have, to work in a conscious way to reduce the impact on our natural environment

We have continued to develop our Sustainability Strategy, which we plan to finalise in 2026/27. This will include plans to better understand where to focus efforts to reduce our energy consumption and carbon emissions in the coming years, and to better understand our vulnerability to a changing climate.
We have made significant reductions on the environmental impact of our operations in recent years. This includes making better use of office space, using leased accommodation where appropriate, and supporting hybrid working. These changes help improve efficiency and maintain flexibility.
We remain committed to delivering energy-efficient homes while balancing affordability.
•100% of new homes achieved an EPC rating of B or above
•over 450 new homes included low-carbon technologies such as air source heat pumps and solar panels.
Environmental technologies are a key feature of our new developments, with 175 air source heat pumps and 203 solar arrays installed in 2025-26. In addition, 495 of our new homes completed last year have electric vehicle (EV) charging available, either from dedicated individual or communal charging units.

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Environmental and Social - Energy efficiency action

Environmental technologies are a key feature of our new developments, with 175 air source heat pumps and 203 solar arrays installed in 2025-26. In addition, 495 of our new homes completed last year have electric vehicle (EV) charging available, either from dedicated individual or communal charging units. During 2025/26, we also began a three-year retrofit programme supported by the Warm Homes: Social Housing Fund initiative. This programme is helping to reduce energy use and emissions, improve comfort and affordability, and support more sustainable communities.

At two of our housing schemes, the large non-condensing commercial boilers were replaced with more efficient condensing boilers, reducing gas consumption by over 20%. At a third, thermostatic radiator valves were installed in customers' homes, giving occupants greater control over indoor temperatures and reducing fuel consumption, whilst at a fourth the hot water system was upgraded, resulting in reduced plant running times and therefore gas use.

In 2026-27 we are planning to deliver over 900 new affordable homes, although the actual number delivered will depend on planning and programme constraints. We anticipate that all homes will be at least EPC B-rated and that a large number of them will incorporate technologies such as air source heat pumps, solar PV and EV charging. Delivery of the retrofit programme will continue, and through our planned maintenance programme we plan to upgrade the loft insulation on over 500 homes and eleven blocks, add cavity wall insulation to 60 homes and 30 blocks, and replace the windows of more than 1,200 homes. We also plan to upgrade the heating systems in approximately 2,500 homes.

In addition, we plan to upgrade five of our large commercial boilers, which is predicted to improve energy efficiency by approximately 10% on average, and we will also be updating the heating controls at three schemes. This will enable the heating systems to respond better to fluctuating external temperatures to help prevent flats overheating and is also predicted to reduce heating energy consumption by approximately 20% at these sites.

Through our Strategic Partnership with Homes England, we secured additional funding to deliver 39 homes using Modern Methods of Construction (MMC) Category 2a. This supports lower carbon construction and helps build capability for the future. We have significantly exceeded this target, with 248 homes completed to date meeting Category 2a standards with a further 125 compliant homes in construction.

We have also taken steps to prepare for new Heat Network regulations. These changes will strengthen customer protections, improve transparency, provide access to the Energy Ombudsman and support more efficient shared heating systems.

At Enham Resource Centre, we installed an 84-panel solar PV system, predicted to generate around 40MWh of green energy per year and expected to save around £6,000 per year in energy costs. We also began planning biodiversity and community initiatives to support the village and further afield.

Our vehicle fleet is also being modernised. In 2026/27, we will introduce 65 Euro 6e vehicles, with a further 60–80 older vehicles to be replaced.

Our successful salary sacrifice scheme for staff enables them to purchase low emissions vehicles, and in 2025-26 eight employees acquired fully electric cars and a further two purchased hybrid vehicles. A further seventeen colleagues joined the cycle2work scheme covering bicycles and associated safety equipment.

Aster 3 Limited

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Environmental and Social - Energy efficiency action

Streamlined Energy and Carbon Reporting (SECR) for period 1 April 2025 to 31 March 2026
Energy Use and Carbon Emissions

		2025/26	2024/25	2023/24
Energy consumption				
1	Mains gas (MWh)	27,545	28,862	28,570
2	Transport fuel – company fleet (MWh)	7,497	6,195	7,093
3	Transport fuel – business travel in employee-owned vehicles (MWh)	2,245	2,131	2,094
4	Fuel used in plant and equipment) (MWh)	582	583	577
5	Purchased electricity (MWh)	8,413	8,760	8,857
6	Electricity provided by landlord at corporate sites (MWh)	536	682	392
7	Energy consumed by staff working from home (MWh)	2,251	2,916	2,800
8	**Total energy consumption (items 1-7) (MWh)**	**49,069**	**50,129**	**50,385**
Greenhouse gas emissions - mandatory (SECR) reporting				
9	Combustion of gas (Scope 1) (tCO_{2e})	5,040	5,279	5,143
10	Combustion of fuel for transport (Scopes 1 - owned fleet & Scope 3 - leased fleet) (tCO_{2e})	1,830	1,481	1,693
11	Combustion of fuel for transport (Scope 3 – business travel in employee-owned vehicles) (tCO_{2e})	545	510	511
12	Purchased electricity (Scope 2, location-based) (tCO_{2e})	1,489	1,814	1,834
13	**Total gross emissions for which SECR reporting required (items 9-12) (tCO_{2e})**	**8,904**	**9,084**	**9,180**
Intensity ratio – mandatory (SECR) reporting				
14	**Total gross emissions per property managed (tCO_{2e}/property)**	**0.245**	**0.252**	**0.259**
Methodology				
15	**Greenhouse Gas Reporting Protocol – Corporate Standard**			
Other emissions - non-mandatory reporting				
16	Emissions from combustion of fuel for transport (Outside of Scopes - owned & leased fleet)	100	94	Not reported
17	Emissions from fuel used in plant & equipment (Scopes 1&3 + Outside of Scopes) (tCO_{2e})	155	155	148
18	Emissions from electricity used in rented offices & yards (Scope 3, location-based) (tCO2e)	95	141	81
19	Emissions from electricity (purchased and landlord-provided) (Scopes 2&3, market-based) (tCO_{2e})	1,107	1,467	1,215
20	Emissions from electricity consumed in transmission & distribution (Scope 3) (tCO_{2e})	166	173	166
21	Emissions from staff home working (Scope 3) (tCO_{2e})	412	541	502
22	Emissions from business travel - hotel stays (Scope 3) (tCO2e)	6	5	5
23	Fugitive emissions (Scope 1)	0	82	5
Total gross emissions – SECR-mandatory plus non-mandatory reporting				
24	Total of all emissions (location-based electricity) (tCO_{2e}) (sum of items 13, 16, 17, 18, 20, 21, 22, 23)	**9,839**	**10,276**	**10,088**
25	Total of all emissions (market-based electricity) (tCO_{2e}) (sum of items 9, 10, 11, 16, 17, 19, 20, 21,22, 23)	**9,363**	**9,788**	**9,388**
Intensity ratios – SECR-mandatory plus non-mandatory reporting				
26	Total gross emissions (item 24) per property owned & managed (location-based electricity) (tCO_{2e}/property)	**0.271**	**0.285**	**0.284**
27	Total gross emissions (item 25) per property owned & managed (market-based electricity) (tCO_{2e}/property)	**0.258**	**0.272**	**0.265**

Report of the Board (continued)

Viability Statement

In accordance with principle C and provision one of the 2018 Corporate Governance Code, the Directors have assessed the viability of the Group and have selected a period of seven years for the assessment. The Group has a property development programme that runs for a rolling seven-year period. This programme forms the basis of the Group's financial plan that covers the seven-year period and is then extrapolated over a further 23 years, resulting in a 30-year plan. For these reasons the Group uses a seven-year strategic planning cycle and the Directors have determined that seven years is also an appropriate period over which to provide its viability statement.

The financial plan considers the Group's future financial stability, property development and investment strategies and the viability of future expense reduction programmes by measuring a broad range of financial metrics and other key metrics such as exposure to the property market. In addition, the Group closely monitors its financial covenants being primarily asset cover, interest cover and net worth over the seven-year period together forming the Group's financial plan tolerances.

The interest cover and net worth covenants are the prominent covenants the Group has in its loan agreements. These covenants, coupled with the Group's other financial plan standards, are used as the basis for a full suite of multi-variate stress testing over the life of the plan on several severe but plausible, market relevant scenarios.

The stress testing considers the principal risks assessed to have the greatest impact. The Group's focus for stress testing in its 2026 financial plan is on the continued risks and disruption as a result of the wider macro-economic environment, particularly around the collection of rent, higher borrowing costs, delays and increases to major repair and maintenance spend, property market downturn, inflations and disruption from geopolitical volatility.

These scenarios are designed to stress and, in some cases, breach the Group's covenants. The Group applies mitigating items from its established mitigations toolbox to recover these scenarios back to a compliant level. These mitigations include reducing investment in the development programme, issuing emergency liquidity, deferring maintenance expenditure and several other operating cost mitigations.

Based on the results of this analysis, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next seven years.

Report of the Board (continued)

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

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

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure 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 have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess 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 they either intend to liquidate the Association or to cease operations, or have 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.

Attendance at board meetings

	Aster Group Limited		
Non-executive directors	Total	Possible*	%
Clive Barnett	3	3	100%
Mike McCullen	8	8	100%
Tracey Peters	3	4	75%
Caroline Wehrle	4	4	100%
Claire Whitaker CBE	7	8	88%
Mehul Desai	8	8	100%
Stephen Trusler	8	8	100%
Richard Hughes	5	5	100%
Nicola Frayne	4	4	100%
Mat Cooling	4	4	100%
Executive directors			
Bjorn Howard	8	8	100%
Chris Benn	8	8	100%
Amanda Williams	7	8	88%

*Possible attendance may be lower than the total number of meetings held due to the director only holding office for part of the year.

Disclosure of information to auditor

So far as the board is aware, there is no relevant information of which the association's auditor is unaware. The board has taken all reasonable steps that ought to have been taken to make itself aware of any relevant audit information, and to establish that the association's auditor is aware of that information.



Dawn Fowler-Stevens
Company Secretary
8 September 2026

Independent Auditor's report to the members of Aster 3 Limited

Opinion

We have audited the financial statements of Aster 3 Limited ("the Association") for the year ended 31 March 2026 which comprise the association's the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in notes 2, 3 and 4.

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 Association as at 31 March 2026 and of its income and expenditure 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 Association 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 Association or to cease its operations, and as they have concluded that 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 its 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 Association's business model and analysed how those risks might affect 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 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 Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

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 management and internal audit as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Group Risk & Audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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 profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition due to limited scope for manual interventions and the homogeneous nature of the majority of the revenue streams. We have also specifically considered revenue from property sales, including first tranche shared ownership and open market sales. As revenue from these sales is recognised upon legal completion, there is limited opportunity for management to fraudulently manipulate the timing of revenue recognition. We have therefore rebutted the presumed fraud risk in relation to revenue recognition across the Association's material revenue streams.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals with values falling just below established review and approval thresholds.
- assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in the value of properties developed for sale held in current assets.

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 Board (as required by auditing standards), and from inspection of the Association's regulatory and legal correspondence and discussed with the Board 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 Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association 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: health and safety (including related fire safety and building standards), anti-bribery and employment law. 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 the Board's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion any form of assurance conclusion thereon.

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.

We have nothing to report in these respects.

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.

Independent Auditor's report to the members of Aster 3 Limited (continued)

Board's responsibilities

As explained more fully in their statement set out on page 11, 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 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 Association or to cease operations, or has no realistic alternative but to do so.

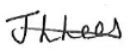
Auditor's responsibilities

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.

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.



Joanne Lees
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

11 September 2026

Aster 3 Limited

Statement of Comprehensive Income

for the year ended 31 March 2026

	Note	2026 £000	2025 £000
Turnover	5a	**23,080**	22,428
Operating expenditure	5a	**(17,063)**	(17,492)
Profit on disposal of housing property, plant and equipment	6	**707**	122
Operating profit		**6,724**	5,058
Interest receivable and similar income	10	**954**	1,575
Interest payable and similar charges	10	**(4,087)**	(2,943)
Net fair value loss on financial instruments	10	**(87)**	-
Net finance expense		**(3,220)**	(1,368)
Profit before taxation		**3,504**	3,690
Tax on profit	12	**-**	-
Profit for the year		**3,504**	3,690
Other comprehensive income			
Effective cash flow hedge fair value gain	11	**951**	-
Other comprehensive income for the year		**951**	-
Total comprehensive income for the year		**4,455**	**3,690**

The accompanying notes form part of these financial statements.

Aster 3 Limited

Statement of Financial Position

as at 31 March 2026

	Note	2026 £000	2025 £000
Fixed assets			
Property, plant and equipment (social housing)	**13**	**260,929**	202,437
Property, plant and equipment (other assets)	**14**	**-**	-
		260,929	202,437
Non-Current assets			
Debtors: amounts falling due after more than one year	**15**	**12,665**	9,875
Current assets			
Debtors: amounts falling due within one year	**16**	**3,029**	6,553
Shared ownership properties held for sale	**17**	**13,741**	21,084
Cash and cash equivalents	**18**	**684**	883
		17,454	28,520
Creditors: amounts falling due within one year	**19**	**(28,845)**	(24,637)
Net current (liabilities) / assets		**(11,391)**	3,883
Total assets less current liabilities		**262,203**	216,195
Non current liabilities			
Creditors: amounts falling due after more than one year	**20**	**(208,882)**	(167,244)
Net assets		**53,321**	48,951
Capital and reserves			
Called up share capital	**23**	**-**	-
Profit and loss reserve		**52,370**	48,866
Cash flow hedge reserve	**25**	**951**	-
Restricted reserve	**25**	**-**	85
Total capital and reserves		**53,321**	48,951

The accompanying notes form part of these financial statements.

The financial statements on pages 15 to 35 were approved and authorised for issue by the board on 8 September 2026 and were signed on its behalf by:

Stephen Trusler
Chairperson

Bjorn Howard
Group Chief Executive Officer

Dawn Fowler-Stevens
Company Secretary

Aster 3 Limited

Statement of Changes in Reserves

for the year ended 31 March 2026

	2026			
	Profit and loss reserve £000	**Restricted reserve £000**	**Cash Flow Hedge Reserve £000**	**Total reserves £000**
Balance at 1 April 2025	**48,866**	**85**	**-**	**48,951**
Profit for the year	**3,504**	**-**	**-**	**3,504**
Other comprehensive income for the year	**-**	**-**	**951**	**951**
Utilisation of restricted reserve	**-**	**(85)**	**-**	**(85)**
Balance at 31 March 2026	**52,370**	**-**	**951**	**53,321**

	2025			reserves
	Profit and loss reserve £000	Restricted reserve £000	Cash Flow Hedge Reserve £000	£000
Balance at 1 April 2024	45,176	85	-	45,261
Profit for the year	3,690	-	-	3,690
Balance at 31 March 2025	48,866	85	-	48,951

The accompanying notes form part of these financial statements.

Aster 3 Limited

Notes to the Financial Statements

1 Legal status

Aster 3 Limited is registered under the Cooperative and Community Benefit Societies Act 2014, and is registered with the Regulator for Social Housing ('RSH') as a Registered Provider as defined by the Housing Act 2004.

2 Basis of preparation

The financial statements of the association have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), 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. The association is classified as a Public Benefit Entity under FRS 102.

The financial statements are presented in Sterling (£).

Application of accounting policies

The association's accounting policies have been applied consistently throughout the year.

Going Concern

The directors, after reviewing the association's budgets for 2026/27 and the group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides, are of the opinion that, the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Presentation

The association has elected not to produce a strategic report, statement of cash flows, detailed disclosures of financial instruments and disclosure relating to key management compensation and related party transactions within the individual subsidiary financial statements in line with exemptions available within FRS 102 and the Housing SORP 2018.

These disclosures are included in the group's consolidated financial statements.

Notes to the Financial Statements (continued)

3 Accounting policies

Turnover

Turnover represents:

Rental, service charge income and garage lettings - recognised from the point at which the properties under development reach practical completion or otherwise become available for letting.

Service charge income - an amalgamation of the budgeted charge for the year and the under or over recovery from the pre-previous year.

Revenue fees and grants from local authorities and the RSH - recognised over the period the related costs are incurred.

Asset related fees and grants from local authorities and the RSH - recognised over the life of the related asset. For grants relating to completed properties the grant is amortised through turnover over the effective useful life of the property's structure.

Income from first tranche sales of New Build HomeBuy and housing properties developed for sale - recognised at the legal completion of the sale.

Other income, such as domiciliary care and sewerage services - recognised when the performance of a service is completed, or when the requirements of an agreement with a third party or other group subsidiary are met.

Operating Profit

The association has chosen to show operating profit on the face of the Statement of Income and Retained Earnings. This figure represents income, less the costs and expenses incurred to generate it, from the association's principal activities that are not investing or financing activities.

Property managed by agents

The association has a small number of properties that it owns but are managed by agents on its behalf. Where the association carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Income and Retained Earnings for the year. Where the agency carries the financial risk, the profit or loss for the year includes only that income and expenditure which relates solely to the group.

Value added tax (VAT)

The association is registered for VAT and, while turnover is stated excluding VAT, a large portion of its income, including its rents, is exempt for VAT purposes. The majority of its expenditure is subject to VAT which cannot be reclaimed and therefore expenditure is shown inclusive of irrecoverable VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

New build shared ownership properties

The cost of developing new build shared ownership properties is split between current assets for that part of the property which is expected to be sold by way of a first tranche sale and property, plant and equipment for the remaining part of the property which is expected to be retained.

First tranche sales on new build shared ownership properties are recognised in turnover, with an appropriate proportion of development build costs being expensed through cost of sales.

Subsequent tranches sold (staircasing) are reflected in the Statement of Income and Retained Earnings on sale of property, plant and equipment. Such staircasing sales may result in social housing grant being deferred or abated until it can be recycled or repaid. Cost includes the acquisition of land and buildings, the cost of developing properties, plus expenditure incurred in respect of improvements.

3 Accounting policies (continued)

Social housing properties and depreciation

Properties rented for social benefit are classified as property, plant and equipment and referred to as social housing. These properties are rented at below market rate to people put forward by the relevant local authorities from their housing lists. Social housing properties under construction are stated at cost and are not depreciated. These are reclassified as social housing properties on practical completion of construction with cost apportioned by key components.

Freehold land is not depreciated. Freehold properties are depreciated by component on a straight line basis over the estimated useful economic lives of the component categories.

Social housing properties are split between the structure and those major components which require periodic replacement. Capitalised major components are depreciated over the following UEL:

Component	UEL (years)
Structure (see below)	30 - 100
Roof	60
Heating Distribution Systems	15 - 30
Boiler	15
Bathroom	30
Windows/Doors	30
Kitchen	20
Electrical wiring	30

Impairment reviews are carried out at each reporting date. If an impairment trigger is present the asset's carrying value is reduced to its depreciated replacement cost, as outlined in the impairment policy, unless it is being demolished or remodelled when the carrying value is reduced to that of the remaining components.

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

New build shared ownership properties are split proportionately between property, plant and equipment and current assets based on the proportion of the share of equity sold in the first tranche. The element of a property anticipated to be sold as a first tranche sale is recognised as a current asset, whereas the element relating to second and subsequent tranche sales is treated as property, plant and equipment. If the profit on sale of the first tranche is expected to exceed the total overall profit on sale of all tranches of that property the proportionate value of the first tranche current asset is increased to limit the profit earned to the overall profit

Depreciation on freehold properties and long leasehold social housing properties is provided to write off the cost less the estimated residual value of social housing properties by equal instalments over their remaining estimated UEL. Any additions and improvements are depreciated over the remaining life of the premises. The UEL used are:

Structure	UEL (years)
Pre-fabricated reinforced concrete construction (PRC)	30
Bedsits	30
All other	100

Freehold land is not depreciated.

It was elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and use the 31 March 2014 valuation as the deemed cost of social housing properties at that date. All social housing properties completed after that date are recognised at cost.

Donated land and social housing properties

Land donated by local authorities and others is added to the cost of the development scheme at the market value of the land at the time of the donation. If the land is donated by a local authority the market value is recognised as a government grant and accounted for using the accruals method. If the land is donated by a non-government party the market value is recognised as turnover in the Statement of Income and Retained Earnings for the year.

Where social housing properties are donated by one group member to another the transfer is made at the properties net book value with the resulting expense or income being recognised as a donation.

3 Accounting policies (continued)

Property, plant and equipment and depreciation, non-social housing

Property, plant and equipment, is stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Subsequent expenditure is capitalised where it increases the value of the asset or extends its life. Completed social housing properties are covered by a separate policy. Depreciation is charged on a straight line basis over the expected remaining UEL of the assets as follows:

Asset	UEL (years)
Freehold offices	50
Photovoltaic panels	25
Motor vehicles	4 - 5
Office, estate equipment and furniture	3 - 15

Freehold premises (non-social housing properties) depreciation is provided to write off the cost less estimated residual value over the UEL of the property. Any additions and improvements are depreciated over the remaining life of the premises.

Assets under construction are stated at cost (as defined above). They are presented separately in the note to the financial statements and not depreciated until they are completed and brought into use. The UEL of all property, plant and equipment is reviewed annually.

Capitalisation of internal staff costs

a) Housing development schemes

Internal staff costs that are directly related to the development of housing assets are capitalised to the schemes under construction where the outcome of the scheme is certain. Where the outcome of the scheme is uncertain or aborted, the direct development administration costs are charged to the Statement of Income and Retained Earnings for the year.

b) Development of internally created assets

Internal staffing costs relating to internally created other tangible or intangible assets are capitalised to the extent that they are additional costs incurred due to the development of the asset.

An internally generated intangible asset is only recognised if all the following conditions are met:

- The asset created can be identified (such as software or a website);

- It is expected that the asset created will generate future economic benefits; and

- The development cost of the asset can be measured reliably.

Capitalisation of internal staff costs (continued)

Internally generated intangible assets are recognised at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable.

Capitalisation of interest costs

Interest costs relating to the construction and acquisition of housing assets are charged to the cost of the development scheme, over the period of its development. The amount capitalised represents either:

- Interest costs incurred specifically for financing the development programme after the deduction of social housing grant in advance; or

- Interest costs of the group as a whole after the deduction of interest on social housing grant in advance to the extent that they are funding the development programme.

Other interest costs are recognised in the Statement of Income and Retained Earnings for the period to which they relate.

Notes to the Financial Statements (continued)

3 Accounting policies (continued)

Interest receivable and payable

Interest is recognised on an accruals basis, using the effective interest rate method recognised in the Statement of Income and Retained Earnings over the life of the financial instrument.

Leased assets

Where assets are financed by leasing agreements that transfers substantially all the risks and rewards of ownership, they are treated as if they had been purchased outright. The amount capitalised is the lower of the present value of the minimum lease payments payable during the lease term or the fair value of the leased asset. The corresponding leasing commitments are shown as the present value of the obligations to the lessor. Lease payments are treated as consisting of a finance charge and a reduction in the liability. The finance charge is charged to the Statement of Income and Retained Earnings for the period using the effective interest method.

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings for the period on a straight line basis over the period of the lease.

Impairment

a) Other tangible and intangible assets

Other tangible and intangible assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, the affected assets are written down to the recoverable amount. Any such write down is charged to the Statement of Income and Retained Earnings for the year.

b) Social housing

Social housing properties are subject to impairment trigger reviews on completion and then annually thereafter. If there is a trigger and evidence of impairment is found the carrying value of the property is compared to its depreciated replacement cost. This represents the amount it would cost the group to replace the property. For properties built or acquired prior to 1 April 2014 this replacement cost is depreciated from 1 April 2014. For properties built or acquired after 1 April 2014 depreciation starts from the build or acquisition date. If the property's carrying value is higher than its depreciated replacement cost the carrying value must be reduced to the depreciated replacement cost, the write down is charged to the Statement of Income and Retained Earnings for the year.

In the portfolio there are some pre-fabricated reinforced concrete construction properties and bedsits. Where an impairment review indicates that their useful economic life is likely to be less than the standard policy they have been re-life to 10 years.

c) Unsold first tranche current assets

On practical completion shared ownership property assets are spilt between current assets for the unsold first tranche portion and property, plant and equipment for the rental portion.

First tranche current assets are reviewed for impairment if there are indications that the market value of the property has dropped below that included in the investment appraisal. If any current assets are found to be impaired the carrying value is reduced to the selling price less costs to complete and sell.

The rental portion is treated as social housing for impairment purposes.

Accrued income

When, as a result of performing a service or otherwise meeting the requirements of an agreement with a third party, income falls due but has not been invoiced in the period, an accrual is made for this income.

Deferred income

Where payment has been received for goods or services not yet delivered, the amount is initially recorded as a liability in the Statement of Financial Position and recognised as turnover once the delivery has been made.

Service charge sinking funds

The association owns a number of schemes which require it to manage sinking funds in order to maintain the upkeep of the properties. These funds are held separately by the association, and may only be used for the benefit of the relevant schemes. These funds are held in creditors on the Statement of Financial Position.

3 Accounting policies (continued)

Financial instruments

Section 11 Basic Financial Instruments of FRS 102 permits an accounting policy choice for financial instruments. The group has chosen to adopt sections 11 and 12 of FRS 102 as permitted by this section.

a) Rent arrears and other debts

Rent arrears, other amounts due from tenants and other miscellaneous debts are recognised and carried at original amount of the charge, less provision for impairment. A provision is made and charged to the Statement of Income and Retained Earnings for the year when there is objective evidence that the group will not be able to collect all amounts due in accordance to the original terms.

Any tenants or miscellaneous debtors who have a payment arrangement to pay their debts over a period of longer than the normal terms of business are treated as having a financing transaction. These transactions are recognised at their present value rather than transaction value. The discount rate used for the present value calculation is based upon an estimate of the rate the debtor could obtain in their own right.

b) Cash and cash equivalents

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of twelve months or less.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

d) Trade creditors

Trade creditors are not interest-bearing and are stated at their transaction value.

e) Committed borrowings and bank overdrafts

Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs, using the effective interest method. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption, are charged to the profit or loss for the period as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period in which they arise.

When a loan facility agreement is entered into, any associated costs are capitalised, discounted at the prevailing market rate of interest amortised over the life of the related loans.

Social housing and other grants

Social housing grant (SHG) is receivable from the Regulator for Social Housing (RSH). It is accounted for under section 24 of FRS 102 ‘Government grants’ using the accrual model. Once properties have been completed the grant is classified as a long-term creditor and amortised to the Statement of Comprehensive Income for the year over the life of the properties’ structure. Where grants are paid in advance, they are included in creditors until performance is completed.

If a property which received a grant is subsequently sold, or another relevant event takes place the SHG appears as a creditor due in less than one year. It can be recycled for use in a project approved by the RSH or repaid to the RSH if it is not used within the agreed timescale.

Prior to transition to FRS 102 the association held its social housing properties at valuation. On transition this became the deemed cost. All SHG received prior to transition on 1 April 2014 was transferred to the profit and loss reserve. It is recycled from this reserve if a relevant event occurs.

Government grants received after 1 April 2014 are recognised in income over periods in which the related costs are recognised for which the grant is intended to compensate, over the useful economic life of the property's structure.

Other Government grants received are also accounted for under section 24 of FRS 102 using the accrual model.

When part of the government grant is deferred, it is recognised as deferred income within creditors and allocated between due within one year and due after more than one year as appropriate.

Provisions

a) General provisions

A provision is recognised in the Statement of Financial Position where the association has an obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. The amount of provision is re-assessed each year in the light of estimated future income and costs as appropriate.

Notes to the Financial Statements (continued)

4 Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates, which are shown below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the association's accounting policies

Fair value

The directors have made the following judgements regarding fair value:

- If land is donated at below market cost it is recognised at its fair value. The directors judge this to be its market value at the time of the donation.

Cash generating units

When reviewing social housing properties for impairment the directors are required to consider the level of cash generating unit. For impairment purposes, the directors consider that each individual property constitutes a cash generating unit as it generates cash flows that are largely independent of the cash flows generated by other assets.

Impairment triggers for housing properties

On completion each development scheme is reviewed for impairment triggers using the group's property impairment flow chart. If it is judged that there is evidence that the scheme has activated one of the triggers in the flow chart an impairment review is undertaken. Where impairment is found the carrying value of the properties in the scheme is reduced to their depreciated replacement cost. This process is also applied to completed properties annually.

Useful lives of social housing property assets

Social housing property assets are split into their component parts, with each component being depreciated over a separate estimated useful economic life. The annual depreciation charge for social housing property assets in total is sensitive to changes in these estimated useful economic lives. The useful economic lives of individual components are re-assessed as part of a rolling stock condition survey, examining 20% of the stock annually, and amended where necessary. See note 3 for the useful economic lives for each class of component.

Critical accounting estimates and assumptions

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

Rebalancing surpluses from first tranche shared ownership sales

Where social housing development schemes consist of social rental and shared ownership properties the cost of development is split between the individual properties by property classification. As these costs cannot be accurately assigned to individual properties management assumes that they are evenly spread by floor area.

The shared ownership property costs are then further split between the percentage of the property to remain as property, plant and equipment and the current asset based on the percentage to be sold as the first tranche sale.

The exception to this treatment is where the overall surplus on first tranche shared ownership sales on mixed tenure developments is restricted to the net present value of future cash flows on shared ownership properties.

Notes to the Financial Statements (continued)

5 Turnover, operating expenditure and profit

5a

	Note	Turnover	Operating expenditure/ cost of sales	Operating profit /(loss)
		2026		
		£000	**£000**	**£000**
Income and expenditure from lettings				
Housing accommodation	**5b**	**12,202**	**(6,733)**	**5,469**
Other income and expenditure				
Social housing				
Development costs not capitalised		**-**	**(684)**	**(684)**
		-	**(684)**	**(684)**
Non social housing				
Garage lettings		**135**	**(77)**	**58**
		135	**(77)**	**58**
Total income and expenditure		**12,337**	**(7,494)**	**4,843**
Other income and cost of sales				
Social housing				
First tranche shared ownership		**10,743**	**(9,569)**	**1,174**
Total other income and cost of sales		**10,743**	**(9,569)**	**1,174**
Total		**23,080**	**(17,063)**	**6,017**
Surplus on sale of housing property, plant and equipment	**6**	**1,796**	**(1,089)**	**707**
Operating profit				**6,724**

	Note	Turnover	Operating expenditure/ cost of sales	Operating profit /(loss)
		2025		
		£000	£000	£000
Income and expenditure from lettings				
Housing accommodation	5b	10,106	(5,447)	4,659
Other income and expenditure				
Social housing				
Development costs not capitalised		-	(629)	(629)
		-	(629)	(629)
Non social housing				
Garage lettings		131	(19)	112
		131	(19)	112
Total income and expenditure		10,237	(6,095)	4,142
Other income and cost of sales				
Social housing				
First tranche shared ownership		12,191	(11,397)	794
Total other income and cost of sales		12,191	(11,397)	794
Total		22,428	(17,492)	4,936
Surplus on sale of housing property, plant and equipment	6	829	(707)	122
Operating profit				5,058

Notes to the Financial Statements (continued)

5 Income and expenditure from lettings

5b

	2026				
	General needs housing £000	**Supported housing £000**	**Shared ownership £000**	**Other £000**	**Total**
Income					
Rents	**8,857**	**130**	**2,305**	**61**	**11,353**
Service charges	**447**	**103**	**195**	**2**	**747**
Amortisation of government grants	**46**	**-**	**45**	**-**	**91**
Other revenue grants	**10**	**-**	**-**	**1**	**11**
Total net rents from lettings	**9,360**	**233**	**2,545**	**64**	**12,202**
Expenditure					
Management	**(1,718)**	**(30)**	**(126)**	**(16)**	**(1,890)**
Services	**(323)**	**(83)**	**(175)**	**-**	**(581)**
Routine maintenance	**(800)**	**(106)**	**-**	**(51)**	**(957)**
Planned maintenance	**(283)**	**(60)**	**-**	**(9)**	**(352)**
Major improvements and repairs	**(732)**	**(6)**	**-**	**(5)**	**(743)**
Bad debts	**(46)**	**(1)**	**-**	**-**	**(47)**
Depreciation of housing properties	**(1,625)**	**(15)**	**(450)**	**-**	**(2,090)**
Loss on component disposals	**(73)**	**-**	**-**	**-**	**(73)**
Operating costs on lettings	**(5,600)**	**(301)**	**(751)**	**(81)**	**(6,733)**
Operating profit on lettings activities	**3,760**	**(68)**	**1,794**	**(17)**	**5,469**
Rental income is stated net of void losses as set out below:					
Void losses	**84**	**13**	**24**	**-**	**121**

	2025				
	General needs housing £000	Supported housing £000	Shared ownership £000	Other £000	Total £000
Income					
Rents	7,806	152	1,650	29	9,637
Service charges	285	70	(2)	67	420
Amortisation of government grants	28	-	11	-	39
Other revenue grants	10	-	-	-	10
Total net rents from lettings	8,129	222	1,659	96	10,106
Expenditure					
Management	(1,664)	(35)	(48)	-	(1,747)
Services	(260)	(68)	(91)	-	(419)
Routine maintenance	(666)	(17)	-	(14)	(697)
Planned maintenance	(358)	(5)	-	-	(363)
Major improvements and repairs	(241)	(48)	-	(2)	(291)
Bad debts	(51)	(1)	-	(2)	(54)
Depreciation of housing properties	(1,358)	(14)	(323)	-	(1,695)
Loss on component disposals	(181)	-	-	-	(181)
Operating costs on lettings	(4,779)	(188)	(462)	(18)	(5,447)
Operating profit on lettings activities	3,350	34	1,197	78	4,659
Rental income is stated net of void losses as set out below:					
Void losses	60	4	20	-	84

Notes to the Financial Statements (continued)

6 Profit on disposal of housing property, plant and equipment

	2026			2025		
	Proceeds £000	**Cost of Sales £000**	**Profit £000**	Proceeds £000	Cost of Sales £000	Profit £000
Right to Buy	**-**	**-**	**-**	144	(170)	(26)
Shared ownership staircasing	**1,011**	**(783)**	**228**	668	(537)	131
Void property disposals	**785**	**(306)**	**479**	-	-	-
Other	**-**	**-**	**-**	17	-	17
	1,796	**(1,089)**	**707**	829	(707)	122

7 Operating profit

	Note	2026 £000	2025 £000
Operating profit is stated after charging:			
Auditor's remuneration (excluding irrecoverable VAT)			
In their capacity as auditor:			
Financial statements audit		**31**	30
Depreciation:			
Property, plant and equipment - (social housing)	**13**	**2,092**	1,696
Loss on component disposals	**13**	**72**	180
Property, plant and equipment - (other assets)	**14**	**-**	1

8 Directors' emoluments

Members of the executive board and executive management team

The association did not directly employ any members of the Executive Board or the executive management team during the year. A charge for their services was made via the group overheads recharge to the association. This recharge included £34,203 (2025: £31,989) for executive management team's services. These amounts are included in the association's profit for the year.

Non-executive directors

The association operates as part of the group Overlap Boards. The non-executive directors are paid by Aster Group Limited. A charge of £6,744 (2025: £8,106) was made for their services via the group overheads recharge to the association. This amount is included in the profit for the year.

9 Employee information

The association had no employees in the year (2025: none). Any employees working on Aster 3 Limited business were employed by Aster Communities or Synergy Housing Limited and their costs were recharged to the company. At 31 March 2026 operating expenditure included £928,000 (2025: £704,000) of employee costs recharged.

The headcount and the employee cost disclosure is included in the financial statements of the companies that directly employ them. Refer to the consolidated group financial statements for the full head count and staff costs for the group as a whole.

Notes to the Financial Statements (continued)

10 Finance income and expense

		2026	2025
		£000	£000
Interest receivable and similar income			
Interest on short term deposits		**49**	141
Interest receivable from other group companies		**901**	1,430
Total interest income on financial assets not measured at fair value through profit or loss		**950**	1,571
Unwinding of trade debtor discounting		**4**	4
		954	1,575
Interest payable and similar charges			
Loans with other group companies		**(6,418)**	(4,926)
Interest rate swaps		**38**	-
Less interest capitalised		**2,296**	1,988
		(4,084)	(2,938)
Administration charge		**(1)**	-
Trade debtor discounting		**(2)**	(5)
Total interest payable on financial liabilities not measured at fair value through profit or loss		**(4,087)**	(2,943)
Net fair value loss on financial instruments	**11**	**(87)**	-
		(87)	-
Net finance expense		**(3,220)**	(1,368)

11 Movement in fair value of financial instruments

Included in income and expenditure	**Note**	**2026**	2025
		£000	£000
Fair value gains on			
Borrowings treated as fair value hedging instruments		**1,960**	-
Derivatives treated as cash flow hedging instruments - ineffective		**2**	-
		1,962	-
Fair value losses on			
Derivatives treated as fair value hedging instruments		**(2,049)**	-
		(2,049)	-
Net fair value loss on financial instruments	**10**	**(87)**	-

Included in other comprehensive income	**2026**	2025
	£000	£000
Fair value gains on		
Derivatives treated as cash flow hedging instruments	**951**	**-**
	951	-

See note 21b for an explanation of the Trust's hedging activities.

12 Taxation

The association has charitable rules registered under the Co-operative and Community Benefit Societies Act 2014 and is therefore not liable to Corporation Tax on its charitable activities.

Notes to the Financial Statements (continued)

13 Property, plant and equipment (social housing)

On transition to FRS 102 Aster Group has elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and is using the 31 March 2014 valuation as the deemed cost of social housing properties held at that date. All social housing properties completed or acquired after that date are recognised at cost.

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Cost					
At 1 April 2025	**19,518**	**108,080**	**21,563**	**64,848**	**214,009**
Additions	26,354	-	21,047	-	**47,401**
Components	-	1,178	-	-	**1,178**
Disposal of components	-	(210)	-	-	**(210)**
Transfer from group company	-	13,112	-	-	**13,112**
Completions	(17,137)	17,137	(21,930)	21,930	**-**
Disposals	-	(342)	-	(808)	**(1,150)**
At 31 March 2026	**28,735**	**138,955**	**20,680**	**85,970**	**274,340**
Accumulated depreciation					
At 1 April 2025	**-**	**10,696**	**-**	**876**	**11,572**
Charge for year	-	1,640	-	452	**2,092**
Disposal of components	-	(138)	-	-	**(138)**
Disposals	-	(89)	-	(26)	**(115)**
At 31 March 2026	**-**	**12,109**	**-**	**1,302**	**13,411**
Net book value at 31 March 2026	**28,735**	**126,846**	**20,680**	**84,668**	**260,929**
Net book value at 31 March 2025	19,518	97,384	21,563	63,972	202,437

The cost of completed properties during the year includes £1.7 million (2025: £2.0 million) of capitalised borrowing costs at an average cost of borrowing of 2.83% (2025: 3.02%).

Net book value of property, plant and equipment - social housing by tenure

	2026	2025
	£000	£000
Freehold	**260,929**	202,437
Long leasehold	-	-
Net book value	**260,929**	202,437

Current value of completed social housing properties

The below valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on 31 March 2026, on the basis of Existing Use Value - Social Housing. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

	Housing properties under construction construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Existing Use Valuation - Social Housing					
Valuation at 31 March 2026	**-**	**156,890**	**-**	**65,420**	**222,310**

Notes to the Financial Statements (continued)

14 Property, plant and equipment (other assets)

	Office equipment £000	Total £000
Cost		
At 1 April 2025	**7**	**7**
Additions	**-**	**-**
At 31 March 2026	**7**	**7**
Accumulated depreciation		
At 1 April 2025	**7**	**7**
Charge for year	**-**	**-**
At 31 March 2026	**7**	**7**
Net book value at 31 March 2026	**-**	**-**
Net book value at 31 March 2025	-	-

15 Debtors: amounts falling due after more than one year

	2026 £000	2025 £000
Amounts owing by group undertakings	**11,712**	9,875
Derivative financial instruments	**953**	-
	12,665	9,875

Amounts owed by group undertakings represent loans that have been made to fellow group undertakings, which have sufficient net assets and facilities in place to meet their obligations to the association as they fall due, the directors consider the credit risk to be low and no provision is made against amounts due.

Amounts owed by group undertakings are carried at amortised cost and secured by floating charge over the assets of the borrower. The amounts are non-instalment debts with a fixed interest rate of 6% over base rate (2025: 6% over base rate) and are due for repayment in June 2027.

16 Debtors: amounts falling due within one year

	2026 £000	2025 £000
Trade debtors	**-**	188
Rent arrears	**842**	91
Service charge under-recovery	**190**	196
Less discounting of debts payable over 12 months	**(12)**	(14)
Less provision for bad debts - rent arrears and service charges	**(162)**	(135)
	858	326
Amounts owing by group undertakings	**1,492**	730
Other debtors	**3**	-
Prepayments and accrued income	**676**	5,497
	3,029	6,553

17 Shared ownership properties held for sale

	Under construction £000	Completed £000	Total £000
1 April 2025	**14,377**	**6,707**	**21,084**
Additions	1,556	-	**1,556**
Completions	(6,865)	6,865	**-**
Disposals	-	(8,899)	**(8,899)**
31 March 2026	**9,068**	**4,673**	**13,741**

18 Cash and cash equivalents

	2026 £000	2025 £000
Short term deposits	**200**	100
Cash at bank and in hand	**484**	783
	684	883

Notes to the Financial Statements (continued)

19 Creditors: amounts falling due within one year

	Note	2026 £000	2025 £000
Trade creditors		**1**	-
VAT payable		**4**	3
Rent paid in advance		**625**	237
Service charge over-recovery		**93**	169
Amounts due under RTB sharing agreement		**-**	122
Amounts owed to group undertakings		**1,893**	918
Social housing grant	**21**	**19,629**	17,973
Other creditors		**123**	83
Accruals and deferred income		**6,477**	5,132
		28,845	24,637

20 Creditors: amounts falling due after more than one year

	Note	2026 £000	2025 £000
Amounts owed to other group undertakings		**195,278**	159,300
Social housing grant	**21**	**11,531**	7,917
Derivative financial instruments	**21b**	**2,049**	-
Recycled capital grant fund	**22**	**-**	2
Other grant		**24**	25
		208,882	167,244

Amounts owed to other group undertakings represent loans that have been received from fellow group undertakings as part of a long-term financing relationship with Aster Treasury plc. Amounts owed to group undertakings are carried at amortised cost and secured over specific housing assets of the original borrowers. The amounts are non-instalment debts due for repayment in December 2032 and January 2036.

Under the terms of an arrangement with Aster Treasury Plc, Aster 3 Limited has guaranteed the repayment of all amounts due by Aster Communities, Synergy Housing Limited, East Boro Housing Trust and Aster Group Limited to Aster Treasury plc. In the case of Aster Communities, Synergy Housing Limited, East Boro Housing Trust or Aster Group Limited not making any repayments of the loan, Aster 3 Limited will become liable to settle the amount due. The total amount payable by Aster 3 Limited as at 31 March 2026 is £nil (2025: £nil).

21 Social housing grant

	2026 £000	2025 £000
Balance as at 1 April	**25,890**	12,087
Additions	**4,825**	13,844
Transfer from group company	**563**	-
Amortised within Statement of Comprehensive Income	**(93)**	(41)
Disposals	**(25)**	-
Balance as at 31 March	**31,160**	25,890
Recognised in:		
Creditors: amounts falling due within one year	**19,629**	17,973
Creditors: amounts falling due after one year	**11,531**	7,917
	31,160	25,890

SHG is receivable from the RSH. Grant received for properties under construction is classified as a creditor due in less than one year as the grant would be repayable should the delivery of properties not be completed. Once properties have been completed the grant is classified as a long-term creditor and amortised to the profit or loss for the period over the life structure of the property.

Notes to the Financial Statements (continued)

21 Financial instruments

21a Financial instruments' descriptions

Interest rate swaps
The association manages the risk of changes in the fair value of its debt using interest rate swaps. During the year the association had one interest rate swap which exchanged fixed rate interest for floating rate interest and one interest rate swap which exchanged floating rate interest for fixed rate interest.

The value of the association's interest rate swaps is measured at each year end at the instrument's fair value using a mark-to-market valuation. Where an instrument has a positive mark-to-market valuation it is treated as an asset and where the mark-to-market value is negative it is treated as a liability. Any changes in the mark-to-market fair value are recognised in profit or loss unless the interest rate swap is designated as a hedging instrument in a cash flow hedging relationship for hedge accounting. Hedge accounting is outlined below.

At 31 March 2026 the association held £1.0 million internal interest rate swap financial assets (2025: £nil) with the parent company Aster Group Limited and £2.0 million of internal interest rate swap financial liabilitites (2025: £nil) with the parent company.

Hedge accounting
Borrowings at floating rates of interest give rise to risks to future cash flows, whereas those at fixed rates of interest give rise to the risk of changes in the fair value of debt. Where appropriate, the association manages its risks by entering into certain interest rate derivative contracts which modify the interest rate payable on the association's debt instruments.

To manage its cash flow risks the association has one interest rate swap designated in a cash flow hedge relationship. The hedging relationship is between a floating-to-fixed interest rate swap, the hedging instrument, and the floating rate cash flows of another financial instrument, the hedged item. The relationship allows the fair value movements in the hedging instrument that are equal to the fair value movements in the hedged item, the effective part, to be recognised through other comprehensive income in the cash flow hedge reserve rather than profit or loss. Any movement in the hedging instruments which exceeds the movement in the hedged item is recognised in profit or loss as ineffectiveness. Where an interest rate swap in a hedge accounting relationship is terminated but the hedged item remains, the amount held in the cash flow hedge reserve relating to that swap is taken to profit and loss in proportion to how the underlying hedged item affects profit and loss.

To manage its fair value risks the association has one interest rate swap designated in a fair value hedge relationship. The hedging instrument is a fixed-to-floating interest rate swap and the hedged item is a fixed rate loan. In a fair value hedge both the hedging instrument and the hedged item are measured at fair value through profit and loss.

For the year ended 31 March 2026, the association recognised £1.0 million gains (2025: £nil) of net effective cash flow hedge gains in other comprehensive income and movement of £2,000 (2025: £nil) of cash flow hedge movements in profit and loss. It recognised £2.0 million of losses on the fair value measurement of interest rate derivatives in fair value hedges and £2.0 million of gains from remeasurement of the fair value of debt in fair value hedges.

21 Financial instruments (continued)

21b Maturity of borrowings

The maturity profile of the principal value of the association's loans, as shown below, is:

	2026 Repayment By instalments £000	**Not by instalments £000**	**Total £000**	2025 Repayment By instalments £000	Not by instalments £000	Total £000
0 -1 years	**-**	**-**	**-**	-	-	-
1 - 2 years	**-**	**69,200**	**69,200**	-	-	-
2 - 5 years	**-**	**-**	**-**	-	66,000	66,000
Over 5 years	**-**	**128,450**	**128,450**	-	93,300	93,300
	-	**197,650**	**197,650**	-	159,300	159,300

The repayment profile is based on loan documentation and considering the impact of undrawn facilities.

The above borrowings are secured against the association's social housing properties. The value of the secured properties is £125 million (2025: £87 million). At 31 March 2026 properties valuing £98 million (2025: £92 million) were unsecured and available to be secured.

Hedge accounting

Cash flow hedges
Interest rate swaps

Counterparty	**Principal £000**	**Interest rate payable %**	**Maturity**	**2026 Cash flows**	**Fair value £000**	**(Credit) / Charge to OCI £000**	**(Credit) / Charge to profit or £000**
Aster Group Limited	**15,000**	**1.03**	**2029**	**Quarterly**	**258**	**(258)**	**-**
Aster Group Limited	**40,000**	**1.02**	**2029**	**Quarterly**	**695**	**(693)**	**(2)**
	55,000				**953**	**(951)**	**(2)**

There were no cash flow hedges in place in 2025.

The objective of the cash flow hedges is to reduce the variability of cash flows associated with the interest payments on floating rate financial liabilities using interest rate swaps.

The cash flows of the financial liabilities hedged by the £55 million Aster Group Limited swaps occur half yearly. Monthly interest accruals are used to ensure that both the hedged items and the hedging instruments affect profit and loss at the same frequency.

Fair value hedge
Hedging instrument

Interest rate swap Counterparty	**Principal £000**	**Maturity**	**2026 Fair value £000**	**2026 (Credit) / Charge to profit or £000**	2025 Fair value £000	2025 (Credit) / Charge to profit or loss £000
Aster Group Limited	55,000	2036	**(2,049)**	**2,049**	-	-

Hedged item	**Principal £000**	**Maturity**	**(Credit) / Charge to profit or £000**	(Credit) / Charge to profit or loss £000
Loan from Aster Treasury plc	55,000	2036	**(1,960)**	-

Notes to the Financial Statements (continued)

22 Recycled capital grant fund

	2026 £000	2025 £000
Balance as at 1 April	**2**	2
Additions:		
Grants recycled	**25**	-
Transfer from group company	**1,125**	-
Withdrawals:		
New build	**(1,152)**	-
Balance as at 31 March	**-**	2
Analysis of Maturity:		
- in less than one year	-	2
- in one to two years	**-**	-
- in more than two years	**-**	-
	-	2

The Recycled capital grant fund relates to social housing or housing association grant previously received on social housing properties that have been disposed off. The RSH permits grants to be reinvested within a three year period and requires funds which have not been reinvested within three years to be repaid.

23 Called up share capital

	2026 £	2025 £
Ordinary shares allotted, issued and fully paid of £1 each		
At 1 April	**8**	8
Issued during the year	**3**	-
Cancelled during the year	**(3)**	-
At 31 March	**8**	8

24 Capital commitments

	2026 £000	2025 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**51,006**	85,405
Capital expenditure that has been authorised by the board but has not yet been contracted	**24,481**	10,523
	75,487	95,928

These commitments will be funded through a mixture of cash and committed borrowings.

25 Other reserves

	Restricted reserve £000	Cash flow hedge reserve £000	Total £000
At 1 April 2025	**85**	**-**	**85**
Utilisation of restricted reserve	(85)	-	**(85)**
Effective cash flow hedge fair value movements	-	951	**951**
AT 31 March 2026	**-**	**951**	**951**

Restricted reserve

The restricted reserve represents the clawback reinvested as part of the disposal of properties in the Purbeck area. In accordance with the agreement made, the reserve can only be used to fund investments in properties in the Purbeck area.

Notes to the Financial Statements (continued)

26 Homes and bed spaces in management and in development

	2026 No.	2025 No.
Under development at end of year:		
Housing accommodation	**246**	295
Shared ownership	**91**	201
Open Market Sale	**3**	3
	340	499
Under management at end of year:		
Owned but managed by others at the end of the year:		
Housing accommodation		
Social rent	**1,107**	909
Affordable rent	**341**	302
Supported housing		
Social rent	**23**	23
Affordable rent	**-**	1
Shared ownership	**528**	418
Temporary Social Housing	**4**	6
Leasehold	**39**	33
	2,042	1,692

27 Related party transactions

The association receives management and other services from its holding company, Aster Group Limited, and fellow group companies, Aster Communities and Synergy Housing Limited. It receives property services from Aster Property Limited another fellow group companies under the terms of documented Service Level Agreement.

The association has taken advantage of the exemption allowed under FRS 102 Section 33 'Related Party Disclosures' not to disclose related party transactions within the group. This exemption is available providing the transactions are entered into between two or more members of a group, so long as any subsidiary which is party to the transaction is wholly owned.

The Accounting Direction for Private Registered Providers of Social Housing requires disclosure of the material recharges for services between non-regulated and regulated entities during the year and the balance outstanding as at the year end. The recharges for services in the year are:

		Annual recharges		Balance as at 31 March	
		2026	2025	**2026**	2025
From non-regulated entity	**Nature of supply**	**£000**	£000	**£000**	£000
Aster Property Limited	Property maintenance services	**3,512**	2,532	**345**	195
Aster Homes Limited	Property development services	**34,263**	30,748	**1255**	421
Aster Land Development Limited	Property development services	**44**	0	44	0

Recharges from Aster Property Limited and Aster Homes Limited are at cost plus a profit margin. All other recharges are at cost.

28 Ultimate parent company

Aster 3 Limited is a wholly owned subsidiary of Aster Group Limited, the ultimate parent entity and controlling party, and whose consolidated financial statements may be obtained from the following address:

The Company Secretary, Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ.

Aster Group Limited is the only group entity to consolidate the association's financial statements.