

Annual report and financial statements

Year ended 31 March 2026

A fairer London

We are driven by our purpose – to contribute to a fairer London where everyone has a place to call home. We exist to provide safe and quality homes for people who would otherwise struggle to afford them. Our residents are our number one priority.

Our people are compassionate and committed, and we take pride in what we do every day. We listen to our residents and provide homes and services that enable them to thrive.




HEYBOURNE
PARK
Champion
NEW YORK
11

Our story

A home provides the basis for a stable and healthy society, but the capital's housing crisis means that for too many Londoners a home is out of reach.

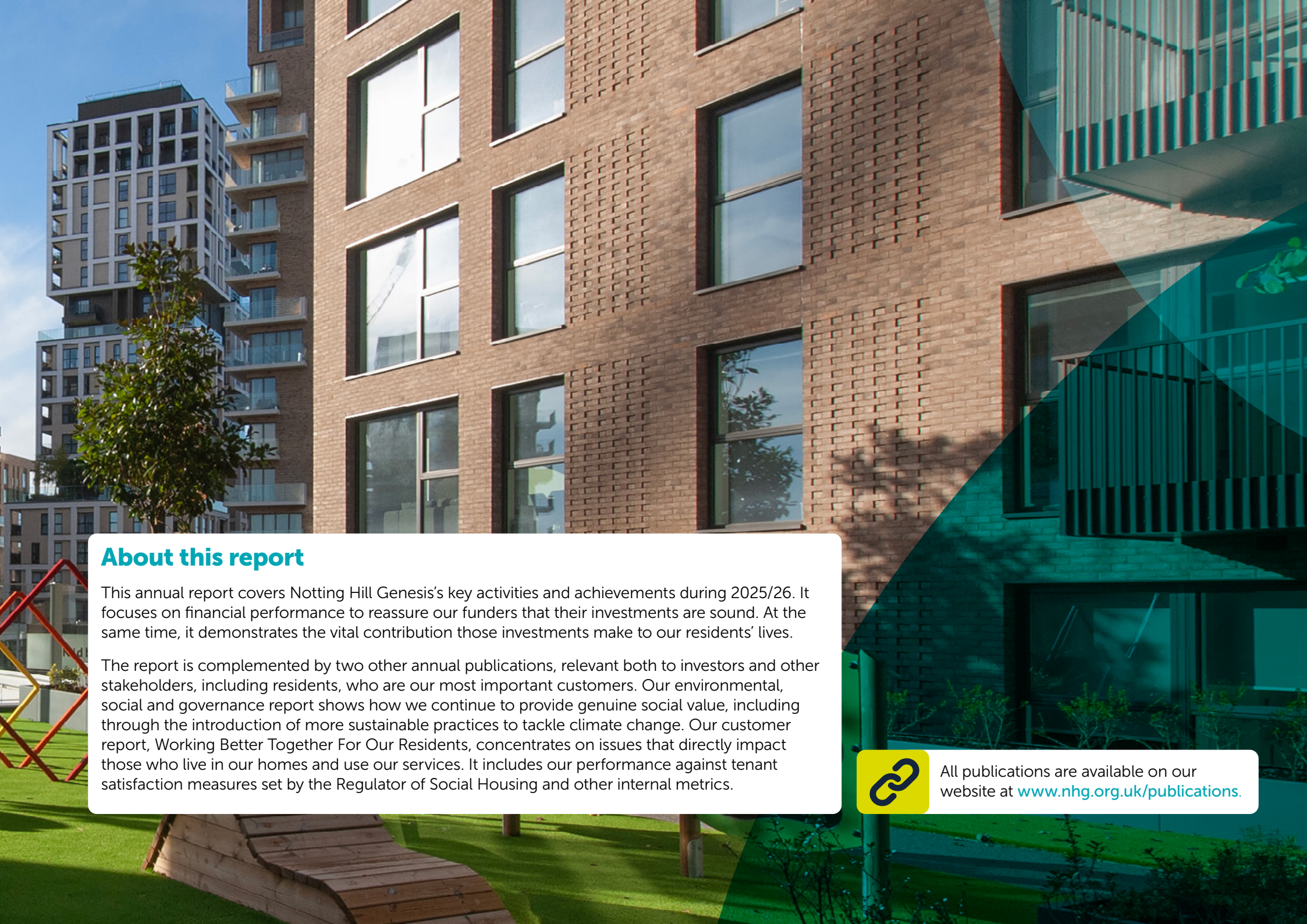


We are a not-for-profit registered provider of social housing, regulated by government. Founded in the 1960s to address slum conditions in west London, we're now one of London's largest charitable housing associations and a leading advocate and trusted partner to local councils and government, giving Londoners a base and community from which to achieve their potential.

We are both a landlord and a developer, with more than 66,000 existing homes and 2,440 more in our pipeline over the next five years, and a well-established commercial business from which we reinvest surpluses to support the provision of below market-rent homes across the capital.

Powered by over £1bn of investment into our homes over the next ten years, we're on a mission to improve how we deliver even better-quality homes, services and communities for our 130,000 residents.

We are committed to returning to regulatory compliance and being able to build even more new affordable homes in the future. To build trust and reputation with our residents and wider society, we will continue to simplify and transform how we are organised and how we work.



About this report

This annual report covers Notting Hill Genesis's key activities and achievements during 2025/26. It focuses on financial performance to reassure our funders that their investments are sound. At the same time, it demonstrates the vital contribution those investments make to our residents' lives.

The report is complemented by two other annual publications, relevant both to investors and other stakeholders, including residents, who are our most important customers. Our environmental, social and governance report shows how we continue to provide genuine social value, including through the introduction of more sustainable practices to tackle climate change. Our customer report, Working Better Together For Our Residents, concentrates on issues that directly impact those who live in our homes and use our services. It includes our performance against tenant satisfaction measures set by the Regulator of Social Housing and other internal metrics.

All publications are available on our website at www.nhg.org.uk/publications.

At a glance

Regulatory rating	G3/C3/V2
S&P rating	BBB+ (negative)
Fitch	A- (stable)
Full time equivalent staff	1,666

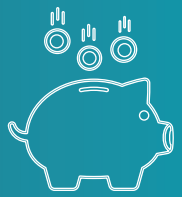




71.7%

Resident satisfaction - with the service received





£756.9m
Turnover

-£284.6m
Deficit before tax

£869.8m
Available liquidity

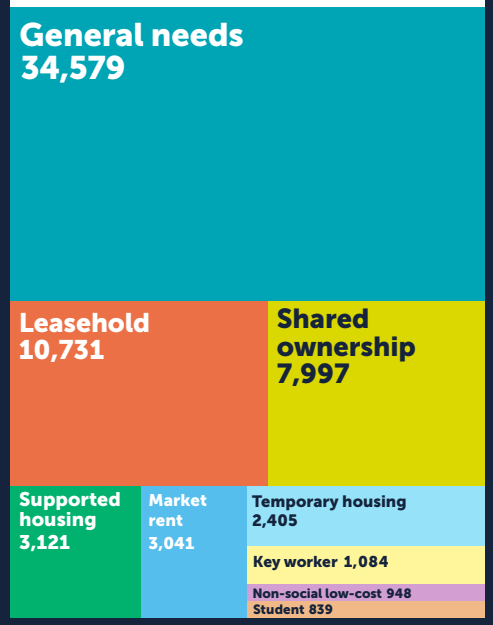
Where we work

66,803
Total properties owned or under management

61,616 In London

5,187 Outside London

64,745
Properties under management
By tenure type:





Number of homes currently under management in each London borough

Welcome from the chair

This has been a year of significant change for Notting Hill Genesis (NHG), as we have continued to make progress on our transformation journey while responding to a challenging operating environment for the housing sector.



Since joining as group board chair last year, my priority has been to ensure we draw a clear line under the issues of the past and put in place the governance, oversight and discipline required to build a more resilient resident-focused organisation.

We have made important progress over the course of the year, including fundamental changes in how NHG is run and overseen. While the organisation still has a very long way to go, I am confident the changes have started to provide stronger foundations for the next chapter of improvement.

We have strengthened NHG's approach to governance, including the establishment of a new governance framework. This has improved board oversight and reporting, created a more effective risk and control framework and provided a clearer single point of strategic leadership across the organisation.

We have also taken important steps to ensure the voice and experience of residents are more directly reflected in our decision-making. The resident forum has been refreshed, and remains designed to provide residents opportunity to influence how services improve, shape organisational priorities and inform the decisions we make.

Good progress has also been made against our regulatory compliance plan, with more than **80%** of milestones now reached.

These are encouraging developments, but the board remains clear that regulatory compliance is not simply a matter of completing actions within a plan.

What matters is whether these changes result in safer homes, better and more consistent services and improved outcomes for residents.

That is why the work completed during the year to deliver essential building safety work, make significant investments to improve residents' homes and rehouse families into homes that better meet their needs is so important. Our focus in the year ahead will be to both accelerate the operational and financial improvements and embed them throughout the organisation for the long-term.

The financial environment remained challenging during FY 2025/26. Rising operating costs and continued economic uncertainty placed pressure on us, including on property valuations, and we have made significant provision for building safety and impairments. I am disappointed that NHG reported a deficit for the year as a result. Liquidity and cashflow remain strong. Progress with our strategic asset management programme, together with the sale of Folio, will enable significant further debt reduction in the year ahead and will strengthen our financial resilience.

The board has brought greater clarity and scrutiny to the organisation's financial position, and improving operational efficiency remains a key priority. We must exercise strong cost controls and financial discipline in the year ahead, while maintaining the investment required in residents' homes and services.

During the year, NHG strengthened both its board and executive team through a number of important changes. I was pleased to join as group board chair, and we welcomed Dave Sheridan as chair of our homes subcommittee. We also made a number of appointments to the executive team, including Victor da Cunha as chief customer officer, Ken Youngman as interim chief financial officer and Keith Woolley as interim chief technology officer. Each has brought valuable experience and expertise as the organisation continues to improve services, strengthen oversight and deliver its transformation. We have continued this renewal of leadership into this financial year with the further appointment to our board of Sally Cabrini as chair of our people, culture and governance committee, Connie Henry MBE as member of the customer committee and homes committee, and Bidesh Sarkar as chair of the audit and risk committee.

We also said farewell to Vipul Thacker, chief organisational effectiveness officer, after 15 years at NHG, and to Mark Smith, our former chief financial officer. On behalf of the board, I would like to thank them for their contribution to the organisation. I would also like to recognise the wider executive team for their leadership throughout the year, and colleagues across NHG for their continued hard work, resilience and commitment to residents.

Since the year end, we said farewell to Patrick Franco, chief executive and Helen Evans joined the organisation as interim chief executive. On behalf of the board, I am pleased to welcome Helen and look forward to working with her as we continue to strengthen our performance, deliver our strategic priorities and create positive outcomes for residents and communities. With decades of leadership experience in social housing, Helen brings valuable expertise, clear strategic insight and a passion for delivering better outcomes for residents.

This year marked the conclusion of the Better Together strategy, which has guided the organisation through a period of considerable change.

We now have an opportunity to define the next phase of NHG's development through a new strategy centred on enhancing customer experience, delivering safe and quality homes, engaging our people, improving risk, governance and financial resilience.

There is still significant work ahead, and we do not underestimate the scale of the challenge still required, but NHG is already a very different organisation from the one I joined. The Board will continue to provide support and challenge to maintain this momentum, complete the remaining regulatory milestones and translate the changes made this year into lasting improvements for residents.



Brendan Sarsfield
Chair

15 October 2026

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Board

Brendan Sarsfield
(Chair) (appointed 24/09/25)
Helen Evans
(Interim chief executive)
Claire Kober OBE
(Senior Independent Director)
Léann Hearne
Courtney Greenslade
Dave Sheridan
(appointed 24/09/25)
Will Sprunt
Emma-Louise Stewart
Sally Cabrini
(appointed 01/05/26)
Connie Henry
(appointed 24/06/26)
Bidesh Sarkar
(appointed 20/08/26)

Patrick Franco
(stood down 28/09/2026)
Ian Ellis
(stood down 24/09/25)
Richard Powell
(stood down 24/09/25)
Ingrid Osbourne
(stood down 30/01/26)
Mark Smith
(stood down 31/03/26)
Symmie Swil
(stood down 28/02/26)
Fred Angole
(stood down 20/08/26)

Executive board

Helen Evans
(Interim chief executive) (appointed 28/09/26)
Matthew Cornwall-Jones
(Chief homes officer)
Craig Wilcockson
(Chief corporate and people officer)
Tabitha Kassem
(Chief governance and risk officer) (appointed 14/04/25, appointed to company secretary 09/05/25)
Keith Woolley
(Interim chief technology officer) (appointed 26/01/26)
Ken Youngman
(Interim chief financial officer) (appointed 20/03/26)
Victor da Cunha
(Chief customer officer) (appointed 23/03/26)

Patrick Franco
(Chief executive during the period under review but stood down on 28/09/26 prior to the approval of this annual report)
Vipul Thacker
(Chief organisational effectiveness officer) (stood down 27/11/25)
Rajiv Peter
(Chief information officer) (stood down 31/01/26)
Mark Smith
(Chief financial officer) (stood down 31/03/26)
Chyrel Brown
(Interim chief customer officer) (stood down 20/03/26)
Sara Thomson
(Interim chief governance and risk officer) (stood down 22/05/25)

Company secretary

Tabitha Kassem

Registered office and head office

Bruce Kenrick House
2 Killick Street
London N1 9FL

Registrations

Registered Society Number: 7746
Registered Provider Number: 4880
A charity exempt from registration.
Regulated by the Regulator of Social Housing.

Independent auditors

Crowe UK LLP
Statutory Auditors
55 Ludgate Hill
London, EC4M 7JW

Principal solicitors

Devonshires Solicitors LLP
30 Finsbury Circus
London, EC2M 7DT

Principal bankers

Barclays Bank plc
Business Banking
Floor 28, 1 Churchill Place
London, E14 5HP



Strategic report

Overview and context

As we came to the end of our three-year Better Together corporate strategy, and undertook our compliance plan with the Regulator of Social Housing, we refocused our organisational attention on five key priorities.

These new priorities are designed to act as a bridge between our outgoing strategy and our forthcoming strategy which is being co-developed with colleagues and residents.

This strategic report, and the associated financial report, set out progress made during the 2025/26 financial year against these priorities:

Enhancing customer experience – listen, act, and make it easier for residents to get the service they need.

Delivering safe, quality homes – ensure every home is compliant, safe, and maintained to the standard our residents deserve.

Engaging our people – give colleagues the clarity, support and recognition needed to deliver with confidence.

Improving risk and governance – simplify oversight, strengthen accountability, and build trust with residents and regulators.

Financial strength and value for money – make every pound count by cutting waste and investing where it has the greatest impact.

Regulatory compliance plan

In 2024, the Regulator of Social Housing found us to be non-compliant with their governance and consumer standards, with grades of **G3** and **C3.** We remain compliant with the regulator's viability standard at **V2.**

In April 2025, the regulator agreed our plan to ensure we regain compliance with their governance and consumer standards. The plan includes 11 workstreams, each with clear outcomes that, once delivered, will enable us to regain compliance with the regulator's governance and consumer standards.

Since then, the organisation has worked at pace to deliver against the plan and by 31 March 2026, significant progress has been made. The regulatory compliance committee monitors monthly progress of the regulatory compliance plan (RCP) including deep-dives of workstreams. In addition, through monthly engagement sessions with the Regulator of Social Housing, we report on progress, risks and opportunities as it relates to delivery and ultimate embedding of the RCP.

Although we have made significant progress completing key milestones of the plan over the last year, we are also mindful that evidencing the necessary changes takes time. Ultimately, regulatory compliance is not simply a matter of completing actions within a plan. We must remain focused on the impact of these changes, in order to drive better outcomes for residents, stronger governance and more consistent services.

Under the regulator's consumer standards, we are required to collect and report annually on our performance using defined tenant satisfaction measures. We published our most recent results in June 2026.

At **46.6%,** our overall perception score has fallen slightly year-on-year (from 47.2% in 2025), requiring us to bring even greater urgency to our transformative work and investment in improving our service delivery.

Overall satisfaction with the service received is more positive and ended the year at **71.7%** (2025: 73.9%).

More information about how we performed against the tenant satisfaction measures can be found in our customer report, published alongside this annual report and financial statements.

Operations report

Over the past year, in a challenging operating environment, we faced sustained pressures and uncertainty, which impacted our financial performance. These pressures reinforced the importance of our core purpose and the need to remain focused on embedding change across the organisation, improving the consistency of our services and directing our investment where it can have the greatest impact.

This marked the conclusion of our Better Together strategy and progress towards regaining regulatory compliance. Majority of the milestones in our regulatory compliance plan have now been reached. We need to embed these across the organisation to continuously improve service delivery for our residents.

We know that milestones alone are not enough. The real measure of success is whether residents receive better services, live in safer and more comfortable homes and have a positive experience engaging with our organisation. In order to achieve this, in the last year we have been focused on five priorities: enhancing customer experience, delivering safe, quality homes, engaging our people, improving risk and governance and financial strength and value for money. We have made progress across some areas, but there is still much more we have to do.

Our financial performance in the year reflects the pressures we have faced. Turnover increased year-on-year, but we reported a net deficit for the period of **£284.6m,** which was principally due to a significant element of non-cash items, including asset valuation adjustments, impairments and building safety remediation provisions. We saw increased costs across the organisation, including repairs, maintenance, compliance and safety-critical programmes.

Despite these pressures, our liquidity and cash position remain strong. We successfully raised a **£250m** sustainable bond at the start of the year, continued to progress our strategic asset management programme, generating **£284.3m** of receipts during the year, and reduced net debt to **£3,524.6m.** We have also made excellent progress towards the sale of our private market rental business, Folio, which is expected to complete during 2026. These actions will help us strengthen financial resilience while continuing to invest in residents' homes.

A major issue this year has been Stratford Halo, where defects were identified by advisors in the building structure stemming from the original design. This required a significant and coordinated response, including relocating and providing ongoing support to 378 households. We fully recognise the disruption and concern this caused affected residents, and our priority remains supporting them while we work through the necessary next steps. Our colleagues showed dedication and care to residents throughout this period.

Improving residents' homes has remained central to our work. During the year, we invested **£46.7m** in replacing kitchens, bathrooms, boilers, windows, doors, roofs and lifts, as well as retrofitting homes to improve thermal efficiency. We have also completed stock condition surveys on more than **88%** of our homes over the last five years, which gives us a stronger understanding of the condition of our homes and a better basis for future investment decisions.

We have made progress in strengthening our approach to safety, compliance and repairs, including taking action to align with the implementation of Awaab's law and accelerating our handling of damp and mould

cases. We also achieved record low numbers of overdue fire risk actions and gas safety certificates, in line with our risk tolerance, while making improvements in domestic electrical safety checks and in our work with external managing agents.

We know that residents judge us by the quality of the service they receive every day, whether that is how quickly we respond to a repair, how clearly we communicate, or how well we listen and act when things go wrong. We still have more to do to ensure our services are consistently responsive, reliable and shaped around residents' needs.

We continue to play our part in addressing London's housing crisis, and despite a difficult external environment for development, we delivered **740** new homes during the year. Following changes to how we manage non-binding local authority nominations, we have also rehoused **60** families into homes that better meet their needs, helping to improve outcomes for residents while making better use of the homes we have.

During the year, the board and executive team were strengthened with a number of new appointees who all bring valuable experience and capacity.

Colleagues across NHG have worked hard and been committed throughout the year. The scale of change we require is significant, and the environment in which we are operating remains demanding. Supporting residents and improving our organisation is vital.

Looking ahead, our priorities are clear. We must complete the remaining milestones in our regulatory compliance plan, improve our operational financial performance, maintain momentum in strategic asset disposals and continue strengthening the quality and consistency of services for residents.

By staying focused on residents, homes and long-term resilience, we are confident that we will continue to become the organisation our residents need and deserve.

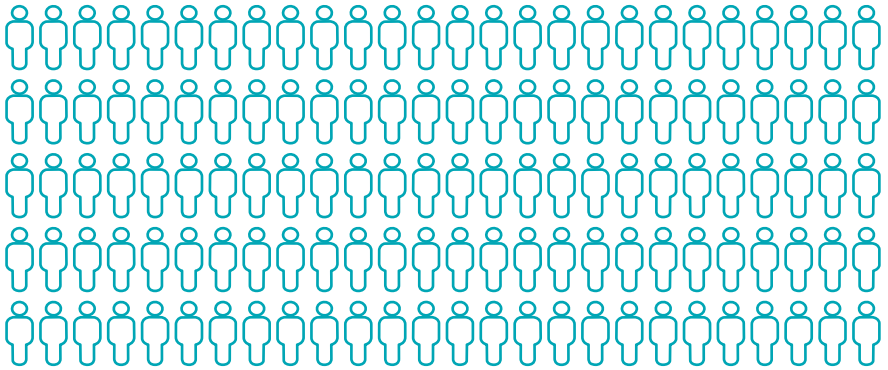


PRIORITY 1

Enhancing customer experience



This section outlines 'enhancing customer experience', one of our five new key priorities. It is focused on listening to around



130,000 residents...

who live in our homes, and acting in response: making it easier for all our residents to get the service they need; ensuring they feel their house is a real home; and that they feel safe in their home and local community.

Underpinned by an organisational culture of customer care and accountability, our work will improve communication channels; digital transformation and self-service platforms; and complaint and satisfaction surveys.

Enhancing customer experience will contribute to our regulatory compliance plan, addressing areas where we need to improve further to meet the requirements of the regulator's consumer standards.

Customer service delivery model

We have continued over the past year to focus on improving how we deliver customer-facing services, with the aim of ensuring we provide what really matters to our residents.

For anti-social behaviour, the percentage of cases updated within our 10 working-day target rose again this year from 89.3% to **93.9%** over the same period.

However, we recognise that more still needs to be done to fulfil our ambition of becoming a genuinely customer-focused organisation.

Over the past year, the delivery of our customer services has been led by our chief customer officer, a new executive role designed to ensure this critical area has the leadership and focus it requires.

Under the customer service delivery model, local officers – housing officers, property managers and estate managers – are responsible for most day-to-day interactions with residents in specific patches, with variations according to the specific role and the customer group they are serving.

They are complemented by a central customer service centre, which provides support and assistance to residents via phone, live-chat and social channels.

Colleagues in the customer service centre offer first-contact resolution or capture enquiries for local officers or specialist teams, and deal with out-of-hours emergency requests.

Local officers and the customer service centre are additionally supported by larger and more specialist teams, covering repairs, complaints, service charges and legal services.

Repairs and service performance

Our aim to provide residents with an effective, efficient and timely repairs and maintenance service – fixing problems fast and successfully – across all homes and communal areas.

£146.9m

spent on day-to-day repairs. Up from a spend of £114m in the previous year.

147,000

day-to-day repairs cases completed. Similar to the previous year.

The work of our repairs teams is focused on three resident-led requirement areas: completing a repair on the first visit; contractors attending on time; and contractor communications with customers.

First-time fixes increased from 69.6% in March 2025 to **78.4%** a year later.

Standard repairs completed on time rose from 74% to **81.2%** over the same period.

For day-to-day emergency repairs completed on time, there was an increase from 91.9% in March 2025 to **92.5%.**

Over the past year, we've appointed three contractors to deliver a new and improved repairs service designed with input from residents. This is a critical service for the organisation and our customers and having three partners working in defined geographical areas helps us to deliver a more efficient and effective repairs service, which should be reflected in improved customer satisfaction in the future.



Complaints management

Managing complaints remains an important area of focus for the organisation. We want to ensure that complaints are addressed fairly, effectively and promptly, and that we act on lessons learned.

Over the past year, we have built on the investment made during 2024/25 in a centralised, more specialist and better resourced complaints team. We have added additional investigators to the complaints service to ensure we are able to provide prompt responses to complaints from residents. We also introduced a complaints satisfaction survey, which was co-created with residents, to get feedback from residents who have experienced the complaints process, so we can use their feedback to further improve the service we offer to residents making complaints.

It will take time to realise the full benefit of our centralised approach, but we have already seen encouraging signs of improvement.

In March 2026, according to our monthly snapshot survey, the number of stage 1 complaints received per 1,000 homes in management stood at **14.1,** an increase from 13.1 in March 2025.

Despite this increased volume and a greater level complexity involved in many of the issues raised, the percentage of both stage 1 and stage 2 complaints responded to on time rose over the year.

86.6%	of **stage 1 complaints** responded to within 10 days or to a time scale agreed with the resident, compared with 65.3% in 2025.
72.3%	of **stage 2 complaints** responded to within 20 days or to a time scale agreed with the resident, compared with 64.1% in 2025.
54.2%	of all findings of **maladministration or service failure,** compared with 64.8% in 2025.

We published a full complaints performance report for 2025/26 on our website in September 2026, as required by the housing ombudsman's complaint handling code. The report will complement the self-assessment of how we are performing against the ombudsman's code of conduct.





Resident engagement and involvement

To ensure that customer voices are heard at the most senior level of our organisation, two residents are members of our group board.

At the centre of our resident involvement model is our resident forum, which acts as the main group overseeing how residents are involved in shaping services and holding us to account.

The establishment of the forum followed consultation with our residents themselves and aligns with the requirements of the regulator's refreshed consumer standards.

The **14-strong resident forum,** which is now chaired by Afiya Ballard, feeds into our customer committee, a sub-committee of the group board.

The three core roles of the forum are to:

- Connect resident experiences to our board, ensuring they listen, act and respond to feedback.
- Recommend service improvement projects, informed by the scrutiny of performance data and resident insight and feedback.
- Provide oversight and assess the impact of the resident involvement and engagement programme.

In 2025/26 the resident forum has continued to meet every two months, maintaining a strong focus on influencing and improving services for residents. Throughout the year, the forum has worked closely with key strategic groups, including the homes committee, ensuring that residents' perspectives help shape organisational priorities and decision-making.

Supporting residents

At NHG, we aim to offer fair, predictable and easy-to-pay housing costs, and provide residents with appropriate financial advice and tenancy sustainment.

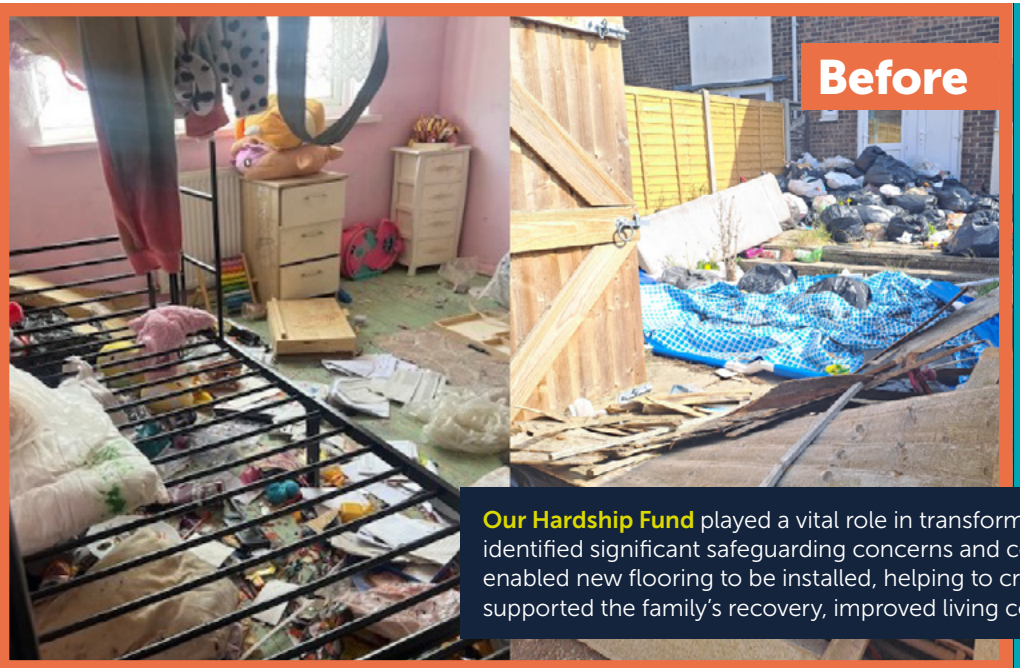
We work closely with residents through our tenancy sustainment team to help them manage their finances and pay their rent.

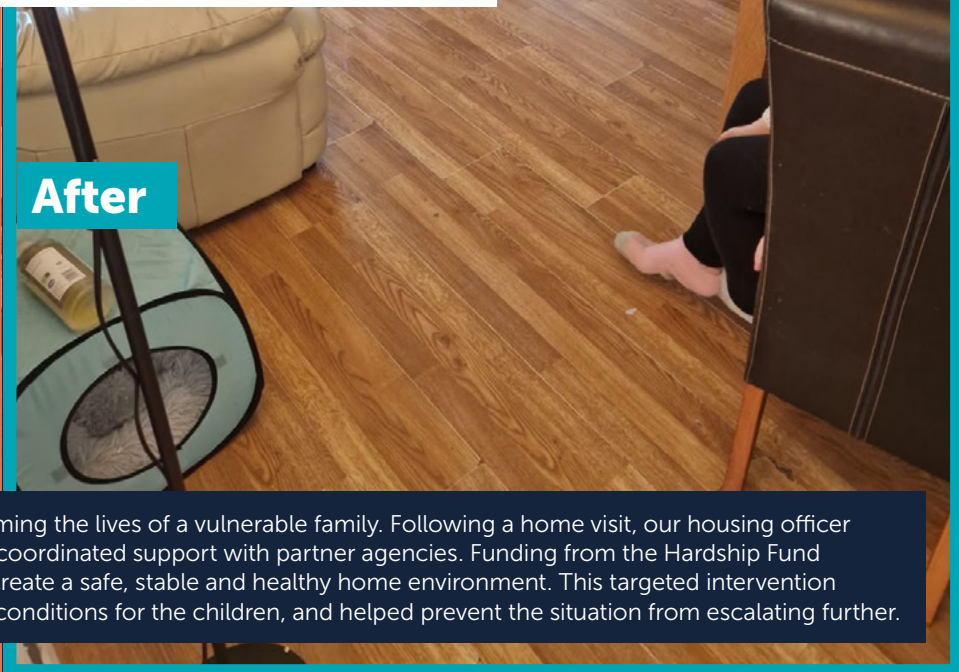
We offer a bespoke cost-of-living support page on our website where residents can check they are claiming everything they are entitled to, alongside details about other support available and information on partner organisations.

Our benefits advisers host monthly pop-in sessions for any residents who would like to raise questions or concerns about benefits or benefit letters.

Over the past year, we estimate that our advisers supported residents to claim outstanding benefits totalling more than **£4.3m,** helping them to remain in their homes.

Further, we made over **£236,000** of awards through our hardship fund including **269** emergency food awards, an increase from **236** in 2024/25. The hardship fund supports households in need with the cost of essential household items such as white goods and, in doing so, eases financial pressure and reduces the need for high-interest borrowing.





Our Hardship Fund played a vital role in transforming the lives of a vulnerable family. Following a home visit, our housing officer identified significant safeguarding concerns and coordinated support with partner agencies. Funding from the Hardship Fund enabled new flooring to be installed, helping to create a safe, stable and healthy home environment. This targeted intervention supported the family's recovery, improved living conditions for the children, and helped prevent the situation from escalating further.

PRIORITY 2

Delivering safe, quality homes



'Delivering safe, quality homes' is our second key priority.

At Notting Hill Genesis, we endeavour to deliver safe, quality homes for our 130,000 residents – ensuring every home is safe and compliant with regulatory requirements and regulations, and maintained to the standard all our residents deserve.

Repairs and maintenance

As outlined above under Priority 1 (Enhancing customer experience), our aim is to provide residents with an effective, efficient and timely repairs and maintenance service – fixing problems fast and successfully – across all homes and communal areas.

The work of our repairs teams is focused on three resident-led requirement areas: completing a repair on the first visit; contractors attending on time; and contractor communications with customers.



Investment in existing homes

Our programme to ensure every one of our residents lives in a warm, safe and comfortable home continued throughout 2025/26, powered by **£1bn of investment** over a 10-year period.

This year, we delivered physical improvements to:

2,587 homes, including



223
loft insulations



2,133
A-rated boilers



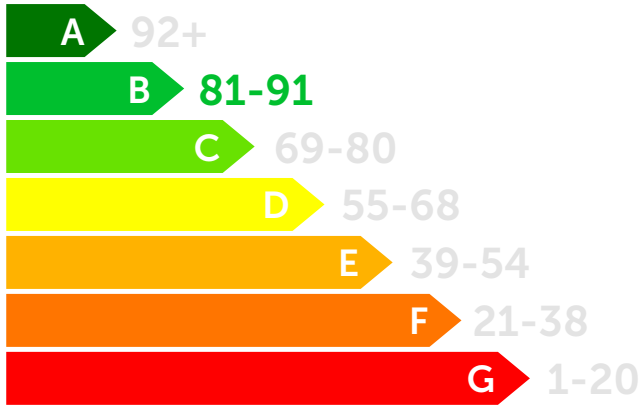
231
new windows

Energy efficiency and warmer homes

As part of our social housing decarbonisation Fund (SHDF) wave 2.1 funding, we've been delivering energy efficiency improvements to hundreds of homes across our portfolio, supported by the award of a **£3.7m** government grant. In 2025/26 this resulted in **185** homes being retrofitted to improve or add loft insulation (**124** homes), windows and doors (**131** homes), air source heat pumps (**17** homes), solar panels (**73** homes) and ventilation upgrades (**165** homes).

Our warmer homes programme focuses on our least energy-efficient homes – those with an energy performance certificate of D or lower. We saw steady increases to **84.8%** of homes scoring **C** and above this year (2025: 80%). Band C remains our most common rating, having risen from 56.7% to **63.9%.**

Residents whose homes have been improved responded positively to the works, noticing immediately that their homes were warmer and their heating bills lower.



renew

Renew programme and strategic asset management

We launched a strategic asset management strategy to help residents in unsuitable homes while supporting reinvestment across our housing stock.

The strategy prioritises moves for residents in greatest need, introduces a more centralised and transparent approach to available homes, and provides targeted support to secure suitable accommodation.

To increase availability for existing residents, we have paused non-contractual local authority nominations for two years, while continuing to meet all legal and contractual obligations.

We are also strengthening our asset management approach by reviewing homes as they become vacant, identifying poorly performing assets for potential sale, and reinvesting proceeds to accelerate improvements across our portfolio.

In 2025/26 the group's strategic asset management programme raised **£284.3m** through the sale of a number of asset portfolios.



As part of the improvements under our Renew programme:

469

homes were refurbished in 2025/26 against a target of 500; and **110** households moved to better-suited homes, up from 90 in 2024/25.

As at March 2026, customer satisfaction with planned investment had risen to

64%

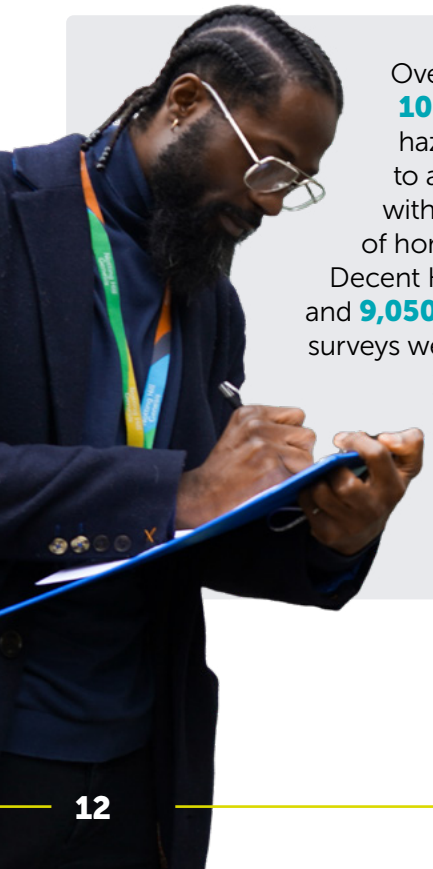
from 54.1% the year before.

Damp and mould

Our drive to deal quickly and efficiently with cases of damp and mould in residents' homes continued throughout 2025/26.

We continued our improvements in line with the government's new Awaab's law, which came into force in October 2025, introducing time limits for social landlords, including NHG, to respond to potential hazards related to damp and mould in residents' homes.

As at March 2026, damp and mould visits completed within 10 working days had increased to **80.3%** compared with 79.9% a year earlier.



Over the past year, **100%** of emergency hazards were attended to and made safe within 24 hours; **99.6%** of homes now meet the Decent Homes Standard; and **9,050** stock condition surveys were completed in year, with **88.2%** of all applicable homes inspected within a five-year cycle.

Building safety and compliance

We have continued to make steady progress with our remedial works programme for buildings identified as requiring further investigations or work to make them safe.

Of the 221 blocks that require further work, **53** have been completed and work is underway on a further 43.

Our initial estimate of **£173m** to complete remediation work continues to be adequate. This includes **£154m** of expected recovery to date from the Cladding Safety Scheme, the National House Building Council (NHBC) or original contractors. This amount includes an estimate where the first amount of funding has been approved by the Cladding Safety Scheme.

We made significant progress on fire risk hazards and seven other standard compliance measures during 2025/26, continuing to work closely with our appointed agents and other service providers this year to assure the safety of our residents.

At year-end, for properties directly managed by NHG, we met or were within tolerance for all of those eight measures except for one (domestic electrical safety). Overall fire risk assessment stood at **93.81%,** while water safety risk assessment, communal asbestos surveys, and passenger and domestic lift statutory inspections all met our **100%** target.

New homes and supply

As we continue to play our part in addressing London's housing shortage, we are planning to deliver around **2,440** new homes over the next five years, focused on our regeneration schemes and other projects to which we are already committed.



new homes were completed in the past year (above target of 699), of which

284 were low-cost rentals (2025:380)
451 shared ownership (2025:253)

Building projects were started on more than **170** new homes, all of which will be low-cost rental, intermediate market rent, or shared ownership.

We continue to work closely with the Greater London Authority to provide homes for rough sleepers using funds from the government's Single Homelessness Accommodation Programme. In 2025/26, this saw **three** new properties (via acquisition/exchange), **14** new building starts on site, and **38** handovers.

Communities and regeneration

We continue to make good progress on our regeneration programmes at the Aylesbury estate in Southwark, Grahame Park in Barnet and Woodberry Down in Hackney.

In all three locations, we are not only providing new homes, but also working closely with local authorities and other partners to ensure local people benefit from associated social and economic opportunities.



In 2025/26, across our three regeneration schemes, we helped **2,031** residents into training (2025:742); **236** into employment (2025:247); and **119** into apprenticeships or work experience (2025:112). We also saw a significant increase in the number of residents at these locations accessing physical, social and wellbeing activities with an increase to **8,373** from 4,008 the year before.

A full breakdown of socio-economic interventions at each scheme is included in our environmental, social and governance report, available on our website.

PRIORITY 3

Engaging our people

We are committed to engaging our people – giving colleagues the clarity, support and recognition needed to deliver for our residents with confidence.



This is focused on: clear communication and transparency; training and tools for improvement; recognition for contributions; and a culture that supports learning and change.

Workforce profile

Our overall headcount increased during 2025/26, ending the year at **1,727** colleagues directly employed.

The vast majority of colleagues are on permanent contracts, while 308 were agency employed and 101 colleagues were on fixed-term contracts at year-end.

Only 12 colleagues on fixed-term contracts have more than 12 months remaining, suggesting that such contracts are being used as intended for work expected to be short-term in nature.

We saw **11.2%** voluntary turnover of employees during 2025/26, in line with sector trends.

Attendance and wellbeing

Short-term sickness absence was **4.4** days per person, a slight decrease on 2024/25.

For all sickness we saw a further reduction from 10.4 days a year at the end of March 2025 to **7.7** days, taking us below the average across the UK, as reported by the Chartered Institute of Personnel and Development (CIPD). This followed a continued drive to proactively manage long-term sickness cases.

Capability and training

Compliance with the completion of statutory training modules and health and safety training both ended the year at **99%.**

Engagement and culture

In 2025/26, we again used the external colleague engagement survey – drawn up for us by analytics firm Gallup the previous year – to gauge how colleagues feel about working for us.

Our overall engagement score was **3.75,** higher than 30% of Gallup's UK client database, showing that our people continue to be mission-driven and that we have a caring culture. Colleagues find meaning in our purpose and feel cared for by managers or others at work.

Conversely, the survey showed that we have more to do in providing clarity on expectations of our people and ensuring that we have the right culture and practical tools so they can do their best every day.

Partly in response, we moved forward with a group-wide programme of work to redefine our values as an organisation, rooted in what we do well, and where we need to be more ambitious and responsive to our residents' expectations. Involving nearly 1,000 colleagues, this has resulted in a new set of organisational values, presently being rolled out, that will directly impact our performance management and objective setting for all colleagues at all levels of the organisation.

Beyond the annual survey, we have a range of engagement opportunities for colleagues. Our executive team host town hall sessions every other month and we hold an annual conference for the whole organisation.



Alongside updates, achievements over the past year and priorities for the future, the conference is designed to bring colleagues together to develop a closer understanding of the impact their work has on our resident experience and where we need to prioritise improvement.

We work hard to empower our people managers to manage their teams well and be the centre of internal communications for their staff.

We have a clear set of manager standards, setting out expectations for colleagues at this level and provide them with a monthly briefing alongside a presentation pack to present key corporate news and developments to their teams.

We also have a range of resources to support our people with financial, physical and mental wellbeing. These include a benefit to help colleagues save money on household bills, a free NHS flu vaccination voucher, and our regular programme of exercise classes and activities.

In addition, our five staff networks provide valuable support to ensure wellbeing and inclusion at work. Covering women, ethnic diversity, disability, carers and LGBTQ+, our networks help colleagues from diverse backgrounds to feel seen and understood, and offer an essential window into the lived experience of our equally diverse residents.

PRIORITY 4

Improving risk and governance

At Notting Hill Genesis we are focused on improving risk and governance, aiming to: improve decision-making; simplify oversight; strengthen accountability; and build trust with residents and regulators.

Good governance and risk management are core to delivering our strategic objectives and to restoring compliance with the regulator's governance standard.

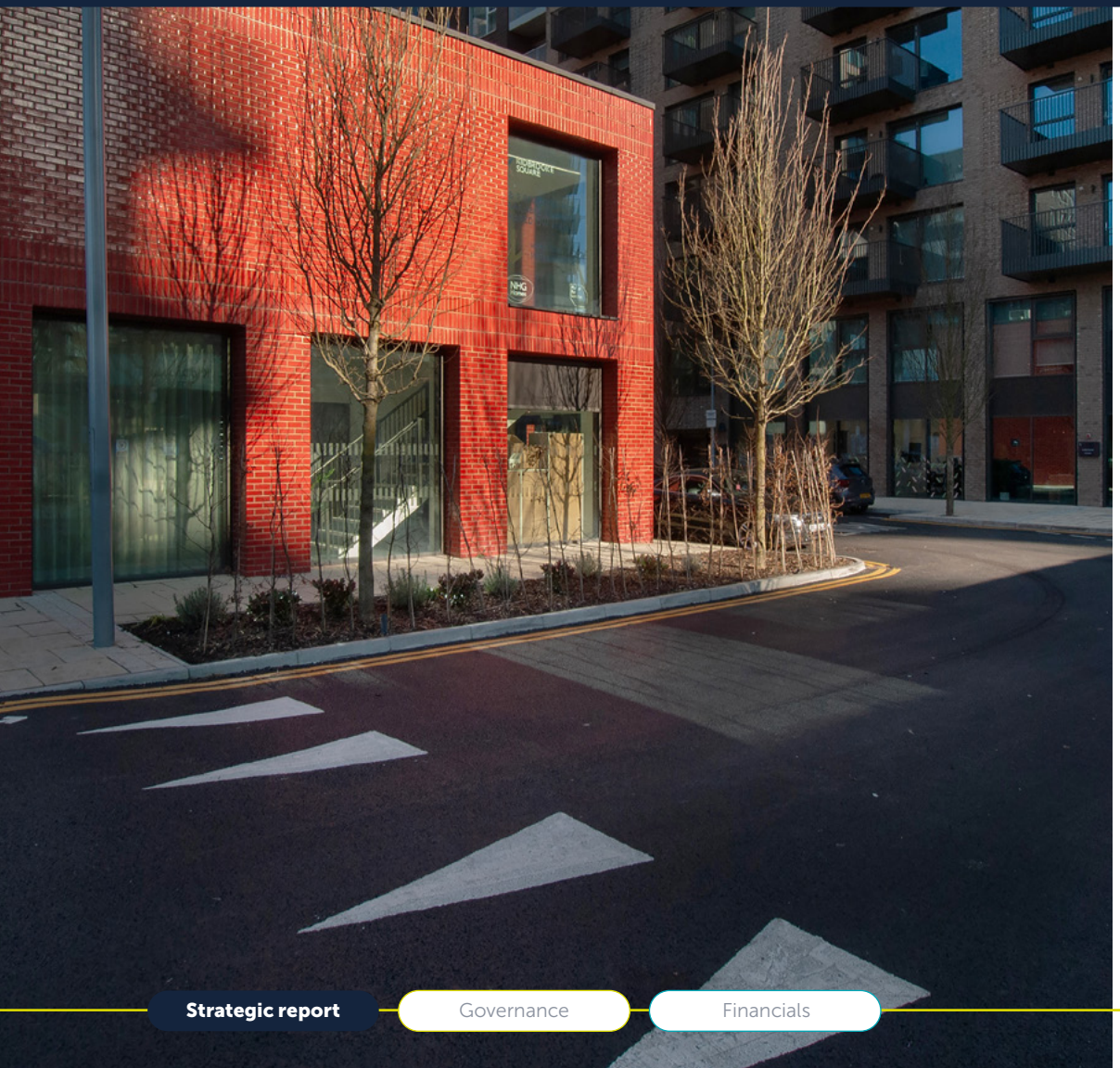
As at March 2026, in relation to the ongoing regulatory compliance plan, we had completed **61 of 76** milestones. But, in terms of tenant satisfaction measures, overall perception and transactional satisfaction levels over the past year were broadly flat. We recognise we need to do more and achieve improved service provision and arrangements for and with our residents.

Governance and risk management are covered in greater detail later in this report from page 57.



PRIORITY 5

Financial strength and value for money



Financial strength and value for money – making every pound count by cutting waste and investing where it has the greatest impact – are core to successfully running the organisation, serving our residents and other stakeholders.

Our 2026 financial results show a significant deficit due to high levels of non-cash adjustments, including the revaluation of our market rent portfolio, alongside substantial provisions for impairments and building safety.

Our underlying operating margin is below expectations with high revenue costs related to day-to-day repairs and fire safety costs, as well as under-recovery of service charge costs.

Our plans include improving repairs (both service and cost efficiency), through a recent re-procurement and focused management, alongside a number of projects (including systems, process, data and specifically service charge management) to deliver improved efficiency and value for money.

We are targeting improved margins over time, while continuing to invest in existing and new homes.

NHG has a strong funding base, with significant available liquidity, moderate gearing and good investor backing.

We will continue to conservatively manage our Treasury arrangements, maintaining covenant compliance as well as funder confidence.

We intend to dispose of the majority of our market rent portfolio in the coming year, which will produce a significant cash receipt and consequent reduction in debt exposure.

Looking ahead

Our 2026/27 plans aligned to our five priorities.

1

Enhancing customer experience – listen, act, and make it easier for residents to get the service they need.

- A residents-first approach to customer services.
- Launching our resident engagement framework.
- Launching our customer experience strategy.
- Aligning communication channels with residents' needs.
- Complaints and satisfaction surveys to continuously improve the service we offer.
- Digital transformation and self-service to improve the customer journey through process redesign.
- Investing in our customer contact centre decreasing internal handovers and response times while improving customer experience.

2

Delivering safe, quality homes – ensure every home is compliant, safe, and maintained to the standard our residents deserve.

- £1bn investment programme over ten years.
- Continued investment in warmer, more sustainable homes.
- Prioritisation of NHG resident moves through strategic asset management reducing overcrowding.
- Fully onboard our new tier-1 repairs contractors.
- Establish a robust and effective approach to Awaab's law across all hazards.

3

Engaging our people – give colleagues the clarity, support and recognition needed to deliver with confidence.

- Embedding a continuous improvement culture.
- Training and tools to drive high performance.



4

Improving risk and governance – simplify oversight, strengthen accountability, and build trust with residents and regulators.

- Completion of our regulatory improvement plan.
- Decision-making in line with risk appetite.

5

Financial strength and value for money – make every pound count by cutting waste and investing where it has the greatest impact.

- Maintaining a strong financial position.
- Efficient use of resources and procurement.
- Transparent reporting and performance metrics.
- Strategic asset management to reinvest in family-friendly homes and to support deleveraging.

Improving services, investing in homes and building a stronger, more accountable organisation for residents.

Key performance indicators

This table provides a snapshot of some of the performance indicators which are considered regularly by the board and are used by the board and the executive team to measure performance and drive improvements.

Key performance indicator (KPI)	2025/26 Performance	2025/26 Target	2024/25 Performance	2024/25 Target	Commentary
Rent collection rate over 12 months	98.4%	100.4%	99.00%	100.04%	At the end of the year, rent collection was within tolerance of target at 98.4%.
Current tenant rent arrears	6.2%	5.6%	5.60%	4.80%	The level of tenant rent arrears increased from 5.6% in April to finish the year at 6.2%.
Occupancy rate	99.3%	99.3%	99.10%	99.20%	By the end of 2025/26, the occupancy rate remained within the target.
Transactional customer satisfaction	71.7%	80.0%	73.90%	80.00%	Transactional customer satisfaction reduced compared to 2024/25 and finished the year disappointingly below the 80% target. We are working on a wide scale consultation and launching a resident first programme.
Customer satisfaction – perception	46.6%	50.0%	47.20%	50.00%	This overall perception measure is in response to the question: "Taking everything into account, how satisfied or dissatisfied are you with the service provided by NHG?". Customer satisfaction - perception finished the year below the 50% target.
Percentage of homes visited within the last 12 months	72.8%	90.0%	85.70%	95%	We expect all homes in our general needs, temporary housing and keyworker businesses to be visited at least once a year by their local officer. 72.5% of homes were visited which was below the target of 90%.
Percentage of standard repairs that were completed in time (within 20 working days)	80.2%	87.0%	74.00%	87%	Standard repairs in time demonstrated a significant increase compared to the previous year (an increase of 6 percentage points). First-time fixes ended the year on target 78.4%.
Ombudsman findings of maladministration or service failure as % of all findings	54.2%	N/A	64.60%	-	The number of cases remains high across the sector as the ombudsman continues to increase publicity of its work. We have seen an increase in the number of ombudsman cases year-on-year. There has been a significant improvement in the percentage of negative determinations which decreased by 10.4 percentage points compared to the previous year.
Percentage of properties meeting the decent homes standard	99.63%	100.00%	99.62%	100.00%	Decent homes improved during 2025/26 to finish the year within tolerance of target at 99.63%. The decent homes standard is a national measure that sets minimum standards for the condition of social homes.
Number of homes improved to energy performance certificate (EPC) level C	1,711	1,100	2,126	1,428	1711 homes were brought up to standard through 2025/26, exceeding the 1100 target.
Percentage of homes with a valid gas certificate	99.96%	100%	99.93%	100.00%	The majority of our directly managed homes have valid gas certificates with only 13 outstanding at the end of the year.
Percentage of buildings with both an in-date fire risk assessment and no overdue actions	93.81%	100%	86.26%	100.00%	Overall compliance finished the year at 93.81%. 100% of blocks have a valid fire risk assessment alongside 418 overdue actions at year-end, 640 fewer overdue actions than the previous year end.
Homes started	174	333	359	448	This year saw a total of 174 starts on site, against a target of 333.
Homes completed	740	699	793	1,203	740 new homes were delivered this year, surpassing the target of 699.

Group highlights

For the year ended 31 March	2026 £m	2025 £m	2024 £m	2023 £m
Consolidated statement of comprehensive income				
Turnover	756.9	717.9	711.8	728.1
Cost of sales and operating income	(846.3)	(641.0)	(712.3)	(605.5)
Other operating activities	(57.5)	(71.4)	33.5	95.3
Operating surplus	**(146.9)**	**5.5**	**33.0**	**217.9**
Net financing cost	(137.7)	(135.0)	(123.2)	(111.8)
Taxation	0.0	(0.5)	-	(11.7)
Surplus for the year after tax	**(284.6)**	**(130.0)**	**(90.2)**	**94.4**
Consolidated statement of financial position				
Housing properties	7,109.9	7,095.8	6,921.8	6,815.4
Other fixed assets and investments	933.4	1,188.0	1,299.2	1,292.0
Net current assets	154.8	212.3	327.6	183.9
Creditors due after one year	(4,949.2)	(4,970.7)	(4,900.5)	(4,547.9)
Net assets	**3,248.9**	**3,525.4**	**3,648.1**	**3,743.4**
General reserves	2,163.1	2,426.0	2,552.5	2,640.6
Revaluation and hedge reserves	1,085.8	1,099.4	1,095.6	1,102.8
Total funding	**3,248.9**	**3,525.4**	**3,648.1**	**3,743.4**
Consolidated statement of cash flows				
Net cash inflow from operating activities	145.4	273.5	19.5	219.3
Cash flows from investing activities	(57.2)	(381.8)	(263.3)	(223.0)
Cash flows from financing activities	(89.5)	49.2	278.8	(48.5)
Cash and equivalents at start of year	36.1	95.2	60.2	112.4
Cash and equivalents at end of year	34.8	36.1	95.2	60.2

	2026	2025	2024	2023
Accommodation owned and in management	**Homes**	**Homes**	**Homes**	
General rented housing	34,892	35,402	35,251	35,131
Supported housing	4,238	4,219	4,271	4,419
Temporary housing	2,405	2,641	2,845	2,854
Market rent	3,041	3,441	3,489	3,210
Key worker and student rented housing	1,923	1,923	1,925	1,925
Shared ownership	8,244	8,786	9,053	9,093
Leasehold	11,112	10,668	9,914	9,749
Non social affordable housing	948	952	888	729
Total	**66,803**	**68,032**	**67,636**	**67,110**



Financial report

Group turnover increased to **£756.9m** in the year from £717.9m in the previous year. The principal component of turnover is rents, which saw a sector-wide increase applied of 2.7%. Revenues from sales were **£51.3m** (2025 £50.7m). Private market sales levels reduced significantly while there was an increased amount of first-tranche shared ownership sales. This follows a trend of reducing private sales exposure. Margins on sale reduced slightly in a difficult sales market.

Our headline outcome is a **net deficit of £284.6m** for the year (deficit £129.5m in 2024/25). Results were impacted by significant non-cash items. This is principally due to downward revaluations of our investment portfolios, reflecting continued challenges across the UK/London property market, plus other non-cash adjustments for recognised building safety remediation costs, disrepair provisions, impairments, strategic write-downs and abortive costs.

Operating costs saw some challenges including £13m on rehousing residents from Stratford Halo, and high non-recoverable service charge costs. Costs also include increased responsive day-to-day repairs numbers with high average costs. We invested in damp and mould repairs as well as safety-related spend including smoke alarms. Responding to the Tri Fire safety certification issue cost us £3m.

The Group's net cash flow for the year was positive, significantly due to strategic disposal activity, including portfolio disposals, void sales, and sales receipts. Net debt reduced from £3,615.5m in 2024/25 to **£3,524.5m** in 2025/26, a decrease of £91m.

All loan interest cover covenants have been met .

Gearing remains at a sustainable **46%** in NHG and **56%** in Notting Hill Home Ownership (NHHO). We have strong group liquidity with **£835m** of undrawn facilities and **£34.8m** in cash.

Underlying performance

The table shows a breakdown of results on an underlying basis, comparing reported operating margin and adjusting for non-cash and other non-standard items.

The adjusted result shows a 15% operating margin, below previous year's (20%), due largely to high repairs and fire safety expenditure and under recovery of service charges.

2026/27 will be a transitional year while we focus on recovery. A service charge project is under way to significantly improve cost recovery as well as service delivery. Other systems and data improvements will help us work more efficiently, and we are improving reporting and budget management.

The business plan aims to improve operating margins over time, with modest improvements which we expect to exceed.

Table 1 - Analysis of group surplus		2026 £m	2025 £m	2024 £m	2023 £m
Adjusted operating surplus					
Turnover (excluding sales)		707.3	666.8	637.6	612.0
Operating costs		(603.6)	(533.3)	(528.5)	(485.2)
Underlying margin		**103.7**	**133.5**	**109.1**	**126.8**
Margin percentage		15%	20%	17%	21%
One-off items					
Impairments	Housing asset write downs	(71.5)	(42.1)	(83.0)	(4.7)
Building safety	Provisions for repair obligations	(58.4)	-	-	-
Asset deregistration	Asset register adjustments (2022 - service charges)	(14.2)	-	(21.2)	-
Stratford Halo decant costs	Costs of alternative accommodation for safety reasons	(13.0)	-	-	-
Other	Pension exit fees and other non-standard costs	(3.2)	-	2.7	-
Total non-standard items		**(160.3)**	**(42.1)**	**(101.5)**	**(4.7)**
Sales and investment surplus					
Fair value gains/(losses) - investment properties	Private rented portfolio write downs	(112.4)	(119.2)	(10.1)	36.3
Surplus/(deficit) from joint ventures	Land write down	(2.0)	1.9	14.6	8.2
Surplus on disposal of assets	Strategic asset sales in the year	56.9	45.9	29.0	50.8
Sales and development	Abortive cost - regeneration scheme; stock write-down	(32.8)	(14.5)	(8.1)	0.5
		(90.3)	**(85.9)**	**25.4**	**95.8**
Reported operating surplus		**(146.9)**	**5.5**	**33.0**	**217.9**
Results from financing activities					
Net financing costs	Increase due to lower derivatives benefit	(137.7)	(135.0)	(123.2)	(111.8)
(Deficit)/surplus before tax		**(284.6)**	**(129.5)**	**(90.2)**	**106.1**



Value for money (VfM)

The Regulator of Social Housing (RSH) sets out clear expectations for registered providers to deliver Value for Money (VfM) under the VfM Standard 2018. This standard requires organisations to understand the costs and outcomes associated with delivering specific services, as well as the underlying drivers.

Performance is assessed against the RSH's seven VfM metrics, alongside internal measures that cover safety, customer outcomes, asset investment, and financial resilience. Measures include central overhead as a percentage, void performance, cost per repair, arrears and related bad debt write-off.

A VfM strategy was agreed by the board in September 2025. This included aspects such as repairs reprocurement, operating model changes, voids management, commercial property disposals and office rationalisation.

These have progressed in year, with new responsive repairs contractors recently onboarded to provide much improved service and competitive rates; operating model changes in progress to improve effectiveness and efficiency; voids management process under review to reduce rent losses; commercial property disposals; and office rationalisation.

Strong procurement continues.

In practice managing VfM also means close budgetary control and forecasting, both of which are targeted for improved performance in 2026/27.

The strategic business plan includes efficiency **savings of £10m a year** from 2027/28, rising to an annual £12.5m in three years. We are also targeting significant reductions in unrecovered service charge losses through a major project of improvement which is currently in early stages of progress.

Table 2 – Regulatory VfM metrics	2024/25 G15 median performance	2024/25 NHG actual	2025/26 NHG actual	2026/27 NHG budget
1. Reinvestment %	5.0%	4.1%	3.6%	4.1%
2A. New supply delivered – social housing homes	1.2%	1.1%	1.6%	2.0%
2B. New supply delivered – non-social housing homes	0.1%	1.1%	0%	0.1%
3. Gearing %	46.0%	46.2%	44.4%	33.1%
4. EBITDA MRI interest cover %	85%	53.0%	(49.9%)	97.8%
5. Headline social housing cost per unit (CPU)	£6,904	£9,067	£12,398	£11,038
6A. Operating margin % – social housing lettings only	23.0%	13.3%	(5.9%)	14.7%
6B. Operating margin % – overall	15.0%	11.0%	(12.1%)	16.3%
7. Return on capital employed (ROCE) %	2.4%	1.5%	(0.4%)	2.0%

Regulatory VfM metrics

The table above presents our performance against RSH metrics over a three-year period (2024/25 to 2026/27), and includes recent median data for 2024/25 from our G15 peer group for comparison.

Commentary on RSH performance measures

1. Reinvestment

Reinvestment was slightly below the previous year at 3.6% (4.1% in 2024/25), reflecting some reprofiling of planned works and delayed development activity across the year. It is planned to increase in 2026/27 through planned investment and continued development activity.

2a. and 2b. New supply

Delivery of new social housing was up in the year with 740 homes handed-over against 569 homes in 2024/25. However, some programme delays were encountered in a challenging environment.

Delivery of non-social units decreased significantly as we reacted to the challenging sales market and changed planned tenure delivery.

The 2026/27 budget reflects a planned increase in delivery to 2.02% for social housing and continued low market sales, as we risk manage sales exposure.

3. Gearing

Gearing in NHG decreased to 44.4% at the end of 2025/26 from 46.2% in the previous year, due largely to repayment of debt enabled by strategic property disposals.

The 2026/27 budget projects much lower gearing in 2026/27, at 33.1%, reflecting strategic debt deleveraging through disposal of market rent and student let portfolios.

4. EBITDA MRI interest cover

Interest cover reduced to (49.9%) in 2025/26, significantly below the board's target of 120% and lower than the 2024/25 outturn of 53%. This primarily reflects increased property-related expenditure during the year, including Stratford Halo decant costs of £13m, higher investment in repairs, maintenance, compliance and building safety activities, alongside the acceleration of works to improve the condition and safety of homes.

The 2026/27 budget shows a recovery to 97.8%, driven by stabilisation in property expenditure following this period of elevated investment, alongside improved operating performance, and the unwinding of one-off impacts. This does not meet the board's golden rule target of 120% due to continued Stratford Halo costs in 2026/27.

5. Headline social housing cost per unit (CPU)

CPU increased significantly to £12,398 in 2025/26 from £9,067 in 2024/25. This reflects increased investment in repairs, maintenance and compliance activities, including higher volumes and pricing of responsive works, damp and mould treatment, and accelerated safety programme. While these increases have contributed to higher overall costs, they support the delivery of safe, well-maintained homes and improved resident outcomes. Service charge costs increased significantly during the year, rising by 27%, reflecting inflationary pressures on externally procured services, utilities and estate management costs.

Looking ahead, there is a continued focus on achieving value for money through improved procurement, service redesign and greater cost control, while ensuring service charge costs remain appropriate, transparent and recoverable wherever permitted. This is expected to support a gradual reduction in cost per unit over the medium term, without compromising resident safety, service quality or investment in homes.

The 2026/27 budget CPU at £11,038 reflects the expected benefits of re-procuring key repairs and maintenance contracts and optimising the delivery model for property services. Meeting budgets will reduce costs from the elevated levels seen in 2025/26 and is an important element in moving towards sector benchmark costs without compromising service quality, resident safety or asset condition.

6A. Operating margin % - social housing lettings

Operating margins reduced to (5.9%) for social housing lettings compared to 13.3% in 2024/25. The change reflects the combined impact of increased repair costs, with the number of repairs and cost per repair higher than in 2024/25, expenditure on building safety and quality, higher service charge delivery costs, and one-off items arising in the year, including operational and systems-related expenditure. Significant non-standard items totalling £166.8m also materially impacted margin performance including asset valuation adjustments, impairments and building safety remediation provisions.

The 2026/27 budget anticipates a recovery to 14.7% supported by stabilisation of the operating environment, improved cost control, delivery of a new repairs model and a reduction in exceptional expenditure.

6B. Operating margin % - overall

Operating margins for the overall business were (12.1%) in 2025/26, down on the previous year actual of 11%. Overall operating margin also includes surplus on sale of assets, joint venture surplus/deficits, and a material downward fair value movement on investment properties.

7. Return on capital employed (ROCE):

ROCE reduced to (0.4%) in 2025/26, reflecting the impact of lower operating surpluses relative to the size of the asset base, following the in-year write-downs and provisions together with cost pressures experienced during the year.

The 2026/27 budget projects a recovery to 2.0% as operating performance improves, margins recover and asset utilisation strengthens





Headline social housing cost per unit

The table below shows the components making up regulatory measure 5.

Table 3 - Breakdown of social housing cost per unit	24/25 G15 median Performance	24/25 NHG actual	25/26 NHG actual	26/27 NHG budget
Management	£1,933	£2,277	£3,010	£2,534
Service Charges	£1,110	£1,533	£1,996	£1,456
Routine and planned maintenance	£1,937	£2,315	£3,034	£3,169
Major repairs	£1,587	£2,023	£3,180	£2,715
Other (including landlord rents)	£337	£919	£1,178	£1,189
Total	**£6,904**	**£9,067**	**£12,398**	**£11,063**

Housing expenditure remains above the G15 median benchmark, reflecting expenditure on quality, safety and sustainability of residents' homes. The most significant areas of spend were routine and planned maintenance (£3,034 per property) and major repairs (£3,180 per property).

The expenditure benefits residents through better maintained homes, improved safety and investment in the quality of housing stock.

The 2026/27 budget continues this commitment, with £3,169 per property allocated to routine and planned maintenance and £2,715 per property to major repairs.

As investment programmes mature and asset performance improves, a key objective is to reduce costs over time and move progressively towards G15 median levels where this can be achieved without compromising resident safety, service quality or the condition of homes.

Unsold homes FY 25/26

Table 4 – Analysis of unsold homes	Shared ownership	Private sale	2025/26 Total	2024/25 Total
Unsold homes at 1 April	124	-	124	50
Homes completed - as originally intended	451	-	451	254
Homes transferred - other	22	-	22	-
Homes sold on a plot-by-plot basis	(293)	-	(293)	(180)
Unsold homes as at 31 March (Units)	**304**	**-**	**304**	**124**

The financial year started with 124 unsold shared ownership homes. During the year, a further 451 homes reached practical completion and were handed over, bringing the homes available for sale to 575. A total of 293 homes were sold (180 in 2024/25). There were 304 unsold homes on 31 March 2026.

The margin achieved on shared ownership first-tranche sales was 9.8% (16% in 2025). Performance was adversely affected by delays at our Cambridge and Gallions 3B schemes.

The Cambridge development was impacted by failure of the main contractor, Henry Construction Limited, with revised delivery assumptions and additional costs.

Our Gallions 3B scheme experienced substantial delays to completion due to problems with the adopted energy centre managed by an energy provider. This resulted in increased completion costs and additional holding costs.

Broader macroeconomic challenges impacted sales performance, with sales rates falling below budget expectations. Higher mortgage interest rates and continued cost-of-living pressures reduced affordability and led many prospective purchasers to defer property purchases.

While sales activity has shown encouraging signs of improvement in recent months, market conditions remain challenging. A significant proportion of the handover programme is forecast later in the year, and we anticipate elevated levels of unsold homes. The Sales Team has been appropriately resourced to support delivery against business objectives.

Our approach is to mitigate completion risk, maintain sales quality and customer experience, and provide resilience against ongoing uncertainty within the wider housing market.





Capital structure and treasury policy

The group board approves an annual treasury plan each year, which sets the strategy on how we mitigate and manage treasury-related risks.

Our debt is borrowed from banks and building societies in the UK, as well as from the capital markets.

As at 31 March 2026, the group had nine public bonds in issue with an outstanding nominal value of £2.55bn. On 1 April 2025 NHG issued a 10 year £250m bond at 6.00% coupon.

Borrowings at 31 March 2026 were £3,544.6m (£3,634.8m in 2025), a reduction of £89m. Immediately available undrawn facilities were £835.0m (£555.0m in 2025) with unrestricted cash and cash deposits available to the group of £33.9m in total, providing available liquidity of £869.8m (£587.8m in 2025).

Our interest rate strategy includes guide rails for interest rate policy, which is set out in table 5 along with the actual position on 31 March 2026. The policy range is set by the board on an annual basis.

The figure shown as 'lower' is the minimum approved by the board and the figure shown as 'upper' is the maximum. We are currently compliant with policy.

Table 5 – Interest rate strategy

	Policy range		Actual
Category	Lower	Upper	25/26
Fixed	50%	105%	100%
Variable	(5)%	40%	(2)%
Indexed-linked	0%	20%	2%

NHG' Debt maturity profile on 31 March 2026 is set out below (Table 6), showing when our borrowings fall due for repayment. The repayment profile is modelled to ensure manageable repayment risk.

Table 6 – Debt maturity

	Group £m	NHG £m
0-1 years	49.4	38.7
1-2 years	331.2	41.4
2-5 years	570.0	527.1
5-10 years	937.9	805.0
10-20 years	939.7	928.6
20-30 years	716.4	716.6
30-40 years	-	-
Total	**3,544.6**	**3,057.4**

Our policy in relation to cash surpluses is to preserve capital. Cash surpluses are thus invested in money market funds rated AAAmf and approved UK institutions rated ukA1 by S&P.

We enter into various interest rate swaps to manage the interest rate charged on variable, fixed and currency debt. As at 31 March 2026, £585.2m (£602.0m in 2025) of our variable debt had its interest rate hedged by stand-alone interest rate swaps. A further £42.0m (£42.0m in 2025) of our fixed debt had its interest rate hedged by standalone swaps.

Under the terms of the interest rate swap agreements, we can be required to provide cash or property as security for future payments. The amount of security is assessed by the counterparty banks on a regular basis (weekly or monthly, dependent on the lender).

On 31 March 2026, the amount of cash and properties pledged as security for interest rate swap transactions was £400.6m (£400.6m in 2025).

We generally borrow and lend only in sterling, which minimises associated currency risk. In the interests of diversifying the lender base, borrowings in foreign currency can be made but our policy is that all associated cash flows are to be swapped into sterling to mitigate currency risk.

We currently have foreign-currency-denominated debt of ¥5bn (¥5bn in 2025) and this has been hedged into £28.0m (£28.0m in 2025) by a currency swap.

NHG and Notting Hill Home Ownership have a policy of not granting floating charges, although this policy does not extend to subsidiaries.

Pension liabilities

Actuarial pensions movements are £0.2m adverse for the year (£3.6m adverse in 2025). Defined benefit liabilities total £15.3m (£20.7m in 2025).

The group board continues to evaluate routes to mitigate future risk.

Credit agency ratings

We are rated by Standard and Poor's (S&P) and Fitch. On 24 September 2026, S&P reduced our rating to BBB+ with outlook negative. Fitch last rated us on 17 October 2025 as A- with outlook stable.

We do not solicit a rating from Moody's, but they maintain an unsolicited rating on several of our bonds issued by our legacy organisations. On 6 October 2026, Moody's reduced its opinion on these instruments to Baa1 with outlook negative.

All ratings remain investment grade.





Going concern

The Board has considered the Strategic Business Plan and a range of stress testing scenarios. These include potential property market challenges impacting sales and disposals, macroeconomic events affecting inflation, interest rates, arrears collection and voids, as well as singular events such as a cyber-attack, contractor failure, environmental events and changes in government policy. Multi-variate stress tests, where multiple scenarios are combined, provide the most testing outcomes.

The outcome of these stress tests focuses on covenant compliance and liquidity. Where the plan comes under pressure, a mitigation framework sets out how we would respond to ensure the business can continue in both the short and longer term. Mitigations exist for all scenarios as a precaution, ensuring compliance with all covenant and regulatory requirements. Periodic updates to the financial business plan, management account forecasts and key performance indicator reporting enable continuous monitoring of the business.

We also have access to significant liquidity, with £868.9m available to us. This provides more than three years of headroom. During the year, we successfully raised new funds from the capital market. Our non-compliant regulatory position has not impacted access to funding.

We have significant gearing headroom on our main covenant, which currently sits at 46% against a limit of 75%.

After making these enquiries, the board has a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date on which the report and financial statements are approved. Accordingly, the board continues to adopt the going concern basis in preparing the financial statements.

Streamlined energy and carbon report

The following information summarises the energy and carbon emissions for NHG, as required by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

NHG's carbon emissions, using a location-based approach to calculating emissions, were 16,912.525 tonnes CO2e for 2025/26, this is 10% lower than in 2024/25.

These include the emissions associated with electricity, gas and travel in personal vehicles. NHG's intensity ratio of 22.303 tonnes CO2e per £m is 15% lower than in 2024/25.

Greenhouse gas emissions

Table 1: greenhouse gas emissions by year (tCO2e)

Group – activity category	2025/26	2024/25	Percentage change (%)	Actual change (tCO2e)
Scope 1: direct emissions from the operation of owned and controlled facilities and equipment				
Scope 1: total (tCO2e)	**10,974**	**11,902**	**-8%**	**-928.7**
Scope 2: location-based total (tCO2e)				
Scope 2: location-based total (tCO2e)	**5,329**	**6,290**	**-15%**	**-961.6**
Scope 3: indirect emissions from the value chain				
Category 3. fuel and energy-related activities	558	556	0%	1.9
Category 6. business travel	52	55	-6%	-3.4
Scope 3: location-based total (tCO2e)	**610**	**611**	**0%**	**-1.5**
Total gross emissions - location-based (tCO2e)	**16,913**	**18,803**	**-10%**	**-1,892**
Revenue (£m)	758	717	6%	41.3
Intensity ratio tCO2e per £m location-based	22.3	26.2	-15%	-3.9

Table 2: energy consumption by year (kWh)

Group – emissions source category	Energy source	2025/26	2024/25	Percentage change (%)	Actual change (kWh)
Scope 1: direct emissions from the operation of owned and controlled facilities and equipment					
stationary combustion	natural gas	59,978,940	65,076,443	-8%	-5,097,503
Scope 2: indirect emissions from the production of purchased energy					
Generation of purchased energy	electricity - location-based	30,106,530	30,381,339	-1%	-274,809
Scope 3: indirect emissions from the value chain					
Mobile combustion - 6. business travel	employee-owned vehicle	213,607	229,369*	-7%	-15,762
Total kWh		**90,299,077**	**95,687,151**	**-6%**	**-5,388,074**
Revenue (£m)		**758.3**	**717**	**6%**	**41.3**
Intensity ratio kWh per £m		**119,081**	**133,455**	**-11%**	**-14,374**

* This figure has been restated to include additional 3,041 kWh related to motorcycle and passenger mileage.

Methodology

The streamlined energy and carbon report (SERC) report relates to NHG and covers the emissions from its operations from 1 April 2025 to 31 March 2026, aligning with the financial year.

The reported carbon emissions have been calculated following the guidance in the UK Government's Environmental Reporting Guidelines, 2019, and the methodology outlined in The GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Carbon emission factors have been obtained from the UK Government's GHG Conversion Factors for Company Reporting.

An 'operational control' methodology has been adopted to outline the scope of carbon emissions reporting for NHG. Operational control refers to the ability of an organisation to direct the activities of a facility or operation. In the context of greenhouse gas (GHG) reporting, a company is considered to have operational control over a facility, if it has the authority to introduce and implement operating policies at that facility, regardless of ownership. This means the organisation is responsible for the GHG emissions from the 'operations it controls'.

This report includes the material carbon emissions, in line with the emissions categories, as required to be reported under the SECR regulations.

Table 1 includes a reduced 'net' carbon emission figure, the 'net' figure is based on our purchase of a 'contractual arrangement' for the supply of renewable electricity. The emissions reduction is reported as 'market-based'. This is voluntarily reported.

Energy efficiency initiatives

NHG is committed to continually improving energy efficiency and reducing environmental impact while operating as a responsible and sustainable business. Over the past year, we have undertaken a range of energy efficiency initiatives across our communal heating networks using Heat Network Efficiency Scheme (HNES) funding. These projects have focused on modernising ageing infrastructure, improving insulation and controls, installing Heat Interface Units (HIUs) and advanced metering, and upgrading plantroom equipment to reduce energy consumption and carbon emissions. Significant improvements have been delivered across several estates, including reduced heat losses, lower gas and electricity use, improved network efficiency and enhanced resident control over heating and hot water. At Glyn Street estate alone, upgrades have resulted in a 45% reduction in gas consumption and annual carbon savings of approximately 40,000 $kgCO_2e$. Looking ahead, NHG has secured a further £2.8m of HNES funding to improve heat networks serving more than 750 additional homes across London, building on over £10m of government funding invested to date and demonstrating our continued commitment to reducing emissions, improving energy performance and creating more sustainable homes for residents.





Governance

The board and committees



Notting Hill Genesis (NHG) is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing with the Regulator for Social Housing (RSH) (registration number 7746). Our primary activity is the provision of housing at below-market rates.

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

The board believes that NHG is well placed to manage its business risks successfully, despite the current economic uncertainties. Therefore, the board has a reasonable expectation that NHG has adequate resources to continue to adopt the going concern basis in preparing these annual financial statements.

Following the regulatory judgment, NHG recognised that it needed to take action to improve its governance arrangements and with the support of the findings from an independent review undertaken by Altair, significant work has taken place.

Notting Hill Home Ownership Limited (NHHO) and Springboard Two Housing Association Limited (SBII) are legal subsidiaries of NHG, community benefit societies and registered with the RSH. During the year, a common board (the NHG board) was established of NHG, NHHO and SBII enabling stronger oversight and control and a single point of strategic leadership to ensure consistency, coherence and efficiency.

Following consultation across the resident forum, operational staff, board and committees, a new governance framework has been established with revised delegations, updated board committee terms and management panel terms of reference and clarity as to roles and responsibilities. This has enabled improved board oversight and reporting and a more effective risk and control framework. Committee names were also updated to reflect the change in focus of the oversight delegated to those governance bodies; the operations committee becoming the customer committee and the people and nominations committee becoming the people culture and governance committee.

The NHG board is responsible for setting the strategic direction, values, and objectives of NHG and its subsidiaries. The board monitors performance, how well we deliver services to our residents and customers, and how well we manage our finances. The board is responsible for ensuring effective governance across the business which is achieved with the support of the executive board and the board committees, to which certain responsibilities are delegated.

NHG oversaw all governance changes, holding special meetings to monitor progress against action plans and review or approve recommendations coming out of the independent review. Working practices set out in the revised delegations ensure that reports issued to the boards will enable each legal entity to consider matters relevant and specific to that specific entity when making a decision or approving a resolution. If there is an issue to be considered which involves a transaction or a matter between group entities, the procedures set out in the scheme of delegations are applied.

The board consists of 10 non-executive members and two executive co-opted members. Details of all board members, who come from a range of backgrounds, are provided on pages 42-45. The RSH regulatory judgment identified that further work was needed to review the mix of skills on the board to align to strategic priorities. During the year, there has been a review of the board and committee skills and a refresh of the succession plan and since the RSH inspection, half of the board (five non-executive directors and one executive director) have been replaced, with a further board member due to retire at their tenure end in September 2026. This board refresh provides a broad range of skills, experience and knowledge, including expertise in finance, business, regulation, consumer service, sector knowledge, people and culture, and transformation at scale. NHG's rules requires two residents on the board which has been maintained.

Similarly, there has been a review of all the board policies and succession planning arrangements, with new skills assessment, board appraisals, effectiveness review, induction and training process established and embedded. As a result, we are confident that the board and committees have the collective skills to fulfil their responsibilities of overseeing the strategic direction of the group.

Residents are actively encouraged to become involved in decision-making through our resident involvement and engagement model. Residents play a significant role in governance, with two residents serving on the group board, as one of the mechanisms in which residents can be involved.

Board members participate in walkabouts or in other events, engaging directly with residents during these board enrichment activities.

Other initiatives are in place so that the board regularly hears the voice of residents. Additional information about our resident involvement and engagement model is included on page 50. The board has also conducted regular engagement with NHG shareholders over the past year, including via written communications and the annual general meeting of the company.

Customer committee (formerly operations committee)

The customer committee has a pivotal role in supporting the delivery of our Better Together strategic objectives notably the customer strategy that underpins it, and oversees performance of our core residential businesses. Through its role, the committee has reviewed the customer experience of our residents across the group via regular monitoring of the quality and performance of services and outcomes. It has also ensured that customers' voices are heard through the provision of a wide range of meaningful opportunities for residents to influence and scrutinise our strategies, policies, and services.

The committee met six times in 2025/26. The key matters considered by the committee in the year include:

Better Together strategic objectives

- Monitored the Better Together scorecard which demonstrated performance in meeting our Better Together strategic aims.

Customer voice and insights

- Considered a new resident engagement model, focusing on enhancing alignment with residents' needs. Reviewed matters in relation to vulnerable customers and safeguarding reports.

Operations and assets performance

- Received regular updates on the action plan towards compliance with the revised consumer standards.
- Received independent review reports as well as detailed update reports on operations performance examining key performance indicators and operational metrics, including in relation to damp and mould, deep dives on repairs and next steps. The committee monitored progress against action plans and made challenges in respect of the need for performance improvements.

- Received regular update reports on asset management and landlord compliance, including in relation to the handling of open disrepair cases and landlord gas safety records.
- Received regular reports on fire safety and fire risk actions, with a key focus on the way forward and measures being taken to address fire risk assessment actions.
- Reviewed and approved a new customer and operations target operating model.
- Considered a revised approach to nominations for housing from local authorities, following and taking into account consultation with key stakeholders including residents.
- Received deep dive presentations on damp and mould, compliance with Awaab's law, complaints performance and ways of working, the revised target operating model with actions and improvements outlined.
- Monitored detailed update reports on financial performance including service charges, staircasing surpluses and arrears.
- Considered the plans for the operational key performance indicator setting cycle for 2025/26.
- Reviewed the annual lettings plan and kept under review compliance with the decent homes standard and NHG's decent homes approach.

Complaints

- Monitored quarterly updates on the volume and categories of complaints performance and satisfaction and provided insights to the board on the effectiveness of our complaints system.
- Received a year end summary of complaints, including impacts on compliance with the consumer standards and emphasis on tenant satisfaction measures. Regular reports were received on housing ombudsman determinations related to us, including lessons learned and key risks and mitigations.

Corporate finance and treasury committee

The corporate finance and treasury committee oversees performance in core financial areas. Through its role, the committee has monitored and evaluated the financial risk environment and has taken action to mitigate our level of financial risk within agreed risk appetites, as required.

The committee met four times in 2025/26. The key matters considered by the committee in the year include:

Finance

- Monitored and advised the group board on key financial issues, performance, financial strategy, and investment activities.
- Reviewed the proposed strategic financial business plan alongside the draft budget and assessed the likely impact on our short-to long-term viability and treasury plan.
- Reviewed the draft annual budget for the group prior to recommendation to the board.
- Considered stress-testing scenarios, mitigations and risks relating to the strategic business plan and budget and made recommendations to the board on mitigations, as required.
- Reviewed the overall development capital commitments in conjunction with our liquidity policy and development capacity modelled in the long-term plan.
- Monitored the capital at risk to ensure the investment into non-core activities remained within the investment policy to protect charitable objects and provided quarterly reports to the board on this.
- Monitored 24-month cash flow and risks in relation to interest cover and covenant compliance.
- Approved matters in respect of covenant negotiations.
- Considered matters in respect of loan portfolios.

Treasury

- Received quarterly reports on treasury activities, including a review of and changes to the treasury management policy and plan, monitoring of key treasury risks and updates on the latest treasury workstreams.
- Made decisions on matters relating to NHG derivatives portfolio and share premium transactions.

Homes committee

The homes committee oversees progress against the homes strand of our Better Together strategic objectives.

The homes committee oversees performance in the asset management strategy and sales plan. The homes committee reviews, approves or recommends to the NHG board as appropriate investment decisions in homes in management and new homes for development including monitoring joint ventures and partnerships whether in existence or recommended for establishment. In all aspects of its work, the committee received assurance that:

- Its activities are consistent with and supportive of the strategic business plan.
- The voice of the customer has been heard, customer impact considered, and customer experience enhanced within the process of building safety requirements, stock acquisitions, sales, modernisation, development or regeneration, and that this is reported to the board or the customer committee as required to ensure operational impact is considered.
- All existing joint ventures continue to support delivery of the NHG group missions and objectives.

The committee met six times in 2025/26. In accordance with the new delegations approved during the year, the key matters considered by the committee in the year included:

- Considered regular quarterly reports on the performance of the development programme, including financial performance and health and safety incidents.
- Reviewed reports from the chief homes officer.
- Considered regular updates on sales performance and key achievements and risks.
- Monitored progress as to the potential sale of legal entities within the group in accordance with the approved disposal, investment and sales strategies and strategic business plan and notably the outcome of the strategic review of the market rent Folio portfolio.
- Recommended the annual disposals programme (property and land) to the group board, scrutinising and recommending the disposals policy to the group board, including disposal criteria, taking into account the feedback of the customer committee.
- Noted regular updates on progress towards meeting the requirements of the Building Safety Act, relevant elements of the Fire Safety Act and landlord health and safety.
- Noted regular project updates related to joint ventures as well as updates on regeneration activity, land and planning activity and design and technical team activity.
- Reviewed the places and built environment arrangements, noting the inclusion of regeneration community delivery activities and the work of the latent defects team.
- Received reports and provided assurance to the board on the organisation's ESG activities matters as they relate to homes and performance against the ESG metrics.

People culture and governance committee (formerly the people and nominations committee)

The people culture and governance committee (PCGC) provides oversight, assurance and strategic direction in relation to governance, people (including board and workforce matters) and organisational culture. It ensures NHG operates with integrity, transparency and effectiveness in leadership, upholds regulatory expectations and builds a positive and inclusive culture aligned with NHG's values and corporate strategy. The PCGC oversees and supports the development and embedding of NHG's organisational culture, ensuring it supports NHG's values and the commitment to working better to deliver good services to our customers. Further, the PCGC received additional delegations about monitoring governance performance and during the year undertook activities to provide assurance to the board about progressing related governance action plans.

The PCGC met six times in 2025/26. The key matters considered by the committee in the year included:

- Providing input into the design and development of the new group's people Strategy as well as new corporate values under which NHGs cultural strategic objectives will be delivered.
- Receiving independent reviews arising from a culture audit and assessment, monitoring action plans and providing assurance to the board as to progress made.

- Approving a new leadership development programme.
- Monitoring regular updates on how human resources was supporting the Better Together plan and reviewed organisational people data on a quarterly basis.
- Reviewing and recommended the annual equality, diversity and inclusion report for 2025/26 and the action plan for 2026/27.
- Receiving reporting on gender and ethnicity pay gaps
- Reviewing the outcome of the staff satisfaction survey and monitored progress against agreed actions during the year.
- Monitoring progress against the agreed actions arising from the Altair independent governance review, providing assurance to the Board as to progress and recommending related staff or board policies, processes and board and committee succession planning activities.
- Receiving the outcome of the board and committee skills review and related succession planning, reviewing and approving updated board and committee role profiles, recruitment activities and appointments.
- Maintaining oversight over pension arrangements.
- Reviewing and recommended relevant staff pay increases, ensuring that appropriate research, benchmarking and consultations were undertaken. Agreed some other matters in relation to executive remuneration.
- Reviewing board remuneration determining that no increase in remuneration should be approved at this time.

Audit and risk committee

The audit and risk committee oversees the financial reporting and disclosure, the internal and external audit functions, the risk management framework, compliance with laws and regulations and assessment of the internal control framework.

The committee met seven times in 2025/26. The key matters considered by the committee in the year included:

Internal audit and assurance

- Reviewing and approving the internal audit plan for 2025/26 and viewed the draft strategic internal audit plan for 2025 to 2028.
- Reviewing internal audit reports agreed in the annual programme, including the internal audit opinion that the group board could be provided with a reasonable level of assurance that an effective framework of internal controls was in place across many areas of activity.
- Monitoring all internal audit action plans and progress, including those rated high or medium risk
- Approving the procurement and appointment arrangements for the groups new internal auditors, recommending BDO's appointment as the internal auditors for 2026/27 to the NHG Board.

Internal controls and risk management

- Reviewed the executive board members' report 2025/26 on the effectiveness of the internal control framework within the group.
- Reviewed and recommended to the board a revised enterprise risk management framework and policies, risk appetite framework and assurance framework, a revised risk universe, risk library, strategic principal risk map and the development of operational risk maps.
- Monitored the effectiveness of probity and fraud reporting, including reviewing the activity on our whistleblowing, gifts and hospitality, fraud, and anti-money laundering registers.
- Approved revision of the anti-corruption policies, including whistleblowing, anti-fraud and anti-bribery, and anti-money laundering policies.
- Conducted the asset and liability annual review, including the progress against external review actions and the continual improvement plan for 2025/26.
- Received an independent review on NHGs fraud resilience, approving and monitoring progress against the agreed action plan.
- Received presentations on the NHG's cyber strategy, assessing progress against new metrics and risks.
- Received material reviews and reports from external third-party specialists on key risk and control matters and any relevant investigations.
- Noted the review of the RSH sector risk profile for 2025.

External audit, financial and regulatory reporting

- Reviewed the external auditor plan which set out relevant matters relating to the forthcoming 2025/26 audit.
- Reviewed and discussed the group and major subsidiary financial statements, considered the accounting judgements and policies applied and assessed the findings of the statutory audit in respect of the integrity of the financial reporting of results and key risks to the group and individual subsidiaries.
- Reviewed and noted compliance with relevant law report confirming that we had demonstrated that steps had been taken towards ensuring compliance with all relevant laws and notably the need to take action, as set out in the RCP to return to compliance with the RSH's regulatory standards as well as receiving executive-led plans and actions to improve or meet compliance as set out in reports provided to the committee.
- Reviewed and noted the compliance reports on the National Housing Federation's code of governance 2020, along with the plans and actions to be taken to enhance and meet full compliance.

Regulatory compliance committee

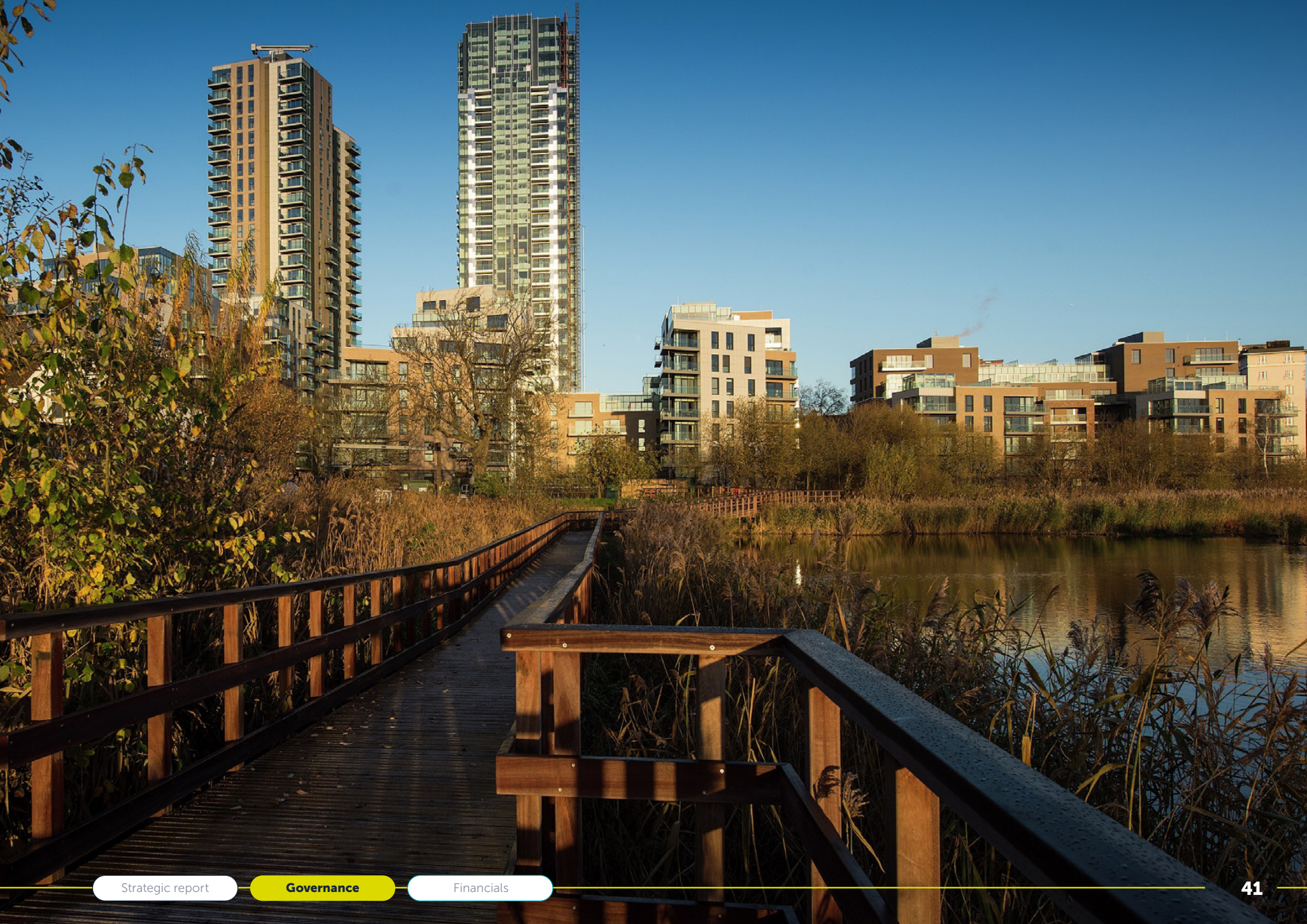
The regulatory compliance committee (RCC) provides scrutiny, undertake monitoring and provide direction on the terms and delivery of the agreed NHG voluntary undertaking regulatory compliance plan (RCP) to return NHG to compliant gradings. The committee oversees the delivery of the RCP until it is complete and final assurance is provided to the group board, or at a date to be determined by the group board. The RCC monitors the budget for delivering the RCP, seeks to ensure there is appropriate escalation of risks to other committees of the NHG group and reports quarterly to the NHG board.

During the financial year, the RCC met 10 times, moving the RCP from planning to delivery. It noted and approved the completion of 57 milestones or 80% of the RCP by the financial year end, in line with approved delivery dates. It received deep dives across different workstreams, gaining assurance about the progress made. It also recognised the need to review performance measures and the achievement of workstream outcomes above completion of milestone processes, requiring a review of the way in which reporting was provided. This enabled improved reporting to the RCC and board on performance against workstream outcomes.

The RCC reviewed risks to the delivery of the RCP at every meeting and where appropriate, it escalated risks to the NHG board and other committees, notably to the audit and risk committee and customer committee in relation to the planned completion of the repairs workstream and a need to gain further assurance as to progress on compliance with Awaab's law.

It received and provided assurance to the board that delivery of the RCP was, and remains on, track to achieve what has been committed to in NHG's voluntary undertaking.





Current group board membership



Brendan Sarsfield

Chair

Brendan became chair of Notting Hill Genesis on 24 September 2025 and leads our experienced group board in providing strategic direction and oversight to the organisation to ensure we continue to provide high quality homes for lower income households in and around London.

Brendan is a member of the people, culture & governance committee.

Brendan has worked in social housing throughout his career. He started in local authorities but spent most of his career working for housing associations. He was a chief executive for 20 years, notably at Family Mosaic and Peabody.

Since stepping down from Peabody in 2021, he has held non-executive/advisory roles with Hestia, NEC Software, Newton Impact and the Shared Ownership Council. He is the co-ordinator of the Anglo-Dutch Director's Club, an informal group of Dutch and English housing association chief executives. He was the founding chair of Sustainability for Housing and left the board in 2024.



Bidesh Sarkar

Chair of audit and risk committee

Bidesh formally joined the board of Notting Hill Genesis in August 2026.

Bidesh brings more than 20 years of board experience across the public, private and non-profit sectors, and a wealth of experience leading finance and a wide range of corporate functions. He is a chartered accountant, holds an MBA from INSEAD and was awarded a CBE in the King's 2024 New Year's honours list.

Bidesh's most recent executive leadership role was chief financial officer at the Department for Business & Trade. In addition to his role at Notting Hill Genesis, Bidesh holds non-executive roles at St George's, Epsom & St. Helier University Hospitals and Health Group where he is chair of the finance & performance committee and North East London Integrated Care Board where he is chair of the audit & risk committee.

He is chair of the audit and risk committee and a member of the corporate finance and treasury committee.



Helen Evans

Interim chief executive

Helen joined Notting Hill Genesis as interim chief executive in September 2026.

She brings over four decades of senior leadership experience across social housing, local government, and public services.

A highly respected executive and non-executive leader, Helen has built a distinguished career leading organisation through transformation, regulatory change, and strategic growth. Known for authentic and values-led leadership, she has a deep understanding of housing, health, and public sector partnership working.

In addition to their role at NHG, Helen currently serves as a board member at Moat where she is chair. She has previously served as chief executive at Network Homes and deputy chief executive at Sovereign Network Group as well as non-executive roles at SettleParadigm (now Lifestone Homes) and Zen Homes Ltd.



Léann Hearne

Chair of regulatory compliance committee

Léann joined the Notting Hill Genesis group board in March 2025.

Léann began her career in sales and marketing in the engineering and construction sectors and became managing director of an international manufacturing business in 2000. While there she took up a non-executive position in a housing association, with roles of chairman of audit committee, board chairman and group vice-chairman. This sparked a real interest in social housing and communities and led her to move into the sector, working firstly with retirement living, then with care and support and general housing. She was formerly chief executive of Livv Housing Group.

Léann is interim chief executive of Switchee, vice chair of Yorkshire Housing and chair of Yorkshire Housing's commercial committee.

She is also a board member for Northern Housing Consortium, a trade body for social housing providers and local authorities.

Léann chairs the regulatory compliance committee and is a member of the people culture and governance committee.



Courtney Greenslade

Chair of corporate finance and treasury committee

Courtney joined the Notting Hill Genesis group board in January 2024 and has chaired our corporate finance and treasury committee since September 2024. She is also a member of the homes committee.

Courtney has worked in corporate finance for more than a decade, and within real estate since 2016. She is currently global treasurer for Jones Lang LaSalle, where she leads the business's debt strategy, treasury infrastructure and a large global treasury team.

She holds an MCT advanced diploma, specialising in senior treasury strategy, from the Association of Corporate Treasurers and a bachelor's degree from the George Washington University in Washington D.C.



Claire Kober

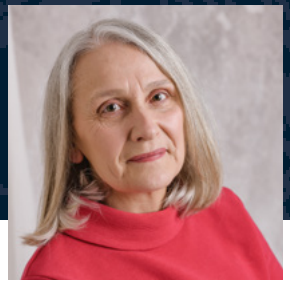
Senior independent director and chair of customer committee

Claire joined the Notting Hill Genesis group board in September 2021 and chairs our customer committee. She is also the senior independent director and a member of our audit and risk committee.

She is the managing director (homes) at Pinnacle Group, overseeing the company's housing, estates and property management contracts. Claire works in partnership with a range of clients in the local government, institutional investment and development sectors. She sits on the Pinnacle Group executive committee. Outside of Pinnacle she also serves on the board of the Housing and Finance Institute.

Prior to joining Pinnacle, Claire spent a decade in local government as leader of the London Borough of Haringey. Claire is a former chair of London Councils and held several senior portfolios at the Local Government Association.

In 2015, Claire was awarded an OBE for services to local government.



Sally Cabrini

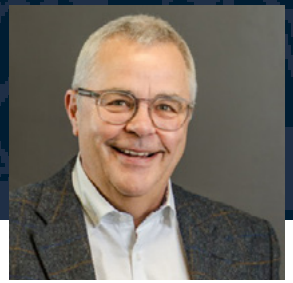
Chair of people culture and governance committee

Sally joined the Notting Hill Genesis board on 1 May 2026, is chair of the people culture and governance committee and a member of the customer committee.

Sally has wide-ranging experience in UK regulated utilities, services and manufacturing. She has expertise in delivering business transformation programmes, internal restructuring and significant technological changes. As transformation, it and people director at Interserve Group Limited, she was an executive responsible for a major transformation programme which had significant financial and strategic challenges and prior to that she was a senior executive at FTSE 100 constituent United Utilities with responsibilities for IT and people.

She is currently independent non-executive director and chair of the remuneration committee for FirstGroup plc and senior independent governor and chair of remuneration committee at the University of Exeter.

Sally is a fellow of the Chartered Institute of Personnel and Development.



Dave Sheridan

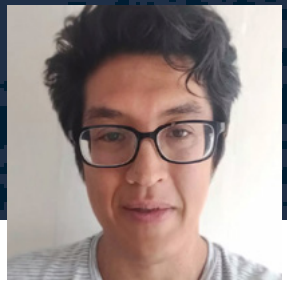
Chair of homes committee

Dave joined the Notting Hill Genesis board in September 2025 and is chair of the homes committee and a member of the regulatory compliance committee.

He is currently chair of M&J Groundworks and a non-executive director at Allison Homes.

He has over 45 years' experience in housing, starting as a quantity surveyor for Wimpey, progressing through to being chief executive of Apollo Group before leading its merger with Keepmoat and becoming the chief executive of the group.

He led the formation of Ilke Homes and became its executive chair. Additionally, he has interests in several startup businesses involved in improving the quality of homes while reducing carbon footprints.

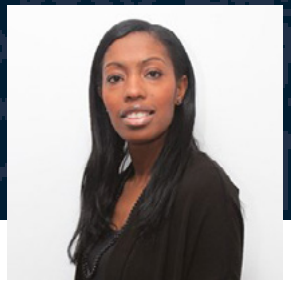


Will Sprunt

Will joined the Notting Hill Genesis board in September 2024.

Will has built a 20-year career in tech and startups in the UK. Currently he is a vice president in the technology group at Deliveroo and was formerly their chief information officer as well as the director for business intelligence. Prior to that he held multiple positions at Zipcar/Streetcar covering both tech and finance. He is also active in the European startup scene, advising and investing in early-stage companies with a tech focus in fields from healthcare to fragrance.

Will is a member of the homes committee and customer committee.



Emma-Louise Stewart

Chair of resident forum

Emma-Louise joined the Notting Hill Genesis group board in September 2023. Emma-Louise has an extensive career in business development, corporate social responsibility and events management, with a strong focus on local communities.

Emma-Louise previously ran her own business offering a flexible working space and business development support in the heart of her community, helping businesses and local people to develop and progress through interaction.

Earlier roles included culture and events for London Bridge Business Improvement District, chief executive officer of Brixton Business Improvement District, projects with High Trees Community Development Trust, all alongside running her own business development consultancy.

Emma-Louise is currently developing an exciting new educational project bringing a wealth of history and culture to schools. She also continues to run her consultancy developing businesses and improving operational practices in line with impeccable delivery for customers.

Emma-Louise is a member of the customer committee and a resident of Notting Hill Genesis.



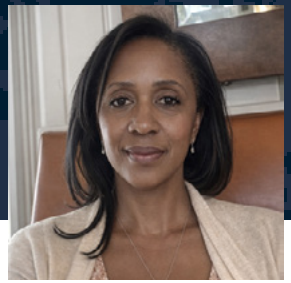
Ken Youngman

Interim chief financial officer

Ken is our interim chief financial officer. He joined the group board in March 2026 in his capacity as chief financial officer.

Ken is a seasoned finance executive with more than three decades of experience across housing, transport and public service sectors. He served for 16 years as group finance director at Family Mosaic, until its 2017 merger with Peabody, then taking on a number of high-level interim roles, including at Sovereign Housing, where he helped steer the finance function during the merger that formed an 80,000-home organisation.

Outside the housing sector, Ken was commercial finance director at Transport for London between 2018 and 2022, where he developed funding strategies for 10,000 homes, half of which were earmarked as affordable. His contributions to the sector have earned industry recognition: he was named housing association financial director of the year in 2016 and led a finance team of the year in 2017.



Connie Henry

Connie joined the board on June 2026.

Connie Henry MBE has outstanding leadership skills and has spent over 20 years developing her brand using the skill set and values crafted during her days as an International Medal winning athlete.

Working as a CEO and on Boards as Chair and as an NED for over a decade, Connie is an expert in Social Impact and has credible experience in creating exciting initiatives and driving them home to conclusion.

Connie is a member of the Customer Committee and Homes Committee.

She is a resident with Notting Hill Genesis.

Board and committee membership 2025/26

NHG Board members	NHG board (10 meetings)	Corporate finance and treasury committee (4 meetings)	Audit and risk committee (6 meetings)	Homes committee (6 meetings)	Customer committee (6 meetings)	People culture & governance committee (6 meetings)	Regulatory compliance committee (10 meetings)
Brendan Sarsfield (appointed 24/9/25 to the board; 18/12/26 to the PCGC)	6 out of 10					2 out of 2	
Courtney Greenslade	8 out of 10	4 out of 4		5 out of 6			
Claire Kober	9 out of 10		5 out of 6		6 out of 6		9 out of 10
Richard Powell (resigned from 11/25)	1 out of 10			3 out of 6			
Dave Sheridan (appointed 24/9/25 to the board; 18/12/25 to the RCC)	6 out of 10			4 out of 6			2 out of 3
Fred Angole	8 out of 10		6 out of 6			5 out of 6	
Will Sprunt	6 out of 10			4 out of 6	4 out of 6		
Léann Hearne	8 out of 10					5 out of 6	9 out of 10
Emma-Louise Stewart	9 out of 10						
Patrick Franco	9 out of 10						10 out of 10
Mark Smith	10 out of 10	4 out of 4					

NHG Board members	NHG board (10 meetings)	Corporate finance and treasury committee (4 meetings)	Audit and risk committee (6 meetings)	Homes committee (6 meetings)	Customer committee (6 meetings)	People culture & governance committee (6 meetings)	Regulatory compliance committee (10 meetings)
Independent Committee members							
Maldini Nembhard			**6** out of 6				
James Tarry		**4** out of 4					
Jack Stephen		**4** out of 4					
Yair Gainor (appointed 24/09/25)				**3** out of 3			
Martin Steele					**6** out of 6		
Kemi Oguntoye (stood down 08/04/26)					**6** out of 6		
Sebastian Kola-Bankole					**6** out of 6		
Eric Guillaume					**6** out of 6		
Retired during the year							
Ian Ellis (stood down 24/9/26)	**3** out of 3						
Richard Powell (stood down 24/9/26)	**2** out of 3			**3** out of 6			
Symmie Swil (stood down 28/2/26)	**5** out of 9	**4** out of 4					
Ingrid Osborne (stood down 30/1/26)	**7** out of 8		**4** out of 6			**4** out of 5	
Hilary Stables (stood down 30/1/26)						**4** out of 5	
Monica Chanduru (stood down 28/02/26)			**3** out of 6				

The executive board

Notting Hill Genesis is managed by the executive board, headed by the chief executive and supported by a team of six chief officers. Executives and other staff have no interest in NHG's shares and act as executives within the authority delegated by the board.

The chief executive and the executive board members are on six-month notice periods. Details of board and executive board remuneration are shown in note 30.

Board members, senior staff and committee members are insured against personal liability when acting on behalf of NHG.



Helen Evans
Interim chief executive
(joined 28/09/26)

See page 42.



Ken Youngman
Interim chief financial officer
(joined 20/03/26)

See page 45.



Matthew Cornwall-Jones
Chief homes officer

Chartered surveyor with 16-year career at NHG in development, housing and asset management roles, building upon 14 years of real estate experience in valuation and commercial property management roles.



Victor da Cunha
Chief customer officer
(joined 23/03/26)

Three decades of experience in social housing, currently chief executive of Curo, a housing association in the South West of England (C1, G1, V2). Board member of the National Housing Federation and chair of its national equality, diversity and inclusion in housing group.



Tabitha Kassem
Chief governance and risk officer
(joined 14/04/25, appointed company secretary on 09/05/25)

Extensive executive and non-executive level experience across both not-for-profit and private housing providers as well as in the charitable sector. A qualified solicitor, her career spans corporate governance, including compliance and assurance, as well as legal and regulatory functions.



Keith Woolley
Interim chief technology officer
(joined 26/01/26)

Senior technology leadership roles in higher education, social housing and large, complex organisations. Most recently, he was chief digital and information officer at the University of Bristol.



Craig Wilcockson
Chief corporate and people officer

Experienced executive and non-executive director who has worked across public and private companies, including in the housing sector. Non-executive director and chair of the people and culture committee at Nottingham University NHS Trust.

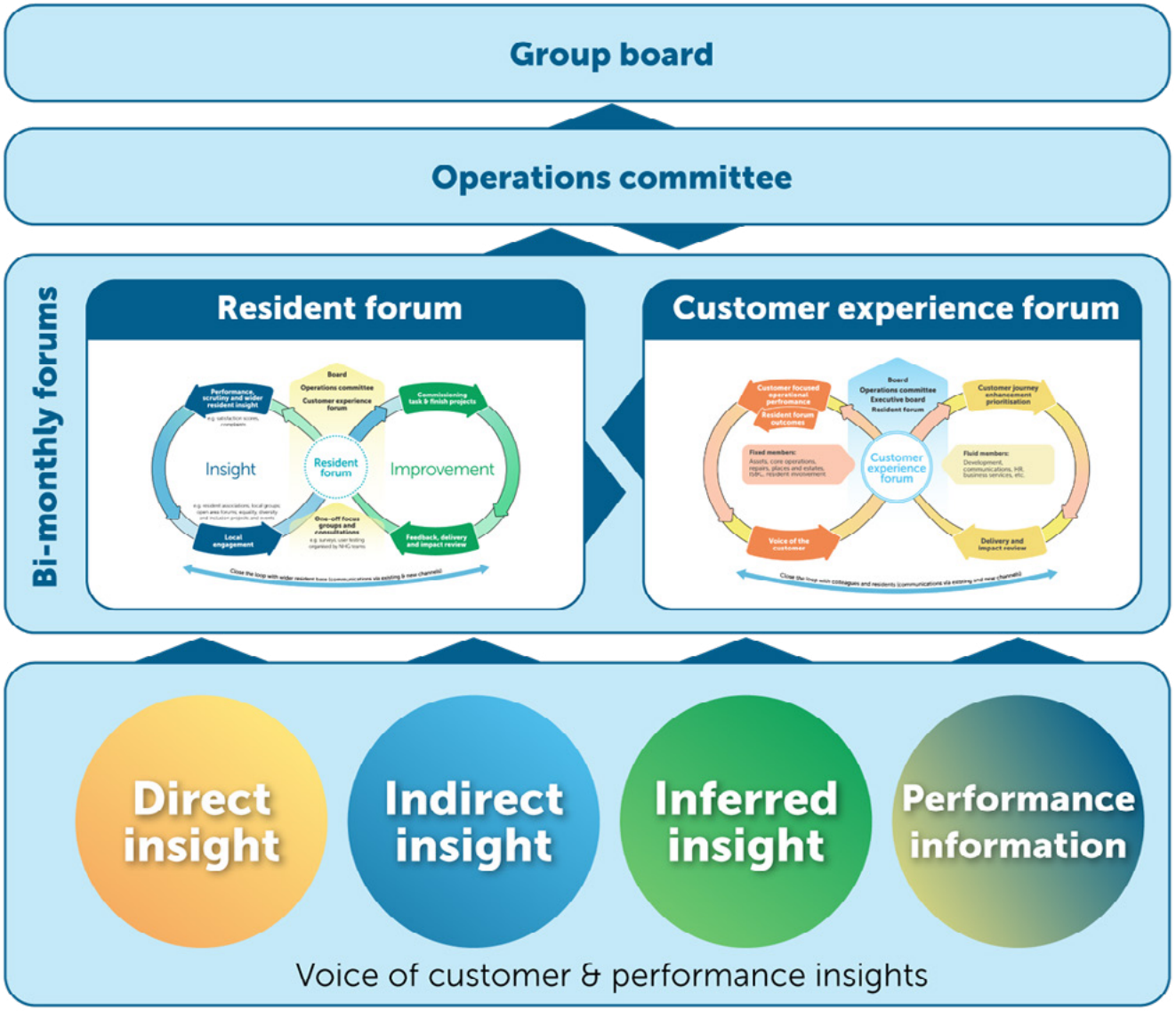
Resident involvement and engagement

We have continued to deliver a resident engagement and involvement programme throughout the year. Our annual residents' report 2025 and our customer report for 2025/26 describe our resident engagement activities and are available on our website.

Resident forum

As part of our resident involvement and engagement framework, a resident forum is in place to strengthen the voice of residents and facilitate communication between colleagues and residents. The resident forum is led by residents, for residents, with a diverse membership from across our communities.

In accordance with the independent governance review that was completed during the year, the resident forum has been established as independent of the governance arrangements, reinforcing the forum's ability to exercise autonomy in the scrutiny activities it determines should be undertaken and impartiality in its reporting into the customer committee. Recognising the need for independence, Emma-Louise Stewart resigned from her position chair of the resident forum, retaining her position on the board and Symmie Swil resigned from the board, retaining her position on the resident forum. Following a recruitment process that the resident forum members designed, approved and took part in, a new chair was appointed on 11 April 2026.



The resident forum has three roles:

- To connect resident experiences to the board ensuring they listen, act, and respond to feedback.
- To recommend service improvement projects informed by the scrutiny of performance data and resident insight and feedback.
- To provide oversight and assess the impact of the resident involvement and engagement programme, making sure it is inclusive and meaningful.

During the year and in accordance with the regulatory compliance plan, the Tenant Participation Advisory Service (TPAS) conducted an independent review of NHGs resident involvement and engagement activities making recommendations. An action plan to deliver the recommendations has been developed and approved and is being delivered under the review and monitoring of the resident forum and customer committee. As part of ensuring that the resident forum evolves further and holds a strong scrutiny role, we anticipate that it will continue to transition throughout 2026 and 2027.

The resident forum met approximately every other month during 2025/26, considering the provision of services to residents and resident outcomes across four key areas: communications, complaints, repairs and service charges. It also received presentations and ongoing reporting on NHGs proposed change in approach to nominations from local authority and rent convergence.

The resident forum plays an important strategic role and connects to the governance of the NHG Group through having an ability to escalate concerns and share its reports and findings with the customer committee. The resident forum has a standing item on the customer committee meeting agenda through which it reports on its activities and may escalate any matters. Similarly the NHG Board receives a report at each meeting as to the matters raised or discussed at, by or through the resident forum.

Discussions from the resident forum also feed into the staff customer experience forum, the group that oversees our Voice of the Customer programme of continuous improvement. The resident forum and customer forum complement one another, and we aim to ensure a continuous loop of insight and information between the two.

During the past year, having heard from our residents that they want increased ways to provide feedback on services such as short-term projects, one-off consultations, or local community meetings, the resident forum has identified resident-led projects and pieces of work, which have been commissioned to seek to improve both performance and resident experience. The resident forum has also gained insights from different touchpoints such as local engagement, complaints and satisfaction scores, which has informed the projects it has commissioned and activities being planned now.

We will continue to support projects led by residents that support and monitor performance issues or strategic priorities, working with them to identify where they feel further scrutiny needs to be applied.

Code of governance

NHG has adopted the National Housing Federation's (NHF) code of governance 2020. In March 2026, the NHG Board reviewed the available codes of governance, approving the retention of the NHF (2020) code of governance as its adopted code for 2026/27.

Adherence to the code is monitored by the audit and risk committee. In July 2026, the committee reviewed annual attestations and evidence, reporting onward recommendation to the board. As also set out in the Altair independent governance review, and aligned to the regulatory compliance action plan, actions were agreed as being required to improve governance and ensure compliance with the chosen code.

During the year, progress against those actions has been achieved with oversight being monitored at the people culture and governance committee. As is ratified through the ongoing work being done under the regulatory compliance plan, NHG did not achieve compliance with the code during the year and the following activities are ongoing to ensure a return to compliance:

Issue	Action
Develop resident engagement strategies to enable effective resident influence into strategic decision-making.	The TPAS review of the resident forum and scrutiny activities identified further actions to be taken which are being progressed.
While there is an ED&I framework in place, the collation of data pertaining to residents' specific needs is limited, rendering it difficult for NHG to currently tailor services to individual needs.	Work is ongoing to capture and maintain resident vulnerability and protected characteristic data through the 'know our customer' project. New processes and systems to enable our residents to update their own data continues.

Regulator of Social Housing regulatory standards

The Regulator of Social Housing (RSH) published a regulatory framework and regulatory standards, which comprise economic and consumer standards. NHG was found to be non-compliant with the governance and consumer standards in November 2024. The judgment confirmed an unchanged financial viability rating of V2 and non-compliant ratings of C3 and G3.

As set out above, the NHG board recognised that it is not compliant with these standards, committed to taking action to seek a return to compliance and has completed 80% of activities required under the RSH approved voluntary undertaking regulatory compliance plan to date. Progress is mapped through a dedicated programme, supported by external independent programme management, and monitored through monthly an executive led Regulatory Compliance Performance Board (RCPB), monthly board sub-committee Regulatory Compliance Committee (RCC), and regular engagement meetings with the RSH.

Law and regulations compliance

We recognise that we are not yet compliant with either our chosen code of governance or the Regulator of Social Housing's regulatory standards as set out above.

Internal assessments undertaken during the period to the end of the financial year ending 31 March 2026 deemed us compliant with all other applicable legislation and regulation that was effective during the year.

Board skills, evaluation and appraisal

Board members' experience and competencies are evaluated regularly through the people culture and governance committee and the board to ensure that each body is populated with the necessary skills to deliver its responsibilities. Skills requirements link to ensuring effective oversight of operations and delivery of core purpose.

The board undertakes an annual self-assessment of its performance collectively and as individuals. A number of board training sessions and facilitated training support have been provided to our board members to meet identified individual and collective needs including board and committee training on health and safety responsibilities; money laundering, anti-fraud and consumer duty requirements and arrangements; board and committee member legal and regulatory responsibilities; and compliance with Awaab's law.

The chair is responsible for managing the performance of the board and the chief executive. The chair's performance is reviewed by the senior independent director and the chief executive having taken feedback from all board members.

Board members were appraised individually during the year, with the outputs reported to the board and personal development plans being agreed and delivered where necessary.

Board member renewal

In accordance with the Altair independent governance review recommendation, members of the board and committees are appointed for three-year terms, with suitability as to maintenance of the appointment being reviewed annually and reapproved, informed by the annual appraisal process. Appointments can be renewed, but board members cannot serve beyond their sixth consecutive annual general meeting unless the board agrees that

circumstances exist where it would be in the best interest of the group for them to serve for a longer period. The board agreed in July 2025 to extend the term of office of independent committee member Jack Stephen for one year, as part of its considerations of skills and succession.

Board diversity

In all recruitment efforts, the board is focused on diversity and inclusion to build a strong and effective culture that can deliver on the aspirations of the business. A survey of the board was carried out to inform those recruitment efforts and is summarised below.

The people culture and governance committee is actively reviewing the diversity of the membership to inform the succession plan and board/committee training and recruitment activities.

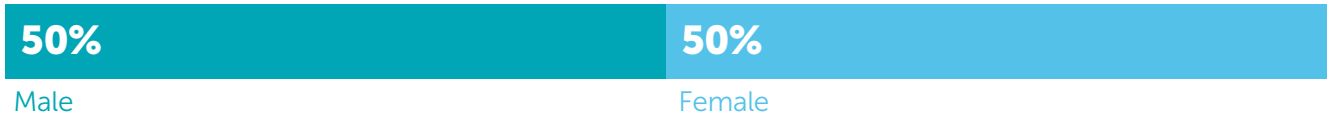
ED&I monitoring results of the board as at July 2025

We recognise the importance of diverse perspectives within our governance processes. Further work is being taken forward to develop the board succession plan informed by diversity data of our residents. The table below sets out the current diversity monitoring results of the board.

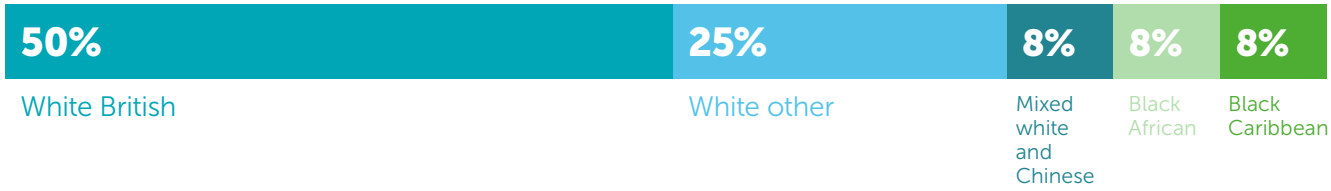
Average age 50



Gender



Ethnicity



Employees

Our strength lies in the quality of all our employees. Our ability to meet our objectives and commitments to residents in an efficient and effective manner depends on their contribution.

We are committed to equal opportunities and in particular we support the recruitment of disabled people and the retention of employees who become disabled while in our employment. We have received recognition from the Department for Education for establishing policies of positive promotion of employment opportunities for candidates and employees with disabilities. We were assessed by Investors in People in 2022 and received the silver accreditation for wellbeing and silver overall.

We achieved silver in the Stonewall workplace equality index and are ranked 58 in the UK, achieving top 100 employer status for the first time.

Our 2024 mean gender pay gap was 12.3% and our median gender pay gap was 10.7%.

Our strength lies in the quality of our employees and their level of engagement, which is correlated with positive organisational outcomes and can be considered the performance dimension of culture. We have partnered with global leaders Gallup to better understand and drive up employee engagement, which will indirectly impact the level of service provided to residents.

We remain committed to equal opportunities and over the past year rolled out a revised approach to reasonable adjustments, equipping us to

better identify when employees with disabilities and long-term health conditions would benefit from adaptations, and to make appropriate adjustments in a timely manner.

We are proud of the high number of vacancies that are filled by internal applicants as our people choose to remain at NHG while progressing in their careers.

As of April 2025, for gender, our median pay gap is 9.5%, having reduced since our last reported figure of 10.7% in 2024. Our mean pay gap is 11.8%, also lower than the 2024 figure of 12.3%. For ethnicity, our median pay gap is 10.7% and our mean pay gap 12.4%, both down compared to the previous year's figures of 11.1% and 13.3% respectively.

More details can be found in the publicly available financial statements of all the relevant subsidiaries in the group required to report under section 172 of the Companies Act and in our published pay gap reports available on our website.

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of NHG's activities and business areas overseen by the executive and leadership team. The board has overall responsibility for setting risk appetite and ensuring there is an effective risk management process in place. The audit and risk committee supports the board in monitoring significant risks, considering the control environment adequacy and effectiveness, and tracking progress of risk management and internal audit activity and outputs. Regular reporting to the board highlights any movement in the assessment of key risks, systems and controls and material items for escalation and oversight.

The board has overall responsibility for establishing and maintaining the whole system of internal control for NHG and for reviewing its effectiveness.

The board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of our assets and interests. In meeting its responsibilities, the board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which we are exposed.

The process adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes the items listed below.

The board has delegated to the audit and risk committee the regular review of the effectiveness of the group's system of internal control, while maintaining ultimate responsibility for the system of internal control.

Throughout the financial year, the audit and risk committee has received quarterly reports from the executive board. The audit and risk committee approved the executive board's report to the committee setting out the operation of internal controls in the year and agreed to recommend this to the board. As set out in the managing risk section, significant work has been done during the year to develop and embed new risk and assurance arrangements, and it has been successful.

Monitoring and corrective action

A process of control, self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

Control environment and control procedures

The board retains responsibility for a defined range of matters covering strategic, operational, financial and compliance issues, including treasury strategy and consideration of the viability of large new investment projects. The board has adopted and disseminated to all colleagues

a code of conduct for employees. This sets out our policies with regard to the quality, integrity and ethics of our employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and fraud prevention and detection.

Information and financial reporting systems

The board approves a strategic business plan in each financial year, which includes longer-term financial plans and limits on investment.

Financial reporting procedures include detailed budgets for the year ahead, management accounts produced monthly and forecasts for the remainder of the financial year.

These are reviewed in various levels of detail by appropriate staff and in summary on a quarterly basis by the board. The board also regularly reviews progress towards the achievement of key business objectives, targets and outcomes.

Fraud

The compliance team maintains several key registers, including those for fraud, whistleblowing, anti-money laundering and gifts and hospitality. Staff and stakeholders have access to multiple reporting methods, both internal and external. There are dedicated inboxes for whistleblowing and anti-money laundering disclosures, along with established procedures for managing gifts and hospitality.

All instances of actual or alleged fraud are reviewed at each audit and risk committee meeting. Instances of fraud are reported to the Regulator of Social Housing as required, and external advice is sought based on the severity of the misconduct. Conflict of interest procedures are also in place, with declarations of interest sheets provided at each board meeting.

The audit and risk committee oversees certain policies that are crucial to the operation of the control environment, such as the anti-fraud, whistleblowing, anti-bribery and anti-money laundering policies. Concerns related to anti-money laundering are escalated to the National Crime Agency. Additionally, we have conducted an anti-money laundering risk assessment and engaged KPMG to complete an independent review of our fraud resilience, progressed action plans and implemented mandatory training.

Anti-slavery and anti-trafficking statement

We are committed to identifying and mitigating human rights abuses related to our employees and individuals within supply chains supporting our activities and affecting our customers. Actions taken by the group and its subsidiaries to deliver this commitment are set out in a statement on our website.

Anti-bribery policy statement

We seek to maintain the highest standards of ethics and integrity in the way we conduct our business. We recognise that bribery and corruption, in all their forms, are illegal and unacceptable. Our bribery policy statement has been integrated into our code of conduct and our gifts and hospitality policy, adopted by the board, signed by the chair and chief executive and made available on our corporate website. We expect our business partners to adopt a similar approach to bribery or corruption and make this a condition of new contracts.

Audit assurance

Internal audit

Beever and Struthers, which merged to become Menzies in October 2025, acted as the internal auditors for the group during the year ended 31 March 2026. The internal auditors have direct access to the audit and risk committee, independent of paid staff. The audit and risk committee met six times during the financial year and considered internal control and risk at each of its meetings.

The internal control framework and the risk management process are subject to regular review by the internal auditors who advise the executive directors and report to the audit and risk committee.

Regular reporting is delivered to the audit and risk committee highlighting progress on the delivery of the plan and the outcomes of internal audit activities. The committee reviewed and approved the internal audit plan for 2025/26.

In its annual internal audit report, received by the audit and risk committee on 3 June 2026, based upon the information it held at that time, the following internal audit opinion was presented:

Based on the work undertaken and subject to

the weaknesses identified and reported in our internal audit reports, the board can be provided with a reasonable level of assurance that there is an effective framework of governance, risk management and controls at NHG.

We would like to highlight and comment on the positive direction of travel which we noted throughout the period in relation to governance, risk and internal control. We witnessed an increased focus on internal audits and assurance within the organisation. Our internal audit work in relation to the RCP gave positive assurance that NHG has effective governance and management arrangements in place to deliver the undertakings made to the RSH through the voluntary undertaking plan. We observed a clear drive to improve governance and control as NHG seeks to achieve a compliant governance and consumer rating from the RSH.

Of the internal audits completed in the year 2025/26, there was a total of 54 recommendations, of which nine were high, 27 were medium and 18 were low. Audit recommendations are tracked and followed up so that recommendations for strengthened controls and improvement can be implemented promptly.

Events in the post year-end period have shown that management actions from audit recommendations have not been adopted and that certain internal controls were not adequately applied. These have been investigated and the board, audit and risk committee and executives are focussed on improvement plans, strengthening of controls and clearance of internal audit recommendations

External audit

NHG and its subsidiaries appointed Crowe U.K. LLP as external auditors following a tender exercise in December 2022 and this appointment was extended for the 2026/27 financial year by the NHG Board upon the recommendation of the audit and risk committee in March 2026.

We receive a report (including their letter to management) from the external auditors each year as part of the audit process. In this, they convey details of any internal control weaknesses that may have come to their attention in the course of their duties. This letter is considered by the audit and risk committee and the board. Recommendations made in their closure report are followed up and reported to the audit and risk committee during the year.

The audit and risk committee met with the internal and external auditors during the year without the presence of paid staff or executive directors.

The audit and risk committee conducts an annual review of the effectiveness of the group's system of internal control and takes account of any changes that may be needed to maintain the effectiveness of the risk management and control process. The audit and risk committee makes an annual report to the board, which the board has received.

Independent external auditors and annual general meeting

The reappointment of the external auditors, Crowe U.K. LLP, was proposed and approved at the annual general meeting on 24 September 2025.

At the date of this report, each board member confirms the following:

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

Governance and risk

The board's role is not simply to ensure compliance or manage risk. It is to provide strategic oversight that supports long-term sustainability, holds leadership to account and ensures that NHG continues to deliver value. That means constructive challenge and honest conversations alongside a deep commitment to understanding how decisions affect residents and communities.

NHG's board is committed to creating an environment where risk is understood as everyone's responsibility and effective risk management supports delivery, rather than preventing it. Risk is proactively managed across the group with ultimate accountability resting with the group board.

On the group board's behalf, the Audit and Risk Committee (ARC) oversees and monitors the effectiveness of our risk management and internal controls arrangements. The ARC provides specialist advice to the group board on risks that could threaten the achievement of objectives or undermine the financial stability of the business and regularly considers NHG's risk exposure as a standing item in its meetings to ensure continual monitoring.

Executive board members are individually accountable for effective risk management within their areas of responsibility and collectively responsible for the management of risk across the group.

Risk management framework

Over the past year, NHG's risk and assurance framework has been strengthened to reflect established best practice and regulatory expectations within the housing sector. This has included the introduction of a revised risk appetite framework, a defined risk universe and an updated enterprise risk management framework to ensure that NHG operates within or in sight of its defined risk appetite in achieving the corporate plan.

The risk appetite framework sets out the level of risk the group is willing to take in pursuit of its objectives and is increasingly referenced in board and committee discussions to support decision-making.

A structured risk universe has been developed to provide a consistent categorisation of risk across the organisation, supporting clearer alignment between strategic priorities, principal risks and operational risks.

NHG has an established set of principal risks, supported by defined controls and ongoing monitoring work continues to strengthen the consistency of how these risks are assessed and reported, and to ensure that emerging changes in risk exposure are identified and considered appropriately.

Assurance and internal control

An assurance framework has been developed to provide greater clarity on how the organisation gains assurance over the effectiveness of its control environment.

An assurance map has been established and aligned to the principal risks, structured around the three lines model. This has improved visibility of assurance activity and supports identification of areas where assurance is developing or requires further strengthening. Internal audit continues to provide independent assurance, with findings reported to the ARC.

Embedding risk management

Significant progress has been made in developing a more consistent operational approach to risk management. This includes the development of structured risk registers aligned to the risk universe and principal risks, clearer identification and documentation of controls, and a more consistent approach to risk reporting.

A clear direction has also been established for risk reporting, including improving alignment

between risk drivers, controls, actions and assurance and greater integration of risk information within governance reporting.

To support embedding across NHG, a risk coordinator network has been established as well as mandatory risk training across all levels of the organisation including targeted training for relevant risk roles.

Workstream 2 of the NHG regulatory compliance plan has been focused on risk and assurance arrangements with all milestones being achieved on target. At the same time, we have undertaken a risk maturity assessment, providing positive assurance with a clear forward roadmap. We have committed to reviewing our maturity position within the next 12 months, providing ongoing assurance as to progress.

Governance Oversight

The ARC has maintained active oversight of the development of risk and assurance arrangements, regularly reviewing the principal risk register and recommending any changes or mitigations to the relevant board. The committee provides challenge on the effectiveness of controls, including the review and testing of mitigating controls for selected risks as part of the internal audit plan.

The regulatory compliance committee has worked with the ARC to consider the findings of risk reviews and internal audits to ensure appropriate management of risk arrangements where they are relevant to the group's return to regulatory compliance.

The board's other committees strengthen the framework through scrutinising and evaluating the risks that are within their areas of expertise. Risk is reported as a standing item to each committee, supporting ongoing monitoring and challenge.

Cross-committee deep-dive workshops have been introduced to provide more focused consideration of key risks, mitigations and the effectiveness of controls.

Risk Management Culture

Alongside framework and governance improvements, there has been a focus on improving risk management culture across NHG.

This includes promoting clearer ownership of risks, encouraging open reporting of incidents and supporting the use of risk information in decision-making.

Risk categories and review

The group board has identified a set of principal risks which represent the most significant threats to the achievement of the group's strategic objectives.

These risks are considered at group level and are regularly reviewed by the executive board, the ARC and the group board to ensure that they remain appropriate and that changes in risk exposure are identified and captured.

During the year, the organisation has improved the definition and structure of its principal risks, improving alignment to the risk universe and application of risk appetite.

The external environment remains challenging and the group's risk profile continues to evolve in response to economic conditions, regulatory requirements and operational pressures.

The table below sets out what the group board considers to be the principal risks to the group, together with mitigating actions being taken. The risks are considered at a group level to reflect the increasing complexity of the group and assessed regularly to monitor whether the appropriate risks have been captured and also to monitor the assurance provided by the executive management team.

The group board has completed a full review of the principal risks and uncertainties facing the group, with a range of external research providing insight on emerging risks, including the Regulator of Social Housing's sector risk profile.

Directed by the board, NHG has recognised that there have been significant changes during the year which are likely to impact NHG's ability to achieve its strategic objectives. An emerging macroeconomic risk has been identified and escalated to the principal risk map in recognition of the implications for the NHG group. Our risk profile will continue to evolve in response to emerging risks and those already recognised.

Key principal risks 2025/26

Principal risk area and drivers	Current status	Planned mitigations	Current risk movement
Building safety **There is a risk that Notting Hill Genesis does not comply with statutory building-safety requirements, or loss of life, regulatory enforcement, significant cost, and loss of stakeholder confidence.**	We manage building safety through a structured remediation programme overseen by NHG project managers and supported by specialist consultants and contractors. Building level risks are assessed through our building safety case programme. Where permanent remediation is not yet complete, appropriate interim measures remain in place and are regularly reviewed using specialist fire safety advice. We also use tailored engagement arrangements to keep residents informed and consulted as work progresses.	We will continue to progress the Stratford Halo programme covering Sapphire, Amber, Ruby and Opal Courts, remediation strategy towards an agreed programme of permanent works. We will complete outstanding external wall fire risk assessments, maintain a risk-based approach to prioritising the wider remediation programme and review buildings where interim measures remain in place. Our programme and resource plans will also be developed in line with emerging Cladding Safety Scheme requirements.	Escalating
Cyber security **There is a risk that Notting Hill Genesis fails to adequately protect and recover from unauthorised access, malicious cyber-attack, or system compromise, leading to data loss, operational disruption, regulatory censure, reputational damage, and financial loss.**	We use layered controls to protect information and support recovery. These include data classification and data loss prevention controls, secure access arrangements, security checks for system changes, continuous monitoring and protected backups that are regularly tested. Staff awareness activity and proportionate assurance of key suppliers complement these technical measures, with cyber resilience overseen through established governance arrangements.	We will complete the rollout of enhanced information labelling and data loss prevention controls, expand our tiered approach to supplier assurance and further test backup restoration and recovery arrangements. Additional work will strengthen oversight of system integrations, privileged access and cyber approval for significant technology changes. We also plan to undertake an executive ransomware exercise and an independent assessment of the effectiveness of our cyber controls.	Escalating
Customer experience **There is a risk that inadequate customer insight and ineffective customer service processes lead to poor quality service delivery and non-compliance with regulatory expectations, resulting in dissatisfaction, reputational damage, and financial impact.**	During 2025/26, improvement activity focused on complaints handling and the management of damp and mould cases. This included clearer escalation routes, changes to supporting systems and better use of learning from complaints. Processes for reporting, inspection, remediation and communication with residents were also strengthened. Customer feedback and performance information continued to be reviewed through established governance arrangements to inform service improvements.	In 2026/27, we will continue to strengthen customer service governance and accountability, improve customer insight and performance reporting and review customer journeys across priority services. Further work will focus on improving damp and mould performance and resolving complaints at the earliest appropriate stage. Progress will be monitored through agreed service measures and customer outcomes.	Static

Key principal risks 2025/26

Principal risk area and drivers	Current status	Planned mitigations	Current risk movement
Landlord and employee health and safety **There is a risk that Notting Hill Genesis fails to comply with statutory landlord and employer health and safety requirements, posing a risk of serious injury or fatality for residents or colleagues, alongside regulatory enforcement, reputational damage, and financial loss.**	During 2025/26, statutory health and safety compliance was monitored through regular management and Board reporting, supported by independent assurance and established escalation arrangements. Governance arrangements were in place for compliance information and remedial actions, with additional reporting and oversight for homes managed by third parties. Training and safety culture activity also continued during the year. Where performance required improvement, recovery activity was monitored through agreed action plans and governance arrangements.	We will continue to improve the consistency, accuracy and ownership of statutory compliance information. We will also strengthen oversight of remedial and follow up actions across key areas. A consolidated landlord health and safety compliance framework will be developed, alongside further work to strengthen assurance over homes managed by third parties. Progress will continue to be reviewed through independent assurance and regular Board oversight.	Static
Delivery of the voluntary undertaking plan **There is a risk that Notting Hill Genesis fails to deliver the voluntary undertaking plan within required timescales, preventing return to compliant status, leading to further regulatory intervention, loss of stakeholder & market confidence, increased costs, & negative impact on strategic objectives.**	During 2025/26, delivery of the voluntary undertaking plan continued under an established governance framework. Progress was monitored against agreed actions and milestones through regular management and board reporting, with issues escalated where required. Resources and delivery dependencies were reviewed and evidence was collected to demonstrate progress against the agreed requirements. Regular engagement with the regulator supported clarity on delivery and expectations.	In 2026/27, milestone tracking will be further aligned with the risk and assurance framework. Resource requirements will continue to be reviewed against delivery demand and regular engagement with the Regulator will be maintained. Assurance activity will focus on demonstrating that completed actions result in sustained improvements and are consistently applied in day-to-day operations.	Static
Complexity of group structure **There is a risk that Notting Hill Genesis's complex group structure results in material financial or reputational issues due to lack of visibility, oversight, and control across multiple entities. This could lead to covenant breaches, balance sheet issues, regulatory non-compliance, increased financing costs, and reduced ability to deliver strategic priorities.**	The group's legal entities are overseen through an established governance framework setting out decision rights, accountabilities, reserved matters and escalation routes. Central controls supported oversight of financial reporting, regulatory returns, statutory filings and intercompany arrangements. Legal, governance and company secretarial oversight provide further assurance over entity governance and compliance obligations.	We will continue to review whether the Group's legal entity structure and governance arrangements remain proportionate and effective. Gateway controls for the creation of new entities will be maintained, alongside further work to strengthen intercompany reporting and the consistency of finance data. Any changes arising from this review will follow established governance and approval processes.	Static

Key principal risks 2025/26

Principal risk area and drivers	Current status	Planned mitigations	Current risk movement
Recruitment, retention and capability **There is a risk that Notting Hill Genesis fails to recruit, develop, or performance manage its workforce effectively, resulting in insufficient capability to deliver business services, meet strategic objectives, and provide positive outcomes for residents.**	Overall workforce turnover remained within the organisation's agreed tolerance, although recruitment remained more challenging in some specialist roles. Targeted recruitment activity supported continuity in priority services. Regular performance reviews, colleague engagement activity and established performance management arrangements supported oversight of capability and development needs. Role evaluation and reward frameworks also supported consistency in role design and pay decisions.	We will continue delivery of our People Strategy, with a focus on workforce planning, succession, leadership capability, role clarity and consistent performance management. Colleague feedback and a planned cultural review will be used to inform priorities. Recruitment and retention in specialist roles will continue to be monitored, with progress reviewed through established governance and board oversight.	Static
Repairs service **There is a risk that Notting Hill Genesis fails to deliver a timely and efficient repairs service that meets resident expectations and ensures value for money, resulting in poor customer satisfaction, increased complaints and Ombudsman referrals, reputational harm, and financial impact.**	Repairs performance is monitored through established contract management, operational reporting and governance arrangements. Oversight focused on service delivery, overdue repairs, damp and mould cases and complaints, with escalation where required. Contractor performance and service quality were also subject to assurance and quality checks. Preparatory work for the new repairs contracts was undertaken during the year.	In 2026/27, we will complete mobilisation of the new repairs contracts and strengthen performance, quality and financial assurance. Work will continue to improve repairs management information, embed a risk-based approach to overdue repairs and apply learning from complaints and damp and mould cases. Delivery and customer outcomes will be monitored through established governance arrangements.	Static
Data governance and information management **There is a risk that Notting Hill Genesis fails to maintain effective governance and quality controls over data, leading to inaccurate or incomplete information for analysis.** **This could limit opportunities, weaken financial/ regulatory reporting, and damage customer experience, reputation, and financial sustainability.**	NHG has an established data governance framework covering data ownership, standards, controls and quality management. As part of a funded multi-year improvement programme, governance arrangements continue to be extended across the organisation's agreed priority data estate, with coverage increasing year-on-year and the programme remaining on track for completion during 2026/27. Data quality, ownership and accountability continue to mature through these formal governance arrangements and oversight via our data protection and security group. Whilst progress has been made, manual workarounds, legacy processes and system limitations remain in some areas, creating a continuing risk of data errors, delays and reduced organisational insight.	Complete the implementation of governance arrangements across the remaining priority data estate and embed supporting controls, ownership and quality monitoring. Address remaining fragmentation through new strategies. Review and update the risk position in line with the sector risk profile, COBIT review outcomes, data strategy review and wider information management improvements.	Static

Key principal risks 2025/26

Principal risk area and drivers	Current status	Planned mitigations	Current risk movement
Treasury and liquidity **There is a risk that Notting Hill Genesis fails to maintain adequate liquidity or secure sufficient funding to meet its day-to-day and strategic requirements, leading to covenant breaches, reduced financial resilience, adverse credit impacts, regulatory downgrade, and loss of investor confidence.**	Liquidity and funding continue to be managed through the approved treasury management policy and delegated authorities. Cash flow, covenant headroom, interest cover and gearing were monitored regularly, with defined escalation arrangements. Rolling forecasts and stress testing were used to assess changes in sales receipts, inflation and capital expenditure. Committed funding facilities supported the management of forecast liquidity requirements and timing differences.	In 2026/27, treasury thresholds will continue to be reviewed in light of market conditions. Forecasting will be strengthened through sensitivity analysis and regular stress testing, while covenant monitoring and reporting will be further developed to support timely decision making. Funding requirements, liquidity and financial headroom will continue to be reviewed through established governance arrangements.	Reducing
Compliance with regulation, legislation and codes **There is a risk that Notting Hill Genesis fails to anticipate and comply with relevant legislation, regulation, and codes of practice due to inconsistent horizon scanning, out-of-date policies and procedures, or failure to implement and monitor compliance actions. This could lead to regulatory breach, downgrade, legal action, reputational damage, financial penalties, and reduced customer trust and staff morale**	Regulatory compliance is overseen through the regulatory compliance committee, supported by internal audit and second line review. Horizon scanning, policy review and legal updates were used to identify relevant changes in legislation, regulation and codes of practice. Compliance activity was reported through established executive and board governance arrangements, with engagement with regulators where clarification was required.	We will continue to strengthen the coordination and evidence of compliance across the group. This will include introducing a groupwide tracker for key obligations and actions, formalising the horizon scanning process and undertaking further assurance over the management of statutory requirements. Progress will be monitored through established governance arrangements.	Escalating
Macroeconomic risk **There is a risk that Notting Hill Genesis fails to manage adverse macroeconomic conditions, including inflation, rising cost of living, global trade disruption, welfare reforms, and demographic shifts. This could reduce tenant affordability, increase arrears and homelessness, stretch operational capacity, and undermine financial sustainability.**	Macroeconomic conditions and their potential effect on NHG continue to be monitored through financial planning, treasury oversight, stress testing and scenario analysis. Development, sales and planned investment exposures were reviewed through established approval, procurement and contract management arrangements. Rent collection and arrears are monitored, with early intervention, payment support and tenancy sustainment measures available to residents experiencing financial difficulty.	We will continue to monitor economic indicators and assess their effect on funding costs, operating expenditure, investment plans and resident affordability. Financial forecasts and stress testing will be updated as conditions change. Procurement, contract and development controls will continue to be used to manage cost exposure, alongside ongoing support for residents facing financial pressure.	Static

Statement of board's responsibilities

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

The financial statements have been prepared in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP), including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice: Accounting for Registered Social Housing Providers 2018 (SORP 2018) and the Accounting Direction for Private Registered Providers of Social Housing in England 2022.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the registered provider of social housing (RP) and of the surplus or deficit 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RP will continue in business.

The board is responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and which disclose with reasonable accuracy at any time the financial position of the RP and to enable it to ensure that the 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 in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the RP and to prevent and detect fraud and other irregularities.

The board is responsible for ensuring that the strategic report includes a fair review of the development and performance of the business and the position of NHG and its subsidiaries included in the consolidation, together with the disclosure of the principal risks and uncertainties they face.

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

Statement of compliance

In preparing the strategic report, the board has followed the principles set out in the statement of Recommended Practice for Registered Social Housing Providers (SORP 2018).

The report was approved and authorised for issue by the board on 15 October 2026.



Brendan Sarsfield
Chair

Legal entities

Activities at Notting Hill Genesis are carried out through a range of legal structures. The group is led by the parent, which is a charitable community benefit society, as well as being a registered provider of social housing. Several limited companies and limited liability partnerships carry out the group's activities, which helps to mitigate risk.

The key legal entities are listed in the table on this page. The full list of subsidiaries and joint venture entities is disclosed in note 33.

Group structure





Financial statements

Independent auditor's report to the members of Notting Hill Genesis

Opinion

We have audited the financial statements of Notting Hill Genesis (the "Association") and its subsidiaries (the "Group") for the year ended 31 March 2026 which comprise the Group and Association Statement of comprehensive income, the Group and Association statement of changes in reserves, the Group and Association statement of financial position, the Group statement of cash flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and Association's ability to continue to adopt the going concern basis of accounting included:

- confirming the period considered by the Board is greater than 12 months from the date of signing;
- examining budgets and forecasts feeding into the Strategic Business plan, as prepared by management, covering the period of the going concern assessment, to ensure that these appropriately support the Board's conclusion;
- checking the mathematical accuracy of financial models used and assessing the reasonableness of scenarios selected by management for stress testing downside sensitivities;
- assessing the quantum of cashflow from property disposals on the basis of the development pipeline;
- assessing the reasonableness of the budgeting process by comparing past budgets and forecasts with the outturn;
- obtaining supporting evidence for the availability of financing facilities during the period of the going concern assessment;
- reviewing compliance, both during the year and within forecasts, with loan covenants by recalculation of ratios on basis required

by lender agreements and stress testing compliance in the forecast;

- reviewing compliance with laws and regulations and challenging management on whether any non-compliance could be a risk to going concern; and
- challenging management on the suitability of assumptions and the plausibility of mitigating actions identified in their assessment based on our knowledge of the business and the operating environment.

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

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £7.6m, based on 1% of turnover (2025: £7.1m based on 1% of turnover). Materiality for the Association financial statements as a whole was set at £5.9m based on 1% of turnover (2025: £5.6m based on 1% of turnover).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality (2025: 70%) for the financial statements as a whole, which equates to £5.3m for the Group (2025: £5.0m) and £4.2m for the Association (2025: £3.9m).

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of 5% of materiality being £380,000 (2025: £350,000) for the Group and £300,000 (2025: £280,000) for the Association. Errors below that threshold would also be reported to the Committee if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The scope of our group audit was established by gaining an understanding of the group and the environment in which it operates including evaluation of the system of internal controls.

The financial reporting function for the Group and its material subsidiaries is centralised in one operating location in the UK, with the exception of Folio Residential Finance No 1 Plc who has an outsourced management function. Our audit was conducted from the main operating location. In total we identified 42 components and having assessed the Group's operational structure, legal structure, existence of common information system and the risk profile across the group we identified 17 quantitatively significant components which contain the largest percentages of either turnover or total assets of the group, for which we performed audit procedures.

We additionally identified 1 component requiring specific audit procedures owing to the value of investment assets and provisions.

For a number of group subsidiaries, the audit was led by a separate key audit partner from Crowe U.K. LLP. Under their direction and supervision, the component audit team undertook specified audit procedures on those component entities. The work was planned and executed in conjunction with the Group Audit Partner with both the planning and completion meetings attended by both partners.

The scope of the audit work and the design of audit tests undertaken was solely for the purposes of forming an audit opinion on the Group and Association financial statements.

Key Audit Matters

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

This is not a complete list of all risks identified by our audit.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of properties in the course of sale (inventories) (refer to accounting policy in note 1 and financial disclosures in note 15)	At 31 March 2026, the Group held properties in the course of sale with a carrying value of £319.2 m. This includes £146.9 m of landbank. Inventories are measured at the lower of cost and net realisable value (being sales proceeds less costs to sell and costs to complete). Management are required to assess whether there is any indication that net realisable value has decreased below carrying value and, if so, reduce this at the reporting date. Estimation is required to assess the future costs to complete a development and the future sales values. Due to the inherent estimation uncertainty in determining both future sales proceeds and costs to complete, we consider there is a significant risk that the carrying value of inventories is materially misstated and this is a key audit matter.	Our procedures included: • Reviewing management's net realisable value assessment and identifying a sample of schemes for further testing based on risk criteria of low profit margin, variance against budget, available headroom and stage of completion. • Assessing the calculation of net realisable value by reference to supporting contracts for costs and valuation of future sales; • For landbank, reviewing the revised development plan agreed by the Board and challenging assumptions made by management in their assessment of net realisable value by reference to strategic development/disposal plans and land valuations. • For properties under construction, for a sample based on risk criteria as outlined above, comparing management's net realisable value assessment to original scheme appraisal and challenging changes in assumptions or lack of changes where it is considered appropriate by reference to supporting contracts and valuations; • For completed properties, agreeing values to post year-end sales or where unsold for an extended period challenged management on the assessment of net realisable value; • Inspection of Board papers for any indication of a reduction in the net realisable value such as changes to planning restrictions, identification of contamination of land, changes to timelines for completion, rising costs or a decline in the property market; • Checking the arithmetical accuracy and verifying the inputs into the net realisable value calculation including estimates of sales proceeds by reference to external valuation and market data and cost to complete by reference to latest development appraisal; and • Sensitivity analysis over the key assumptions and consideration of outcomes achieved post year end, particularly sales values achieved after the reporting date. **Key observations and results** Based on the evidence obtained we found the carrying value of the Group and the Association's Properties in the course of sale to be acceptable.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of housing properties (refer to accounting policy in note 1 and financial disclosures in notes 9)	At 31 March 2026 the Group held Housing Properties with a net book value of £7,109.9 m after impairment of £90.7m. The Housing SORP requires that assets be reviewed for indicators of impairment annually. If such indicators exist, an impairment assessment and estimate of the recoverable amount must be performed. Management's assessment has been carried out in accordance with their accounting policy outlined in note 1. Viability of the properties held may be impacted by a range of internal and external factors and judgement is required in determining whether indicators of impairment have arisen in the year. Where impairment indicators are identified, there is inherent estimation uncertainty in determining the recoverable value and therefore a significant risk of material misstatement and this is a key audit matter.	Our procedures included: • Reviewing management's impairment assessment and challenging the determination of impairment indicators based on understanding of the operating and economic environment referencing those indicators outlined in paragraph 14.6 of the Social Housing SORP. • Inspection of Board papers and legal matters for any additional indication of impairment; • Validation of the completeness of each population assessed in management's impairment assessment; • For schemes where impairment indicators were identified, we assessed management's calculation of recoverable value and agreed to supporting documentation including current construction costs and valuations; and • We considered the appropriateness of key assumptions adopted by Management and reviewed the appropriateness and integrity of the valuation models used by management in their calculation of recoverable value. **Key observations and results** Based on our audit procedures, we are satisfied that the value of housing properties is reasonably stated and there is no material impairment that has not been recognised.
Valuation of investment properties (refer to accounting policy in note 1 and financial disclosures in note 10)	At 31 March 2026 the Group held completed investment properties of £781.2m. Completed investment properties are carried in the financial statements at fair value at the reporting date in accordance with FRS 102. Due to valuation taking account of market conditions as assessed by an external valuer and evidence of future sales value there is inherent estimation uncertainty in the fair value assessments which make this a key audit matter.	Our procedures included: • Review of management's assessment of the fair value of investment properties at the reporting date, this was derived from valuation reports prepared by external surveyors; • Agreement to valuation reports obtained from management's experts and challenge of the accuracy of information which was sent to the external valuer, giving consideration to risk of management bias; • Assessment of the competency and capability of the Group's external valuer; • Consideration and challenge of the appropriateness of valuation methodology and assumptions used including an assessment of expected future sales values by agreement to bids received for planned disposals; • Engaging our own independent property valuation expert to assist with our assessment of the valuation methodology and key assumptions used in accordance with ISA (UK) 620 to challenge management where appropriate on the assessment of fair value; • Agreement of inputs (rental terms and lease duration) into the valuation models on a sample basis; • Consideration of outcomes achieved for assets disposed post year end. **Key observations and results:** Based on our audit procedures we are satisfied that the value of investment properties is reasonably stated.

Key audit matter		How the scope of our audit addressed the key audit matter
Estimation of provision required to settle building safety obligations to leaseholders (refer to accounting policy in note 1 and financial disclosures in notes 22)	At 31 March 2026 the Group was carrying total major works provisions of £124.2m in respect of the obligation to remediate leaseholder properties for certain building and fire safety works. Significant judgement is required in assessing whether a past event gives rise to an obligating event and there is significant estimation uncertainty in quantifying the related remediation costs, resulting in a risk of material misstatement. Due to the significant judgement and estimation required we have assessed this matter as a key audit matter.is a key audit matter.	Our procedures included: • Reviewing management's judgement against accounting standards; • Reviewing management's assessment and calculation of the recognised provision comparing a sample of schemes identified for provision against external evidence of cost assessments; • For the sample selected agreeing the split of mixed tenure schemes (to identify the leaseholder element) to internal property database and fixed asset register; • For the sample selected agreeing the legal entity responsible for works to title deeds or head leases where appropriate; • For the sample agreeing the movements in the year to supporting documentation and ledger transactions; • Agreeing recognition of debtors related to recovery of costs against the provision to supporting documentation to ensure recognition was in accordance with accounting standards; and • Testing the completeness of the provision against the recognition criteria by reference to regulator returns, internal reports; expenditure incurred on fire risk assessments and enquires to the legal team. **Key observations and results** Based on our audit procedures we are satisfied that the value of the provision is reasonably stated in accordance with accounting standards.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept by Association; or
- the Association financial statements are not in agreement with the books of accounts; or
- a satisfactory system of control over transactions has not been maintained; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board for the financial statements

As explained more fully in the Board's responsibilities statement set out on page 58, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 together with the Statement of Recommended Practice for registered social housing providers (Housing SORP) and the Accounting Direction for Private Registered Providers of Social Housing. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty or have another material effect on the financial statements. We also considered the opportunities and incentives that may exist within the Group for fraud. The laws and regulations we considered in this context were the requirements imposed by the Regulator of Social Housing, building, health and safety legislation, UK tax legislation, employment legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of non-rent turnover, the assumptions applied in the use of judgements and estimates and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, Internal Audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and substantive testing of income and cost allocation, scrutiny and challenge of management's impairment assessments and provision estimation, ensuring policies are appropriate under the relevant accounting standards and applicable law, corroborating recognised sample to supporting documentation ensuring those

policies are followed, reviewing regulatory correspondence with relevant regulators and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, forgery, collusion or the provision of intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Other matters which we are required to address

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board on 7 February 2023 to audit the financial statements for the period ending 31 March 2023. Our total uninterrupted period of engagement is four years, covering the years ended 31 March 2023 to 31 March 2026.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Association and we remain independent of the Association in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

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



Crowe U.K. LLP
Statutory Auditor
London
United Kingdom

Date: 15th October 2026



Statement of comprehensive income

	Notes	Group 2026 £m	Group 2025 £m	NHG 2026 £m	NHG 2025 £m
Turnover	2	756.9	717.9	597.5	604.0
Cost of sales	2	(58.7)	(56.7)	(18.9)	(65.0)
Operating costs	2	(787.6)	(584.3)	(657.5)	(494.2)
Subtotal	**2**	**(89.4)**	**76.9**	**(78.9)**	**44.8**
Surplus on sale of assets	4	56.9	45.9	37.5	29.0
Joint venture surplus/(deficit)	33	(2.0)	1.9	-	-
Fair value movement on investment properties	10	(112.4)	(119.2)	(50.4)	(36.4)
Operating surplus		**(146.9)**	**5.5**	**(91.8)**	**37.4**
Gift aid receivable		-	-	68.4	39.6
Surplus before interest		**(146.9)**	**5.5**	**(23.4)**	**77.0**
Interest receivable and similar income	5	6.0	11.7	60.1	60.1
Interest payable and similar charges	6	(145.5)	(147.3)	(158.9)	(158.5)
Gains in respect of financial derivatives	35	1.8	0.6	2.4	0.9
(Deficit)/Surplus on ordinary activities before taxation	7	**(284.6)**	**(129.5)**	**(119.8)**	**(20.5)**
Taxation	8	-	(0.5)	-	-
(Deficit) for the financial year after taxation		**(284.6)**	**(130.0)**	**(119.8)**	**(20.5)**
Other comprehensive income					
Movement in fair value of effective cash flow hedges		1.7	10.7	4.3	11.8
Actuarial pension movement		(0.2)	(3.6)	(0.2)	(3.6)
Deferred tax	8	13.4	8.0	-	-
Other comprehensive income total		**14.9**	**15.1**	**4.1**	**8.2**
Total comprehensive loss for the year		**(269.7)**	**(114.9)**	**(115.7)**	**(12.3)**

The notes on pages 78 to 127 form part of these financial statements.

All amounts relate to continuing activities.

Statement of changes in reserves

Group	General reserves £m	Revaluation reserve £m	Cash flow hedge reserve £m	Total funding £m
Balance at 31 March 2025	**2,547.4**	**1,092.7**	**2.9**	**3,643.0**
Deficit for the year	(130.0)	-	-	(130.0)
Prior year adjustment	(2.7)	-	-	(2.7)
Transfers to general reserves upon asset sales	6.4	(6.4)	-	-
Fair value measurement of derivatives	-	-	10.7	10.7
Actuarial pension movements	(3.6)	-	-	(3.6)
Deferred tax	8.5	-	(0.5)	8.0
Revised balance at 1 April 2025	**2,426.0**	**1,086.3**	**13.1**	**3,525.4**
Deficit for the year	(284.6)	-	-	(284.6)
Opening adjustment	(0.7)		-	(0.7)
Transfers to general reserves upon asset sales	15.3	(15.3)	-	-
Fair value measurement of derivatives	-	-	1.7	1.7
Actuarial pension movements	(0.2)	-	-	(0.2)
Deferred tax	13.4	-	-	13.4
Balance at 31 March 2026	**2,169.2**	**1,071.0**	**14.8**	**3,255.0**

NHG	General reserves £m	Revaluation reserve £m	Cash flow hedge reserve £m	Total funding £m
Balance at 31 March 2024	**1,986.3**	**1,029.9**	**3.8**	**3,020.0**
Deficit for the year	(20.5)	-	-	(20.5)
Prior year adjustment	(1.3)	-	-	(1.3)
Transfers to general reserves upon asset sale	4.0	(4.0)	-	-
Fair value measurement of derivatives	-	-	11.8	11.8
Actuarial pension movements	(3.6)	-	-	(3.6)
Deferred tax	-	-	-	-
Revised balance at 1 April 2025	**1,964.9**	**1,025.9**	**15.6**	**3,006.4**
Deficit for the year	(119.8)	-	-	(119.8)
Opening adjustment	0.2	-	-	0.2
Transfers to general reserves upon asset sales	5.2	(5.2)	-	-
Fair value measurement of derivatives	-	-	4.3	4.3
Actuarial pension movements	(0.2)	-	-	(0.2)
Deferred tax	-	-	-	-
Balance at 31 March 2026	**1,850.3**	**1,020.7**	**19.9**	**2,890.9**

Statement of financial position

	Notes	Group 2026 £m	Group 2025 £m	NHG 2026 £m	NHG 2025 £m
Tangible fixed assets					
Housing properties	9	7,109.9	7,095.8	5,547.6	5,612.9
Investment in properties	10	850.1	1,086.7	224.5	302.1
Intangible assets	11	8.5	22.7	8.4	22.6
Other fixed assets	11	33.0	33.2	32.2	32.4
		8,001.5	**8,238.4**	**5,812.7**	**5,970.0**
Investments					
Homebuy	12	21.4	22.4	-	-
Investments in subsidiaries	14	-	-	543.4	545.8
Investments in joint ventures	33	10.6	13.2	-	-
Other investments	33	9.8	9.8	5.3	5.3
Total fixed assets		**8,043.3**	**8,283.8**	**6,361.4**	**6,521.1**
Current assets					
Properties in the course of sale	15	319.2	346.9	45.9	33.2
Debtors falling due within one year	16	128.5	97.2	619.7	708.3
Debtors falling due after one year	17	23.2	21.8	629.3	442.2
Current asset investment	18	71.9	80.4	18.6	21.2
Cash at bank and in hand		34.8	36.1	28.6	28.4
		577.6	**582.4**	**1,342.1**	**1,233.3**
Current liabilities					
Creditors: Amounts falling due within one year	19	(422.8)	(370.1)	(534.5)	(442.4)
Net current assets		**154.8**	**212.3**	**807.6**	**790.9**
Total assets less current liabilities		**8,198.1**	**8,496.1**	**7,169.0**	**7,312.0**

	Notes	Group 2026 £m	Group 2025 £m	NHG 2026 £m	NHG 2025 £m
Creditors					
Creditors: Amounts falling due after more than one year	20	(4,694.9)	(4,769.6)	(4,083.7)	(4,152.6)
Pension deficit liability	28	(15.3)	(20.7)	(15.3)	(20.7)
Derivative financial instrument	35	(29.1)	(30.2)	(28.0)	(34.6)
Deferred tax	8	(53.9)	(67.4)	-	-
		(4,793.2)	**(4,887.9)**	**(4,127.0)**	**(4,207.9)**
Provisions for liabilities and charges	22	(149.9)	(82.8)	(151.0)	(97.7)
		(4,943.1)	**(4,970.7)**	**(4,278.0)**	**(4,305.6)**
Net assets		**3,255.0**	**3,525.4**	**2,890.9**	**3,006.4**
Capital and reserves					
Share capital	23	-	-	-	-
General reserves	24	2,169.2	2,426.0	1,850.3	1,964.9
Revaluation reserve	24	1,071.0	1,086.3	1,020.7	1,025.9
Cash flow hedge reserve	24	14.8	13.1	19.9	15.6
Total funding		**3,255.0**	**3,525.4**	**2,890.9**	**3,006.4**

The notes on pages 78 to 127 form part of these financial statements. The financial statements on pages 74 to 77 were authorised and approved by the board on 15 October 2026 and signed on its behalf by



Brendan Sarsfield
Chair



Helen Evans
Interim chief executive



Tabitha Kassem
Company secretary

Statement of cash flow

Group	Notes	2026 £m	2025 £m
Net cashflow inflow from operating activities	25	145.4	273.5
Returns on investments and servicing of finance			
Cash flows from investing activities			
Purchase and construction of housing properties		(412.5)	(402.8)
Sales of housing properties		476.8	164.4
Social housing grant paid		(3.7)	(22.3)
Social housing grant received		16.7	43.4
Other government grants received		2.3	3.2
Purchase of other fixed assets		(5.8)	(10.6)
Investment properties/joint venture movements		20.9	19.6
Interest received		6.0	11.8
Increase/(decrease) in cash on deposit		8.5	(11.0)
Net cash flow from investing activities		**109.2**	**(204.3)**
Cash flows from financing activities			
Interest paid		(166.4)	(177.5)
Loans received		250.0	205.0
Loans repaid		(339.5)	(155.8)
Net cash outflow used in financing		**(255.9)**	**(128.3)**
Net (decrease) in cash and cash equivalents		**(1.3)**	**(59.1)**
Cash and cash equivalents at 1 April		**36.1**	**95.2**
Cash and cash equivalents at 31 March		**34.8**	**36.1**

Interest paid in 2025 has been reallocated from investing activities to financing activities to align with the 2026 allocation.

The notes on pages 78 to 127 form part of these financial statements.



Notes to the financial statements for the year ended 31 March 2026

Note 1 - Accounting policies

The financial statements have been prepared in pounds sterling.

General information

Notting Hill Genesis is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. It is a public benefit entity.

Statement of compliance

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of Notting Hill Genesis (NHG) and NHG group (the group).

The financial statements have been prepared in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP), including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Housing Regeneration Act 2008, the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (SORP 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Co-operative and Community Benefit Societies Act 2014.

Basis of preparation

The financial statements have been prepared under the historic cost convention as modified by the application of fair value as deemed cost and by the revaluation of certain properties, investments and financial instruments. They have been prepared on a going concern basis and in accordance with the applicable accounting standards in the United Kingdom. The accounting policies have been consistently applied.

The preparation of the financial information requires management to exercise its judgement in applying the group's accounting policies. Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are explained in the accounting policies below.

Going concern

The Board has considered the Strategic Business Plan and stress various impacts. These include potential property market challenges (impacting sales and disposals); macroeconomic events (impacting inflation, interest rates, arrears collection and voids) as well as singular events (cyber-attack, contractor failure, environmental events) and government policy change. Multi variate stress tests where multiple scenarios are combined provide the most testing outcomes.

The outcome of stress tests focuses on covenant compliance and liquidity.

Where the plan comes under pressure a mitigation framework sets out how NHG would respond to ensure the business can continue in the short and longer term.

Mitigations exist for all scenarios as a precaution, to ensure compliance with all covenant and regulatory requirements. Periodic updates to the financial business plan, management accounts forecasts and key performance indicator reporting enables continuous monitoring of the business. NHG has access to significant liquidity to fund itself.

After making these enquiries, the board has a reasonable expectation that the group and NHG have adequate resources to continue in operational existence for the foreseeable future, being a

period of at least 12 months after the date on which the report and financial statements are signed. For this reason, the group and NHG continue to adopt the going concern basis in the financial statements, and provides letters of support to relevant subsidiaries.

Cash Flow Statement

The association has applied the exemption under FRS 102 from preparing a statement of cash flows as it is a subsidiary undertaking included in the consolidated financial statements of its parent undertaking.

Basis of consolidation

Group financial statements are the result of the consolidation of the financial statements of NHG and its subsidiaries. Uniform accounting policies have been used throughout the group. All intra-group transactions, balances and surpluses or deficits are eliminated in full on consolidation.

Jointly controlled entities are accounted for using the equity method in the group financial statements, which reflects the group's share of the profit or loss, other comprehensive income and the equity of the jointly controlled entities.

Investment in associates is accounted for using the equity method in the group financial statements. The investment is initially recognised at transaction price (including transaction costs) subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and the equity of the jointly controlled entities.

Investments in subsidiaries are accounted for using the equity method in the group financial statement.

Segmental reporting

Segmental reporting is presented in the consolidated financial statements in respect of the group's business segments, which are the primary basis of segmental reporting. The business segmental reporting reflects the group's management and internal reporting structure. Segmental results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. As the group has no material activities outside the UK, segment reporting is not required by geographical region. The chief operating decision-makers (CODM) have been identified as the group's executive board. The CODM review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments as rented social housing, shared ownership, temporary housing, keyworker housing, supported housing, first-tranche home ownership sales, development services, commercial rent properties, student accommodation and market rent properties. The CODM assess the performance of the operating surplus margins. Segmental disclosure of key balance sheet items is not produced for CODM and hence not disclosed. Other information provided to them is measured in a manner consistent with that in the financial statements. See note 2 for further details.

Turnover and revenue recognition

Rent

Rent is recognised over the period the accommodation is provided on an accrual basis, measured at the fair value of the consideration received or receivable and represents the amount receivable for the services rendered net of empty properties (void losses).

Service charge income

Fixed service charge income is recognised in the year to which it relates. Variable service charge income is based on budget in the year and with subsequent adjustment recognised in respect of unders and overs that were equalised in the year.

First-tranche shared ownership property sales and properties developed for outright sale

Property sales income is recognised when the risks and rewards of ownership have passed to the buyer upon legal completion of the sales, except in circumstances where specific legal contractual terms dictate that risks

and rewards of ownership pass at different times.

Revenue grants

Revenue grants are recognised when the performance-related conditions are met or when the grant proceeds are received or become receivable if no conditions are imposed.

Amortisation of government grant

Grants provided to construct social housing assets are recognised on a systematic basis over the useful economic life of the asset for which the grant is intended to compensate.

Interest receivable

Interest income is recognised on a receivable basis.

Gift aid

Gift aid is receivable where deeds of covenant are in place and gift aid is accrued at the year-end in subsidiaries. Where no covenant is in place or distribution not declared, gift aid is recognised on a cash received basis.

Other income

Other income relates to management fees for services provided to leaseholders and administration fees in relation to extension of leases. These are recognised on receivable basis.

Taxation

NHG has charitable status and is not subject to corporation tax on surpluses in furtherance of charitable objectives. The profits of trading subsidiaries are subject to corporation tax, however the subsidiaries elect to distribute all taxable profits to the parent or other charitable group entities via gift aid.

Deferred taxation

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Current or deferred tax assets and liabilities are not discounted.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year-end and that are expected to apply to the reversal of the timing difference.

Deferred tax has been recognised in relation to investment property that is measured at fair value using tax rates and allowances that apply to the sale of an asset.

Value added tax

The group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on costs to the extent that it is suffered by the group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Interest is capitalised at the weighted average cost of borrowings, applied to the portion of total borrowings allocated to development costs over the development period.

Other interest payable is charged to the comprehensive income statement in the year by the effective interest rate method.

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred. Unused annual leave is accrued at the year-end.

Pensions

The group's employees and past employees are active members, deferred members or pensioners of three pension schemes operated by the group. These include the NHG 2023 Pension Scheme (NHG 2023 PS), the NHG Pension Scheme (NHGPS) and the PCHA 2001 scheme (collectively, the "plans"). All the plans are closed to new entrants. The LPFA scheme was exited in April 2025.

NHG 2023 PS and PCHA 2001

The assets of these schemes are held separately from those of the group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme assets and liabilities are recorded in the statement of financial position. Contributions payable, net interest and actuarial gains/ losses are recognised in the statement of comprehensive income. The carrying value of any resulting pension scheme assets are restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through the scheme.

Defined contribution (DC) pension schemes

The group currently contributes to a number of defined contribution schemes for certain employees, the most significant of which is the Standard Life Pension Scheme. Employer contributions payable to these schemes in respect of the accounting period are charged to the statement of comprehensive income.

Government grant

These grants relate to capital grants received. Grants received in relation to assets that have been treated as deemed cost at the date of transition to FRS102 have been accounted for using the performance model. In applying this model such grant has been presented as if it were originally recognised as income within the statement of comprehensive income in the year it was receivable and is therefore included within brought-forward general reserves.

Grants received since transition in relation to newly acquired or existing housing properties are accounted for using the accrual model. Grant is carried as deferred income in the balance sheet and is amortised on a systematic basis over the useful life of the housing property structure, even if the fair value of the grant exceeds the carrying value of the structure in line with SORP 2018. No grant is recognised against other components.

When a housing property is sold which was partly funded by social housing grant (SHG) the grant becomes repayable and is transferred to a recycled capital grant fund (RCGF) until it is either reinvested in a replacement property or repaid to the grant provider. Amortised grant liability is created by increasing the cost of sale of the asset, unamortised grant is transferred between deferred government grant, and RCGF amortised grant is disclosed as a contingent liability in note 36.

Donated land

Land donated by local authorities and other government sources for development purpose is added to the cost of the asset at the fair value of the land at the time of the donation. The difference between the fair value of the land and the consideration paid is treated as a non-monetary grant and recognised as a gain in the statement of comprehensive income.

Properties for sale

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

At the end of each reporting period, work in progress is compared to net realisable values. If the cost of property is greater than net realisable value, the identified property is reduced to its selling price less costs to complete and sell and a charge is recognised in the statement of comprehensive income. Where the net realisable value has increased, the charge is reversed, up to the original cost and is recognised as a credit in the statement of comprehensive income.

Current asset first-tranche shared ownership work in progress and completed properties in relation to shared ownership are calculated

based on average first-tranche equity percentage purchased in the year.

Housing properties

Housing properties not converted to deemed cost or constructed or acquired since the transition to FRS102 are measured using the cost model (cost less accumulated depreciation and impairment (where applicable).

Housing properties in the course of development are stated at cost.

Housing properties other than shared ownership properties have been split between their land and structure costs and a specific set of major components which require periodic replacement.

The portion of completed shared ownership property retained with the expectation of future staircasing sale is not depreciated on the basis that the residual value (being the staircasing sales value) is higher than carrying value.

Refurbishment or replacement of such components is capitalised and replaced component disposed of. Freehold land is not depreciated. Depreciation is charged on completed housing properties, excluding the land element, on a straight-line basis over the useful economic life of the component as follows:

Component	Useful economic life (years)
Land	Not depreciated
Structure	100
Roof	60
Heating	30
Windows	30
Electrical	30
Bathroom	30
Kitchen	20
Lift	30
Boilers including air source heat pumps	15
Leasehold property with term over 100 years	Not amortised
Leasehold property with term less than 100 years	Over the term of the lease

Cost includes the cost of acquiring land and buildings, cost of construction, capitalised interest, administration costs and expenditure incurred in improving or reinvesting in existing properties. Only directly attributable project management costs relating to developments are capitalised as part of the costs of those properties.

Reinvestment expenditure is capitalised where the works increase the net rental stream over that expected at the outset. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance cost, or a significant extension in the life of the property. Where the works are either repair or replacement with no additional utility, the costs are charged to the statement of comprehensive income.

Interest incurred on a loan financing a development is capitalised up to the date of the practical completion of the scheme.

Shared ownership properties in the course of development are split proportionally between current and fixed assets based on the element relating to expected first-tranche sales.

The first-tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as a fixed asset and included in housing properties at

cost, less any provisions needed for depreciation or impairment.

Shared ownership properties have been split between land and structure only.

Deemed cost on transition to FRS102

The group took the option to carry out a one-off valuation of the majority of social housing and shared ownership properties at the date of transition on 1 April 2015 and to use that amount as deemed cost. To determine the deemed cost, the group engaged independent valuation specialist Jones Lang LaSalle Ltd (JLL) to value the housing properties on an existing use value-social housing (EUV-SH) basis. Housing properties are subsequently measured at cost.

Revaluation reserve

The revaluation reserve is used to reflect the surplus on asset revaluation upon transition to deemed cost. When an asset is disposed the surplus on asset revaluation is transferred from the revaluation reserve to general reserves.

Property impairment

The housing property portfolio for the group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. The 'recoverable amount' is taken to be the higher of its value in use and fair value less costs to sell. Fair value less costs to sell can be considered as existing use value-social housing (EUV-SH). Therefore, where EUV-SH is higher than the 'carrying amount' of an asset, no further estimates are required. If lower, the value in use is calculated.

The SORP considers that properties held for social benefit are held for their service potential and, therefore, value in use service potential should be used (VIU-SP).

The SORP also notes that depreciated replacement cost (DRC) will provide a reasonable measure of VIU-SP.

The group defines a cash-generating unit as a scheme. The assessment of value in use may involve considerations of the service potential of the assets or cash-generating units. Details of properties where consideration has been given to service potential are provided in note 9.

Investment properties

Investment properties are defined as properties held to earn rentals and for capital appreciation on a commercial basis. The group holds properties rented on the open market and commercial properties.

Investment properties are included in the balance sheet at their open market value. This has been determined in accordance with the guidance notes on the valuation of assets issued by the Royal Institution of Chartered Surveyors.

Housing properties for market rent are stated at market value subject to tenancies (MV-STT).

Properties held as investments are revalued annually and the surplus or deficit is recognised in operating surplus. No depreciation is provided in respect of investment properties. These are subsequently carried at fair value which is determined annually by external valuers.

Other fixed assets

Other fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis as follows:

- Other land and buildings
  - Freehold offices and buildings – 50 years
  - Leasehold offices and buildings – over the life of the lease
- Other tangible assets – two to five years

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale
- The intention to complete the software and use or sell it
- The ability to use the software or to sell it
- How the software will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software
- The ability to measure reliably the expenditure attributable to the software during its development

Amortisation is charged so as to allocate the cost of intangibles over their estimated useful lives, using the straight-line method. The intangible assets are amortised over four years.

Provisions

Provisions have been included in the financial statements only to the extent that there is a present legal or constructive obligation to transfer economic benefits.

Operating and finance leases

Where assets are financed by leasing agreements that transfer substantially all risks and rewards to ownership, they are treated as if they had been purchased outright. The amount capitalised is the lower of 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 liability. The finance charge is charged to the statement of comprehensive income for the period using the effective interest method.

Rentals paid under operating leases are charged to the statement of comprehensive income for the period on a straight-line basis over the period of the lease.

Gift aid

Charitable donations made between group entities are shown in the financial statements at the value of the donation. Within the group such transactions are eliminated. Gift aid payments are treated as distributions of reserves in the group's subsidiaries.

Financial instruments

The group has elected to recognise and measure its financial assets and liabilities in accordance with the measurement and disclosure requirements of sections 11 and 12 of FRS102 "Financial Instruments".

Interest rate swap financial instruments and hedging activities

The group uses interest rate swaps to adjust interest rate exposure. The group also uses, if appropriate, foreign exchange contracts to reduce exposures to movements in foreign exchange rates on foreign currency nominated financial instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Interest rate swaps are initially accounted for and measured at fair value on the date an interest rate swap contract is entered into and subsequently measured at fair value. The gain or loss on measurement is taken to the statement of comprehensive income except where the interest rate swap is a designated cash flow hedging instrument. The accounting treatment of interest rate swaps classified as hedges depends on their designation, which occurs on the date that the interest rate swap contract is committed to.

The group designates interest rate swaps as a hedge of the income/cost of a highly probable forecasted transaction or commitment ('cash flow hedge').

In order to qualify for hedge accounting, the group is required to document in advance the relationship between the item being hedged and the hedging instrument. The group is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is reperformed at each period end to ensure that the hedge remains highly effective.

Gains or losses on cash flow hedges that are regarded as highly effective are recognised in equity in cash flow hedge reserve. Where the forecast transaction results in a financial asset or financial liability, gains or losses previously recognised in the cash flow hedge equity are reclassified to the statement of comprehensive income. Where the forecasted transaction or commitment results in a non-financial asset or a non-financial liability, any gains or losses previously deferred in the statement of comprehensive income are included in the cost of the related asset or liability. If the forecasted transaction or commitment results in future income or expenditure, gains or losses deferred in the statement of comprehensive income are transferred to the statement of

comprehensive income in the same period as the underlying income or expenditure. The ineffective portions of the gain or loss on the hedging instrument are recognised in the statement of comprehensive income.

For the portion of hedges deemed ineffective or transactions that do not qualify for hedging, any change in assets or liabilities is recognised immediately in the statement of comprehensive income. Where a hedge no longer meets the effectiveness criteria, any gains or losses deferred in equity are only transferred to the statement of comprehensive income when the committed or forecasted transaction is recognised in the statement of comprehensive income. However, where an entity applied cash flow hedge accounting for a forecasted or committed transaction that is no longer expected to occur, the cumulative gain or loss is transferred to the statement of comprehensive income. When a hedging instrument expires or is sold, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income.

Financial assets

The group classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired.

Financial assets also include cash and cash equivalents. Cash and cash equivalents are readily disposable current asset investments. They include some money market deposits held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Loans and receivables

These assets are non-interest rate swap financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate. Provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the receivable item.

Rental debtors

Rental debtors are stated gross of amounts paid in advance and overpayments, which are shown in other creditors.

Homebuy

Homebuy transactions are grants received from the grant provider and passed on to an eligible beneficiary. The group has the benefit of a fixed charge on the property entitling the group to a share of the proceeds on the sale of the property by the beneficiary. Homebuy loans have been classified as a financial asset and treated as a concessionary loan. Concessionary loans are carried in the statement of financial position at amortised cost less any impairment. The government grants that fund these concessionary loans are recognised as liabilities and amortised.

Financial liabilities

The group classifies its financial liabilities into one of the following categories depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the group's accounting policy for each category is as follows.

Other than interest rate swap financial instruments which are not designated as hedging instruments, the group does not have any liabilities for trading nor does it voluntarily classify any financial liabilities as being at fair value through the statement of comprehensive income.

Bank borrowings

Bank borrowings are initially recognised at fair value net of

any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes the amortisation of initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Interest rate swaps

Interest rate swaps embedded in host debt contracts are not accounted for separately where they are considered to be closely related.

Where swaps are considered not to be closely related they are accounted for separately and treated as fair value through the statement of comprehensive income.

Trade payables and other short-term monetary liabilities

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate.

In the temporary housing business, under the terms of the leases, funds are set aside on acquisition of property in order to meet contractual obligations to fund dilapidations.

Critical accounting judgements

In applying the Group's accounting policies, management is required to make judgements, apart from those involving estimations, that can have a significant effect on the amounts recognised in the financial statements. Judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

- Identification of indicators of impairment and determination of the appropriate Cash-Generating Unit (CGU) at which recoverable amount is assessed in the impairment assessment.
- Assessing whether a past event gives rise to an obligating event in relation to recognition of Building Safety provision.
- Determining the appropriate activities regarded as "operating" to determine operating surplus/deficit.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. Estimates are based on historical experience and future expectations. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Operating surplus

The operating surplus/deficit includes amounts disclosed as representative of activities that would normally be regarded as "operating". For example, it would be inappropriate to exclude items clearly related to operations (such as inventory write-downs, profit and losses on sale of property, plant and equipment (including housing properties), investment property and intangible assets and restricting and relocation expenses) because they occur irregularly and infrequently or are unusual in amount. Similarly, it would be inappropriate to exclude items on the grounds that they do not involve cash flow, such as depreciation and amortisation expenses.

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

- Gain on disposal of housing properties and other properties including property plant and equipment
- Recognition of grant following the sale of housing stock to another registered provider

- Share of operating profit/(loss) in joint ventures

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

Useful economic lives of fixed assets (note 9)

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors (note 16)

The group makes an estimate of the recoverable value of trade and other debtors including rental debtors. When assessing impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience of cash collection from tenants.

Investment properties (note 10)

The fair value of investment properties is determined by using valuation techniques. The valuation of commercial properties is determined using open market value with vacant possession.

Housing property cost allocation

Housing property costs include the cost of acquiring land and buildings, cost of construction, directly attributable management costs and capitalised interest. Directly attributable management costs are allocated at 3.0% (2025: 3.0%) of project acquisition and works costs to a maximum of costs incurred. Interest is capitalised up to the date of practical completion based on the weighted average cost of capital at a rate of 4.36% (2025: 4.4%), reviewed annually.

Allocation of stock of first-tranche sales (note 15)

The estimate of stock of first-tranche sales is reviewed in line with actual sales achieved on an annual basis.

Impairment of housing properties (note 9)

Housing properties are assessed for indicators of impairment at each balance sheet date. Where indicators of impairment are identified, a detailed assessment is undertaken to compare the carrying value of the asset (cash generating unit) to their recoverable amount. The recoverable amount is considered to be the higher of the fair value less costs to sell or value in use. The assessment of value in use may involve considerations of the service potential of the cash generating unit using depreciated replacement cost for a present value of future cashflows. Depreciated replacement cost is used where there is no active market for an asset. It reflects the current cost of replacing the asset with a modern equivalent, less depreciation for age, condition, and obsolescence.

Indicators of impairment identified this year include void properties and properties with fire remedial works.

Impairment of properties in the course of sale (note 15)

Properties under construction or in the course of sale are held at the lower of cost and the net realisable value. These include land bank, work in progress and the completed units.

Estimation is required to assess the future costs to complete a development and future sales values.

During the year the board took the strategic decision to attenuate the development programme to facilitate speedy investment in the completed properties. The land bank schemes affected were reviewed for impairment and, where necessary, assets impaired to the estimated net realisable value.

Fire provisions (note 22)

Building safety provisions require judgement to be made as to whether a constructive or legal obligation exists and whether a reliable estimation can be made. Our approach has been on a scheme-by-scheme basis taking into consideration the specific facts and circumstances of each scheme. The key judgements applied are as follows:

- Constructive obligation: Where the group have made specific communications to residents that raises a valid expectation that certain works will be undertaken, a provision will be recognised;
- Legal obligation: A provision will be recognised where it is judged not to be reasonably practical or possible to avoid undertaking certain works in line with the Building Safety Act 2022 requirement with the scope of remediation works being assessed by means of a Fire Risk Appraisal of External Works (FRAEW);
- Reliable estimation: A provision will be recognised where management can reliably estimate the potential remediation costs subject to sufficient knowledge of the scope of works required through intrusive surveys and reports from independent experts or employer agents.

In accordance with FRS 102 paragraph 21.9, any pending claims from contractors or government grants are excluded from the calculation of provisions. These are only recognised when reimbursement is virtually certain and included in debtors.

Remediation provisions are included for all leased properties that met the above conditions and where the Building Safety Act 2022 requires the group not to recharge any remedial works costs to the leaseholders. These are charged to the statement of comprehensive income. Provision has not been made for works to the group's general needs properties held on the balance sheet. The works will be treated as component replacements when completed.

The valuation of pension liabilities (note 28)

The critical selection of financial and actuarial assumptions in relation to defined benefit scheme obligation (DBO) are based on best estimates derived from the group's policies and practices and their application across all pension schemes operated by the group where appropriate and confirmed with actuaries where these are beyond management expertise e.g. mortality tables have been chosen based on published research by the Continuous Mortality Investigation Bureau (supported by the actuarial profession). Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 28).

Valuation of derivatives (note 35)

Derivative financial instruments are calculated using measurements based on inputs that are observable for the asset either directly or indirectly from prices. All other loans and receivables are shown at amortised costs.





Note 2 - Turnover, cost of sales, operating costs and operating surplus

Group continuing activities - year ended 31 March 2026	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	**584.9**	**-**	**(619.6)**	**(34.7)**
Other social housing activities				
Development services	0.4	-	(20.4)	(20.0)
Sales and marketing services	-	-	(3.3)	(3.3)
Neighbourhood activities	1.8	-	(0.7)	1.1
First-tranche shared ownership sales	37.6	(35.0)	-	2.6
Supporting people and care	5.6	-	-	5.6
Impairment in shared ownership	-	-	(71.5)	(71.5)
	45.4	**(35.0)**	**(95.9)**	**(85.5)**
Activities other than social housing activities				
Properties for sale	13.6	(12.7)	-	0.9
Charitable fund raising activities	0.1	-	-	0.1
Commercial rent properties	5.7	-	(2.9)	2.8
Student accommodation	0.1	-	(0.8)	(0.7)
Impairment of intangible assets and investment in joint venture	-	-	-	-
Market rent properties	70.2	-	(40.6)	29.6
Other income	3.0	-	-	3.0
Non-social lease owners	17.9	-	(20.1)	(2.2)
Non-social low cost rent	16.0	-	(7.7)	8.3
Impairment in private sale properties	-	(11.0)	-	(11.0)
	126.6	**(23.7)**	**(72.1)**	**30.8**
Total	**756.9**	**(58.7)**	**(787.6)**	**(89.4)**

Group continuing activities - year ended 31 March 2025	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	**548.1**	**-**	**(475.0)**	**73.1**
Other social housing activities				
Development services	0.4	-	(5.4)	(5.0)
Sales and marketing services	-	-	(3.5)	(3.5)
Neighbourhood activities	2.6	-	(1.6)	1.0
First-tranche shared ownership sales	24.8	(20.8)	-	4.0
Supporting people and care	6.0	-	-	6.0
Impairment in shared ownership	-	-	(31.5)	(31.5)
	33.8	**(20.8)**	**(42.0)**	**(29.0)**
Activities other than social housing activities				
Properties for sale	25.9	(25.3)	-	0.6
Charitable fundraising activities	0.7	-	(0.6)	0.1
Commercial rent properties	5.8	-	(2.5)	3.3
Student accommodation	0.2	-	(0.1)	0.1
Impairment of intangible assets and investment in joint venture	-	-	-	-
Market rent properties	70.8	-	(35.9)	34.9
Other income	1.5	-	-	1.5
Non-social lease owners	15.9	-	(21.3)	(5.4)
Non-social low-cost rent	15.2	-	(6.9)	8.3
Impairment in private sale properties	-	(10.6)	-	(10.6)
	136.0	**(35.9)**	**(67.3)**	**32.8**
Total	**717.9**	**(56.7)**	**(584.3)**	**76.9**

Note 2 - Turnover, cost of sales, operating costs and operating surplus (continued)

NHG continuing activities - year ended 31 March 2026	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	**530.3**	**-**	**(562.9)**	**(32.6)**
Other social housing activities				
Development services	15.7	(15.5)	(11.2)	(11.0)
Sales and marketing services	-	-	-	-
Neighbourhood activities	1.6	-	(0.2)	1.4
First-tranche shared ownership sales	0.1	-	-	0.1
Supporting people and care	5.6	-	-	5.6
Impairment in shared ownership	-	-	(50.3)	(50.3)
	23.0	**(15.5)**	**(61.7)**	**(54.2)**
Activities other than social housing activities				
Properties for sale	-	-	-	-
Charitable fund raising activities	0.1	-	-	0.1
Commercial rent properties	3.9	-	(2.4)	1.5
Market rent properties	25.9	-	(20.5)	5.4
Other income	2.9	-	-	2.9
Non-social lease owners	11.4	-	(10.0)	1.4
Non-social low cost rent	-	-	-	-
Impairment in private sale properties	-	(3.4)	-	(3.4)
	44.2	**(3.4)**	**(32.9)**	**7.9**
Total	**597.5**	**(18.9)**	**(657.5)**	**(78.9)**

NHG continuing activities - year ended 31 March 2025	Turnover £m	Cost of sale £m	Operating costs £m	Operating surplus £m
Social housing lettings (note 3)	**496.7**	**-**	**(443.3)**	**53.4**
Other social housing activities				
Development services	47.6	(47.6)	(0.1)	(0.1)
Sales and marketing services	-	-	-	-
Neighbourhood activities	1.9	-	(1.1)	0.8
First-tranche shared ownership sales	0.2	(0.2)	-	-
Supporting people and care	6.0	-	-	6.0
Impairment release of shared ownership properties	-	-	(18.0)	(18.0)
	55.7	**(47.8)**	**(19.2)**	**(11.3)**
Activities other than social housing activities				
Properties for sale	11.1	(11.0)	-	0.1
Charitable fund raising activities	0.7	-	(0.6)	0.1
Commercial rent properties	4.2	-	(1.9)	2.3
Market rent properties	27.1	-	(19.8)	7.3
Other income	1.4	-	-	1.4
Non-social lease owners	7.1	-	(9.0)	(1.9)
Non-social low cost rent	-	-	(0.4)	(0.4)
Impairment in private sale properties	-	(6.2)	-	(6.2)
	51.6	**(17.2)**	**(31.7)**	**2.7**
Total	**604.0**	**(65.0)**	**(494.2)**	**44.8**

Note 3 - Income and expenditure from social housing lettings

Group - year ended 31 March 2026	Rented social housing £m	Shared ownership £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	318.3	59.4	51.7	11.2	27.9	468.5
Service charges receivable	35.2	16.3	-	0.1	19.6	71.2
Total rents receivable	**353.5**	**75.7**	**51.7**	**11.3**	**47.5**	**539.7**
Amortised government grants	7.5	0.9	-	-	0.9	9.3
Management fee	4.5	3.3	-	0.2	2.2	10.2
Other income	20.6	3.8	-	0.1	-	24.5
Other grants	1.2	-	-	-	-	1.2
Total income from social housing lettings	**387.3**	**83.7**	**51.7**	**11.6**	**50.6**	**584.9**
Expenditure						
Management	(109.5)	(18.4)	(7.2)	(3.2)	(14.8)	(153.1)
Service charge costs	(63.3)	(18.3)	(0.3)	(3.9)	(15.7)	(101.5)
Routine maintenance	(130.9)	(5.1)	(5.6)	(0.5)	(4.8)	(146.9)
Planned maintenance	(2.9)	(2.5)	(0.1)	(0.1)	(1.8)	(7.4)
Major repairs expenditure	(91.3)	(4.5)	(0.5)	-	(6.3)	(102.6)
Bad debts	(3.5)	(0.7)	(1.2)	-	(0.2)	(5.6)
Lease charges	(0.1)	-	(38.4)	(0.3)	-	(38.8)
Depreciation of housing properties	(56.7)	(0.5)	(0.2)	(1.2)	(5.1)	(63.7)
Operating costs on social housing lettings	**(458.2)**	**(50.0)**	**(53.5)**	**(9.2)**	**(48.7)**	**(619.6)**
Operating (deficit)/surplus on social housing lettings	**(70.9)**	**33.7**	**(1.8)**	**2.4**	**1.9**	**(34.7)**
Void losses	**4.3**	**-**	**0.9**	**0.4**	**1.6**	**7.2**

Note 3 - Income and expenditure from social housing lettings (continued)

Group - year ended 31 March 2025	Rented social housing £m	Shared ownership £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	311.5	58.7	56.4	10.9	26.0	463.5
Service charges receivable	29.9	14.4	-	0.2	14.1	58.6
Total rents receivable	**341.4**	**73.1**	**56.4**	**11.1**	**40.1**	**522.1**
Amortised government grants	8.4	1.0	-	-	-	9.4
Management fee	1.8	3.7	-	0.2	2.0	7.7
Other income	5.1	2.6	-	-	-	7.7
Other grants	1.1	-	-	-	0.1	1.2
Total income from social housing lettings	**357.8**	**80.4**	**56.4**	**11.3**	**42.2**	**548.1**
Expenditure						
Management	(77.3)	(17.7)	(7.0)	(3.7)	(13.0)	(118.7)
Service charge costs	(42.1)	(19.4)	(0.3)	(3.7)	(14.4)	(79.9)
Routine maintenance	(102.7)	(3.9)	(3.2)	(0.5)	(5.9)	(116.2)
Planned maintenance	(3.6)	(0.1)	-	(0.1)	(0.7)	(4.5)
Major repairs expenditure	(38.3)	(1.3)	(0.2)	-	(6.6)	(46.4)
Bad debts	(2.9)	(0.4)	(1.1)	-	(0.3)	(4.7)
Lease charges	(0.1)	-	(40.6)	(0.1)	(0.1)	(40.9)
Depreciation of housing properties	(57.7)	(0.1)	(0.2)	(1.1)	(4.6)	(63.7)
Operating costs on social housing lettings	**(324.7)**	**(42.9)**	**(52.6)**	**(9.2)**	**(45.6)**	**(475.0)**
Operating (deficit)/surplus on social housing lettings	**33.1**	**37.5**	**3.8**	**2.1**	**(3.4)**	**73.1**
Void losses	**4.7**	**-**	**-**	**0.3**	**2.1**	**7.1**

Note 3 - Income and expenditure from social housing lettings (continued)

NHG - year ended 31 March 2026	Rented social housing £m	Shared ownership housing £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	317.5	22.5	51.7	11.2	27.9	430.8
Service charges receivable	35.3	8.5	0.0	0.1	15.8	59.7
Total rents receivable	**352.8**	**31.0**	**51.7**	**11.3**	**43.7**	**490.5**
Amortised government grants	7.5	0.4	0.0	0.0	0.9	8.8
Management fee	4.5	1.5	0.0	0.2	2.2	8.4
Other income	20.5	0.8	0.0	0.1	0.0	21.4
Other grants	1.2	0.0	0.0	0.0	0.0	1.2
Total income from social housing lettings	**386.5**	**33.7**	**51.7**	**11.6**	**46.8**	**530.3**
Expenditure						
Management	(103.3)	(1.8)	(7.2)	(3.1)	(14.9)	(130.3)
Service charge costs	(63.2)	(7.4)	(0.3)	(3.9)	(15.7)	(90.5)
Routine maintenance	(130.8)	(2.6)	(5.6)	(0.5)	(4.8)	(144.3)
Planned maintenance	(2.9)	(1.4)	(0.1)	(0.1)	(1.8)	(6.3)
Major repairs expenditure	(76.8)	(1.1)	(0.5)	0.0	(6.3)	(84.7)
Bad debts	(2.0)	(0.9)	(1.2)	0.0	(0.2)	(4.3)
Lease charges	(0.1)	0.0	(38.4)	(0.3)	0.0	(38.8)
Depreciation of housing properties	(56.6)	(0.6)	(0.2)	(1.2)	(5.1)	(63.7)
Operating costs on social housing lettings	**(435.7)**	**(15.8)**	**(53.5)**	**(9.1)**	**(48.8)**	**(562.9)**
Operating (deficit)/surplus on social housing lettings	**(49.2)**	**17.9**	**(1.8)**	**2.5**	**(2.0)**	**(32.6)**
Void losses	**4.3**	**0.0**	**0.9**	**0.4**	**1.6**	**7.2**

Note 3 - Income and expenditure from social housing lettings (continued)

NHG - year ended 31 March 2025	Rented social housing £m	Shared ownership housing £m	Temporary housing £m	Keyworker housing £m	Supported housing £m	Total £m
Income						
Rent receivable	310.8	21.5	56.4	10.9	26.0	425.6
Service charges receivable	30.6	5.8	-	0.2	11.7	48.3
Total rents receivable	**341.4**	**27.3**	**56.4**	**11.1**	**37.7**	**473.9**
Amortised government grants	8.4	0.6	-	-	-	9.0
Management fee	1.8	1.8	-	0.2	1.9	5.7
Other income	6.5	0.4	-	-	-	6.9
Other grants	1.1	-	-	-	0.1	1.2
Total income from social housing lettings	**359.2**	**30.1**	**56.4**	**11.3**	**39.7**	**496.7**
Expenditure						
Management	(76.9)	(1.2)	(7.0)	(3.7)	(13.3)	(102.1)
Service charge costs	(42.1)	(7.2)	(0.3)	(3.7)	(14.1)	(67.4)
Routine maintenance	(102.6)	(1.4)	(3.2)	(0.5)	(5.9)	(113.6)
Planned maintenance	(3.6)	-	-	(0.1)	(0.7)	(4.4)
Major repairs expenditure	(39.5)	(0.3)	(0.2)	-	(6.6)	(46.6)
Bad debts	(2.9)	(0.4)	(1.1)	-	(0.3)	(4.7)
Lease charges	(0.1)	-	(40.6)	(0.1)	(0.1)	(40.9)
Depreciation of housing properties	(57.6)	(0.1)	(0.2)	(1.1)	(4.6)	(63.6)
Operating costs on social housing lettings	**(325.3)**	**(10.6)**	**(52.6)**	**(9.2)**	**(45.6)**	**(443.3)**
Operating (deficit)/surplus on social housing lettings	**33.9**	**19.5**	**3.8**	**2.1**	**(5.9)**	**53.4**
Void losses	**4.6**	**-**	**-**	**0.3**	**2.1**	**7.0**

Note 4 - Surplus on disposal of assets

Group	2026 Shared ownership £m	2026 Other £m	2026 Total £m	2025 Shared ownership £m	2025 Other £m	2025 Total £m
Disposal proceeds	59.5	279.8	339.3	66.2	48.6	114.8
Social housing grant	(1.4)	(4.4)	(5.8)	(5.1)	(2.9)	(8.0)
Carrying value of fixed assets	(35.0)	(234.7)	(269.7)	(38.9)	(17.7)	(56.6)
Selling costs	(0.5)	(6.4)	(6.9)	(0.3)	(4.0)	(4.3)
Year-end 31 March	**22.6**	**34.3**	**56.9**	**21.9**	**24.0**	**45.9**

NHG	2026 Shared ownership £m	2026 Other £m	2026 Total £m	2025 Shared ownership £m	2025 Other £m	2025 Total £m
Disposal proceeds	19.8	146.1	165.9	18.7	52.6	71.3
Social housing grant	(0.9)	(4.1)	(5.0)	(0.8)	(2.8)	(3.6)
Carrying value of fixed assets	(13.9)	(105.2)	(119.1)	(12.6)	(22.0)	(34.6)
Selling costs	(0.1)	(4.2)	(4.3)	(0.1)	(4.0)	(4.1)
Year-end 31 March	**4.9**	**32.6**	**37.5**	**5.2**	**23.8**	**29.0**

Note 5 - Interest receivable and similar income

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Bank deposits	3.0	5.0	1.5	1.9
Intercompany	-	-	55.6	51.5
Interest on financial assets held at amortised cost	**3.0**	**5.0**	**57.1**	**53.4**
Interest on financial assets held at fair value	3.0	6.7	3.0	6.7
	6.0	**11.7**	**60.1**	**60.1**

Note 6 - Interest payable and similar charges

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Other loans	166.3	169.8	155.8	157.9
Interest on financial liabilities held at amortised cost	**166.3**	**169.8**	**155.8**	**157.9**
Interest paid on financial liabilities held at fair value	4.1	3.4	4.2	3.2
	170.4	**173.2**	**160.0**	**161.1**
Less: interest capitalised on properties in the course of development	(24.9)	(25.9)	(1.1)	(2.6)
	145.5	**147.3**	**158.9**	**158.5**
Interest is capitalised at	4.36%	4.36%	4.79%	4.62%

Note 7 - Surplus on ordinary activities before taxation

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Surplus on ordinary activities before taxation is stated after charging/(crediting):				
Depreciation on housing properties	66.9	67.3	63.5	63.7
Depreciation on other fixed assets	1.9	2.7	1.9	2.7
Amortisation of intangible assets	5.8	4.5	5.7	4.4
Rent on temporary housing leases (less than 28 days)	38.8	40.9	38.8	40.9
Impairment & write down of inventories*	82.6	19.1	53.7	13.0
Auditors' remuneration				
Audit services (excluding VAT)	700.0	615.3	375.5	329.8
Non-audit services (including VAT)	-	-	-	-

* 2025 information relates only to impairment on housing properties

Note 8 - Taxation

	Group		NHG	
Total tax reconciliation	2026 £m	2025 £m	2026 £m	2025 £m
(Deficit)/ Surplus on ordinary activities before tax	**(284.6)**	**(129.5)**	**(119.8)**	**(59.8)**
Theoretical tax at UK corporation tax rate 25% (2023: 19%)	(71.2)	(32.4)	(30.0)	(14.9)
Charitable activities	15.7	(17.9)	30.0	14.9
Expenses not deductible for tax purposes	8.6	1.2	-	-
Capital allowance	(0.3)	(0.3)	-	-
Fair value movement adjustment	38.2	-	-	-
Fair value movement on property	-	8.8	-	-
Fair value movement on investment	-	25.9	-	-
Overseas tax rates	-	(0.1)	-	-
Loss on Disposal of Fixed Assets	1.4	-	-	-
Group relief surrendered/(claimed)	(9.1)	-	-	-
Chargeable gains/(losses)	-	7.9	-	-
Deferred tax not recognised	15.5	2.7	-	-
Reduction in losses brought forward	(0.1)	(1.3)	-	-
Joint venture losses	1.2	(2.5)	-	-
Other tax adjustments	(13.1)	-	-	-
Adjustment to tax charge in respect of previous periods	(0.2)	0.5	-	-
Total Tax charge	**(13.4)**	**(7.5)**	**-**	**-**

	Group		NHG	
Deferred tax	2026 £m	2025 £m	2026 £m	2025 £m
Balance at 1 April	67.8	75.8	-	-
Deferred tax charge in the statement of comprehensive income	(6.1)	(8.5)	-	-
Deferred tax released on sale	(7.3)	-	-	-
Deferred tax charged to cash flow hedge reserve	-	0.5	-	-
Balance at 31 March	**54.4**	**67.8**	**-**	**-**

Note 9 - Housing properties

On transition to FRS102, the group took the option of carrying out a one-off valuation on the majority of its housing properties and using that amount as deemed cost. To determine the deemed cost at 1 April 2014, the group engaged Jones Lang LaSalle (JLL) to value housing properties on an EUV-SH basis. Housing properties are subsequently to be measured at cost.

Group	Completed properties held for letting £m	Letting properties in the course of development £m	Completed shared ownership properties £m	Shared ownership properties in the course of development £m	Total £m
At 1 April 2025	**6,136.0**	**294.5**	**1,206.4**	**155.5**	**7,792.4**
Reclassification	**-**	**-**	**-**	**-**	**-**
Revised balance at 1 April 2025	**6,136.0**	**294.5**	**1,206.4**	**155.5**	**7,792.4**
Additions	0.1	117.5	0.6	79.6	197.8
Works to existing properties	59.2	-	-	-	59.2
Properties completed	70.5	(70.5)	119.2	(119.2)	-
Transfers*	(23.9)	17.2	(7.3)	30.2	16.2
Disposals	(108.7)	(0.2)	(59.5)	-	(168.4)
At 31 March 2026	**6,133.2**	**358.5**	**1,259.4**	**146.1**	**7,897.2**
Depreciation					
At 1 April 2025	**(646.2)**	**-**	**(8.2)**	**-**	**(654.4)**
Charge for the year	(66.9)	-	-	-	(66.9)
Transfers	0.4	-	-	-	0.4
Disposals	23.7	-	0.6	-	24.3
At 31 March 2026	**(689.0)**	**-**	**(7.6)**	**-**	**(696.6)**
Impairment					
At 1 April 2025	**(25.6)**	**-**	**(10.5)**	**(6.1)**	**(42.2)**
Reclassification	-	-	-	-	-
Charge for the year	(36.4)	(0.8)	(18.9)	(0.2)	(56.3)
Transfer	0.6	-	0.5	-	1.1
Disposals	6.2	-	0.5	-	6.7
At 31 March 2026	**(55.2)**	**(0.8)**	**(28.4)**	**(6.3)**	**(90.7)**
Net book value					
At 31 March 2026	**5,389.0**	**357.7**	**1,223.4**	**139.8**	**7,109.9**
At 31 March 2025	**5,464.2**	**294.5**	**1,187.7**	**149.4**	**7,095.8**
Historical cost at 31 March 2026	5,678.8	358.4	1,202.3	147.1	7,386.6
Historical cost at 31 March 2025	5,658.7	294.4	1,137.5	155.5	7,246.1

* The transfers in the note represent transfers between completed units, work in progress and stock.

Note 9 - Housing properties (continued)

NHG	Completed properties £m	Housing properties in the course of development £m	Completed shared ownership properties £m	Shared ownership properties in the course of development £m	Total £m
At 1 April 2025	**5,669.0**	**155.4**	**445.7**	**0.1**	**6,270.2**
Opening balance restatement	**0.5**				**0.5**
Reclassification	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Revised balance at 1 April 2025	5,669.5	155.4	445.7	-	6,270.6
Additions	0.1	83.0	-	-	83.1
Works to existing properties	57.8	-	-	-	57.8
Properties completed	63.6	(63.6)	-	-	-
Disposals	(109.2)	(0.2)	(20.6)	-	(130.0)
Transfers*	(19.7)	15.6	(0.2)	-	(4.3)
At 31 March 2026	**5,662.1**	**190.2**	**424.9**	**-**	**6,277.2**
Depreciation					
At 1 April 2025	**(627.3)**	**-**	**(0.1)**	**-**	**(627.4)**
Charge for the year	(63.5)	-	-	-	(63.5)
Transfers	-	-	-	-	-
Disposals	23.9	-	-	-	23.9
At 31 March 2026	**(666.9)**	**-**	**(0.1)**	**-**	**(667.0)**
Impairment					
At 1 April 2025	(19.4)	-	(10.5)	-	(29.9)
Reclassification	-	-	-	-	-
Charge for the year	(36.4)	(0.8)	(3.1)	-	(40.3)
Transfers	0.6	-	-	-	0.6
Disposals	6.6	-	0.4	-	7.0
At 31 March 2026	**(48.6)**	**(0.8)**	**(13.2)**	**-**	**(62.6)**
Net book value					
At 31 March 2026	**4,946.6**	**189.4**	**411.6**	**-**	**5,547.6**
At 31 March 2025	**5,022.3**	**155.4**	**435.1**	**0.1**	**5,612.9**
Historical cost at 31 March 2026	5,223.0	190.3	404.0	0.0	5,817.3
Historical cost at 31 March 2025	5,203.8	155.5	422.7	0.0	5,782.0

* The transfers in the note represent transfers between completed units, work in progress and stock.

Note 9 - Housing properties (continued)

Housing properties comprise:	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Freeholds	6,101.1	6,156.0	4,267.4	4,302.1
Long leaseholds	992.4	920.5	1,258.5	1,286.5
Short leaseholds	16.8	19.3	21.7	24.3
	7,110.3	**7,095.8**	**5,547.6**	**5,612.9**

Additions to properties include:	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Capitalised interest	24.9	26.0	1.1	2.6
Capitalised development salaries and overheads	6.6	9.1	1.7	3.2

Expenditure on works to existing properties	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Amounts capitalised	59.2	59.1	57.8	57.3
Amounts charged to income and expenditure account	99.0	31.8	80.6	37.0
	158.2	**90.9**	**138.4**	**94.3**

Note 10 - Investment properties

The market rent properties were valued at 31 March 2026 by Jones Lang LaSalle. The properties were valued at open market value basis subject to tenancies. The properties were valued on a discounted cashflow basis over a 10-year holding period, with a reversion in the final year to net income capitalised into perpetuity by an exit yield between 4.25% and 5.25% dependent on the scheme. The discount rate used is between 6.50% and 7.75%.

The financial statements include commercial properties at open market value with vacant possession. The valuation has been compiled for internal accounts purposes and complies with VPGA1 valuation for inclusion in financial statements. RICS Valuation – Global Standards 2017. These were valued by Newsteer Real Estate Advisers and Jones Lang LaSalle. All valuers are members of the Royal Institution of Chartered Surveyors at 31 March 2026. The fair value movement on the Statement of Comprehensive Income was a loss of £112.4m (2025: £119.2m).

Market conditions

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.

In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only.

Group	Completed market rent properties £m	Market rent properties in the course of development £m	Sub total £m	Completed commercial properties £m	Commercial properties in the course of development £m	Sub total £m	Total £m
Valuation 1 April 2025	**969.0**	**54.1**	**1,023.1**	**63.2**	**0.4**	**63.6**	**1,086.7**
Additions	0.1	33.7	33.8	-	1.4	1.4	35.2
Completed properties	-	-	-	1.4	(1.4)	-	-
Transfer to/from stock	-	-	-	(2.6)	1.0	(1.6)	(1.6)
Disposals	(128.6)	-	(128.6)	(8.9)	-	(8.9)	(137.5)
Revaluation of properties	(113.1)	(20.3)	(133.4)	0.7	-	0.7	(132.7)
At 31 March 2026	**727.4**	**67.5**	**794.9**	**53.8**	**1.4**	**55.2**	**850.1**

NHG	Completed market rent properties £m	Market rent properties in the course of development £m	Sub total £m	Completed commercial properties £m	Commercial properties in the course of development £m	Sub total £m	Total £m
Valuation 1 April 2025	**261.9**	**0.2**	**262.1**	**40.0**	**-**	**40.0**	**302.1**
Additions	-	1.3	1.3	-	-	-	1.3
Completed properties	-	-	-	-	-	-	-
Transfer to stock	-	-	-	(2.6)	-	(2.6)	(2.6)
Disposals	(16.9)	-	(16.9)	(9.0)	-	(9.0)	(25.9)
Revaluation of properties	(51.2)	-	(51.2)	0.8	-	0.8	(50.4)
At 31 March 2026	**193.8**	**1.5**	**195.3**	**29.2**	**-**	**29.2**	**224.5**

Note 11 - Total Other Fixed Assets

Group	Intangible assets £m	Other land and buildings £m	Other tangible fixed assets £m	Total other fixed assets £m
Cost				
At 1 April 2025	55.4	53.6	41.4	95.0
Additions	3.0	2.8	-	2.8
Disposals	(12.5)	(1.5)	-	(1.5)
Reclassification	-	-	-	-
At 31 Mar 2026	**45.9**	**54.9**	**41.4**	**96.3**
Accumulated depreciation				
At 1 April 2025	32.7	23.5	38.3	61.8
Charge for the year	5.8	0.6	1.3	1.9
Reclassification	-	-	-	-
Disposals	(1.1)	(0.4)	-	(0.4)
At 31 Mar 2026	**37.4**	**23.7**	**39.6**	**63.3**
Net book value				
At 31 Mar 2026	**8.5**	**31.2**	**1.8**	**33.0**
At 31 March 2025	22.7	30.1	3.1	33.2

NHG	Intangible assets £m	Other land and buildings £m	Other tangible fixed assets £m	Total other fixed assets £m
Cost				
At 1 April 2025	53.6	52.7	40.1	92.8
Additions	2.9	2.8	-	2.8
Disposals	(12.5)	(1.5)	-	(1.5)
Reclassification	-	-	-	-
At 31 March 2026	**44.0**	**54.0**	**40.1**	**94.1**
Accumulated depreciation				
At 1 April 2025	31.0	23.3	37.1	60.4
Charge for the year	5.7	0.6	1.3	1.9
Reclassification	-	-	-	-
Disposals	(1.1)	(0.4)	-	(0.4)
At 31 March 2026	**35.6**	**23.5**	**38.4**	**61.9**
Net book value				
At 31 March 2026	**8.4**	**30.5**	**1.7**	**32.2**
At 31 March 2025	22.6	29.4	3.0	32.4

Group - other land and building	2026 Total £m	2025 Total £m
Freehold	30.4	29.4
Short leasehold	0.7	0.7
Total	**31.1**	**30.1**

NHG - other land and building	2026 Total £m	2025 Total £m
Freehold	30.4	29.4
Short leasehold	-	-
Total	**30.4**	**29.4**

Note 12 - Investment in homebuy

Group	Homebuy loans to customers £m
At 1 April 2025	22.4
Paid in year	(1.0)
Written off in the year	-
At 31 March 2026	**21.4**

Note 13 - Number of dwellings under development and in management

	Group		NHG	
	2026 No.	2025 No.	2026 No.	2025 No.
In the development programme				
Commercial property	31	30	-	1
General needs housing	1,683	1,693	1,683	1,693
Shared ownership housing	1,637	1,792	204	3
Outright sales	1,344	1,427	1	11
Market rent	479	479	-	-
Intermediate market rent	881	881	42	-
	6,055	**6,302**	**1,930**	**1,708**
Rented social housing includes affordable housing units	27	38	27	38
The development programme includes homes on site	2,588	3,208	829	875

Note 13 - Number of dwellings under development and in management (continued)

Group	At 1 April 2025 Reclassification	Units developed	Units sold	Other	At 31 March 2026
In management at the end of the year					
General needs housing	35,076	244	(141)	(600)	34,579
Keyworker accommodation	1,084	-	-	-	1,084
Shared ownership housing	8,446	455	(2)	(902)	7,997
Temporary housing	2,640	32	(251)	(16)	2,405
Non-social affordable rent	952	-	(4)	-	948
Market rent accommodation	3,441	-	(403)	3	3,041
Student accommodation	839	-	-	-	839
Supported housing and housing for older people	3,101	96	(17)	(59)	3,121
Leasehold in management	10,436	4	(2)	293	10,731
	66,015	**831**	**(820)**	**(1,281)**	**64,745**
Rented social housing includes affordable housing units	5,585	135	(9)	(12)	5,699
Owned but not managed					
General needs rented housing	326	-	(6)	(7)	313
Supported housing and housing for older people	1,118	-	(7)	6	1,117
Leasehold in management	232	-	-	149	381
Market rent accommodation	-	-	-	-	-
Shared ownership housing	340	40	-	(133)	247
Temporary housing	1	-	-	(1)	-
	2,017	**40**	**(13)**	**14**	**2,058**
Total	**68,032**	**871**	**(833)**	**(1,267)**	**66,803**

NHG	At 1 April 2025	Units developed	Units sold	Other	At 31 March 2026
In management at the end of the year					
General needs housing	34,924	244	(140)	(540)	34,488
Keyworker accommodation	1,084	-	-	-	1,084
Shared ownership housing	3,382	-	-	(563)	2,819
Temporary housing	2,640	32	(251)	(16)	2,405
Non-social affordable rent	952	-	(4)	-	948
Market rent accommodation	3,441	-	(403)	3	3,041
Student accommodation	-	-	-	-	-
Supported housing and housing for older people	3,100	96	(17)	(68)	3,111
Leasehold in management	4,957	-	-	480	5,437
	54,480	**372**	**(815)**	**(704)**	**53,333**
Rented social housing includes affordable housing units	5,575	135	(8)	(12)	5,690
Owned but not managed					
General needs rented housing	321	-	(6)	(7)	308
Supported housing and housing for older people	1,118	-	(7)	6	1,117
Leasehold in management	18	-	-	150	168
Market rent accommodation	-	-	-	-	-
Shared ownership housing	149	-	-	(128)	21
Temporary housing	1	-	-	(1)	-
	1,607	**-**	**(13)**	**20**	**1,614**
Total	**56,087**	**372**	**(828)**	**(684)**	**54,947**

Note 14 - Investments

NHG	2026 £m	2025 £m
Cost		
At 1 April 2024	545.8	534.1
Additions	12.5	11.7
At 31 March	**558.3**	**545.8**
Impairment		
At 1 April	-	-
Provision for impairment	(14.9)	-
At 31 March	(14.9)	-
Net book value		
At 31 March	**543.4**	**545.8**

As required by statute, the financial statements consolidate the results of NHG and its subsidiaries at 31 March 2026 (see note 33). NHG has the right to appoint members to the boards of all of its subsidiaries, thereby exercising control.

Note 15 - Properties in the course of sale

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Properties under construction				
First-tranche	57.8	71.9	18.8	8.7
Outright sales	46.5	79.1	9.1	5.4
Completed properties				
First-tranche	55.0	26.6	0.7	0.6
Outright sales	13.0	4.8	0.8	0.5
Landbank				
Landbank	146.9	164.5	16.5	18.0
	319.2	**346.9**	**45.9**	**33.2**

Note 16 - Debtors falling due within one year

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Rental debtors	78.7	58.4	66.0	49.3
Less provision	(40.1)	(35.0)	(33.6)	(30.5)
	38.6	**23.4**	**32.4**	**18.8**
Trade debtors	3.1	5.6	2.3	2.9
Social Housing grant receivable	-	-	-	-
Other government grant	12.9	4.9	12.0	5.4
Amounts receivable from local authorities	2.6	1.0	1.3	0.9
Amounts owed by subsidiary undertakings	-	-	175.9	243.0
Value added tax receivable	2.0	0.1	-	-
Other debtors	56.5	46.4	48.9	31.6
Prepayments and accrued income	12.8	15.8	11.2	14.3
Intercompany short-term investments	-	-	335.7	391.4
	128.5	**97.2**	**619.7**	**708.3**

Note 17 - Debtors due after more than one year

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Other long term debtors	8.8	8.4	7.2	7.3
Derivative instrument asset	14.4	13.4	14.5	14.3
Intercompany long-term loans	-	-	607.6	420.6
	23.2	**21.8**	**629.3**	**442.2**

Note 18 - Current asset investments

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Short-term deposit	71.9	80.4	18.6	21.2
	71.9	**80.4**	**18.6**	**21.2**

Short-term deposits relate to restricted cash. They include bank balances charged to lenders, sinking fund bank balances held on behalf of leaseholders, bank balances held on behalf of residents, bank balances held by insurance protective cell and bank balances held on behalf of charitable funds.

Note 19 - Creditors: amounts falling due within one year

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Housing loans (note 21)	49.4	48.1	38.7	38.5
Trade creditors	15.3	11.3	11.6	6.6
Amounts owed to group undertakings	-	-	231.1	185.3
Other taxes and social security	2.6	2.2	2.2	2.5
Recycled capital grant fund	10.0	16.2	4.2	8.3
Deferred government grant	10.5	13.5	9.8	9.5
Other creditors	105.8	90.8	57.7	46.7
Accruals and deferred income	229.2	188.0	179.2	145.0
	422.8	**370.1**	**534.5**	**442.4**

Note 20 - Creditors: amounts falling due after more than one year

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Housing loans (note 21)	3,495.2	3,586.7	3,018.7	3,099.4
Recycled capital grant fund	27.8	24.0	14.2	10.6
Deferred government grant	1,138.7	1,125.8	1,039.1	1,033.2
Heat network efficiency grant	10.9	8.6	5.8	4.0
Homebuy grant	21.4	22.3	-	-
Other long-term creditors	0.1	1.4	-	0.1
Local authority grant	0.8	0.8	5.9	5.3
	4,694.9	**4,769.6**	**4,083.7**	**4,152.6**

Deferred government grant

	Group	NHG
	£m	£m
Gross value		
Opening balance at 1 April 2025	2,694.2	2,471.3
Reclassification	(3.7)	(2.6)
Grants received during the year	25.2	13.4
Transferred from other registered provider	1.5	-
Transferred to other registered provider	(37.5)	(30.6)
Transferred from recycled capital grant	16.5	16.5
Transferred to recycled capital grant	(11.5)	(6.8)
Paid to Greater London Authority	(4.6)	(0.9)
Total SHG before amortisation at 31 March 2026	**2,680.1**	**2,460.3**
Amortisation (contingent grant)		
Opening balance at April 2025	(1,554.9)	(1,428.6)
Reclassification	10.1	8.6
Amortisation in the year	(9.3)	(8.9)
Disposal (transfer to cost of sales)	5.9	5.9
Disposal (transfer to revenue)	0.3	-
Transfer to another RP	18.5	11.6
Transfer from another RP	(1.5)	-
Accumulated amortised SHG at 31 March 2026	**(1,530.9)**	**(1,411.4)**
SHG net of amortisation at 31 March 2026	**1,149.2**	**1,048.9**

Recycled capital grant fund

	Group Total £m	NHG Total £m
At 1 April 2025	40.1	18.8
grants recycled	11.4	6.7
Interest accrued	1.7	0.8
Used to finance new provision	(16.4)	(16.4)
Homebuy redemption	1.0	-
Transferred from other group members	-	8.4
At 31 March 2026	**37.8**	**18.3**

At the end of 31 March 2026, £nil (2025: £nil) of grants were due for repayment to the Greater London Authority.

Homebuy

	Group 2026
	Homebuy grants £m
At 1 April 2025	(22.4)
Repaid in the year	1.0
Written back in year	-
At 31 March 2026	**(21.4)**

Note 21 - Loans

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Secured loans and overdrafts	979.0	1,318.0	769.0	1,097.8
Unsecured loans and overdrafts	28.0	27.9	-	-
Public bonds	2,537.6	2,288.9	2,288.4	2,040.1
Housing loans	**3,544.6**	**3,634.8**	**3,057.4**	**3,137.9**

Analysis of loan repayments	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Repayable on maturity				
- within one year or on demand	2.4	7.4	2.7	7.8
- between one and two years	280.8	2.4	2.9	2.8
- within two and five years	371.1	933.4	370.6	655.3
- in five years or more	2,182.0	1,937.7	1,930.3	1,685.6
Repayable by annual instalments				
- within one year or on demand	47.0	40.7	36.0	30.7
- between one and two years	50.4	53.0	38.5	42.0
- within two and five years	198.9	215.5	156.4	176.6
- in five years or more	412.0	444.7	520.0	537.1
	3,544.6	**3,634.8**	**3,057.4**	**3,137.9**

Public bonds

Folio Residential Finance No 1 plc (FRFN1), is a Special Purpose Entity (SPE) as defined in FRS102 and, as members of the NHG group have the rights to obtain the benefits of the SPE, that is, the proceeds of the debt issued by the company, it is deemed, for the purposes of FRS102, to be controlled by the group. Therefore, the SPE's results are consolidated with the results of NHG group.

As at 31 March 2026, the group has eight public bonds in issue:

Amount £m	Year due	Interest rate %	
250	2029	2.875	secured
350	2032	3.750	secured
250	2039	6.064	secured
300	2042	5.250	secured
400	2048	3.250	secured
250	2054	4.375	secured
250	2036	2.000	secured
250	2027	1.246	secured
250	2035	6.000	secured

On 1 April 2025, Notting Hill Genesis issued a £250m 10 year bond at a coupon of 6.000%

Loans

The group's financing facilities includes a mixture of term and revolving facility loans with the longest maturity out to 2056. Secured loan facilities are secured on property assets by a first secured charge. On undrawn revolving facilities, commitment fees are payable.

The group has unsecured funding of ¥5bn (2025: ¥5bn) which has been hedged into £28m (2025: £28m) by a currency swap, to finance housing development subsidiary. The fixed rate coupon is 2.975% and there are three years remaining to maturity.

Secured public bonds and secured loans are secured by fixed charges on individual properties. Group housing properties with a net book value of £3,962.0m were pledged as security for borrowings at 31 March 2026. These charged properties comprised 34,921 units. The latest independent valuations indicate an estimated Market Value Subject to Tenancy (MV-T) of £8,275.3m. NHG housing properties with a net book value of £3,454.7m were pledged as security for borrowings at 31 March 2026. These charged properties comprised 31,028 units. The latest independent valuations indicate an estimated Market Value Subject to Tenancy (MV-T) of £8,271.6m. (2025: group 34,844 and NHG 30,559). The group has pledged as collateral against potential liabilities on free standing derivatives 1,319 properties with a value on a MV-T basis of £400.6m (2025: 1,320 properties with a value of £400.6m) and for NHG 1,319 properties with a value on a MV-T basis of £400.6m (2025: 1,320 properties and a value of £400.6m). The rate of interest on loans ranges from 1.246% to 10.700%.

At 31 March 2026 the group had undrawn loan facilities of £835.0m (2025: £550.0m). The group loan balance of £3,544.6m (2025: £3,634.8m) has been netted off by loan arrangement fees of £16.7m and receipts of £5.3m loan premium which are written off over the term of each loan. The NHG loan amount of £3,057.4m (2025: £3,137.9m) has been netted off by loan arrangement fees of £14.8m and receipts of £5.3m loan premium which are written off over the term of each loan. As at the year end, £585.2m (2025: £602m) of the group's variable debt had its interest rate hedged by stand-

Note 21 - Loans (continued)

alone interest rate swaps. As at the year end £42.0m (2025: £42.0m) of the group's fixed debt had its interest rate hedged by stand-alone swaps. As at the year end, ¥5bn (2025: ¥5bn) of the group's debt has been hedged into £28m (2025: £28m) by a currency swap.

Note 5 has an analysis of the anticipated contractual cash flows including interest payable for the group's financial liabilities on an undiscounted basis. Interest is calculated on drawn debt held as at 31 March 2025. As at 31 March 2025, the group is exposed to risks arising from interest rate benchmark using Sterling Overnight Interbank Average Rate (SONIA). The group has applied the amendments to FRS 102: interest rate benchmark reform (phase 1 and phase 2). Applying the practical expedient introduced by the amendments, when the benchmark affecting the group's loans are replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loan's benchmark interest rate will not result in an immediate gain or loss recorded in the profit or loss, which may have been required if the practical expedient was not available or adopted. As at 31 March 2025, all of the group's bank loans had transition to alternative interest rate benchmarks.

Note 22 - Provisions for liabilities and charges

Group	Short-term leases total £m	Resident provisions £m	Major works obligation provision £m	London Living Wage and welfare provision £m	Total £m
At 1 April 2025	1.1	4.4	77.1	0.2	82.8
Additional provisions	-	13.5	69.3	1.3	84.1
Payments made during year	-	(0.3)	(5.8)	-	(6.1)
Release of provision	-	(0.3)	(10.6)	-	(10.9)
At 31 March 2026	**1.1**	**17.3**	**130.0**	**1.5**	**149.9**

NHG	Short-term leases total £m	Resident provisions £m	Major works obligation provision £m	London Living Wage and welfare provision £m	Total £m
At 1 April 2025	1.0	3.8	92.7	0.2	97.7
Additional provisions	-	11.1	56.2	1.3	68.6
Payments made during year	-	(0.3)	(4.1)	-	(4.4)
Release of provision	-	(0.3)	(10.6)	-	(10.9)
At 31 March 2026	**1.0**	**14.3**	**134.2**	**1.5**	**151.0**

We continue to face building defect challenges in the estate, which leads to disruption and inconvenience for the residents. As a result, we continue to assess and set aside a provision to compensate the residents. During the year £0.3m (2025: £0.8m) was paid to residents.

A provision for major works obligations in respect of works in relation to fire safety and other major works has been identified as either legally required or for which the group has a constructive obligation. The provision is calculated using a best estimate derived from detailed cost break-downs, having completed a fire risk assessment. Also, in NHG £24.0m (2025: £24.0m) of fire remediation works was set aside in respect of Paragon. In the group, this amount is included in impairment of housing asset and it was set aside in 2023.

Analysis of Building Safety	2023 £m	2024 £m	2025 £m	2026 £m	TOTAL £m
Revenue expenditure / provisions	12.6	92.5	29.0	59.9	194.0
Capital expenditure	5.7	5.7	5.8	5.9	23.1
Total gross expenditure	**18.3**	**98.2**	**34.8**	**65.8**	**217.1**
Recoveries	(4.4)	(22.0)	(16.3)	(31.1)	(73.8)
Net expenditure	**13.9**	**76.2**	**18.5**	**34.7**	**143.3**

Note 23 - Called-up share capital

	2026 £	2025 £
At 1 April	97	97
Issued during the year	2	3
Redeemed during year	(33)	(3)
At 31 March	**66**	**97**

The shares are non-transferable and do not carry a right to interest or dividends and are cancelled on death or withdrawal from NHG. The shares do not have any redemption value, and on cancellation the amount paid becomes the property of NHG.

Note 24 - Reserves

General reserves reflects accumulated surpluses for the group which can be applied at its discretion for any purpose.

The revaluation reserve relates to the transition to deemed cost for housing properties (see note 9).

The cash flow hedge reserve is used to record transactions arising from the group's cash flow hedging arrangements.

Note 25 - Reconciliation of operating surplus to net cash inflow from operating activities

Group	2026 £m	2025 £m
Operating (deficit)/surplus	(146.9)	5.5
Surplus on sale of properties	(56.9)	(45.9)
Fair value losses on investment	112.4	119.2
Fair value losses on financial instruments	(1.8)	(0.6)
Depreciation	68.6	79.5
Impairment charge	49.5	42.2
Amortisation of loan set-up costs	1.1	1.1
Amortisation of intangible assets	5.8	4.5
Amortisation of social housing grant	(9.3)	(9.4)
Other assets amounts written off	12.6	0.3
Joint venture surplus/(deficit)	2.0	(1.9)
(Increase)/decrease in properties and other assets in the course of sale	11.9	(19.6)
Increase in debtors	(29.1)	71.4
Increase in creditors	125.5	27.2
Net cash inflow from operating activities at 31 March	**145.4**	**273.5**

Note 26 - Reconciliation of net cash flow to movement in net debt

Group	2026 £m	2025 £m
Decrease in cash	1.3	59.1
Cash flow from increase/ (decrease) in debt and lease finance	(89.5)	49.2
Non cashflow changes	(2.8)	(10.7)
Total changes in net debt for the year	**(91.0)**	**97.6**
Net debt at 1 April	3,615.5	3,519.3
Net debt at 31 March	**3,524.5**	**3,616.9**

Note 27 - Analysis of debt

	1 April 2025 £m	Cash flow £m	Non cash £m	31 March 2026 £m
Cash at bank and in hand	36.1	(1.3)	-	34.8
Loans				
Short-term loans	(48.1)	-	(1.3)	(49.4)
Long-term loans	(3,586.7)	91.5	-	(3,495.2)
Interest rate swap liability	(30.2)	-	1.1	(29.1)
Interest rate swap asset	13.4	-	1.0	14.4
Changes in net debt	**(3,615.5)**	**90.2**	**0.8**	**(3,524.5)**

Note 28 - Pension obligations

The group's employees and past employees are active members, deferred members or pensioners of four pension schemes operated by the group. These include the Notting Hill Genesis 2023 Pension Scheme (NHG 2023 PS), the Notting Hill Genesis Pension Scheme (NHGPS), the PCHA 2001 scheme, the LPFA scheme (collectively, the "plans"). All the plans are closed to new entrants. Further information on the plans is provided below

NHG 2023 PS

NHG 2023 PS is a defined benefit scheme transferred from the multi-employer scheme in November 2023. This scheme is closed to future accrual. There is a separate trustee administered fund holding the pension scheme assets to meet long-term liabilities. A full actuarial valuation is carried out on a periodic basis by a qualified actuary, independent of the scheme's sponsoring employer.

NHGPS and PCHA schemes

The NHGPS and PCHA schemes are defined benefit schemes operating in the UK. These schemes are closed to future accrual. There is a separate trustee-administered fund holding the pension scheme assets to meet long-term liabilities. A full actuarial valuation is carried out on a periodic basis by a qualified actuary, independent of the scheme's sponsoring employer. The group has agreed to pay the scheme expenses and pension protection fund (PPF) levies separately.

Name of pension scheme	Date of last full actuarial valuation	Deficit in valuation £m	Agreed deficit contributions per annum (year to 31 March 2025) £m	Period of commitment for contributions
NHG 2023 PS	30 September 2024	15.3	5.2 (increasing at the rate of 5.5% pa)	Until 31 March 2029
NHGPS	30 September 2024	-	- (increasing at the rate of 3% pa)	
PCHA	30 September 2024	-	-	
Total		**15.3**	**5.2**	

Note 28 - Pension obligations (continued)

Further disclosures on the plans

As permitted by section 28 of FRS 102, the group has aggregated the financial information in respect of the defined benefit schemes (the "plans") in which it participates for presentation purposes:

Pension scheme liabilities recognised in the statement of financial position

Pension obligations recognised as defined benefit schemes	2026 £m	2025 £m
Notting Hill Genesis 2023	15.3	20.7
Notting Hill Genesis	-	-
PCHA 2001	-	-
	15.3	**20.7**

The Pensions Trust (TPT) advised us that due to uncertainty about the benefits that have been paid to members of SHPS, the trustees have received legal advice that it should ask the court to provide clarity. If the court case goes against TPT, there will be a potential additional liability at an estimated 4.0% of total liabilities. Therefore, in the case of NHG this is estimated at £6.5m.

Principal actuarial assumptions at the financial position date (expressed as a range)	2026	2025
Discount rate	6.03-6.16%	5.70-5.85%
Inflation (RPI)	3.26-3.34%	2.78-3.30%
Inflation (CPI)	2.82-3.02%	2.76-2.95%
Salary growth	2.95-3.02%	2.00-3.95%
Allowance of commutation of pension for cash at retirement	75% of max	75% of max

The mortality assumptions applied at 31 March 2026 imply the following life expectancies	Life expectancy at age 65 (years)
Male retiring in 2025	22.0-22.5
Female retiring in 2025	24.0-24.6
Male retiring in 2045	23.5-24.1
Female retiring in 2045	25.5-26.0

Amounts recognised in the income statement	2026 £m	2025 £m
Net interest on defined benefit liability	1.0	0.9
Expenses paid	0.5	0.5
Total expenses	**1.5**	**1.4**

Amounts recognised in other comprehensive income	2026 £m	2025 £m
Actual return on the assets held in the plans	(2.0)	(21.5)
Return on assets included in net interest	-	-
Asset gain	**(2.0)**	**(21.5)**
Effects on changes in assumptions underlying the present value of the plans' liabilities	3.9	24.8
Effects of change in amount of surplus that is not recoverable	(1.6)	(0.4)
Effects of changes in demographic changes	-	(4.0)
Experiences gains arising on the plans' liabilities	(0.5)	(2.5)
Actuarial (loss) recognised	**(0.2)**	**(3.6)**

Statement of financial position	Group and NHG 2026 £m	2025 £m
Fair value of the plans' assets	170.3	177.6
Effect of asset ceiling	(3.1)	(5.9)
Pension exit costs	-	-
Present value of funded retirement benefit obligations	(182.5)	(192.4)
Net liability	**(15.3)**	**(20.7)**

Reconciliation of movements on the defined benefit obligation	2026 £m	2025 £m
Defined benefit obligation at the start of the period	**192.4**	**213.1**
Adjust for pension scheme exit	(8.2)	(3.8)
Adjustment for asset ceiling in opening obligation	(1.2)	(1.4)
Interest cost	10.4	10.0
Actuarial (gains)/losses due to scheme experience	0.5	2.5
Actuarial (gains)/losses due to changes in demographic assumptions	(0.2)	4.0
Actuarial (gains)/losses due to changes in financial assumptions	(3.7)	(24.8)
Experience loss/gain on defined benefit obligation	-	-
Expenses	-	-
Effect of asset ceiling/unrecognised surplus	1.2	1.4
Benefits paid	(8.7)	(8.6)
Defined benefit obligation at the end of the period	**182.5**	**192.4**

The actuarial gain in PCHA 2001 (2025: PCHA 2001) plans have been excluded from the value of funded benefit obligations.

Reconciliation of movements on the fair value of the plans' assets	2026 £m	2025 £m
Fair value of the plans' assets at the start of the period	**177.6**	**192.5**
Adjust for pension scheme exit	(12.7)	(3.6)
Interest income	9.5	9.2
Expenses	(0.5)	(0.5)
Return on assets excluding interest income	(2.0)	(19.0)
Benefits paid	(8.7)	(8.6)
Contributions by employer	7.1	7.6
Fair value of the plans' assets at the end of the period	**170.3**	**177.6**

The fair values of each main class of assets held by the plans and the expected rates of return for the ensuing year are set out in the following table.

Categories of assets held by the plans are as follows:	2026 £m	2026 % Holding	2025 £m	2025 % Holding
Bonds	44.6	25%	36.5	21%
Equity	11.1	7%	18.2	10%
Property and infrastructure	4.5	3%	12.6	7%
Other	32.0	19%	27.8	16%
Cash	2.5	1%	2.8	2%
LDI	49.2	29%	50.5	28%
Private credit	10.2	6%	11.2	6%
Liquid alternatives	16.2	10%	18.0	10%
	170.3	**100%**	**177.6**	**100%**

Note 29 - Employee information

The number of full-time equivalent persons (including part-time staff) employed on a weekly average basis of a 35-hour week, 37.5-hour week or a 40-hour week depending on their respective contract for the whole year is shown below:

	Group and NHG	
	2026 No.	2025 No.
Staff engaged in managing or maintaining housing stock	910	883
Staff providing other housing services	239	234
Staff engaged in developing or selling housing stock	80	84
Staff providing central administration services	381	326
Staff providing care and support	39	40
Staff delivering other services	17	13
	1,666	**1,580**

Staff costs for the above persons	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Wages and salaries	81.8	77.9	73.5	71.6
Social security costs	10.8	8.4	9.7	7.7
Other pension costs (see note 28)	9.8	9.4	8.9	8.8
	102.4	**95.7**	**92.1**	**88.1**

Redundancy payments of £786,440 (2025: £2,910,040) were made during the year

Salary range	2026 £'000	2025 £'000
Lowest paid employee	27	25
Highest paid employee	322	316

Remuneration banding for employees earning over £60,000 is set out below.

	Group and NHG	
£'000	2026 No.	2025 No.
60-70	157	124
70-80	124	105
80-90	63	62
90-100	29	25
100-110	24	25
110-120	17	21
120-130	10	2
130-140	4	3
140-150	4	5
150-160	6	6
160-170	6	8
170-180	2	-
200-210	1	-
210-220	1	-
220-230	-	1
230-240	2	2
240-250	1	-
250-260	-	2
280-290	1	-
290-300	-	-
320-330	1	-
330-340	1	-
340-350	-	1
350-360	1	-

Note 30 - board and executive directors' emoluments

The payments to current non-executive board members represents 0.03% (2025: 0.03%) of turnover.

The remuneration of the members of the board, the committees and the executive directors was:	2026 £'000	2025 £'000
Fees for members of the board	212	207
Fees for committee members	39	42
Management services of executive directors (including pension contributions and benefits in kind)	1,941	1,787

Non-executive board member remuneration	2026 £'000	2025 £'000
Ian Ellis	18.4	38.0
Elaine Bucknor	-	8.0
Alexander Phillips	-	12.5
Fred Angole	20.0	20.0
Richard Powell	10.0	20.0
Claire Kober OBE	25.0	22.6
Ingrid Osborne	16.7	20.0
Courtney Greenslade (Huggins)	20.0	18.1
Emma-Louis Stewart	20.0	21.0
Leann Hearne	20.0	2.9
Will Sprunt	16.0	8.2
Swil Symmie	16.0	15.9
Brendan Sarsfield	19.7	-
Dave Sheridan	10.4	-

Executive board member remuneration Emoluments payable to executive board	Group 2026 £'000	Group 2025 £'000
(excluding pension contributions or cash in lieu payment thereof but including benefits in kind)	1,873	1,603
Pension contributions or cash in lieu payment thereof, in respect of services as directors	166	161
	2,039	**1,764**

The directors are defined as the Chief Executive and the Executive Group. The Chief Executive was also the highest paid director. The chief executive was not a member of the Notting Hill Genesis pension scheme arranged with Standard Life, but receives a 10% salary allowance.

Note 31 - Capital commitments

	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
Capital expenditure that has been contracted for but has not been provided for in the financial statements	231.0	556.4	98.3	139.2
Capital expenditure that has been authorised by the board but has not yet been contracted for:	126.3	42.1	119.7	42.1

Capital commitments will be funded by a combination of social housing grant of £170.7m, sales receipts of £354.7m and existing loan facilities of £48.9m

Note 32 - Operating leases

The payment which the group and NHG is committed to make in the next year under operating leases is as follows.

	2026 £m	2025 £m
Temporary housing leases less than one year	36.2	39.3

Other operating lease payments under non-cancellable operating leases for properties are set out below

	2026 £m	2025 £m
Not later than one year	7.4	7.1
Later than one year and not later than five years	31.9	30.6
Later than five years	180.8	187.3

The group's social housing properties are held under operating leases and are tenanted under cancellable operating lease conditions. Typical tenant break clauses exist requiring a notice period of a month. Rents fluctuate in accordance with the rent standard and are affected by the Welfare Reform and Work Act 2016. Shared ownership properties may be purchased (stair-cased by its leaseholder) at any time at the pro-rata market rate. Ongoing lease payments will be adjusted according to the share of ownership retained by the group. Certain properties are available to purchase via right to buy by the existing tenant.

Note 33 - Incorporation, subsidiaries and joint ventures

Notting Hill Genesis is incorporated in England under the Co-operative and Community Benefit Society Act 2014 and is required by statute to prepare group financial statements. NHG is a registered housing provider as defined by the Housing and Regeneration Act 2008 and is the ultimate parent.

NHG and its subsidiaries have throughout the year held balances with each other. These balances relate to normal trading transactions between each of the entities.

All shares held as investments are held as ordinary shares with the exception of shares held in:

- Notting Hill Commercial Properties Limited - ordinary shares, redeemable ordinary shares and redeemable preference
- Project Light Development 1 Limited - ordinary shares, ordinary-A and ordinary-B shares
- Project Light Development 2 Limited - ordinary shares and ordinary-A shares
- Notting Hill Developments Limited - ordinary and redeemable preference shares

Note 33 - Incorporation, subsidiaries and joint ventures (continued)

Company (subsidiaries)	Principal activity	Parent	Country of registration
Notting Hill Home Ownership Limited	Performs the activities of a registered housing association	NHG owns one of eight shares and controls the board. The remaining seven shares are held in trust for NHG.	England and Wales
Springboard 2 Housing Association Limited	Registered provider Manages shared ownership properties	NHG - 100% shares	England and Wales
Folio London Limited	Rents properties at market rent	NHG - 100% shares	England and Wales
GenFinance 2 plc	Incorporated for the £250 million bond issue	NHG - 100% shares	England and Wales
Notting Hill Community Housing Limited	Rents properties at sub-market prices	NHG - 100% shares	England and Wales
Notting Hill Commercial Properties Limited	Develops and lets commercial properties	NHG - 100% shares	England and Wales
Notting Hill Developments Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Folio Treasury Holdings Limited	Incorporated for bond issue	Folio London Limited - 100% shares	England and Wales
Folio Treasury Limited	Incorporated for bond issue	Folio Treasury Holdings Limited - 100% shares	England and Wales
Folio Buildings Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio Porter's Edge Limited	Rents properties at market rent	Project Light Market Rent Limited - 100% shares	England and Wales
Folio Bakersfield Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio City Park West Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio Fresh Wharf Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio New Garden Quarter Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio Oaklands Rise Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Folio New Hendon Village Limited	Rents properties at market rent	Folio Treasury Limited - 100% shares	England and Wales
Project Light Development 1 Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Development 2 Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Market Rent Limited	Rents properties at market rent	Project Light Development 1 Limited - 100% shares	England and Wales
Choices for Grahame Park Limited	Develops and sells properties	NHG - 100% shares	England and Wales
Canonbury Developments Limited	Develops and sells properties	Notting Hill Home Ownership Limited	England and Wales
Walworth Homes Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
TLD Kidbrooke LLP	To invest in the Kidbrooke scheme and provide business manager services to Kidbrooke LLP	Notting Hill Commercial Properties Limited - 99% control	England and Wales
Touareg Trust	Provides student accommodation	NHG is sole guarantee member and controls the board	England and Wales
Goat Wharf Limited	Develops and sells properties	Notting Hill Home Ownership Limited - 100% shares	England and Wales
Igloo Insurance Protected Captive Cell NOT6	Provides insurance services	NHG - 100% shares	Guernsey
Genesis Purchasing Limited	Procures contracting and consulting services on behalf of the group	NHG - 100% shares	England and Wales

Note 33 - Incorporation, subsidiaries and joint ventures (continued)

Company (subsidiaries)	Principal activity	Parent	Country of registration
Genesis Oaklands Limited	Develops and sells properties	NHG - 100% shares	England and Wales
GenInvest Limited	Develops and sells properties	NHG - 100% shares	England and Wales
Stoke Quay New Homes Limited	Develops and sells properties	NHG - 100% shares	England and Wales
Central Chelmsford Development Agency Limited	Develops and sells properties	NHG - 100% shares	England and Wales
GenFinance Limited	Responsible for managing loan facilities	NHG - 100% shares	England and Wales
Notting Hill Genesis Community Foundation Limited	A charity formed to run community and social regeneration projects	NHG - 100% shares	England and Wales
Presentation Market Rent Limited (dormant)	Rents properties at market rents (dormant)	NHG - 100% shares	England and Wales
European Urban St Pancras 2 Limited (dormant)	Develops and sells properties	NHG - 100% shares	England and Wales
Pathmeads Residential Limited (dormant)	Develops and sells properties	NHG - 100% shares	England and Wales

Folio Residential Finance No 1 plc is a special purpose entity (SPE) as defined in FRS102 and, as members of the NHG group have the rights to obtain the majority of the benefits of the SPE, that is, the proceeds of the debt issued by the company. It is deemed, for the purposes of FRS102, to be controlled by the group. The respective obligations are included in the consolidated financial statements of the group.

Notting Hill Home Ownership Limited has a joint venture investment in Triangle London Developments LLP, registered in England and Wales.

Notting Hill Commercial Properties Ltd also has a joint venture investment in Brenley Park LLP, Chobham Farm North LLP, Spray Street Quarter LLP, Armada 1 Development LLP, Gallions 2A Developments LLP, Gallions 2B Development LLP, Kidbrooke Partnership LLP and Rainham and Beam Park Regeneration LLP. During the year, it exited its investment in Rainham and Beam Park Regeneration LLP.

Notting Hill Developments Limited holds a joint venture interest in Spray Street Quarter LLP, in partnership with Notting Hill Commercial Properties Ltd.

The group's investment in joint venture projects amounted to £10.6m (2025: £13.2m). Details of these investments are shown on page 105.

The group owns 19% of the voting rights of an associate, LINQ Housing plc. It also owns 63.17% of economic shares. On 31 March 2026 the investment amounted to £9.2m (2025: £9.2m).

Joint venture and associate income is shown as follows:

	Group		NHG	
	2026	2025	2026	2025
Fair value increase in LINQ Housing plc	-	-	-	-
Joint venture income	(2.0)	1.9	-	-
	(2.0)	**1.9**	-	**-**

Joint ventures

Name	Nature of business	Share of capital commitment	Proportion of holding	Year ended	Net assets/ liabilities 2026 £m	Members' interests/ contributions 2026 £m	Net assets 2025 £m	Members' interests 2025 £m
Brenley Park LLP	Development of 169 shared ownership, permanent rented, affordable keyworker and private for sale residential accommodation.	Nil	50%	31 December	0.1	(0.1)	0.1	(0.1)
Chobham Farm North LLP	Development of 478 shared ownership, permanent rented, affordable keyworker and private for sale residential accommodation.	Nil	50%	31 March	0.0	(0.0)	0.0	(0.0)
Kidbrooke Partnership LLP	To develop site adjacent to Kidbrooke station. The scheme will comprise 10 blocks	Nil	50%	31 March	9.8	(9.8)	9.7	(9.7)
Armada 1 South Developments LLP	To develop phase 1 of the Gallions Quarter sites.	Nil	50%	31 March	0.0	(0.0)	0.2	(0.2)
Gallions 2A Developments LLP	To develop phase 2 of the Gallions Quarter sites.	Nil	50%	31 March	0.2	(0.2)	1.6	(1.6)
Gallions 2B Development LLP	To develop phase 3 of the Gallions Quarter sites.	Nil	50%	31 March	0.1	(0.1)	0.1	(0.1)
Rainham and Beam Park Regeneration LLP	To acquire and develop site in Rainham and Beam Park in the London Borough of Havering. The scheme will consist of 744 units of mixed tenure.	Nil	50%	31 March	-	-	-	-
Triangle London Developments	Established to bid for Transport for London sites.	Nil	50%	31 May	-	-	-	-
Gallions new LLP	To acquire completed commercial units for rental on open market. It is operating as a commercial letting business.	Nil	50%	31 March	0.3	(0.3)	(0.1)	0.1
					10.5	**(10.5)**	**11.7**	**(11.7)**
Spray Street Quarter LLP	To acquire and develop site in Woolwich town centre to construct 612 residential units and 8,770 square metres of non-residential space.	Nil	50%	31 March	3.5	(3.5)	3.6	(3.6)
					3.5	**(3.5)**	**3.6**	**(3.6)**

Note 34 - Transactions with related parties

In 2025/26, there was a member on the board, Emma-Louise Stewart who had a tenancy with NHG. The tenancy agreements have been granted on the same terms as for all other tenants, and the housing management procedures, including those relating to management of arrears, have been applied consistently to these tenants. During the period, rents of £9,115 (2025: £8,780) were charged. The credit balance of £28.92 (2025: £(59)) was outstanding at year-end.

In 2025/26, there was a member on the board, Symmie Swil, who had a lease with NHG. Her tenure as a non-executive director began on 01 April 2024. The lease has been granted on the same terms as for all other leases and the housing management procedures, including those relating to management of arrears, have been applied consistently to the leaseholder. During the year rents and service charges of £2,551 (2025: £1,644) were charged. A credit balance of £1,120 (2025: £1,335) was outstanding at year end.

Chobham Farm North LLP

During the year NHHO charged Chobham Farm North LLP, a joint venture of Notting Hill Commercial Properties Limited, a subsidiary of NHG and Telford Homes plc £nil (2025: nil) in respect of administration costs. At the year ending 31 March 2026 £nil (2025: £nil) was owed to NHHO. During the year the joint venture sold £nil (2025: £nil) properties in the course of construction to NHHO.

During the year the LLP distributed £nil (2025: £nil) to its joint venture partners.

Armada 1 South Development LLP

During the year NHHO charged Armada 1 South Development LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Telford Homes plc £nil (2025: £nil) in respect of administration costs. At the year ending 31 March 2026 £nil (2025: £ nil) was owed to NHHO. At 31 March 2026 the amount receivable from NHHO was £nil (2025: £nil). During the year the joint venture sold £nil (2025: £nil) properties in the course of constructions to NHHO and its group undertakings.

During the year members of Armada 1 South Development LLP received £500,000 as profit share (2025: £nil).

Spray Street Quarter LLP

During the year NHHO charged Spray Street Quarter LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Notting Hill Developments Limited, a subsidiary of NHG £1 (2025: £1) in respect of administration costs. At the year ending 31 Mar 2026 £nil (2025: £nil) was owed to NHHO.

During the year the members of Spray Street Quarter LLP contributed a total of £nil (2025: £800,000) into the members' capital.

Gallions 2B Development LLP

During the year NHHO charged Gallions 2B Development LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Gallions Limited £44,672 (2025: £88,477) in respect of administration costs. At the year ending 31 March 2026 £44,672 (2025: £nil) was owed to NHHO. During the year the joint venture sold £8,176 (2025: £2,680,874) properties in the course of constructions to NHG and its group undertakings.

During the year the members of Gallions 2B Development LLP received total income of £nil as (2025: £nil).

Kidbrooke Partnership LLP

During the year TLD Kidbrooke LLP charged Kidbrooke Partnership LLP, a joint venture of Notting Hill Commercial Properties Limited, subsidiary of NHG and Transport for London plc £23,947 (2025: £151,962) in respect of administration costs. At the year ending 31 March 2025 £nil (2025: £nil) was owed to TLD Kidbrooke LLP.

During the year the joint venture sold £nil (2025: £37,366,110) properties in the course of constructions to NHG and its group undertakings.

Gallions 2A Developments LLP

During the year Gallions 2A Developments LLP, distributed £2,900,000 (2025: £1,348,000) to its joint venture partners. This LLP is a joint venture of Notting Hill Commercial Properties Limited and Vistry partnership Limited.

During the year Gallions New LLP, a joint venture of Gallions 2A Developments LLP and Gallions Commercial Limited owed Gallions 2A Developments LLP £2,329,054 (2025: £2,329,054).

During the year the LLP owned Gallions New £2,305,272 (2025 £nil).

During the year the joint venture sold £nil (2025: £178,166) properties in the course of constructions to NHHO and its group.

NHG had investment equity in the following subsidiaries.

	2026 £m	2025 £m
Notting Hill Commercial Properties Limited	224.1	221.6
Folio London Limited	264.9	264.9
Igloo Insurance Protected CaptiveCell NOT 6	0.7	0.7
Gen Finance 2	0.1	0.1
Pathmeads Property Services Limited	-	-
Genesis Oaklands Limited	0.1	0.1
Choices for Grahame Park Limited	12.0	2.0
At 31 March	**501.9**	**489.4**

Note 34 - Transactions with related parties (continued)

NHG had invested the following loans in its non-regulated subsidiaries.

	2026 £m	2025 £m
Notting Hill Developments Limited	14.7	30.6
Folio London Limited	28.4	73.1
Touareg NHG	85.1	57.9
Notting Hill Community Housing	160.7	172.2
Canonbury Developments Limited	-	-
Genesis Oaklands Limited	-	-
Choices for Grahame Park Limited	46.8	57.5
Folio Porter's Edge Limited	0.5	0.5
Folio Bakersfield Limited	0.2	0.2
Folio City Park West Limited	0.3	0.3
Folio Sterling Plance Limited	-	0.3
Folio New Garden Quarter Limited	0.1	0.1
Folio St James Limited	-	0.2
Folio Buildings Limited	0.3	0.3
Folio New Hendon Village Limited	0.1	0.1
Folio Fresh Wharf Ltd	0.2	-
Folio Oakland Rise Limited	0.1	-
Walworth Homes Limited	20.1	20.3
At 31 March	**357.6**	**413.6**

Details of other transactions between NHG and its non-regulated subsidiaries during the year are shown here.

The transactions relate to: Notting Hill Commercial Properties Limited, Notting Developments Limited, Canonbury Developments Limited, Folio London Limited, Touareg Trust, Goat Wharf Limited, Notting Hill Community Housing, Walworth Homes Limited, Igloo Insurance Protected Captive Cell NOT6, Choices for Grahame Park Limited, Genfinance Limited, GenFinance 2plc, Genesis Purchasing Limited, Genesis Oaklands Limited, Genesis Community Foundation, Stoke Quay New Homes Limited, Central Chelmsford Development Agency Limited, Folio Treasury Limited and Folio New Hendon Village Limited.

In accordance with the treasury policy, excess cash held by subsidiaries is invested in NHG to manage interest charges.

Purchases relate to invoices that are charged to NHG but relate to other group companies. They include temporary staff costs, utility bills and courier charges.

Overhead recharges are recharges made by NHG to the rest of the group based on the budget taking into account staff numbers, floor space and turnover per subsidiary.

Payroll relates to payroll costs for specific staff who work directly for the said subsidiaries.

Service charges relate to invoices that are charged to NHG but relate to other group companies.

Transfers of housing stock were made between various entities to reflect the correct entity ownership.

Gift aid relates to adjustment to gift aid in various subsidiaries after the group accounts were signed.

Merger balance relates to transfer of balances from dormant intercompany accounts.

Other inter-company transactions	2026 £m	2025 £m
Excess cash invested	(113.4)	(33.4)
Purchases	1.0	0.8
Overhead recharges	7.3	2.8
Payroll	2.8	2.4
Interest	26.9	7.6
Service charges	-	-
Transfer of housing stock	1.3	2.3
Gift aid	15.5	3.2
VAT	0.1	(1.2)
Grant	-	4.9
NHCP	-	(3.6)
At 31 March	**(58.5)**	**(14.2)**

Note 35 - Financial instruments and risk management

Group	Financial assets at fair value		Financial assets at amortised cost	
	2026 £m	2025 £m	2026 £m	2025 £m
Financial assets that are debt instruments measured at amortised cost				
Current asset investments	-	-	71.9	80.4
Cash	-	-	34.8	36.1
Debtors	-	-	128.5	97.2
Debtors falling due after one year	-	-	8.8	8.4
Financial assets measured at fair value				
Interest rate swaps fixed to float	14.4	13.4	-	-
Designated currency hedge	-	-	-	-
Total	**14.4**	**13.4**	**244.0**	**222.1**

NHG	Financial assets at fair value		Financial assets at amortised cost	
	2026 £m	2025 £m	2026 £m	2025 £m
Financial assets that are debt instruments measured at amortised cost				
Current asset investments	-	-	18.6	21.2
Cash	-	-	28.6	28.4
Debtors	-	-	619.7	708.3
Debtors falling due after one year	-	-	614.8	427.9
Financial assets measured at fair value				
Interest rate swaps fixed to float	14.4	14.3	-	-
Total	**14.4**	**14.3**	**1,281.7**	**1,185.8**

All financial assets or liabilities at fair value are calculated using measurements based on inputs that are observable for the asset/liability either directly or indirectly from prices. The valuation techniques used to measure the above interest rate swaps financial instruments maximise the use of market data where available. For all other financial instruments where fair value cannot be measured reliably, the fair value is considered to approximate to the carrying value of the instrument at historic cost less impairment.

Credit risk is assessed on all financial instruments in the tables above and an adjustment is made to the valuation to reflect the credit risk associated with each counterparty.

Note 35 - Financial instruments and risk management (continued)

Group	Financial liabilities at fair value		Financial liabilities at amortised cost	
	2026 £m	2025 £m	2026 £m	2025 £m
Financial liabilities that are measured at amortised cost				
Trade and other payables	-	-	373.4	322.0
Public bonds	-	-	2,537.6	2,288.9
Loans and borrowings	-	-	1,007.0	1,345.9
Other long-term creditors	-	-	1,199.7	1,182.9
Financial liabilities that are measured at fair value				
Cancellable interest rate swaps	-	0.1	-	-
Designated cross currency hedge	4.0	1.4		
Interest rate swaps float to fixed	6.1	5.6	-	-
Designated interest rate hedges	19.0	24.5	-	-
Total	**29.1**	**31.6**	**5,117.7**	**5,139.7**

NHG	Financial liabilities at fair value		Financial liabilities at amortised cost	
	2026 £m	2025 £m	2026 £m	2025 £m
Financial liabilities that are measured at amortised cost				
Trade and other payables	-	-	495.8	403.9
Public bonds	-	-	2,288.4	2,040.1
Loans and borrowings	-	-	769.0	1,097.8
Other long-term creditors	-	-	1,065.0	1,053.2
Financial liabilities that are measured at fair value				
Cancellable interest rate swaps	-	0.1	-	-
Interest rate swaps float to fixed	9.0	10.0	-	-
Designated interest rate hedges	19.0	24.5	-	-
Total	**28.0**	**34.6**	**4,618.2**	**4,595.0**

Group	2026 Book value £m	2026 Fair value £m	2025 Book value £m	2025 Fair value £m
A comparison of the book value to the fair value of the group's long-term borrowings at 31 March				
Current portion of long-term debt	49.4	49.4	48.1	48.1
Long-term debt	3,495.2	3,495.2	3,586.7	3,586.7
Total	**3,544.6**	**3,544.6**	**3,634.8**	**3,634.8**

NHG	2026 Book value £m	2026 Fair value £m	2025 Book value £m	2025 Fair value £m
A comparison of the book value to the fair value of NHG's long-term borrowings at 31 March				
Current portion of long-term debt	38.7	38.7	38.5	38.5
Long-term debt	3,018.7	3,018.7	3,099.4	3,099.4
Total	**3,057.4**	**3,057.4**	**3,137.9**	**3,137.9**

	Group 2026 £m	Group 2025 £m	NHG 2026 £m	NHG 2025 £m
Gains in respect of financial derivatives held at fair value through the statement of comprehensive income				
Gains in respect of financial derivatives	1.8	0.6	2.4	0.9
	1.8	**0.6**	**2.4**	**0.9**

	Group 2026 £m	Group 2025 £m	NHG 2026 £m	NHG 2025 £m
Gains in respect of financial derivatives held at fair value through the statement of other comprehensive income				
Gains in respect of financial derivatives	1.7	10.7	4.3	11.8
	1.7	**10.7**	**4.3**	**11.8**

Risk

The main risks arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk.

Interest rate risk

The group finances its development through a mixture of retained surplus, grant and borrowings. The group's interest rate management ensures that a minimum of 40% of its drawn funds should be fixed on a long-term basis and the remaining 60% is either hedged or kept at variable rates depending on prevailing market conditions and requirements of the business.

The group has entered into interest rate swap agreements to hedge exposure to the variability in cash flows attributable to movements in interest rates. This is documented in the treasury policy and allows the group to enter into contracts where the group agrees to pay interest at a fixed rate and receives interest at a floating rate. The interest rate swaps are designated as a hedge of the variable debt interest payments which are linked to changes in the benchmark interest rate (LIBOR) which is the quoted price in an active market. This method reflects the risk management objective of the hedging relationship that swaps a series of future variable cash flows to a fixed rate. The interest rate swap agreements which do not meet the hedging tests contained in FRS102 are accounted for through the statement of comprehensive income.

The cash flows from the interest rate swaps are expected to occur monthly, quarterly or on a semi-annual basis dependent on each contract.

Hedge accounting

Where the group hedges its exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt, or future currency payment on debt denominated in a foreign currency) or a highly probable forecast transaction and that transaction could affect profit or loss, the hedging relationship is designated as a cash flow hedge.

The tables above indicate the periods in which cash flows associated with cash flow hedging instruments are expected to occur.

The key assumption used in valuing the interest foreign currency derivatives is the GBP:JPY forward exchange rates.

Hedge accounting is discontinued where the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged instrument is derecognised or the hedging instrument is terminated.

A cash flow hedge is accounted for as follows:

The proportion of the gain or loss on the hedging instruments that is determined to be an effective hedge are recognised directly in equity and the ineffective portion of the gain or loss on the hedging instrument is taken to the statement of comprehensive income.

Where the forecast transaction results in a financial asset or financial liability, only gains or losses previously recognised in the statement of comprehensive income are reclassified to the statement of comprehensive income in the same period as the asset or liability affects income or expenditure. Where the forecasted transaction or commitment results in a non-financial asset or a non-financial liability, any gains or losses previously deferred in the statement of comprehensive income are included in the cost of the related asset or liability. If the forecasted transaction or commitment results in future income or expenditure, gains or losses deferred in the statement of comprehensive income are transferred to the statement of comprehensive income in the same period as the underlying income or expenditure.

Liquidity risk

The group has a policy to maintain sufficient liquidity in cash and lending facilities to cover 18 months of operational activity. At the year-end, 73% of the group's borrowings were due to mature in more than five years. The liquidity risk of each group entity is managed centrally by the group treasury function on a monthly basis to adhere to group policy.

Hedge of variable interest rate risk arising from bank loan liabilities

As disclosed in note 21, the group has applied the amendment to FRS 102: interest rate benchmark reform (phase 1 and phase 2). The amendments provide relief in applying the requirements of hedge accounting to certain hedges, including allowing the group to assume that interest rate benchmarks on which hedged cashflows are based (e.g. LIBOR) will not be altered as a result of interest rate benchmark reform. Consequently, hedging relationships that may have otherwise been impacted by interest rate benchmark reform have remained in place and no additional ineffective portion of the hedge has been recognised. The group has taken advantage of these amendments in relation to the LIBOR interest rate noted above.

Note 36 - Contingent liability

Contingent liabilities

A contingent liability is disclosed for a possible obligation for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources, or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made. This includes a contingent liability reflecting the potential future obligation to repay social housing grant where properties are disposed of.

Contingent liabilities for social housing grant	Group		NHG	
	2026 £m	2025 £m	2026 £m	2025 £m
At 1 April	**1,554.9**	**1,550.8**	**1,428.4**	**1,422.7**
Realised on disposal	(6.2)	(5.9)	(5.9)	(3.6)
Additions	9.3	12.9	8.9	14.5
Transfers to other registered provider	(17.0)	(2.9)	(11.6)	(5.2)
At 31 March	**1,541.0**	**1,554.9**	**1,419.8**	**1,428.4**

Contingent liabilities relate to grant recognised in general reserves under the performance method upon transition to deemed cost.


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Annual report and financial statements

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