LIVEWEST HOMES LIMITED

Financial statements

for the year ended 31 March 2026

Community Benefit Society
Registration Number: 7724

Regulator of Social Housing
Registration Number: 4873

LIVEWEST HOMES LIMITED

Contents

Registered under the Community Benefit Society, registration number: 7724

LIVEWEST HOMES LIMITED

Company information

Board members as at 31 March 2026:
The Board members who served from 1 April 2025 up to the date of approval of these financial statements were as follows:

Board member	Position	Meetings attended 2025/26
Jacqueline Starr	Non-executive Director - Chair	9/10
John Newbury (resigned 29 January 2026)	Non-executive Director	13/13
Phil Stephens	Non-executive Director	12/12
Tom Vaughan (resigned 26 May 2025)	Non-executive Director	4/4
Joanna Crane	Non-executive Director	16/16
Rahul Jaitly (resigned 29 January 2026)	Non-executive Director	11/11
Chris Balch (resigned 29 January 2026)	Non-executive Director	12/12
David Hardy	Non-executive Director	11/11
Alison Cambage (resigned 29 January 2026)	Non-executive Director	9/11
Steve Barford (appointed 29 January 2026)	Non-executive Director	3/3
Emma Barton (appointed 29 January 2026)	Non-executive Director	3/3
Richard Bird (appointed 29 January 2026)	Non-executive Director	3/3
Sandra Horley (appointed 29 January 2026)	Non-executive Director	3/3
Neil Rimmer (appointed 29 January 2026)	Non-executive Director	3/3
Jerry Toher (appointed 29 January 2026)	Non-executive Director	2/3
Paul Crawford (resigned 28 January 2026)	Chief Executive	8/8
Robert Nettleton (appointed 29 January 2026)	Chief Executive	3/3

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

Company Secretary: Lisa Maunder (resigned 29 January 2026)
Sarah Beal (appointed 29 January 2026)

Auditors	Principal banker	Principal solicitor
KPMG LLP One Snowhill Birmingham B4 6GH	National Westminster Bank Plc South West Corporate Business Centre 246 High Street Exeter EX4 3PD	Trowers and Hamlins LLP The Senate Southernhay Gardens Exeter EX1 1UG

Registered office: 1 Wellington Way, Skypark, Clyst Honiton, Exeter, EX5 2FZ

Board and Strategic Report
For the year ended 31 March 2026

The Board of LiveWest Homes Limited is pleased to present its annual report and financial statements for the year ended 31 March 2026.

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

Merger

On 29 January 2026, the LiveWest Homes ('LWH') group merged with the Bromford Flagship Housing Group ('BF') to create the Bromford Flagship LiveWest Group ('BFL'). This resulted in Bromford Flagship Housing Limited being renamed to Bromford Flagship LiveWest Limited and LiveWest Homes Limited becoming a subsidiary entity of Bromford Flagship LiveWest.

The successful merger marks a major milestone for LiveWest, creating one of the UK's largest housing association groups, with ownership and management of more than 127,000 homes. The merger unlocks around £1.5bn of additional capacity across the BFL group, enabling the delivery of more than 50,000 affordable homes over the next 15 years Our target is for half of these new homes to be social rent, positioning the BFL group as the largest builder of new social rented homes in the sector and strengthening our influence across the sector.

The development of a Place Standard, focused on transforming streets into thriving communities and places where people want to live, will be a core pillar of the new BFL strategy, launching in 2026. The merger also allows us to increase investment in our existing homes and will support the accelerated delivery of our EPC C programme.

As BFL, we also plan to develop a Learning Academy that will provide high quality training and development opportunities for both colleagues and customers. As well as having a dedicated research and development team focused on customer priorities and continuous service improvement, these initiatives and future people-centred programmes will create a strong learning culture, help colleagues thrive and succeed, whilst ensuring BFL continues to be a great place to work.

The structure of the LWH subsidiary companies has not changed during the year ended 31 March 2026.

Principal activities

As a Registered Provider of Social Housing, LWH develops and manages affordable homes for sale, rent, and shared ownership across the South West and West of England, with a strong focus on delivering high quality customer services. We believe in providing safe, secure and warm homes.

Prior to the merger, Bromford Flagship and LiveWest shared a similar purpose and vision. Each recognised that helping customers to thrive requires more than managing housing assets, it demands a holistic understanding of the communities in which we operate. This vision was deeply embedded in our cultures and values.

Looking ahead, we'll launch the BFL Strategy 2026-2031 in the autumn of 2026. Ahead of that, we'll continue to execute our operating vision by delivering locally, coordinate regionally and are supported centrally. This will be the foundation of the decisions we make every day and the impact we aim to have for generations to come. This belief underpins our simple and honest purpose: Enabling people to thrive.

Enabling people to thrive goes beyond simply providing a home. Our strategy is centred on building strong communities and delivering new homes at scale, while investing in the growth and development of both our colleagues. Through innovation and forward-thinking, we aim to develop proactive, place-based solutions with a strong focus on customer engagement and provision of high quality services.

LIVEWEST HOMES LIMITED

Board structure

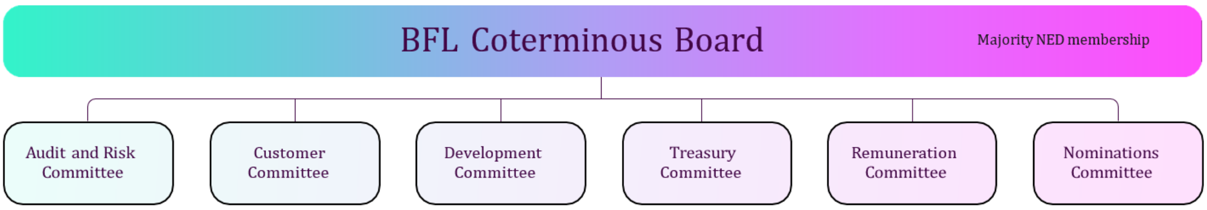
BFL operates a group structure with coterminous Boards across the six main entities – the parent – Bromford Flagship LiveWest Limited and our main operating subsidiaries Bromford Housing Association Limited ('BHA'), Flagship Housing Limited ('FHL'), LiveWest Homes Limited ('LWH'), Merlin Housing Society ('MHS'), and Bromford Home Ownership ('BHO'). The membership of all entities is the same for each – all Non-Executive Directors ('NEDs') plus Robert Nettleton, Chief Executive, except for BHO, where Dame Sandra Horley and Phil Stephens are not members. This approach is consistent with the Group's Conflicts of Interest Policy and protects the charitable interests of BFL, BHA, FH, LWH and MHS. Certain Board members are also Directors of the other subsidiaries. All members of the Board, Executive and Non-Executive make decisions by working together and achieving general consensus.

All Board members, except the Chair, serve on one or more Group committees that meet regularly throughout the year. All NEDs were independent on appointment and complete annual fit and proper person and declaration of interest processes.

Conflicts of interest are declared at the start of each Board meeting, with members withdrawing from discussions or decisions where an actual or perceived conflict exists. There are currently no issues relating to the continued independence of any NED. One Board member, Richard Bird, who will reach the end of his term of office in 2027, has been asked to serve on the Board of a Welsh Registered Provider. His formal appointment will not be confirmed until after he retires from BFL and this is not considered to be any issue relating to his continued service on BFL.

The roles of the NEDs, Chair and Chief Executive are set out in the Governance Framework and Charter of Expectations. There is a clear separation of roles of the Chair and Chief Executive.

Until 29 January 2026, the LiveWest Homes Board was supported by five committees comprising Audit and Risk, Remuneration & Nominations, Treasury, Investment and Customer Services committee. A new committee structure came into effect on 29 January 2026 following the merger of Bromford Flagship and LiveWest (image below).



The role of the Board

BFL is the parent company of LWH. Under the group's Governance Framework, LWH delegates matters of governance and financial authority to the BFL Board (the Board). Our governance structure contributes directly to the delivery of our strategy. The Board holds ultimate responsibility for the governance of the BFL Group and is accountable for ensuring the Group's long-term sustainable success. Its responsibilities are:

- determining the strategic direction of the Group and setting our strategy and values
- approving high level strategies, long-term plans and objectives to achieve our vision
- financial control and risk management
- governance and the system of delegation
- monitoring the Group's performance
- accountability to stakeholders

Decision making
The Board operates as a single Board while taking decisions on behalf of each Group entity where appropriate. Clear schedules of matters reserved to the Board are in place to ensure effective oversight, accountability and compliance, with other authorities delegated to committees in accordance with approved terms of reference and a robust scheme of delegations. Matters not delegated remain within the authority of the Chief Executive.

Following the merger of Bromford Flagship and LiveWest, the governance and committee structure was reviewed to ensure it is proportionate to the size, scale and complexity of the organisation and supports effective decision making and assurance.

A Development Committee has been established to provide focused oversight and challenge of the Group's large scale development programme. In addition, a Customer Committee and Regional Customer Networks have been implemented to ensure the customer voice is clearly and directly represented in Board level decision making.

The Board and its committees receive timely, accurate and high quality information and have access to appropriate resources, skills and independent advice to enable them to discharge their duties effectively and in accordance with the principles of good governance.

Board effectiveness
The Chair is responsible for managing the performance of the Board and the Chief Executive. The performance of the Chair is the responsibility of the Board facilitated by the Senior Independent Director.

Board members are expected to foster a culture of open and constructive debate, supporting informed and prudent decision-making. They are also expected to continually develop their knowledge and skills to contribute effectively to Board discussions.

The conflicts of interest register is reviewed annually by both the Audit and Risk Committee and the Board to support independence, transparency and accountability. During the year, no instances were identified where the Chair's or any NEDs external commitments adversely affected their ability to fulfil their role.

The Board undertakes an annual evaluation of its performance, as well as that of its committees and individual Directors. In line with the Code, this evaluation is externally facilitated at least every three years to provide an independent perspective.

An externally facilitated review was undertaken in 2025 by Altair. The findings were reported to the Board and were in the main relating to ways of working and succession arrangements. Actions were agreed and these have been monitored. The Board recognised that some actions had been superseded by activity relating to the Bromford Flagship LiveWest merger. During the merger process, Altair was commissioned to inform the independent interview process for appointments to the coterminous Board of Bromford Flagship LiveWest.

Creation of the new BFL Board focussed on the skills required to deliver the merger full business case. The Governance Framework recognises that it is important the Board has a collective range of skills, experience and breadth of perspective so that the Board can fully discharge its responsibilities. Promoting the principles of fairness and valuing diversity is a key responsibility of the Board and is enshrined in the Diversity, Equity and Inclusion Policy which is approved by the Board and sets the framework for ensuring that BFL has a fair and equitable recruitment and selection process; has inclusive behaviours; a clear and transparent process for allocation and lettings and is reporting and monitoring metrics. The Nominations Committee is responsible for making recommendations to the Board in respect of succession planning.

Stakeholders, transparency and diversity
Delivering long term, sustainable social impact is central to the Group's purpose and strategy, benefiting the customers and communities we serve, our colleagues and our wider stakeholders. The Board promotes a culture that reflects these priorities and supports sustainable value creation.

Audit and Risk Committee
The committee supports the Board by providing independent oversight and advice on the integrity of the financial statements, the effectiveness of risk management and internal control and the adequacy of assurance arrangements across the Group. The committee's responsibilities are set out in its terms of reference, which were reviewed by the Board as part of both mergers. There were no significant changes in remit during the year. The committee discharged its responsibilities through a structured programme of scheduled meetings, additional meetings where required and

regular engagement with Executive management. The committee also met privately with internal and external audit, without management present. The Board considers that the committee as a whole has an appropriate balance of skills, experience and sector knowledge, including recent and relevant financial and audit expertise. The Chair is a qualified accountant. Meetings were well attended throughout the year, supporting effective challenge, informed decision-making and continuity of oversight during a period of significant change.

Risk management

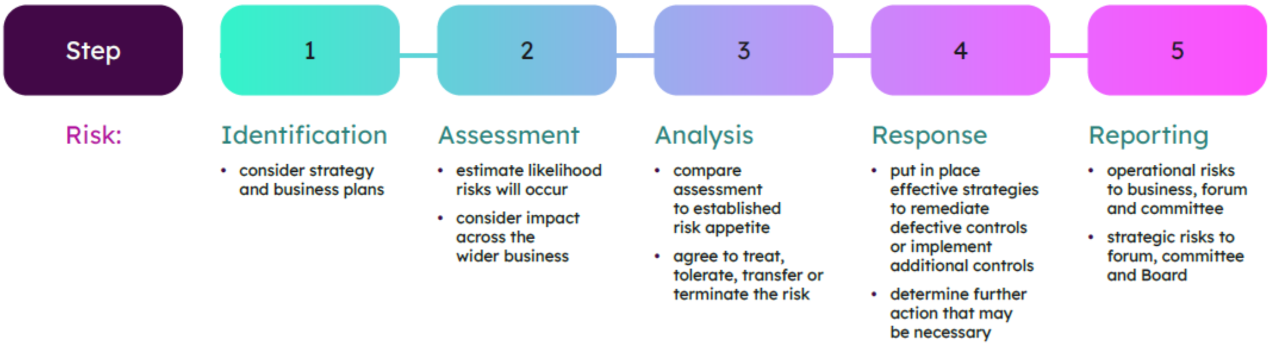
The Board is responsible for establishing the Group's risk appetite and for maintaining a robust system of risk management and internal control. Risk is viewed not only as something to be managed, but also as a factor to be actively and proportionately taken where it supports innovation, investment and improved outcomes for customers and places, consistent with the Group's strategy and values.

The Group operates a structured risk management framework, based on the best-practice COSO ERM Framework (Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management) that:

- identifies and assesses risks on both a top down (strategic) and bottom up (operational) basis
- evaluates risks against agreed impact and likelihood criteria
- aligns mitigation plans with the Group's risk appetite
- is reviewed regularly to reflect changes in the external environment

Risks are considered alongside strategic planning, stress testing, treasury management and investment decisions, ensuring that risk assessment informs resource allocation and long term decision making. The Board and Executive actively consider emerging risks, including cyber security, supply chain resilience, regulatory change and longer term affordability pressures affecting customers. These risks are reviewed through horizon scanning, external benchmarking and scenario analysis, ensuring the Group remains alert to future challenges while retaining flexibility to respond.

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



Risk management is embedded throughout BFL, with clear accountabilities at Board, committee and Executive level:

- the Board has ultimate responsibility for risk management - it sets risk appetite and tolerance levels, approves principal risks and oversees the effectiveness of the system of internal control
- the Audit and Risk Committee monitors the risk framework, reviews emerging risks and receives assurance from internal and external sources
- oversight of operational and strategic risks is delegated to the Chief Executive and the Executive Risk and Disclosure Committee supports this role, providing review of audit, assurance and risk reporting and ensuring implementation of resulting actions
- risk owners across the Group are responsible for identifying, assessing and managing risks within their areas

Assurance over risk management is provided through multiple lines, including management controls (1st line), assurance reviews (2nd line), internal audit (3rd line), external audit and independent regulatory assessment. The Board receives regular assurance on the effectiveness of controls and takes action where improvement is required.

The Group remains committed to continuous learning, drawing on internal insight and wider sector experience to strengthen its approach to managing risk and uncertainty.

Principal risks

Following the recent merger, the Board have re-assessed the principal risks faced by the Group. The identified risks facing BFL are similar to those experienced across the housing sector but are considered in the context of the Group's scale, geography and operating model following the merger. The Board has set its risk appetite against each of these risks, forming an integral part of our corporate decision making. Risk we accept is clearly understood, regularly reviewed and managed effectively. In some areas we have risks for which we have little or no appetite however the nature of these risks mean they cannot be eliminated completely.

Risk	Impact	Risk mitigations	Changes in year
1. Health and safety Status: significant Appetite: averse Future direction of travel: static	Failure to effectively manage all aspects of health and safety across operations (including customers, colleagues and suppliers) results in death.	• group-wide Health and Safety Policy • dedicated health and safety software and processes • integrated governance via the health and safety group with clear escalation and reporting routes • training and competence frameworks • contractor management arrangements • incident escalation and reporting processes	• embedding consistent health and safety arrangements across the newly merged Group • improving training and compliance reporting • managing and reducing Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) incidents • onboarding colleagues to Group systems and processes
2. Existing homes Status: significant Appetite: balanced Future direction of travel: static	Failure to comply with all landlord obligations including landlord health and safety and broader current/emerging property related regulatory/legal requirements (for example Decent Homes and Awaab's Law) increases the risk of failing to maintain our homes to expected standards.	• compliance frameworks for landlord obligations • Awaab's Law governance and specialist teams • process alignment workshops • enhanced compliance reporting • targeted investment and operational improvement plans • integrated governance through the landlord compliance group	• strengthening compliance with Awaab's Law Phase 1 and preparing for Phase 2 • progressing building safety works • preparing for new Heat Network regulation • reducing outstanding safety backlogs • improving emergency and non emergency repairs performance • improving customer communication and case management
3. People and culture Status: medium Appetite: flexible Future direction of travel: static	Our culture does not adapt to deliver our strategy and purpose.	• culture and organisational design workplan • defined values and behavioural frameworks • engagement and wellbeing initiatives • workforce planning and leadership oversight	• supporting colleagues through merger integration • addressing sickness absence and recruitment pressures • improving engagement and leadership capability • working towards a shared culture across BFL • responding to employment law reform

Risk	Impact	Risk mitigations	Changes in year
4. Financial viability Status: high Appetite: cautious Future direction of travel: static	Failure to maintain financial viability including accessing sufficient funds and liquidity or managing financial exposure effectively in order to deliver our strategy.	• robust treasury and liquidity management and reporting • strong stakeholder relationship management • high proportion of fixed rate debt • stress testing of the business plan • Board approved financial framework and regular monitoring	• managing ongoing cost pressures • monitoring market volatility and interest rates • delivering a sustainable merged business plan • ensuring continued access to funding and covenant compliance • delivering efficiency savings and value for money
5. Customer experience Status: high Appetite: cautious Future direction of travel: improving	We do not meet our purpose including the provision of core services such as repairs and effective complaint management, which results in ineffective customer journeys and negative customer experience.	• Customer Influence Framework • Regional Customer Networks (customer members), dedicated Executive and Non-Executive committees with overlapping attendees • complaints lessons learned processes • Voice of the Customer reporting • contractor performance scrutiny	• improving repairs quality and reducing repeat issues • sustaining compliance with the Housing Ombudsman Code • addressing affordability and cost of living pressures • embedding customer influence into decision making
6. Systems and data Status: high Appetite: balanced Future direction of travel: static	We hold inaccurate or incomplete data resulting in ineffective decision making, poor customer experience, operational inefficiency or regulatory/ legal non-compliance	• Group data governance framework • defined data owner and steward roles • role-based access controls • data migration processes • data quality dashboards • policies supporting data accuracy and regulatory compliance	• updating data governance arrangements following the merger • improving data quality and reporting confidence • maturing our approach to AI governance • starting to align processes and methodologies • preparing for system integration, including dependencies on D365 stability and scalability

Risk	Impact	Risk mitigations	Changes in year
7. New homes Status: high Appetite: open Future direction of travel: improving	Balancing the ambition to deliver new homes with the risk of exceeding capacity or controls, potentially causing financial loss, regulatory breach, or reputational damage.	• financial guardrails and investment frameworks • Homes England grant engagement • development pipeline oversight • regular performance and cost monitoring	• reviewing controls and approaches post merger • securing future grant funding • ensuring delivery remains within capacity and financial appetite • monitoring developer and market exposure
8. Cyber and business continuity Status: significant Appetite: cautious Future direction of travel: improving	Our network, applications, infrastructure, devices or data are compromised through physical, people or technological threats. Our business continuity and disaster recovery provisions fail to support continuity and recovery of services in a timely fashion.	• Cyber Essentials accreditation • vulnerability and patch management • multi-factor authentication • incident response planning • supplier due diligence • business continuity and disaster recovery plans	• strengthening third party cyber risk management • progressing the Group crisis management and business continuity framework • monitoring heightened geopolitical risk, including cyber risk • improving resilience and preparedness
9. Business change and integration Status: significant Appetite: balanced Future direction of travel: static	Planned business change including integration fails to achieve the intended outcomes, resulting in financial under performance, reduced stakeholder confidence and an inability to realise anticipated synergies	• formal integration governance • delivery tracking against agreed outcomes • D365 migration planning • gap analysis and prioritisation of technology dependencies	• achieving stability and scalability of D365 • delivering integration outcomes • managing technology constraints • improving colleague experience during change

Risk	Impact	Risk mitigations	Changes in year
10. Governance and regulation Status: significant Appetite: cautious Future direction of travel: improving	Ineffective governance arrangements, decision-making structures, or regulatory controls are not aligned to the external regulatory environment, resulting in non-compliance with applicable laws and regulations, ineffective oversight of strategic and operational decisions and a failure to anticipate or respond appropriately to regulatory change.	• governance structures in line with strategy, regulation and governance code • consumer regulation steering group • prioritised action plans • horizon scanning for regulatory change • proactive regulatory engagement	• bedding in governance and regulatory arrangements post merger • preparing for regulatory engagement and inspection • evidencing compliance with consumer standards • strengthening assurance and accountability frameworks

Emerging risks

The Group actively monitors the evolving operating environment to identify emerging risks that may affect our ability to deliver our strategic objectives and operate within our defined risk appetite. This includes ongoing analysis of geopolitics and financial markets, national and local media, sector developments, regulatory and legal insights and parliamentary activity, as well as engagement with relevant consultations. Where emerging risks are identified with a short to medium term horizon to potential realisation, clear accountabilities are assigned to ensure that appropriate mitigating actions are implemented and our approach is adapted in a timely manner to minimise adverse impacts.

Internal Audit

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

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

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

The findings of each audit are reported to the committee alongside any actions that have been agreed by management to address weaknesses identified. The control framework is adequate and controls to mitigate key risks are generally operating effectively, although several controls need to improve to ensure business objectives are met. The Audit and Risk Committee is satisfied that there is effective internal audit function in place that adds value to support.

LIVEWEST HOMES LIMITED

Our performance

Financial review (two year summary)

Income and Expenditure £m	**2026**	**2025**
Turnover	297	284
Operating costs and cost of sales	(221)	(219)
Surplus on disposal of assets	20	15
Operating surplus	**96**	**80**
Net interest charge and other finance costs	(36)	(30)
Movement in fair value of financial instruments	-	2
Change in valuation of investment properties	(1)	-
Exceptional item – novation of swaps	(4)	
Gift aid received	-	-
Surplus for the year	**55**	**52**
Surplus for the year (excluding exceptional item)	**59**	**52**

Statement of Financial Position £m	**2026**	**2025**
Housing properties at cost less depreciation	2,826	2,616
Other tangible fixed assets, intangible fixed assets and investments	84	174
Net current liabilities	(28)	(57)
Total assets less current liabilities	**2,882**	**2,733**
Loans due after one year (including intercompany)	(1,147)	(1,119)
Unamortised grant	(776)	(694)
Other long-term liabilities and provisions	(31)	(50)
Total net assets	**928**	**870**
Total reserves	**928**	**870**

Overall performance remained strong despite a continued challenging environment, driven by elevated customer expectations, increased demand for repairs and higher central costs. Our continued focus on improvement and operational efficiency has resulted in higher operating surplus and margins in the year.

Our principal financial ratios show strong performance in both areas. Operating margins improved in the year with social housing letting operating margin of 29% (2025: 25%) and overall operating margin before surplus on disposal of fixed assets of 26% (2025: 23%).

Exceptional items of £4m is a one off item following the novation of the LWH sub-group third-party swaps, these cost are eliminated in the BFL Annual Report and Accounts.

Income and expenditure
The surplus before tax (excluding exceptional items) of £59m (2025: £52m) represents our focus on continuous improvement and operational efficiencies, whilst maintaining our high quality service delivery for our customers.

Social housing lettings
Social housing lettings remains the core of our business and income from social housing lettings increased to £258m (2025: £247m) driven by strong new build performance from the previous year and the annual rent increase. Social housing lettings turnover as a proportion of total turnover remained consistent at 87% (2025: 87%).

Shared Ownership
Shared ownership sales income for the year was £29.7m (2025: £28.7m) with sales of 269 homes (2025: 248 homes). The average first tranche share sold was 37.5% (2025: 40.3%).

Costs

Cost control is a core focus across the business resulting in stronger operating margins. This focus is a central part of our Value for Money framework, evidencing not just the cost of what we do but its effectiveness and the outcomes we achieve for our customers.

Through this effective approach, our overall operating costs and cost of sales of £221m was largely consistent with the 2025 cost of £219m, with inflationary pressures offset by efficiency savings.

Disposals
Where homes do not meet our strategic objectives we consider them for disposal which is an insignificant element of our overall portfolio.

The surplus on asset disposals in the year was £19.6m (2025: £15.5m). We continued to receive receipts for right to buy and right to acquire sales that generated a surplus of £1.2m (2025: £0.6m). Staircasing activity generated a surplus of £6.4m (2025: £5m). Other property and fixed assets disposals generated profits of £12.0m (2025: £9.7m).

Corporation tax
We continue the policy of gift aiding taxable surpluses from non-charitable group members to charitable group members. During the year, LWH received £3k gift aid payments from other group members (2025: £63k).

Statement of financial position

Fixed assets
In 2025/26 we delivered 1,000 new affordable homes, investing £203m into our affordable housing programme, supported by £73m of grant funding from Homes England. A further £123m (£47m capital) was spent on our existing homes, with a focus on building safety and energy efficiency. Further details of the movements in fixed assets during the year are set out in notes 11, 12 and 14 of the financial statements.

Investment in our homes
In the year we invested £71.7m in major repair and refurbishment programmes (2025: £67.3m) and £207.9m in new homes (2025: £160.3m).

Treasury
The following table highlights key measures:

	2026	**2025**
Drawn facilities (nominal value)*	£3,928m	£3,747m
Undrawn facilities*	£1,540m	£1,067m
Cash and cash equivalents*	£99m	£179m
Fixed rate borrowing*	97%	91%
Cost of borrowing*	4.05%	3.87%
Interest cover covenant*	3.2times	3.4 times
Asset gearing covenant (67% max)*	38%	38%

*These are based on BFL group results

Cash and liquidity
Rigorous control of cash is a key focus for us, allowing us to maximise our investment in new and existing homes. Operating cash flow was again robust at £82m (2025: £80m) and cash balances remain strong at £27.1m (2025: £26.8m).

Facilities and funding
On 4 February 2026, £160m of existing debt facilities were novated into the groups parent, BFL. £150m of existing external drawn debt (2025: £275m) remains in LWH. The company's main source of funding is through an intercompany loan facility with BFL of which £999m was drawn at 31 March 2026.

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

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

Value for money (VfM)
Details of the group's VfM performance are summarised in the Annual Report and Accounts of BFL and are available on the group's website www.bfl-places.co.uk.

The Regulator for Social Housing metrics for LWH as a stand-alone entity are shown below:

Sector metrics

Ref	Metric Name	Change	2026	2025
1	Reinvestment %	↑	9.0%	7.5%
2A	New supply delivered (Social housing units) %	↑	2.5%	2.3%
2B	New supply delivered (Non-social housing units) %	↓	0.1%	0.2%
3	Gearing %	↓	40.0%	42.3%
4	EBITDA MRI interest cover	↓	153%	153%
5	Headline Social housing cost per unit (£000s)	↑	£5,200	£5,056
6A	Operating Margin (social housing lettings only) %	↑	29.0%	25.1%
6B	Operating Margin (overall) %	↑	25.7%	22.9%
7	ROCE	↑	3.3%	3.0%

The metrics show an improved operating margins at 29% for social housing lettings (2025: 25%) and 26% overall (2025: 23%).

EBITDA MRI interest cover has remained consistent at 153% (2025: 153%) as a higher surplus has been offset by increased interest costs.

New supply of social housing units, increased to 2.5% (2025: 2.3%), reflecting the 1,000 affordable homes delivered in the year (2025: 902).

Headline cost per unit has increased by 2.9% as a result of higher levels of demand for repairs and an increase in management cost following an annual pay increase.

Board compliance statements

Statement of compliance with the regulatory standards
The Regulator of Social Housing (RSH) publishes a regulatory framework comprising economic and consumer standards. The economic standards are governance and financial viability, value for money and rent. The consumer standards are safety and quality, transparency, influence and accountability, neighbourhood and community and tenancy.

Registered Providers are required each year to assess their compliance with the economic and the consumer standards and to provide assurance to customers and stakeholders that the RSH's specific expectations are being met.

The Board is satisfied that the Group is materially compliant with the RSH's regulatory framework, including the governance and financial viability and consumer standards and the accompanying Code of Practice. As part of its regulatory approach, the RSH assigns a governance and financial viability rating. Regulatory judgements may follow an inspection, stability check, responsive engagement, or an interim judgement issued in connection with a merger.

Prior to the merger, both Bromford Flagship and LiveWest held the highest possible ratings of G1 for governance and V1 for financial viability. LiveWest had also been inspected against the consumer standards and achieved the highest consumer grading of C1. We are pleased that following the merger, the RSH issued an interim regulatory judgement of G1/V1 for Bromford Flagship LiveWest on 25 February 2026. A consumer standards inspection of Bromford Flagship LiveWest has not yet taken place. The Group received positive feedback from the Regulator through proactive engagement during the merger process.

Statement of compliance with our code of governance
We have voluntarily adopted the UK Corporate Governance Code 2024 (the Code). We continue to adopt the Code as our chosen Code of Governance as we believe that it continues to reflect our commercial outlook, focusses on achieving the highest possible standards of accountability and transparency and our desire to position ourselves alongside other high-achieving organisations, regardless of sector.

As we do not have shareholders in a conventional sense, certain aspects of the Code do not apply to us. However, we strongly support the objectives that this section aims to achieve and this is reflected in the open and transparent way we deal with our partners and stakeholders. Each year the Board reviews compliance with the Code and during the financial year ended 31 March 2026, we consider that the Group has complied with all relevant principles and provisions of the Code.

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

Statement of Board's responsibilities in respect of the Board's report and the financial statements
The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

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

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

In preparing the Association financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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

Going concern
The Board, after reviewing the Group and Association's budget for 2026 to 2027 and the Group's medium term financial position as detailed in the 30-year business plan is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements set out on pages 22 to 54 have been prepared on a going concern basis.

Viability statement
As required by principle C and provision one of the 2018 UK Corporate Governance Code, the Board has undertaken an assessment of the future prospects of the Group taking into account its current position and principal risks. The assessment includes changes arising from the challenges to the sector such as high levels of inflation and interest rates, potential for further government imposed rent caps and the availability of resource.

This assessment was made using the following core business processes:

- **Thirty year business plan (the plan) –** the Board reviews each iteration of the plan during the year as part of its strategic planning process, the most recent business plan was approved in May 2026. This process includes detailed stress testing of the plan which involves flexing a number of assumptions underlying the forecast both individually and together under particular scenarios.
- **Risk management –** as set out in the risk section of the strategic report, the group has a structured approach to the management of risk and the principal risks identified are reviewed regularly by the Board.
- **Liquidity –** based on the output of the plan and regular reforecasting of cashflows, the Board reviews the liquidity position of the Group ensuring funding is secured in accordance with the Group's treasury policy. Current available cash and unutilised loan facilities are over £1,622m, which gives significant headroom for committed spend and other forecast cash flows that arise.

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

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

Full details of the Group's viability statement are included in the BFL Consolidated Financial Statements.

Appointment of auditors

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

Information for auditors

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

The Board and strategic report was approved on 28 July 2026 and signed on its behalf by:

J Starr

J Starr
Chair

Independent Auditor's Report To LiveWest Homes Limited

Opinion
We have audited the financial statements of LiveWest Homes Limited ("the Association") for the year ended 31 March 2026 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the accounting policies in note 1.
In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Association as at 31 March 2026 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

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

- enquiring of directors, the audit and risk committee, internal audit and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud
- reading Board and audit and risk committee minutes
- using analytical procedures to identify any unusual or unexpected relationships

- reading the Association's fraud register

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Association management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the non-complex nature of material revenue streams and the limited opportunity for management to manipulate revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Association-wide fraud risk management controls.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual combinations to revenue, cash and borrowings accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Association's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

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

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

The Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation including related co-operative and community benefit societies legislation, pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Association is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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

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

Other information
The Association's Board is responsible for the other information, which comprises the strategic report, Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 16, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Harry Organ

Harry Organ
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

31 July 2026

Statement of Comprehensive Income for the year ended 31 March 2026

	Note	**2026**	2025
		£000	£000
Turnover	2	296,525	284,416
Operating costs	2	(193,270)	(197,265)
Cost of sales	2	(26,978)	(22,014)
Surplus on property sales and other fixed assets	9	19,595	15,504
Operating surplus		**95,872**	**80,641**
Interest receivable	6	6,889	6,285
Interest payable and financing costs	7	(41,966)	(36,858)
Change in fair value of investment properties	13	(1,585)	-
Change in fair value of financial instruments		153	1,689
Exceptional item – derecognition of swaps at novation	36	(3,939)	-
Gift aid		3	63
Surplus before tax		**55,427**	**51,820**
Taxation	10	-	-
Surplus after tax		**55,427**	**51,820**
Effective portion of changes in fair value of cash flow hedges		2,212	4,727
Actuarial gain/(loss)	34	1,032	2,425
Total comprehensive income		**58,671**	**58,972**

The association's results relate wholly to continuing activities

There is no material difference between surplus for the year before taxation and the surplus for the financial period stated above and their historical cost equivalent.

The notes on pages 25 to 54 form part of these financial statements.

The statement of comprehensive income was approved and authorised for issue by the Board on 28 July 2026 and were signed on its behalf by:

Jacqueline Starr - Chair

Robert Nettleton - Chief Executive

Sarah Beal - Company Secretary

LIVEWEST HOMES LIMITED

Statement of financial position as at 31 March 2026

	Note	**2026**	2025
		£000	£000
Fixed assets			
Intangible assets	15	7,873	8,074
Housing properties – net of depreciation	11	2,826,423	2,615,711
Other tangible fixed assets	14	31,462	30,430
Investment properties	13	28,736	31,826
Financial assets		-	3,140
Investments	16	8,177	92,868
Homebuy/share equity loans	17	6,936	7,062
		2,909,607	**2,789,111**
Current assets			
Stock	18	31,003	25,308
Trade and other debtors	19	33,244	29,224
Cash and cash equivalents	20	27,072	26,789
		91,319	**81,321**
Creditors: amounts falling due within one year	21	**(118,791)**	**(137,920)**
Net current assets/(liabilities)		(27,472)	(56,599)
Total assets less current liabilities		**2,882,135**	**2,732,512**
Creditors: amounts falling due after one year	22	**(1,938,578)**	**(1,842,130)**
Provision for liabilities			
Pension liability	34	(9,867)	(15,363)
Other provisions	26	(5,357)	(5,357)
Net Assets		**928,333**	**869,662**
Capital and reserves			
Called up share capital	27	-	-
Restricted reserves		184	184
Cash flow hedge reserve		-	(2,212)
Revenue reserve		928,149	871,690
Total capital and reserves		**928,333**	**869,662**

The notes on pages 25 to 54 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 28 July 2026 and were signed on its behalf by:

J Starr

Jacqueline Starr - Chair

R Nettleton

Robert Nettleton - Chief Executive

Sarah Beal

Sarah Beal - Company Secretary

Statement of changes in equity at 31 March 2026

	Called up share capital £000	Restricted reserve £000	Cashflow hedge reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2024	-	184	(6,939)	817,445	810,690
Surplus for the year	-	-	-	51,820	51,820
Changes in fair value of financial instruments	-	-	4,727	-	4,727
Actuarial gain	-	-	-	2,425	2,425
Total comprehensive income for the period	**-**	**-**	**4,727**	**54,245**	**58,972**
Balance at 31 March 2025	**-**	**184**	**(2,212)**	**871,690**	**869,662**
Balance at 1 April 2025	-	184	(2,212)	871,690	**869,662**
Surplus for the year	-	-	-	55,427	**55,427**
Changes in fair value of financial instruments	-	-	2,212	-	**2,212**
Actuarial gain	-	-	-	1,032	**1,032**
Total comprehensive income for the period	**-**	**-**	**2,212**	**56,459**	**58,671**
Balance at 31 March 2026	**-**	**184**	**-**	**928,149**	**928,333**

Notes to the financial statements

1 Accounting policies

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The preparation of the accounts requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on pages 33 to 34.

Exemptions for qualifying entities under FRS102

In preparing the separate financial statements of the association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the association
- disclosures in respect of the association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole
- no disclosure has been given for the aggregate remuneration of the key management personnel of the association as their remuneration is included in the totals for the group as a whole
- the company has taken advantage of the exemption contained in Section 9 of FRS 102 not to prepare consolidated financial statements, as it is included in the consolidated financial statements of its ultimate parent undertaking, Bromford Flagship LiveWest Limited.

Going concern

The Board, after reviewing the company budgets for 2026 to 2027 and the group's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the group and association have adequate resources to continue in business for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing the annual financial statements.

Merger

On 29 January 2026, Bromford Flagship Limited and LiveWest Homes Limited merged to become Bromford Flagship LiveWest Limited. In accordance with FRS102 this transaction has been accounted for as a merger and the Group financial statements have been prepared as if Bromford Flagship LiveWest Limited had existed since the start of the previous reporting period, and are available on the group website www.bfl-places.co.uk.

Turnover and revenue recognition

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

The association generates the following material income streams:

- **Rental income and service charge income**
  Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.
  The association operates both fixed and variable service charges on a scheme by scheme basis in full consultation with customers. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to customers by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the statement of financial position. For schemes managed by agents, income is shown as rent receivable and management fees payable to agents are included in operating costs.

- **Supporting people**
  Supporting people contract income received from administering authorities is accounted for as income in turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the statement of comprehensive income from social housing lettings (note 3) and matched against the relevant costs.
- **Shared ownership first tranche sales**
  Income from first tranche sales is recognised at the point of legal completion of the sale. The surplus or deficit arising on a first tranche sale is shown after deducting the cost of the properties and related sale expenses which is recorded in cost of sales.
- **Properties developed for outright sales**
  Sales of properties developed for outright sale are included in turnover at the point of legal completion. The surplus or deficit arising on an outright sale is shown after deducting the cost of the properties and related sale expenses which is recorded in cost of sales.
- **Grants**
  Grants received from government are recognised on an accruals basis. Non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. If there are specific performance requirements, the grant is recognised in turnover when the performance requirements are met.
- **Interest income**
  Interest income is recognised when received or receivable.

Taxation
The association undertakes activities of a charitable nature. By virtue of S.478 Corporation Tax Act 2010, the association is exempt from corporation tax. The association pays corporation tax at the rate applicable on any surplus it generates from non-charitable activities.

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred tax arises from timing differences that are 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 financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or deemed cost valuation (as part of the FRS102 transition, taken at 1 April 2014), less accumulated depreciation and accumulated impairment losses.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide a social benefit. Housing properties are held at cost. Cost includes the original purchase price, directly attributable development costs, borrowing costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

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

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

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

	Years
Boilers	15
Heating systems	25-30
Electrics and wiring	30
Insulation	30-50
PV Panels	20-30
Lifts	25-40
Kitchens	20
Bathrooms	30
Roofs	50-80
Windows and doors	25-30
Structure – houses	130
Structure – flats	100
Freehold land	Not depreciated

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

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

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

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

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

	Years
Motor vehicles	5-6
Fixtures, fittings, plant and equipment	4-10
Computer hardware	3-5
Leasehold improvements	10-25
Office buildings	50

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial, and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

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

Amortisation is charged on a straight-line basis over the expected economic useful life of the asset of up to fifteen years.

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

Valuation of investments
Investments in subsidiaries are measured at cost less any accumulated impairment. Associates are incorporated using equity accounting.

Investments in jointly controlled entities are accounted for using the equity method, after initially being recognised at cost in the statement of financial position. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the association's share of the post-acquisition profits or losses of the investee in the statement of comprehensive income, and the association's share of movements in other comprehensive income of the investee in other comprehensive income. Member distributions from joint ventures are recognised as a reduction in the carrying amount of the investment. Where the association's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the association does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the association and its joint ventures are eliminated to the extent of the association's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the association. The carrying amount of equity-accounted investments is tested for impairment annually.

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

HomeBuy
The association operates this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of Social Housing Grant (SHG).

In the event a property is sold, the association recovers the equivalent loaned percentage value of the property at the time of sale:

- the grant is recyclable up to the value of the original grant
- if there has been a fall in value of the property, the shortfall in proceeds can be offset against the grant
- the association can keep any surplus

HomeBuy loans are treated as concessionary loans and are initially recognised at the amount payable by the purchaser. The associated HomeBuy grant from the Regulator of Social Housing is recognised as deferred income until the loan is redeemed.

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

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

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

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

Social housing and other government grants
Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model. Grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once reasonable assurance has been gained that the association will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets, current liabilities, or non-current liabilities in accordance with the expected realisation of the income. Government grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on the sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position.

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

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

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

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the association's control. Contingent liabilities are disclosed, but not recognised, in the financial statements as the probability of an outflow of resources is remote.

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

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

Defined benefit pension
The association operated defined benefit plans for certain colleagues. A defined benefit plan defines the benefit that the colleague will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the association engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the association's policy for similarly held assets. This includes the use of appropriate valuation techniques. The amounts charged to operating surplus are the costs arising from the colleague services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to surplus for the year and included within finance costs. Remeasurement of the net assets/defined liability are recognised in other comprehensive income. Defined benefit schemes are funded in separate trustee administered funds. The actuarial valuations are obtained triennially and are updated at each reporting date.

The SHPS defined benefit schemes were closed to future accrual on 31 March 2020 and The Devon County Council Pension Fund defined benefit final salary pension scheme and closed to future accrual on 31 May 2016.

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

Related party transactions
Transactions within the association that require disclosure under the Accounting Direction and have been disclosed in note 32.

Financial instruments
The association has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

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

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

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

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

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

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

Other financial instruments
Financial instruments not considered to be basic financial instruments (other financial instruments).

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in the statement of comprehensive income as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment
- derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Cash flow hedges
Where the hedged risk is the variable interest rate risk in a debt instrument measured at amortised cost, the association recognises the effective part of any gain or loss on the derivative financial instrument in other comprehensive income (OCI). Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income.

The hedging gain or loss recognised in OCI is reclassified to surplus or loss when the hedged item is recognised in surplus or loss or when the hedging relationship ends.

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

Carrying amounts

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

Segmental reporting

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

The material operating segments are disclosed in note 2 where information about income and expenditure attributable to the material operating segments are presented on the basis of tenure type. This is appropriate based on the similarity of the services provided, the nature of the risks associated and the nature of the regulatory environment in which the association operates. Assets and liabilities are not reported by operating segment or tenure, other than housing properties which are split by tenure type and are shown in note 3.

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

Operating surplus
Operating surplus is shown including the following as these are part of our usual operating activity:
- Gain on disposal of housing properties and other property, plant and equipment; and
- Share of operating profit / (loss) in joint ventures and associates.

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

Tangible fixed assets
Other than investment properties, tangible fixed assets are depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Housing property allocation
Where schemes under construction are mixed tenure, costs are split using a suitable method such as area (square footage) or rental yield. The allocation of the cost of shared ownership schemes under construction between inventories and housing properties is determined by past experience. At 31 March 2026 management have determined that 30%-40% is a suitable estimate based on the association's experience in the year. Management forecast the market value of shared ownership properties on a scheme-by scheme basis which informs the current element allocated to stock accordingly. This estimate influences stock valuations in note 18 and housing properties under construction in note 11.

Investment property
The association carries its investment property at fair value, with changes in fair value being recognised in the statement of comprehensive income. The association engages independent experts to determine the fair value of its investment properties at the balance sheet date. The estimation of the fair values requires the combination of assumptions including revenue growth, estimates in respect of voids and bad debt exposure, investment required in maintenance and improvement as well as judgement to use an appropriate discount rate. For details of assumptions adopted, see note 13.

The association's market rented property portfolio is valued on a market value subject to tenancies (MV-STT) basis. The association has not seen a deterioration in arrears or voids across its market rented portfolio with demand broadly outstripping supply throughout the year. Maintenance expenditure and management costs have increased during the year due to inflation, but occupancy rates remain high.

The association has recognised a £1.6m valuation decrease in its investment properties during the year ended 31 March 2026.

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

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

Pension and other post-employment benefits
The association has obligations to pay pension benefits to certain colleagues. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. For details of assumptions adopted, see note 34.

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

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

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

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

2. Turnover and operating surplus	Note	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on property sales £'000	Operating surplus/ (deficit) £'000
				2026		
Social housing lettings						
Housing accommodation	3	**205,198**	**-**	**(149,234)**	**-**	**55,964**
Supported housing accommodation	3	**30,683**	**-**	**(25,263)**	**-**	**5,420**
Shared ownership accommodation	3	**21,840**	**-**	**(8,601)**	**-**	**13,239**
		257,721	**-**	**(183,098)**	**-**	**74,623**
Other social housing activities						
First tranche shared ownership sales		**29,707**	**(26,978)**	**(643)**	**-**	**2,086**
Supported people contract income		**5,465**	**-**	**(5,311)**	**-**	**154**
Development costs		**79**	**-**	**(1,831)**	**-**	**(1,752)**
Other		**286**	**-**	**(102)**	**-**	**184**
Gain on disposal of property, plant and equipment		**-**	**-**	**-**	**19,595**	**19,595**
Non-social housing activities						
Market rent		**1,462**	**-**	**(1,096)**	**-**	**366**
Other non-social housing lettings		**1,805**	**-**	**(1,189)**	**-**	**616**
		296,525	**(26,978)**	**(193,270)**	**19,595**	**95,872**

				2025		
2. Turnover and operating surplus	Note	Turnover	Cost of sales	Operating costs	Surplus on property sales	Operating surplus/ (deficit)
		£'000	£'000	£'000	£'000	£'000
Social housing lettings						
Housing accommodation	3	196,572		(147,786)		48,786
Supported housing accommodation	3	30,089		(28,881)		1,208
Shared ownership accommodation	3	20,188		(8,206)		11,982
		246,849	-	(184,873)	-	61,976
Other social housing activities						
First tranche shared ownership sales		28,676	(22,014)	(2,383)	-	4,279
Supported people contract income		5,242	-	(5,026)	-	216
Development costs		33	-	(2,448)	-	(2,415)
Other		257	-	(42)	-	215
Gain on disposal of property, plant and equipment		-	-	-	15,504	15,504
Non-social housing activities						
Market rent		1,472	-	(973)	-	499
Other non-social housing lettings		1,887	-	(1,520)		367
		284,416	(22,014)	(197,265)	15,504	80,641

3. Income and expenditure from social housing lettings –

	2026				2025
	General needs	**Supported housing**	**Shared ownership**	**Total**	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000
Income					
Rent receivable net of identifiable service charge	**189,912**	**17,079**	**18,877**	**225,868**	213,283
Service charge income	**9,321**	**12,033**	**1,275**	**22,629**	22,165
Amortised government grants	**5,426**	**1,166**	**655**	**7,247**	8,497
Income from others	**539**	**405**	**1,033**	**1,977**	2,904
Turnover from social housing lettings	**205,198**	**30,683**	**21,840**	**257,721**	246,849
Expenditure					
Management	**40,256**	**3,646**	**4,986**	**48,888**	44,802
Service charge costs	**9,737**	**12,570**	**1,332**	**23,639**	24,472
Routine maintenance	**33,701**	**3,594**	**-**	**37,295**	36,827
Planned maintenance	**13,565**	**828**	**-**	**14,393**	12,637
Major repairs expenditure	**22,898**	**1,368**	**-**	**24,266**	29,859
Bad debts	**557**	**166**	**-**	**723**	1,485
Depreciation of housing properties	**28,520**	**3,091**	**2,283**	**33,894**	34,791
Operating expenditure on social housing lettings	**149,234**	**25,263**	**8,601**	**183,098**	184,873
Operating surplus on social housing lettings	**55,964**	**5,420**	**13,239**	**74,623**	61,976
Voids	**(1,030)**	**(595)**	**-**	**(1,625)**	(1,664)

4. Housing stock

Company	As at 1 April 2025	Additions	Disposals	Other	As at 31 March 2026
	No.	No.	No.	No.	No.
Social housing					
General Needs housing - social rent	24,666	478	(53)	3	**25,094**
General Needs housing - affordable/intermediate rent	3,926	236	-	(65)	**4,097**
Supported housing					
Social rent	3,187	11	(17)	7	**3,188**
Affordable rent	103	-	-	-	**103**
Care homes	59	-	-	-	**59**
Low-cost home ownership	5,231	275	(48)	(43)	**5,415**
Other	1,116	-	(2)	(5)	**1,109**
Leasehold	831	-	(1)	6	**836**
Total social housing units	**39,119**	**1,000**	**(121)**	**(97)**	**39,901**
Owned and managed	38,723	1,000	(109)	(88)	**39,526**
Owned and managed by others	384	-	(11)	(8)	**365**
Managed for others	12	-	(1)	(1)	**10**
	39,119	**1,000**	**(121)**	**(97)**	**39,901**
Non-social housing					
Market rent	127	-	(4)	(3)	**120**
Staff accommodation	16	-	0	(1)	**15**
Leasehold – non-social	172	-	(26)	37	**183**
Commercial	84	-	0	3	**87**
Offices and resource	82	-	0	(1)	**81**
Retained interest	988	-	0	71	**1,059**
Total non-social housing units	**1,469**	**-**	**(30)**	**106**	**1,545**
Total Units	**40,588**	**1,000**	**(151)**	**9**	**41,446**

5. Surplus on ordinary activities

The surplus on ordinary activities is stated after charging	**2026 £'000**	2025 £'000
Operating lease rentals		
- Office land and buildings	**274**	110
- Other operating lease rentals	**12**	19
Auditors' remuneration		
- Audit of financial statements	**173**	166
- Other non-audit services	**13**	86
Depreciation		
- Housing properties	**33,852**	34,003
- Other tangible fixed assets	**4,466**	3,907
Amortisation of intangible assets	**2,375**	2,072
Changes in fair value of derivatives through income and expenditure	**(153)**	(1,689)
Change in fair value of investments properties	**1,585**	-
Profit on disposal of property, plant and equipment	**(66)**	(169)

6. Interest receivable and income from investments

	2026	2025
	£'000	£'000
Interest receivable from cash, deposits and intragroup loans	**6,889**	6,285

7. Interest payable and similar charges

	2026	2025
Interest on loans, overdrafts and other financing	**£'000**	£'000
Bank loans and overdrafts	**12,753**	14,817
On loans from intra-group	**32,918**	25,826
Other finance charges	**778**	1,213
	46,449	41,856
Interest payable capitalised on housing properties under construction 3.47% (2025: 3.38%)	**(5,181)**	(5,961)
	41,268	35,895
Net interest cost on defined benefit deficit	**698**	963
	41,966	36,858

8. Employees

	2026	2025
	£'000	£'000
Wages and salaries	**75,544**	69,011
Social security costs	**9,169**	6,925
Other pension costs	**5,658**	5,577
	90,371	81,513

Total remuneration paid to key management personal was £1,631k, (2025: £1,772k).

The average number of full-time equivalent employees (including executive directors) employed during the year (calculated based on a standard working week of 37 hours):

	2026	2025
	No.	No.
Asset management	**795**	712
Central services	**203**	194
Development	**184**	170
Housing management and support	**532**	558
	1,714	1,634

The average number of employees in the year was 1,802 (2025: 1,724).

The number of full-time employees (including executive directors) whose remuneration exceed £60,000 in the period was as follows:

	2026	2025
	No.	No.
£60,001-£70,000	**96**	52
£70,001-£80,000	**38**	48
£80,001-£90,000	**31**	21
£90,001-£100,000	**20**	13
£100,001-£110,000	**11**	12
£110,001-£120,000	**10**	6
£120,001-£130,000	**2**	2
£130,001-£140,000	**1**	4
£140,001-£150,000	**1**	5
£150,001-£160,000	**2**	1
£160,001-£170,000	**1**	-
£170,001-£180,000	**1**	1
£180,001-£190,000	**-**	1
£190,001-£200,000	**-**	-
£200,001-£210,000	**-**	1
£210,001-£220,000	**1**	-
£220,001-£230,000	**-**	1
£230,001-£240,000		-
£240,001-£250,000	**3**	1
£270,001-£280,000	**-**	1
£280,001-£290,000	**-**	1
£290,001-£300,000	**1**	-
£330,001-£340,000	**-**	1
£350,001-£360,000	**1**	-

The details above relate to colleagues directly attributable to LiveWest Homes. Further details of BFL coterminous board membership can be found in BFL financial statements which are publicly available.

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

	Proceeds of sales £'000	**Cost of sales £'000**	**Surplus £'000**	**Capital grant recycled £'000**
Further tranches of shared ownership	12,552	(6,137)	6,415	1,313
Right to buy	1,150	(733)	417	-
Right to acquire	1,243	(426)	817	74
Other property disposals	21,195	(9,315)	11,880	1,521
Other fixed asset disposals	95	(29)	66	-
Total 2026	**36,235**	**(16,640)**	**19,595**	**2,908**
Total 2025	29,605	(14,270)	15,335	850

10. Taxation on surplus on ordinary activities

	2026 £'000	2025 £'000
Current tax		
UK corporation tax charge/(credit) on ordinary activities	-	-
Tax on surplus on ordinary activities	-	-
Total tax reconciliation		
Surplus on ordinary activities	**55,427**	51,820
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2025: 25%)	**13,857**	12,955
Effects of		
Surplus relating to charitable activities	**(13,857)**	(12.955)
Total tax expense	**-**	-

11. Tangible fixed assets - housing properties

	Housing properties held for letting £'000	Completed shared ownership housing properties £'000	Housing properties under construction £'000	Total £'000
Cost				
At 1 April 2025	2,571,207	404,665	114,700	3,090,572
Additions	265	-	202,492	202,757
Capitalised interest	-	-	5,181	5,181
Replacement of components	47,408	-	-	47,408
Transferred on completion	155,915	43,752	(199,667)	-
Disposals	(13,209)	(6,126)	-	(19,335)
Transfer from / (to) investment properties	215	-	-	215
At 31 March 2026	**2,761,801**	**442,291**	**122,706**	**3,326,798**
Depreciation				
At 1 April 2025	445,293	29,528	40	474,861
Charge for the year	30,985	2,867	-	33,852
Disposals	(7,717)	(621)	-	(8,338)
At 31 March 2026	**468,561**	**31,774**	**40**	**500,375**
Net book value				
At 31 March 2026	**2,293,240**	**410,517**	**122,666**	**2,826,423**
At 31 March 2025	2,125,914	375,137	114,660	2,615,711

11b. Tangible fixed assets

	2026 £'000	2025 £'000
Housing land value in respect of short leaseholds	**711**	-
Housing land value in respect of long leaseholds	**49,148**	49,892
Housing land value in respect of freeholds	**791,335**	730,969
	841,194	780,861

Properties held for security

LiveWest Homes Limited - Registered Social Housing Provider - has property pledged as security value (existing use value – social housing (EUV – SH) and market value – subject to tenancy (MV - STT)) of £2,742m (2025: £2,461m).

12. Expenditure on work to existing properties

	2026 £'000	2025 £'000
Replacement of components	**47,408**	37,391
Amounts charged to statement of comprehensive income	**24,266**	29,859
	71,674	67,250

13. Investment properties

	2026 £'000	2025 £'000
As at 1 April	**31,826**	32,686
Transfer to tangible fixed assets - housing properties	**(215)**	-
Loss from adjustment in fair value	**(1,585)**	-
Disposals	**(1,290)**	(860)
As at 31 March	**28,736**	31,826

Investment properties (commercial and market rent) were valued at 31 March 2026 by professional qualified external valuers. The valuation of investment properties was undertaken by Jones Lang Lasalle Limited in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. In valuing the properties, the following significant assumptions were applied:

Discount rate	**8.0%**
Rental income growth	**2.5-3.5%**

14. Tangible fixed assets – other

	Freehold offices	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025	22,897	5,013	6,861	16,179	50,950
Additions	-	581	791	4,154	5,526
Disposals	-	-	-	(657)	(657)
At 31 March 2026	**22,897**	**5,594**	**7,652**	**19,676**	**55,819**
Depreciation					
At 1 April 2025	3,495	3,564	4,060	9,401	20,520
Charge for the year	459	524	849	2,634	4,466
Disposals	-	-	-	(629)	(629)
At 31 March 2026	**3,954**	**4,088**	**4,909**	**11,406**	**24,357**
Net book value					
At 31 March 2026	**18,943**	**1,506**	**2,743**	**8,270**	**31,462**
At 31 March 2025	19,402	1,449	2,801	6,778	30,430

15. Intangible fixed assets

Cost	
At 1 April 2025	17,176
Additions	2,218
Disposals	(50)
As at 31 March 2026	**19,344**
Amortisation	
At 1 April 2025	9,102
Charge for the year	2,375
Disposals	(6)
As at 31 March 2026	**11,471**
Net book value	
As at 31 March 2026	**7,873**
As at 31 March 2025	8,074

16. Investments - other

	2026	2025
	£'000	£'000
Shares	**2,300**	2,300
Intra-group loan	**-**	84,691
Listed investments	**30**	30
Investments in subsidiary companies	**5,847**	5,847
	8,177	92,868

17. HomeBuy loans

	2026	2025
	£'000	£'000
As at 1 April	7,062	7,330
Loans redeemed in the year	(126)	(268)
As at 31 March	**6,936**	**7,062**

18. Stocks and work in progress

	2026	2025
	£'000	£'000
Consumable stock	1,967	1,526
Cost of first tranche element of shared ownership properties	29,036	23,782
	31,003	25,308
Completed	8,829	8,612
Under construction	20,207	15,170
	29,036	23,782

19. Trade and other debtors

	2026	2025
	£'000	£'000
Amounts falling due within one year		
Rent arrears	7,638	9,252
Less: provision for bad debts	(2,947)	(3,641)
	4,691	5,611
Service charge recoverable	4,977	5,018
Amounts due from group companies	743	3,197
Other debtors	4,048	2,913
Social Housing Grant receivable	8,162	3,054
Prepayments and accrued income	10,623	9,431
	33,244	29,224

20. Cash and cash equivalents

	2026	2025
	£'000	£'000
Cash at bank	27,072	26,789

Cash balances held in escrow and customer sinking fund accounts are £12m (2025: £12m).

21. Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Rent and service charges received in advance	**22,867**	20,228
Loans (note 23)	**4,962**	11,549
Issue costs	**(11)**	(334)
Trade creditors	**2,409**	789
Amounts due to group companies	**10,779**	19,978
Contracts for capital works	**7,793**	8,216
Social security and other taxes	**2,002**	1,751
Social housing grant (note 24)	**7,156**	8,205
Recycled capital grant fund (note 25)	**3,587**	12,545
Pensions (note 34)	**2**	2
Other creditors	**8,527**	7,406
Accruals and deferred income	**48,718**	47,585
	118,791	137,920

22. Creditors: amounts falling due after more than one year

	2026 £'000	2025 £'000
Loans	**1,146,763**	1,120,990
Issue costs	**(143)**	(1,529)
Social housing grant (note 24)	**776,319**	693,874
Recycled capital grant fund (note 25)	**8,665**	8,867
Other grant	**277**	296
Pension (note 34)	**6**	4
Other financial liabilities (note 30)	**-**	12,811
Other creditors	**6,691**	6,817
	1,938,578	1,842,130

The premium arising on loan issues is amortised over the term of the loan to which it relates.

23. Housing loans

	2026 £'000	2025 £'000
The source of loan finance		
Banks and building societies	**151,411**	120,600
Capital market issues	**-**	155,762
Intra-group	**999,924**	855,771
Other	**390**	406
	1,151,725	1,132,539

	2026	2025
Loan repayment profile		
Repayable within one year	**4,962**	11,549
Repayable between one and two	**6,041**	13,164
Repayable between two and five years	**17,100**	204,984
Repayable after five years	**1,123,622**	902,842
	1,151,725	1,132,539

All loans are secured by fixed charges on properties. Loans totalling £51m are repayable by bullet repayment which fall due between 2043 and 2044. The remainder are repayable by instalments. The final instalments fall in the period 2027 to 2047.

The interest risk profile of loan liabilities are as follows	**2026**	2025
Floating rate	**35,000**	72,725
Fixed rate	**1,116,725**	1,059,814
	1,151,725	1,132,539

Undrawn committed borrowing facilities (all secured) at 31 March were		
Expiring within one year	-	50,000
Expiring between one and two	-	60,000
Expiring between two and five years	-	156,800
Expiring after five years	**-**	**-**
	-	266,800

Loan facilities are maintained at a group level and intra-group funding is provided to LiveWest Homes.

In order to manage its interest rate profile the group holds fixed rate swaps. The interest basis including fixed rate and inflation swaps is shown above. The fixed rates of interest range from 2.89% to 11.48%. The BFL group's average cost of borrowing at 31 March 2025 was 4.05% (2025: LWH sub-group 3.47%).

24. Social housing grant

	2026	2025
	£'000	£'000
At 1 April	**702,079**	659,983
Grants received in year	**78,925**	45,625
Grants recycled from the recycled capital grant fund	**12,057**	8,457
Grants recycled to the recycled capital grant fund	**(3,099)**	(3,241)
Grants released to the income and expenditure account	**(220)**	(1,316)
Amortised in year	**(7,227)**	(8,477)
Disposals	**960**	1,048
As at 31 March	**783,475**	702,079
Amount due to be released within one year	**7,156**	8,205
Amount due to be released in more than one year	**776,319**	693,874
	783,475	702,079

25. Recycled capital grant fund

	2026	2025
	£'000	£'000
At 1 April	**21,411**	25,176
Inputs to reserve		
Grants recycled	**3,230**	3,479
Interest accrued	**778**	1,213
Utilised		
New build	**(12,057)**	(8,457)
Other – fire safety	**(1,110)**	-
	12,252	21,411

Amounts due within one year	**3,587**	12,545
Amounts due after more than one year	**8,665**	8,866
	12,252	21,411

Withdrawals from the Recycled Capital Grant Fund were used for the purchase and development of new schemes and in relation to fire safety works.

26. Provisions for liabilities and charges

	2026	2025
	£'000	£'000
As at 1 April	**5,357**	-
Adjustment to provisions	**(2,420)**	4,381
Additions	**3,040**	976
Utilised	**(672)**	-
As at 31 March	**5,357**	**5,357**

A provision for costs in relation to building safety where there is an obligation for remedial works at schemes which are owned by the company.

Adjustments to provisions during the year reflect settlements agreed in respect of remedial works for which provisions had previously been recognised.

27. Share Capital

	2026	2025
	£'000	£'000
Issued and fully paid (nominal value £1)		
At 1 April	**9**	10
Allotted	**10**	2
Cancelled	**(9)**	(3)
As at 31 March	**10**	**9**

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

28. Financial commitments

	2026	2025
	£'000	£'000
Capital expenditure contracted for but not provided for in the financial statements		
Housing properties – contracted	**439,047**	355,127
Housing properties – approved not contracted	**79,737**	259,915
	518,784	615,042

These commitments are to be financed by the receipt of social housing grant and a mixture of loan finance, reserves and proceeds from the sales of housing properties as follows:

Social housing grant	**35,875**	72,313
Proceeds from the sale of properties	**66,683**	69,988
Loans and reserves	**416,226**	472,741
	518,784	615,042

The minimum lease payments due under operating leases are as follows		
Land and buildings – lease less than 1 year	**26**	16
Land and buildings – lease expiring 2-5 years	**130**	-
Land and buildings – lease expiring beyond 5 years	**785**	884
Equipment – lease expiring 1-2 years	**4**	16
	945	916

29. Grant and financial assistance

	2026	2025
	£'000	£'000
Held as deferred capital grant	**783,475**	702,079
Recognised as income in Statement of Comprehensive Income	**88,975**	81,748
	872,450	783,827

30. Financial instruments

	2026	2025
The company's financial instruments may be analysed as follows	**£'000**	£'000
Financial assets		
Derivative financial assets measured at fair value	**-**	4,043
Assets measured at amortised cost	**27,072**	26,789
Financial liabilities		
Derivative financial liabilities measured at fair value	**-**	12,895
Loans measured at amortised cost	**929,714**	1,132,539

All derivative financial instruments are valued using the Mark-To-Market (MTM) valuation method.

Hedge accounting

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102 for the cash flow hedge accounting models (bid) price for an identical asset in an active market nor are there recent transactions for identical assets.

	2026					
	Carrying amount	**Expected Cash Flows**	**1 year or less**	**1 to < 2 years**	**2 to < 5 years**	**5 years and over**
Interest rate swaps	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Assets	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

	2025					
	Carrying amount	**Expected Cash Flows**	**1 year or less**	**1 to < 2 years**	**2 to < 5 years**	**5 years and over**
Interest rate swaps	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Assets	4,043	5,297	1,487	213	694	2,903
Liabilities	(6,255)	(7,656)	(748)	(931)	(2,523)	(3,454)
	(2,212)	**(2,359)**	**739**	**(718)**	**(1,829)**	**(551)**

31. Analysis of changes in net debt	**2025**	**Cashflows**	**Non cashflow movements**	**2026**
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank and cash equivalents	26,789	283	-	27,072
	26,789	**283**		**27,072**
Housing loans due within one year	(11,549)	11,549	(4,962)	(4,962)
Housing loans due after more than one year	(1,120,990)	-	(25,773)	(1,146,763)
Change in debt resulting from cashflows	**(1,105,750)**	**11,832**	**(30,735)**	**(1,151,725)**

32. Related party transactions

Transactions with non-regulated members of the group

Entity Relationship	**Income (£000)**	**Expenditure (£000)**	**Debtor (£000)**	**Creditor (£000)**	**Nature of Service**
LiveWest from ARC	–	–	501	–	Development and sale services
ARC from LiveWest	–	–	–	501	Development and sale services
LiveWest from GWAG	–	–	–	10,008	Scheme management
GWAG from LiveWest	–	–	10,008	–	Scheme management
LT from LiveWest	27,247	–	18	–	Treasury services
LiveWest from LT	–	27,247	–	18	Treasury services
Westco from LiveWest	70,127	–	771	–	Development services
LiveWest from Westco	–	70,127	–	771	Development services
LP from LiveWest	–	–	253	–	Scheme management
LiveWest from LP	–	–	–	253	Scheme management

ARC – Arc Developments South West Limited
GWAG – Great Western Assured Growth Limited
LP – LiveWest Properties Limited
LT – LiveWest Treasury Limited

Under Section 33 of FRS 102, defined benefit pension schemes are considered related parties. LiveWest is a member of the following defined benefit schemes: Social Housing Pension Scheme & Devon County Council Local Government Pension Scheme. Details of transactions with these schemes are disclosed in note 34.

The subsidiaries of LiveWest Homes Limited, which are all non-regulated and incorporated under the Companies Act 1985. Details of the sub-group subsidiaries and their roles within the group, and the associated company, are shown below.

Subsidiary	**Company registration number**	**Role**
LiveWest Properties Limited	10110021	Property management services
Westco Properties Limited	02677745	Property development and services
LiveWest Treasury Plc	06392963	Group borrowing vehicle (prior to merger)
Arc Developments South West Limited	05716836	Property development and services
Great Western Assured Growth Limited	02525892	Dormant
LiveWest Services Limited	06447504	Dormant
In addition:		
Advantage Southwest LLP is 33% owned by Westco Properties Limited	OC306172	Procurement consortium

33. Contingent liabilities

LiveWest has acquired a number of properties where grant is considered to be part of the acquisition cost and is not accounted for separately in the balance sheet. This contingent liability will be realised if the assets to which the grant relates are disposed.

As at 31 March 2025 this contingent liability is £77m (2025: £77m).

34. Pension obligations

As explained in the accounting policies set out in note 1 the company operates three separate pension schemes. The assets of the schemes are held separately from those of the association.

The Pensions Trust
LiveWest participates in two schemes with the Pensions Trust, the Social Housing Pension Scheme (SHPS) and The Growth Plan.

Both are multi-employer schemes providing benefits to non-associated employers and are classified as 'last-man standing arrangements'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

SHPS
The Social Housing Pension Scheme (SHPS) defined benefit schemes provides benefits to non-associated employers and was closed to future accrual on 31 March 2020.

A full actuarial valuation for the SHPS scheme was carried out with an effective date of 30 September 2023 which showed assets of £2,570m, liabilities of £3,263m and a deficit of £693m. Since the last valuation in 2020, there has been a significant change in market conditions, which has contributed to a fall in both asset and liability values and employer deficit contributions. To eliminate this shortfall the Trustee and participating employers agreed a recovery plan for additional contributions to 31 March 2028 when the deficit is expected to be fully funded. A contribution of £5.2m will be payable in 2026/27.

In October 2018 the High Court published its judgement on the case of Lloyds Banking Group and the equalisation of Guaranteed Minimum Pensions (GMP). This has consequently been assessed against the group’s defined benefit schemes. The impact of GMP Equalisation in respect of the SHPS Pension Scheme have been recognised in the scheme liabilities.

The Trustee of the Scheme is currently seeking clarification from the Court on historic benefit changes it made to the scheme. The High Court hearing (Verity Trustees v Wood) was held in Q1 2025. During the hearing, the Court heard different arguments on a series of questions concerning how the Scheme should be administered. The Court’s determination is not expected until later in 2026. At this point the Trustee will need to consider the judgement and whether any further clarification is needed from the Court.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The Verity Trustees v Wood case included questions relevant to the Virgin Media ruling. It therefore remains unclear what impact the Virgin Media ruling would have on the Scheme until the ongoing legal case is completed. Therefore at this time the Directors have made no allowance for Virgin Media in the obligations for the Plan.

Growth Plan
The Growth Plan is a multi-employer scheme providing benefits to non-associated employers. The scheme is classified as a defined benefit scheme in the UK, however, it is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

A full actuarial valuation for the Growth Plan was carried out at 30 September 2023. This valuation showed assets of £515m, liabilities of £531m and a deficit of £16m. To eliminate this shortfall the Trustee and participating employers agreed a recovery plan 31 March 2028. The LiveWest liability is £6,000 of which £2,000 is payable in 2026/27.

Defined benefit scheme – Devon County Council pension fund
LiveWest participates in this fund as an admitted body under the Local Government Superannuation Regulations 1986.

The Local Government Superannuation Scheme is funded jointly by employees participating in the scheme and LiveWest. The scheme is a defined benefit salary scheme based on final pensionable salary and is closed to new entrants. The scheme is administered by Devon County Council.

The scheme operated two separate admission agreements relating to Tor Homes and West Devon Homes which were consolidated into one agreement on 31 March 2016.

Past service deficit payments of £82,000 were made during the year in accordance with the funding agreement.

The most recent valuation was carried out as at 31 March 2025 and has been updated by independent actuaries to the Devon Council Pension Fund to take account of the income and expenditure items for the period to 31 March 2026. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

This pension scheme was closed to future accrual on 31 May 2016.

The group has reviewed the impact of GMP Equalisation in respect of its Local Government Pension Scheme based on the results of the Government consultation published in March 2021. The scheme actuary's assumptions are consistent with the consultation outcome and therefore an adjustment to liabilities is not required.

Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. An allowance for the McCloud remedy has been made in the liabilities which is consistent with the method adopted at the last actuarial valuation

Financial assumptions
The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. The main financial assumptions in respect of the FRS102 valuation are listed below.

	SHPS		**DCC**	
	2026	2025	**2026**	2025
	%	%	**%**	%
Discount rate	**6.1**	5.9	**6.0**	5.7
Salary / pension growth	**4.0**	3.8	**3.9**	4.0
Inflatiom (RPI)	**3.3**	3.1	**3.3**	3.3
Inflation (CPI)	**3.0**	2.8	**2.9**	3.0

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at 65 are:

	SHPS		**DCC**	
	2026	2025	**2026**	2025
Longevity at age 65 for current pensioners				
Males	**20.9**	20.5	**21.5**	21.4
Females	**23.2**	23.0	**24.2**	22.7
Longevity at age 65 for future pensioners				
Males	**22.2**	21.7	**23.1**	22.7
Females	**24.6**	24.5	**25.9**	24.1

Analysis of the amount charged to the Statement of comprehensive income

	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Expenses	**189**	143	**7**	7
Net interest on pension liabilities	**752**	962	**(54)**	1
Other financial costs/(gains)	**941**	1,105	**(47)**	8

Analysis of the amount charged to the Statement of other comprehensive income

	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
(Losses)/gains arising on the plan assets	**(363)**	(7,176)	**399**	(123)
Other actuarial losses	**-**	-	**(76)**	-
Gains/(losses) arising on the plan liabilities	**787**	(4,817)	**(1,170)**	45
Changes in the demographic assumptions	**(953)**	-	**(244)**	27
Changes in the financial assumptions	**1,694**	14,449	**428**	930
Actuarial gain/(loss) excluding the impact of asset ceiling	**1,165**	2,456	**(663)**	879
Impact of asset ceiling	**-**	-	**534**	(904)
Total actuarial (loss)/gain	**1,165**	2,456	**(129)**	(25)

Included in the actuarial gain/(loss) reported in the Statement of Comprehensive Income is an actuarial loss of £4k (2025: £6k), in relation to the Growth Plan.

Asset ceiling position	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
At the beginning of the year	-	-	**904**	-
Impact of asset ceiling	-	-	**(534)**	904
At the end of the year	-	-	**370**	904

Fair value of assets

	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
At the beginning of the year	**93,411**	95,413	**10,336**	10,688
Interest on assets	**5,459**	4,693	**574**	501
Remeasurement	**(363)**	(7,176)	**399**	(123)
Other actuarial losses	**-**	-	**(76)**	-
Employer contributions	**5,272**	5,578	**82**	79
Administrative expenses	**-**	-	**(7)**	(7)
Net benefits paid out	**(5,317)**	(5,097)	**(622)**	(802)
At the end of the year	**98,462**	93,411	**10,686**	10,336

Present value of liabilities

	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
At the beginning of the year	**108,774**	117,705	**9,432**	10,734
Expenses	**189**	143	**-**	-
Interest on liabilities	**6,211**	5,655	**520**	502
Remeasurement	**(1,528)**	(9,632)	**986**	(1,002)
Net benefits paid out	**(5,317)**	(5,097)	**(622)**	(802)
At the end of the year	**108,329**	108,774	**10,316**	9,432

Type of asset held

	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Liability driven investment	**30,021**	28,291	-	-
Equities	**10,911**	10,464	**5,532**	5,450
Bonds/debt	**-**	-	**3,023**	2,446
Infrastructure	**4**	16	**1,087**	1,071
Liquid alternative investments	**17,533**	17,321		
Property	**14,077**	15,889	**787**	859
Other	**25,916**	21,430	**257**	510
Total	**98,462**	93,411	**10,686**	10,336

Funding position

	SHPS		DCC	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Assets	**98,462**	93,411	**10,686**	10,336
Estimated liabilities	**(108,329)**	(108,774)	**(10,316)**	(9,432)
Cap on surplus	**-**	-	**(370)**	(904)
Deficit in scheme	**(9,867)**	(15,363)	**-**	-

Accounting standards require the surplus to be recognised in respect of any economic value LiveWest is able to derive from the surplus in the form of potential future reduced contributions. The surplus in the LGPS scheme has not been recognised for 2025/26. The future approach will be to assess any potential surplus that could be recognised every year and could be impacted by triennial valuations.

35. Parent entity

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

The results of LiveWest Homes Limited are included in the results of Bromford Flagship LiveWest Limited.

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

36. Exceptional items

Exceptional items are those material items of income and expense which, because of their size or nature, are disclosed separately to enable a better understanding of the financial performance of the entity.

Following the merger with BF, the company completed restructuring of certain borrowings. As a result LiveWest Homes derecognised it's third-party swaps, the subsequent impact of £4m (2025: £nil) was recognised within the Statement of Comprehensive Income. The transaction is non-recurring in nature.