Places for People Homes Limited

Financial Statements

for the year ended 31 March 2026

Contents

Board of Directors, Executives and Advisers

Directors	**Non-Executives**	
	R Gregory	(Chair)
	V Bonner	
	R Cartwright	
	A Daniel	
	M Dunn	
	R Finn	
	G Kitchen	
	G Waddell	
	P Denton	(Resigned 28 February 2026)
	Executives	
	S Black	
	G Reed	
	A Winstanley	
Company Secretary	K Deacon	
Registered Office	305 Gray's Inn Road London WC1X 8QR	
Banker	Barclays Bank plc 38 Fishergate Preston PR1 2AD	
Registered Auditor	MHA 2 London Wall Place London EC2Y 5AU	
Registration of the Association	The Association is registered under the Co-Operative and Community Benefit Societies Act 2014 (Registered number 19447R) and the Housing and Regeneration Act 2008 (Number L0659). It is also affiliated to the National Housing Federation	

Strategic Report

The Board of Directors have pleasure in submitting their Strategic Report and audited financial statements for the year ended 31 March 2026.

Principal activities

Places for People Homes Limited is a not-for-profit Registered Society and registered provider of social housing whose primary business is the provision of housing at affordable rents for those in most need. In addition, the Association provides market rented housing and develops low-cost housing for sale and offers open market sales on mixed tenure developments.

Business review

The Association's deficit for the year before taxation was £1.0m (2025: Surplus £22.5m). After taxation, the Association reported a deficit for the year of £10.3m (2025: surplus of £17.1m) due to an increase in interest payable year on year. During the year, £273.3m (2025: £422.4m) was invested in the development of additional housing, while a further £124m (2025: £162.6m) was reinvested in existing stock through maintenance, major repairs, and improvements.

The Association's key performance indicators and principal risks and uncertainties are aligned with those of the ultimate parent undertaking, Places for People Group Limited, and are included in the consolidated Group accounts.

The Association's strategy is aligned to that of the parent company Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 305 Grays Inn Road, London, WC1X 8QR.

Going Concern

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

The directors of the Places for People Group (the Group) have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

In order to settle its own obligations and meet the compliance requirements of the Group's external borrowings, the Association is dependent on the Group generating sufficient cashflows to enable it to meet those obligations. Those forecasts are dependent on the Group having adequate resources to continue in business over the going concern assessment period. Places for People Homes Limited is dependent on the ability of the Places for People Group to secure finance in support of its delivery activities and therefore the liquidity position of the Group supports the going concern assumption for the Association.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. In line with the majority of businesses within the UK the Places for People Group is faced with the need to address the consequences of a sequence of severe and ongoing macroeconomic shocks over the past four years, including resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Group's business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2026 the Group had cash and undrawn facilities of £1.1bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group and the Association will be able to operate within the levels of their agreed facilities and in compliance with debt covenants. The Group has confirmed that adequate funding will be given to the Association to enable it to meet its liabilities as they fall due.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the financial statements for the Association.

Principal risks and uncertainties

The principal risks to the Association are the same as those identified as the principal risks to the Places for People Group, which are disclosed in the Annual Report of the Group.

Future developments

It is anticipated that the Association will continue to provide new and existing social housing and related activities. Details of planned strategic developments are provided in the Places for People Group Annual Report.

By order of the Board

A Winstanley
Director

Report of the Board of Directors

The board of directors is pleased to present its report and the audited financial statements for the year ended 31 March 2026.

Nature of the Association

Places for People Homes Limited is a not-for-profit Registered Society and registered provider of social housing whose primary business is the provision of housing at affordable rents for those in most need. In addition, the Association provides market rented housing and develops low-cost housing for sale and offers open market sales on mixed tenure developments.

Review of the Year

The turnover for the Association for the year ended 31 March 2026 was £460.1m (2025: £392.5m), the majority of the movement relates to an increase in social housing lettings activity. The operating surplus has increased year on year to £149.2m (2025: £145.8m), although higher finance costs and lower interest receivable reduced the surplus before taxation to a deficit of £1.0m.

Customer Participation

A comprehensive set of structures exists to ensure that there is effective communication between the Association and its customers. Our National Customer Group (NCG) has continued to challenge and scrutinise our operational delivery and in doing so, help influence and strengthen critical issues and policies affecting the customer experience. The NCG's primary remit is to hold our board to account — a challenge our board welcomes — and members are involved in recommending service improvements, highlighting best practice and working with our colleagues to check services meet, and exceed, their priorities.

Over the past year, a Chair of the NCG has been elected and we have established processes and routines that will ensure proactive NCG and board collaboration, all leading to better customer outcomes.

Internal Control

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2026 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Board and Committee Structure

The board of Directors of Places for People Group ("the Group") is responsible for setting strategies and budgets for the whole Group and co-ordinating the Group's activities. Places for People Group Limited exercises control over Places for People Homes Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to Places for People Group Limited in its rules.

The Group board has delegated certain matters to committees of the board of Places for People Group.

Corporate Governance

The Board of Places for People Group Limited has regard to the UK Corporate Governance code when setting its corporate governance, by which it governs the organisation. In doing so the Places for People Homes Limited Board closely follows the principles followed by Group.

Linked to the above, the Association has adhered to these principles except for Code provisions 3, 4, 5 and 18.

Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors.

The Group has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board. The Group Board takes direct responsibility for oversight of the Affordable Housing business conducted through the Group's regulated subsidiaries. Group Board members are also appointed members of the board of the Association and have full oversight of the operations of the Association. This further ensures that the provisions of the Code are met in respect of the Association.

Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. The Association is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, the Association's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including the Association.

Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms.

The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at Group Board level.

Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

Streamlined Energy and Carbon Reporting and Climate-Related Risks

The Group Annual Report contains the Group's SECR disclosures and details the Group's approach to climate-related risks, including highlighting key risks and the mitigations in place to manage them.

Going Concern Statement

A detailed going concern statement is contained in the strategic report on page 4.

Viability Statement

The Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment.

The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements. The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from years four to ten.

In assessing the Group's prospects and resilience, the management produced projections which considered the current business position and risk appetite. Despite the rent reductions imposed by the Government on social housing rents which came to an end in 2020, the Group has continued to undertake rigorous single and multi-variate stress testing exercises on its projections, which have included considering the impact of challenging economic conditions including a downturn in the housing market. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period.

Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

For the purposes of both Viability and Going Concern, an annual Stress Testing exercise is undertaken as part of the Business Planning process to assess the financial strength and robustness of the Group's plan. Using the ten year business plan, it aims to identify the circumstances which would push the Group to breaking point and the options available to mitigate such circumstances and ensure the Group meets all of its key financial metrics and loan covenants. The tests applied include amongst others, rent restrictions, housing market downturn, high inflation rates and sustained high interest rates. They show that with appropriate mitigations applied, the Group is able to meet all external loan covenants, even in the most extreme circumstances modelled.

The Board continuously monitors changes in internal and external indicators which could suggest that there is an increased risk of the stress test scenarios arising. These "stress test triggers" are an early warning mechanism enabling decisions to be made in relation to the potential deployment of mitigations.

On the basis of these assessments, the Board is confident that the Association will remain financially viable for the three year period covered by this statement and beyond.

Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard 2015

The Association has assessed the position and confirms that it has complied with The Regulator of Social Housing's Governance and Financial Viability Standard.

Statement of disclosure to the Auditors

At the time of approval of this report:

a) so far as the Board Members are aware, there is no relevant audit information of which the Association's auditor is unaware, and
b) the Board Members have taken all steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations, the Board has elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), *including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, and the Accounting Direction for Private Registered Providers of Social Housing 2022*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 they either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association, the financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102, the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers, 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 them to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements (continued)

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.

Statement for Independent Auditors

MHA has signified its willingness to continue in office as Auditors to the Association. The Board is satisfied that MHA is independent and there are adequate safeguards in place to protect its objectivity. Resolution to reappoint MHA as independent Auditor will be proposed at the next annual General Meeting.

By order of the Board

Kate Deacon

K Deacon
Secretary

Independent auditor's report to the members of Places for People Homes Limited

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Places for People Homes Limited. For the purposes of the table that sets out the key audit matters and how our audit addressed those matters, the terms "we" and "our" refer to MHA. The "Association" is defined as Places for People Homes Limited. The relevant legislation governing the Association is the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008, under which the Association is registered and regulated as a Registered Provider of Social Housing.

Opinion

We have audited the financial statements of Places for People Homes Limited for the year ended 31 March 2026. The financial statements that we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- Notes 1 to 30 of the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Association's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of the Association's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Board's assessment of the Association's ability to continue to adopt the going concern basis of accounting included:

- obtaining and reviewing the Board's going concern assessment, including the period covered by the assessment and the key assumptions applied;
- considering the inherent risks relevant to the Association's and parent group's activities and business models, including the potential impact of those risks on available financial resources;
- considering the Association's dependency on the Places for People Group to secure finance and provide funding support, including the Group's confirmation that adequate funding will be provided to enable the Association to meet its liabilities as they fall due;

- evaluating the Group's cash flow forecasts and liquidity analysis, including the base case, severe but plausible downside scenarios, related sensitivities and supporting rationale;
- considering the Group's available cash and undrawn facilities, its policy of maintaining a minimum 18 months' liquidity, and forecast compliance with debt covenants; and
- considering reserve levels, business plans and other information used by the Board in assessing the Association's ability to continue as a going concern.

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

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

Overview of our audit approach

Area	Summary
Scope	Our audit was scoped by obtaining an understanding of the Association and its environment, including the Association's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.
Materiality for balance sheet items	2026: £73.3m, based on 1.5% of gross assets. 2025: £5.8m, based upon 1.5% of revenue.
Specific materiality for performance-related items	2026: £9.83m, based upon 5.1% of EBITDA. 2025: N/A.
Key audit matters	Recurring: Recoverable amount of development programme schemes and associated land (Note 15).
Changes from the prior year	In determining materiality for the current year audit, we considered the Association's scale, activities and the financial information most relevant to users of the financial statements. Given the Association's substantial housing property asset base, and the importance of those assets to users' assessment of its financial position, we determined that an asset-based benchmark provides the most appropriate basis for materiality for balance sheet items. This approach is also consistent with materiality benchmarks commonly applied in the registered provider sector, where gross assets are often a key measure for large, asset-intensive housing associations. Alongside this, we applied a lower specific materiality to performance-related areas of the financial statements, recognising that users also focus on the Association's operating performance and ability to generate earnings to support its social housing activities, meet funding obligations and comply with stakeholder expectations.

Key audit matters

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

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Recoverable amount of development programme schemes and associated land (Note 15)

Financial Statement elements

Financial statement area	2026	2025	Note
Stock – housing properties for sale	**£241.8m**	£239.8m	15
Comprising: land	**£77.0m**	£80.0m	15
Comprising: buildings in progress	**£104.8m**	£99.0m	15
Comprising: completed buildings	**£58.3m**	£59.0m	15
Comprising: other stock	**£1.7m**	£1.8m	15

Key audit matter description

The Association holds significant stock in respect of development programme schemes and associated land. These balances include land, properties under construction and completed properties held for sale. The audit risk is focused on the accuracy, valuation and allocation of these balances.

Stock is required to be measured at the lower of cost and estimated selling price less costs to complete and sell. The assessment of recoverability is judgemental and depends on management's site-by-site appraisals, including forecast sales values, costs to complete, costs to sell and expected development margins. These assumptions are sensitive to changes in housing market conditions, build cost inflation, interest rates and the stage of completion of individual schemes.

There is also a risk that costs are not accurately allocated to the correct development scheme or cost category, or that costs are capitalised which do not meet the criteria for inclusion within stock. This could result in stock being misstated through inaccurate cost accumulation, inappropriate allocation between schemes, or valuation not being supported by the latest appraisal assumptions.

Given the scale of the stock balance, the judgement involved in assessing recoverability and the need for costs to be accurately recorded and allocated to individual schemes, we identified the accuracy, valuation and allocation of development programme schemes and associated land as a key audit matter.

How the scope of our audit responded to the key audit matter

Our procedures focused on whether the development programme schemes and associated land were accurately recorded, appropriately valued and appropriately allocated to the relevant schemes. Our audit procedures included, but were not limited to:

- evaluating the Association's appraisal and impairment review process, including the underlying data used by management to support the recoverability of development programme schemes and associated land;
- benchmarking sales values against external market data and valuers' reports;
- assessing management's total project cost estimates for selected schemes by reference to stage of completion, movements from initial project appraisals and the level of forecast margin headroom;
- reviewing a sample of pre and post year-end sales to assess whether actual selling prices and margins supported management's assumptions;
- testing a sample of capitalised costs to assess whether they were directly attributable to development activities and to the relevant scheme; and
- reviewing a sample of development appraisals and contracts to assess whether costs and obligations had been appropriately reflected.

Key observations

Our procedures over the accuracy, valuation and allocation of development programme schemes and associated land did not identify any indications that the assessments of the recoverable amounts made by management were inappropriate.

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Our application of materiality

Our definition of materiality considers the value of an error or omission in the financial statements that, individually or in aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial, as we also take account of the nature of identified misstatements and the particular circumstances of their occurrence when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, performing that work and evaluating the results.

Materiality area	2026	2025	Basis
Materiality for balance sheet items	£73.3m	£5.8m	1.5% of gross assets; 2025: 1.5% of revenue
Specific materiality for performance-related items	£9.8m	N/A	5.1% of EBITDA
Performance materiality for balance sheet items	£51.3m	£4.1m	70% of materiality for balance sheet items
Performance materiality for performance-related items	£6.9m	N/A	70% of specific materiality
Reporting threshold for balance sheet items	£3.7m	£0.3m	5% of materiality for balance sheet items
Reporting threshold for performance-related items	£0.5m	N/A	5% of specific materiality

In determining materiality for the current year audit, we considered the Association's scale, activities and the financial information most relevant to users of the financial statements. The Association has a substantial housing property asset base and operates in an asset-intensive sector, where users' assessment of financial strength, long-term viability and borrowing capacity is closely linked to the scale and recoverability of the housing property portfolio. We therefore determined that an asset-based benchmark provides the most appropriate basis for materiality for balance sheet items.

This represents a change from the prior year, when materiality was determined by reference to revenue. The change reflects our current-year assessment of the Association's activities, financial position and the information expected to be most relevant to users of the financial statements. It is also consistent with practice observed across the registered provider sector, where asset-based benchmarks are commonly used for large housing associations with significant housing property portfolios. Materiality for balance sheet items was therefore set at £73,258,000, based on 1.5% of gross assets.

We also determined a lower specific materiality of £9,830,000 for performance-related areas of the financial statements, based on 5% of EBITDA. For this purpose, performance-related areas comprise those classes of transactions and related disclosures that affect the Association's reported operating performance and results for the year, including turnover, cost of sales, operating costs, operating surplus and other income and expenditure items reported in the Statement of Comprehensive Income, where these are relevant to users' assessment of the Association's financial performance. The Association's balance sheet-focused areas, including housing properties, investment properties, stock, investments, debtors, creditors, borrowings and related asset and liability disclosures, were assessed by reference to the asset-based materiality level.

We considered EBITDA to be a more appropriate benchmark for these areas than profit before tax because profit before tax is significantly affected by the Association's financing structure and interest costs, and therefore does not provide as stable or representative a measure of the Association's underlying operating performance. EBITDA provides a more relevant basis for assessing performance-related areas because it reflects operating earnings before depreciation, amortisation and financing costs, and is a measure relevant to users' assessment of operating performance, financial resilience and funding capacity.

Applying a lower specific materiality to performance-related areas ensures that our audit approach remains appropriately responsive to misstatements that could influence users' understanding of the Association's results for the year, while recognising that balance sheet areas are more appropriately assessed by reference to the Association's substantial asset base. Performance materiality for balance sheet items was set at £51,280,600, representing 70% of materiality for those items. Performance materiality for performance-related areas was set at £6,881,000, representing 70% of the specific materiality applied to those areas. Performance materiality is set below materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole or, where applicable, the lower specific materiality applied to particular classes of transactions, account balances or disclosures.

We agreed to report to the Audit and Risk Committee all corrected and uncorrected misstatements above £3,662,900 in respect of balance sheet items and above £491,500 in respect of performance-related areas. We also agreed to report differences below those thresholds where, in our view, reporting was warranted on qualitative grounds.

The control environment

We evaluated the design and implementation of those internal controls of the Association which are relevant to our audit, such as those relating to the financial reporting cycle.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

Climate-related risks

In planning our audit and obtaining an understanding of the Association and its environment, we considered the potential impact of climate-related risks on the financial statements. This included consideration of both physical risks, such as the potential impact of climate change on the Association's housing property portfolio, and transition risks, including the potential impact of regulatory, legislative and market changes on the Association's activities and future cash flows.

We obtained and reviewed management's climate-related risk assessment, together with relevant supporting documentation, and held discussions with management to understand the process followed to identify and assess climate-related risks and their potential financial statement implications. We also involved internal specialists to assist in evaluating management's assessment, including the nature of the risks identified and whether those risks had been appropriately considered in the preparation of the financial statements.

Based on the work performed, we agreed with management's assessment that climate-related matters did not have a material impact on the financial statements for the year ended 31 March 2026.

Reporting on other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the Association's activities as a registered provider of social housing, the sector and regulatory environment in which it operates, its governance and control environment, its business performance and the areas of the financial statements involving significant judgement or estimation. In doing so, we considered where incentives, pressures or opportunities for management bias or override could arise, including in relation to development activity, property sales, the capitalisation of expenditure, impairment and recoverability assessments, provisions and disclosures.
- From our sector experience and through discussion with the Board and management, we obtained an understanding of the legal and regulatory frameworks applicable to the Association. We focused on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, including the Co-operative and Community Benefit Societies Act 2014, section 128 of the Housing and Regeneration Act 2008, the Statement of Recommended Practice for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022 and UK tax legislation. We also considered the wider regulatory and supervisory requirements relevant to the Association, including those of the Regulator of Social Housing and the Financial Conduct Authority, where non-compliance could have a material financial statement impact or require disclosure.
- We made enquiries of the Board, management, in-house legal counsel, compliance, risk and internal audit, and the Audit and Risk Committee regarding the Association's policies and procedures for identifying, evaluating and complying with laws and regulations, and for detecting and responding to fraud. These enquiries included whether they were aware of any actual, suspected or alleged fraud, non-compliance with laws and regulations, litigation or claims.

- We assessed the susceptibility of the financial statements to material misstatement due to fraud, including how management override of controls could occur. This assessment considered incentives and opportunities for manipulation of the financial statements, particularly through inappropriate journal entries, bias in significant accounting estimates and judgements, inappropriate classification or capitalisation of expenditure, and the timing or recognition of development and property sales transactions.
- Based on this assessment, we determined that the principal fraud risk relevant to the audit related to management override of controls, including the posting of inappropriate journal entries and the potential for bias in significant accounting estimates and judgements.

Audit response to risks identified

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of minutes of the Association's Board and Audit and Risk Committee meetings, inspection of legal and regulatory correspondence, and consideration of correspondence with relevant regulators. We also considered the wider regulatory and supervisory requirements relevant to the Association, including those of the Regulator of Social Housing and, where relevant, the requirements applicable to its status as a registered society on the FCA Mutuals Public Register.
- The audit procedures performed by the engagement team included reviewing financial statement disclosures and testing them to supporting documentation to assess compliance with laws and regulations expected to have a direct impact on the financial statements. We also considered whether the disclosures appropriately reflected matters identified through our understanding of the Association's regulatory environment, governance processes and legal correspondence.
- We tested journal entries, including those processed late in the financial statement preparation process, those posted by infrequent or unexpected users, and those posted to unusual account combinations. We evaluated the business rationale of significant transactions outside the normal course of business, reviewed accounting estimates for evidence of bias, and challenged the assumptions and judgements made by management in areas involving significant judgement or estimation. In particular, our procedures considered areas where management judgement could have a material effect on the financial statements including the recoverability of development programme schemes and associated land.
- We made enquiries of management regarding actual and potential litigation and claims, and considered whether any matters identified required recognition, measurement or disclosure in the financial statements.
- Given that the Association operates in a highly regulated sector, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify and respond to the risks of material misstatement arising from irregularities, including fraud.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including specialists where relevant, and remained alert throughout the audit for indications of fraud or non-compliance with laws and regulations.

Other requirements

We were appointed by the Board on 4 January 2023. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Association, and we remain independent of the Association in conducting our audit. Other than those disclosed in the financial statements or annual report, we did not provide any services to the Association in addition to the audit.

Use of our report

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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.

The Association is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Andrew Moyser

Andrew Moyser FCA FCCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
Date: 04 September 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Statement of Comprehensive Income

	Notes	**2026 £m**	2025 £m
Turnover	2	**460.1**	392.5
Cost of sales	2	**(104.8)**	(51.7)
Operating costs	2	**(227.0)**	(244.9)
Surplus on sale of fixed assets	4	**27.3**	48.2
Gain on revaluation of investment properties	13	**(6.4)**	1.7
Operating surplus		**149.2**	145.8
Impairment of investments	13	**-**	(1.4)
Interest receivable and similar income	7	**25.5**	37.3
Interest payable and similar charges	8	**(175.7)**	(159.2)
(Deficit)/Surplus on ordinary activities before taxation		**(1.0)**	22.5
Tax on surplus on ordinary activities	10	**(9.3)**	(5.4)
(Deficit)/Surplus for the year		**(10.3)**	17.1
Fair value gain/(loss) on interest rate and currency swaps		**4.3**	(3.5)
Debt revaluation on interest rate and currency swaps		**2.3**	14.1
Deferred tax on interest rate and currency swaps	10	**(1.7)**	(2.6)
Actuarial gain recognised in the pension scheme	26	**0.3**	0.2
Deferred tax arising on pension scheme	10	**(0.1)**	(0.1)
Total comprehensive income for the year		**(5.2)**	25.2

The notes on pages 22 to 58 form an integral part of these financial statements.

The above results are from continuing operations.

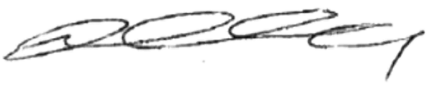
Statement of Financial Position

	Note	2026 £m	2026 £m	2025 restated £m	2025 restated £m
Fixed assets					
Housing properties	11	**3,349.0**		3,092.8	
Other fixed assets	12	**131.5**		129.6	
External investments and investment in related undertakings	13	**792.5**		700.9	
Investment properties	13	**189.4**		248.1	
Equity loans	14	**29.4**		31.3	
			4,491.8		4,202.7
Current assets					
Stock	15	**241.8**		239.8	
Debtors: amounts falling due within one year	17	**130.4**		197.7	
Debtors: amounts falling due after more than one year	16	**54.1**		34.7	
Current asset investments	18	**3.3**		2.5	
Cash and cash equivalents		**14.9**		12.2	
		444.5		486.9	
Creditors: amounts falling due within one year	19	**(300.3)**		(340.3)	
Net current assets			**144.2**		146.6
Non-current liabilities					
Creditors: amounts falling due after more than one year	20	**(4,329.9)**		(4,036.6)	
Pension liability	26	**(0.7)**		(1.4)	
Provisions	27	**(12.7)**		(12.7)	
			(4,343.3)		(4,050.7)
Net assets			**292.7**		298.6
Capital and reserves					
Income and expenditure reserve			**322.5**		331.0
Cash flow hedge reserve			**(29.8)**		(32.4)
Total capital and reserves			**292.7**		298.6

This statement of financial position has been restated from the prior year. More information can be found in Note 28.

The notes on pages 22 to 58 form an integral part of these financial statements.

The financial statements on pages 19 to 58 were approved by the Directors on 4 September 2026 and signed on their behalf by:



A Winstanley
Director

Statement of Changes in Equity

	Income and expenditure reserve £m	Cash Flow Hedge Reserve £m	Total Reserves £m
Balance at 1 April 2024 restated (See note 28)	**301.4**	**(26.3)**	**275.1**
Total comprehensive income for the year			
Surplus for the year	17.1	-	17.1
Fair value (loss)/gain on interest rate and currency swaps	-	(3.5)	(3.5)
Revaluation gain on interest rate and currency swaps	14.1	-	14.1
Deferred tax on interest rate and currency swaps	-	(2.6)	(2.6)
Actuarial gain recognised in the pension scheme	0.2	-	0.2
Deferred tax arising on pension scheme	(0.1)	-	(0.1)
Transfer of gift aid to related undertaking	(1.7)	-	(1.7)
Balance at 31 March 2025 restated	**331.0**	**(32.4)**	**298.6**
Total comprehensive income for the year			
Surplus/(Deficit) for the year	(10.3)	-	(10.3)
Fair value gain/(loss) on interest rate and currency swaps	-	4.3	4.3
Revaluation gain on interest rate and currency swaps	2.3	-	2.3
Deferred tax on interest rate and currency swaps	-	(1.7)	(1.7)
Actuarial gain recognised in the pension scheme	0.3	-	0.3
Deferred tax arising on pension scheme	(0.1)	-	(0.1)
Transfer of gift aid to related undertaking	(0.7)	-	(0.7)
Balance at 31 March 2026	**322.5**	**(29.8)**	**292.7**

The notes on pages 22 to 58 form an integral part of these financial statements.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Basis of accounting
A summary of the principal accounting policies, which have been applied consistently, is set out below.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Association is registered under the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and is registered with the Regulator of Social Housing (RSH) as a housing provider.

The Association's ultimate parent undertaking, Places for People Group Limited, includes the Association in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Gray's Inn Road, London, England, WC1X 8QR. The Association is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12 (preparation of a statement of cash flows and related notes).

The financial statements are presented in Sterling (£m's).

Going Concern
The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors of the Places for People Group (the Group) have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

In order to settle its own obligations and meet the compliance requirements of the Places for People Group's external borrowings, the Association is dependent on the Places for People Group (the Group) generating sufficient cashflows to enable it to meet those obligations. Those forecasts are dependent on the Group having adequate resources to continue in business over the going concern assessment period. Places for People Homes Limited is dependent on the ability of the Places for People Group to secure finance in support of its delivery activities and therefore the liquidity position of the Group supports the going concern assumption for the Association.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis.

In line with the majority of businesses within the UK the Places for People Group is faced with the need to address the consequences of sequence of severe and ongoing macroeconomic shocks over the past four years, including resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Group's business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2026, the Group had cash and undrawn facilities of £1.1bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group and the Association will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. The Group has confirmed that adequate funding will be given to the Association to enable it to meet its liabilities as they fall due.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing the financial statements for the Association.

Significant Judgements
The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Going Concern
In order to assess whether it is appropriate for the Association to be reported as a going concern, management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. As a result of these considerations the financial statements have been prepared on a going concern basis.

Lease classification
During the year ending 31 March 2019, the Association purchased the freeholds of a number of properties and assessed that the arrangement should be classified as a finance lease.

The Association considered the requirements of FRS 102 Section 20 which requires that, if a lease substantially transfers all the risks and rewards of ownership, it should be treated as a finance lease. It was determined that because the Association will retain ownership of the properties at the end of the 45 year lease period, alongside holding the risks and rewards of owning and managing the properties during this period, the Association substantially holds the risks and rewards of ownership.

The Association has reviewed this assessment for the year ended 31 March 2026 and concluded the arrangement should continue to be classified as a finance lease.

Key sources of estimation uncertainty
The nature of estimation means that actual outcomes may differ from the estimates made. The following accounting estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities – and therefore the income and expenses recognised – within the next financial year.

Investment properties
In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Association and its parent Group engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Group's investment properties as at 31 March 2026. A discounted cash flow method was used to estimate the fair value of the portfolio. This used up-to-date information on net operating cash flows and applied an appropriate yield to this data based on an understanding of the market and the individual circumstances of each part of the portfolio. Comparisons have also been made with similar properties in recent transactions to give additional comfort around the valuations. Where applicable, an assessment is made on a similar basis for any related commercial income in respect of these properties. Management interrogation and challenge has been applied to both the valuation method and the assumptions used, including in respect of cash flows, CPI and HPI as appropriate.

Recoverability of Stock
The Association has £241.8m of stock at 31 March 2026 (2025: £239.8m), comprising land of £77.0m, properties in construction of £104.8m, completed properties of £58.3m and other stock of £1.7m. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell.

The Association monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. Management estimates the achievable selling price for properties using information from specialist advisers on the UK housing market, anticipated house price inflation and site-specific market data. Estimates also consider factors such as geographical location, property type and expected costs to complete and sell. Based on these assumptions, the Association has assessed that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

The Association also undertakes sensitivity analysis and has assessed that a short-term drop in expected selling prices of our completed properties of 5% would not result in a material impairment charge. Management considers that stock is more exposed to risk in respect of changes in selling price than to changes in costs to complete and/or costs to sell.

Other areas of judgement and accounting estimates
Investment properties
The Association owns a range of different property types. This requires the Association to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Association considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Association has also reviewed both Section 16 of FRS 102 and Section 8 of the Housing SORP which preclude the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this requirement by judging, amongst other things, that rental properties without public subsidy attached to them, unless there are other reasons, should be classified as investment properties.

Recognition of deferred tax assets
Deferred tax assets are only recognised to the extent that it is deemed more likely than not that the benefit of the asset will be recoverable against future taxable profits. In determining the probability of recoverability, management considers future business plans and forecast results. Unrecognised deferred tax assets are disclosed in note 10.

Residual value of social housing properties
It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £3,083m. The residual value of social housing property structure is £185.5m above the carrying value as at 31 March 2026.

Defined benefit pension schemes
The Association has defined benefit obligations relating to one pension scheme. Note 26 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Association engages qualified actuaries to advise on an appropriate discount rate and all other assumptions. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total surplus by £0.1m.

The Association is party to legal action arising from the scheme rules on the Group Retirement Benefit Scheme as a result of the Association having previously been principal employer of that scheme. More detail can be found in note 27.

Turnover
Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees, grant amortisation and revenue grants from local authorities and Homes England, mortgage broker fees, equity loan fee income, personal loans interest and loan service delivery fees and other income.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser upon completion of the sale. Long term contract revenue is recognised based on the total contract value and the stage of completion of the contract. Mortgage fee income is recognised over the term of the contract. Other income is recognised upon the delivery of services.

Government grant is recognised in turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

Corporation tax
The Association is liable to United Kingdom Corporation Tax.

The charge for taxation for the year is based on the profit for the year end and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised at the effective rate enacted at the balance sheet date in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the statement of financial position date.

VAT
The majority of the Association’s turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

Pensions
The Association participates in two pension schemes, one of which is a defined benefit pension scheme based on final pensionable salary. Details of the schemes are set out in Note 26.

Employees joining the Association have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Association and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme where the assets and liabilities can be identified by employer. The in-year movement in the scheme deficit/surplus is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Defined benefit pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme surpluses are recognised where there is an unconditional right to a refund of that surplus. Pension scheme deficits are recognised in full. The movement in scheme surplus or deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Housing Properties
Housing properties are those held primarily for the provision of social benefits. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Association capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

Investment properties
Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income.

Land
Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Association is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

Other fixed assets
Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

Depreciation
Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table below.

Assets	Depreciation period (years)
Rented housing & commercial properties:	
Kitchens	20
Bathrooms	30
Boilers	15
External windows & doors	30
Roofs	60
Fire safety systems	30
Fencing	30
Digital TV aerials	10
Lifts	30
Social Alarms	20
Surveys	5-15
Adaptations	10
Other elements (new build)	100
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
Shared Ownership housing:	
All elements (new build)	35
All elements (rehab)	35
All elements (leasehold)	Lesser of term of lease or 100 years
Other fixed assets:	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10-20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant & Equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3-15

Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use.

Stock

Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes land and property held with the intention to sell, including assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

All land and property held within stock is subject to regular appraisal to confirm the assets are recoverable at least at the carrying value.

Included within stock are amounts in respect of the expected percentage of sales under first tranche disposal for shared ownership properties. Proceeds from first tranche disposals are recognised in turnover. The unsold equity of shared ownership properties is recognised within housing properties.

Impairment of fixed assets

An impairment review is undertaken when there is an indication an asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 13.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost, depreciated replacement cost or recoverable amount. Recoverable amount is the higher of value in use, normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value, or as fair value less cost to sell.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Association defines cash generating units as housing schemes except where its schemes are not sufficiently large in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

Social Housing Grant and Other Capital Grant

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where SHG or other grants are retained following the disposal of property, it is shown under the Recycled Capital Grant Funds within creditors. These funds will be used for the provision of new social housing for rent and sale and become repayable if unutilised within 3 years.

Concessionary Loans
The Association has a HomeBuy arrangement which is considered to be a concessionary loan.

Under the HomeBuy scheme, the Association receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Group meet the definition of concessionary loans and are shown as Equity Loans in fixed asset investments on the statement of financial position. The HomeBuy grant provided by the Government to fund all or part of a HomeBuy loan is classified as HomeBuy Grant in creditors due in more than one year.

Provisions
A provision is recognised where a present obligation has arisen as a result of a past event for which settlement is probable and can be reliably estimated. The amount recognised is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate, and the subsequent unwinding of the discount is recognised as a finance cost.

Financial Instruments
The Association has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Debt service reserves held in trust as security against debt holdings are categorised as held-to-maturity and measured at amortised cost using the effective interest method.

- Loans and mortgages receivable are categorised as loans and receivables and measured at amortised cost using the effective interest method

- Amounts recoverable on long term contracts are included with debtors.

- Other assets, including assets that are short-term in nature such as cash and receivables, are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.

- Discounted bonds are shown at their redemption value less deferred interest. Deferred interest represents the discount on the issue of the discounted bonds. Discounts are recognised in the statement of comprehensive income on an effective yield basis.

- Derivatives, comprising interest rate and currency swaps, are held at fair value with movements in fair value recognised in profit and loss except where the instrument is designated as a hedge.

- For derivative financial instruments designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income in the statement of comprehensive income and held in a cash flow hedge reserve. Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income.

- The cost of raising finance is amortised over the period of the associated financial instrument. The deferred cost is offset against the liability recognised in the statement of financial position.

- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Derivatives require fair value measurement each year and consequently they are subject to categorisation under the hierarchy approach.

Cash at bank and in hand in the statement of financial position comprises all cash and cash equivalents that mature or are convertible within one month or less.

The Association is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Foreign Currency
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date and gains or losses on translation are included in the statement of comprehensive income.

Leases
The Association classifies finance leases as those where the risk and reward of ownership of the leased asset has transferred to the Association. Other leases are classified as operating leases.

Assets obtained under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their economic useful lives. Obligations under finance leases are included in creditors net of the finance charge allocated to future periods. The finance element of the rental is charged to the statement of comprehensive income using the effective interest rate method.

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. Income in respect of operating leases where the Association is the lessor is recognised in the statement of comprehensive income on a straight line basis over the lease term, reduced by the cost of any lease incentives.

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2026					2025				
	Turnover £m	**Cost of sales £m**	**Operating costs £m**	**Other operating items £m**	**Operating surplus/ (deficit) £m**	Turnover £m	Cost of sales £m	Operating costs £m	Other operating items £m	Operating surplus £m
Social housing lettings (note 3)	**311.8**	**-**	**(181.7)**	**-**	**130.1**	299.1	-	(179.9)	-	119.2
Other social housing activities										
Shared Ownership property sales	**68.9**	**(57.1)**	**(4.1)**	**-**	**7.7**	34.3	(30.0)	(2.4)	-	1.9
	380.7	**(57.1)**	**(185.8)**	**-**	**137.8**	333.4	(30.0)	(182.3)	-	121.1
Non-social housing activities	**79.4**	**(47.7)**	**(41.2)**	**-**	**(9.5)**	59.1	(21.7)	(62.6)	-	(25.2)
	460.1	**(104.8)**	**(227.0)**	**-**	**128.3**	392.5	(51.7)	(244.9)	-	95.9
Surplus on sale of fixed assets (note 4)	**-**	**-**	**-**	**27.3**	**27.3**	-	-	-	48.2	48.2
Gain/(loss) on revaluation of investment properties	**-**	**-**	**-**	**(6.4)**	**(6.4)**	-	-	-	1.7	1.7
	460.1	**(104.8)**	**(227.0)**	**20.9**	**149.2**	392.5	(51.7)	(244.9)	49.9	145.8

	2026 £m	2025 £m
Social housing activities	**380.7**	333.4
Non-social housing activities		
Non-social housing property sales	**53.1**	33.5
Non-social construction	**-**	0.1
Non-social housing lettings	**20.6**	19.9
Mortgages and Equity loans	**2.1**	2.3
Other	**3.6**	3.3
	460.1	392.5

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General needs housing £m	Supported housing & housing for older people £m	Low Cost Home Ownership £m	Other £m	2026 Total £m	2025 Total £m
Income						
Rent receivable net of identifiable service charges	**216.0**	**9.5**	**14.0**	**3.8**	**243.3**	234.1
Service charge income	**14.4**	**5.2**	**3.2**	**0.1**	**22.9**	24.0
Amortised government grants	**10.6**	**1.0**	**3.1**	**0.0**	**14.7**	13.7
Other income	**25.8**	**2.1**	**2.7**	**0.3**	**30.9**	27.3
Turnover from social housing lettings	**266.8**	**17.8**	**23.0**	**4.2**	**311.8**	299.1
Expenditure on social housing lettings activities						
Management	**(32.5)**	**(2.6)**	**(3.3)**	**(0.8)**	**(39.2)**	(32.4)
Service charge costs	**(16.9)**	**(5.1)**	**(2.5)**	**(0.1)**	**(24.6)**	(25.3)
Routine maintenance	**(50.3)**	**(3.1)**	**(2.0)**	**(0.7)**	**(56.1)**	(68.7)
Planned maintenance	**(6.5)**	**(0.9)**	**(0.5)**	**(0.1)**	**(8.0)**	(6.9)
Major repairs expenditure	**(2.3)**	**(0.1)**	**(0.1)**	**(0.0)**	**(2.5)**	(9.1)
Bad debts	**(0.8)**	**(0.1)**	**(0.0)**	**(0.0)**	**(0.9)**	(1.2)
Depreciation	**(38.9)**	**(2.3)**	**(0.3)**	**(0.1)**	**(41.6)**	(28.1)
Intra group property recharges	**(6.5)**	**(0.5)**	**(0.5)**	**(0.1)**	**(7.6)**	(7.1)
Other costs	**(1.0)**	**(0.1)**	**(0.1)**	**(0.0)**	**(1.2)**	(1.1)
Operating costs on social housing lettings	**(155.7)**	**(14.8)**	**(9.3)**	**(1.9)**	**(181.7)**	(179.9)
Operating surplus on social housing lettings	**111.1**	**3.0**	**13.7**	**2.3**	**130.1**	119.2
Void Losses	**(2.6)**	**-**	**-**	**(0.1)**	**(2.7)**	(2.9)

4. SALE OF FIXED ASSETS

	2026			
	Sale proceeds	**Cost of sales**	**Other sales expenses**	**Surplus/(loss)**
	£m	**£m**	**£m**	**£m**
Sale of housing assets	**87.0**	**(44.8)**	**(4.2)**	**38.0**
Sale of fixed asset investments	**44.6**	**(52.4)**	**(2.9)**	**(10.7)**
	131.6	**(97.2)**	**(7.1)**	**27.3**

	2025			
	Sale proceeds	Cost of sales	Other sales expenses	Surplus/ (loss)
	£m	£m	£m	£m
Sale of housing assets	111.0	(60.4)	(2.1)	48.5
Sale of fixed asset investments	15.0	(14.9)	(0.4)	(0.3)
	126.0	(75.3)	(2.5)	48.2

5. DIRECTORS' EMOLUMENTS

The ultimate Group parent, Places for People Group Limited, has determined that subsidiary governance is achieved through functional management arrangements.

The Group has created posts for functional managers, whose responsibilities may cover more than one Group member. Executive Directors' emoluments during the year were met by Places for People Group Limited.

Aggregate emoluments, excluding pension contributions, paid to Non-Executive Directors in the year was £nil (2025: £nil). This excludes any emoluments that were met by Places for People Group Limited.

Board members are remunerated by the parent company for their work for the Places for People Group as a whole. Their emoluments for the Association cannot be disaggregated.

6. EMPLOYEE INFORMATION

The average number of employees (including Executive Directors) employed during the year was:

	Average number of employees		Average number of full-time equivalents	
	2026	2025	**2026**	2025
	No.	No.	**No.**	No.
Managing housing services	**1,282**	1,323	**1,253**	1,294
Developing and selling houses	**126**	76	**122**	75
Care services	**11**	14	**9**	10
	1,419	1,413	**1,384**	1,379

Average number of employees is calculated by ascertaining for each calendar month in the financial year the number of persons, by category, employed by the Company. The monthly numbers are then added together and divided by the number of months in the financial year.

	2026	2025
Staff costs (for the above persons):	**£m**	£m
Wages and salaries	**59.9**	59.5
Severance costs	**0.2**	0.2
Social security costs	**7.7**	6.3
Other pension costs	**6.2**	6.2
	74.0	72.2

Remuneration banding for key management personnel, which is considered by the Places for People Group to be Executive Directors and members of the Places for People Homes Ltd management team, which includes staff with authority and responsibility for planning, directing and controlling activities of the Places for People Homes Limited's operations is disclosed below:

	2026	2025
	No.	No.
£100,000 - £109,999	**1**	1
£120,000 - £129,999	**-**	1
£140,000 - £149,999	**-**	1
£150,000 - £159,999	**2**	1
£160,000 - £169,999	**1**	-
£240,000 - £249,999	**-**	1
£270,000 - £279,999	**1**	1
£300,000 - £309,999	**-**	1
£330,000 - £339,999	**2**	-
	7	7

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2026	2025
	£m	£m
On financial assets not at fair value through income and expense:		
Interest receivable on loans to related undertakings	**20.8**	33.0
Other interest receivable	**3.5**	2.7
Dividend receivable	**1.2**	1.6
	25.5	37.3

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
On financial liabilities not at fair value through income and expense:	**£m**	£m
On loans from related undertakings	**147.7**	124.3
On bank loans and overdrafts	**33.2**	35.1
On finance leases	**12.9**	12.5
In respect of Recycled Capital Grant Fund	**0.5**	0.9
	194.3	172.8
On defined benefit retirement schemes:		
Expected return on pension assets	**(0.4)**	0.3
Interest on scheme liabilities	**0.5**	(0.4)
	0.1	(0.1)
Less: Capitalised interest	**(18.7)**	(13.5)
	175.7	159.2
Capitalisation rate used to determine the finance costs capitalised during the year:	**5.11%**	5.03%

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2026	2025
Surplus on ordinary activities before taxation is stated after charging:	£m	£m
Depreciation and impairment:		
Tangible fixed assets	**43.1**	39.1
Payments under operating leases:		
Motor vehicles	**5.6**	4.9
Housing properties	**1.3**	0.9

Auditor's remuneration in relation to audit services in the year was £175,000 (2025: £161,000).

Fees for non-audit services in respect of assurance services provided amounted to £3,000 (2025: £25,000).

10. TAXATION

	2026	2025
a) Analysis of charge in period	**£m**	£m
Current tax		
UK corporation tax on surplus of the period	**8.5**	7.5
Adjustments in respect of prior periods	**-**	1.9
Group relief payable	**3.6**	3.6
Total current tax on surplus on ordinary activities	**12.1**	13.0
Deferred tax (note 10e)		
Origination and reversal of timing differences	**(2.8)**	(8.4)
Adjustments in respect of prior periods	**-**	0.8
Effect of tax rate change on opening balance	**-**	-
Total deferred tax	**(2.8)**	(7.6)
Tax on surplus on ordinary activities (note 10c)	**9.3**	5.4

b) Tax included in statement of total other comprehensive income

The tax charge is made up as follows:	2026	2025
	£m	£m
Pension surplus	**0.1**	0.1
Fair value adjustment on swaps	**1.7**	2.6
	1.8	2.7

c) Factors affecting tax charge for period

The tax assessed is higher than the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below:

(Deficit)/Surplus on ordinary activities before tax	**(1.0)**	27.1
(Deficit)/Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2025: 25%)	**(0.3)**	6.8
Effects of:		
Income not taxable for tax purposes	**(10.8)**	(22.4)
Chargeable Gains/(Losses)	**0.4**	-
Expenses not deductible for tax purposes	**30.3**	7.8
Movement in unrecognised deferred tax	**(10.3)**	10.5
Adjustments in respect of prior periods	**-**	2.7
Tax charge for period (note 10a)	**9.3**	5.4

d) Factors that may affect future tax charges

The rate of corporation tax is 25% and this applies to all current and deferred tax balances.

	2026	2025
e) Provision for deferred tax	**£m**	£m
Accelerated capital allowances	**18.1**	16.9
Other short term timing differences	**15.8**	18.5
Losses	**(41.7)**	(42.9)
Interest rate and currency swaps gains taken through OCI	**1.7**	2.6
Pension actuarial gains/losses taken through OCI	**0.1**	0.1
Provision for deferred tax	**(6.0)**	(4.8)
Provision at 1 April	**(4.8)**	1.6
Expense in the year in statement of comprehensive income	**(2.8)**	(7.6)
Expense in the year in statement of comprehensive income in other comprehensive income	**1.6**	2.8
Adjustments in respect of prior periods	**-**	(1.6)
Provision at 31 March at 25% (2025: 25%) (note 22)	**(6.0)**	(4.8)

There is also a deferred tax asset of £32m (2025: £8.4m) which has not been recognised due to management not expecting reversal in the foreseeable future. This deferred tax asset is in relation to accumulated corporate interest restriction deductions that do not expire.

11. HOUSING PROPERTIES

	Housing properties and land £m	Completed LSE & Shared Ownership £m	Housing properties in the course of £m	LSE & Shared Ownership properties in the course of £m	Total housing properties £m
Cost					
At 1 April 2025	2,833.7	304.0	187.6	137.4	**3,462.7**
Development additions	-	-	157.9	115.3	**273.2**
Major work additions	57.4	-	-	-	**57.4**
Change of tenure	0.4	(0.1)	(4.5)	(8.6)	**(12.8)**
Transfer to completed schemes	171.7	147.3	(171.7)	(147.3)	**-**
Transfer to sales account on disposal	(25.9)	(17.7)	-	-	**(43.6)**
At 31 March 2026	**3,037.3**	**433.5**	**169.3**	**96.8**	**3,736.9**
Depreciation and impairment					
At 1 April 2025	(359.6)	(10.3)	-	-	**(369.9)**
Charge for year:					
Depreciation	(27.2)	(0.0)	-	-	**(27.2)**
Change of tenure:					
Depreciation	(0.0)	-	-	-	**(0.0)**
Eliminated on disposal:					
Depreciation	6.8	2.4	-	-	**9.2**
At 31 March 2026	**(380.0)**	**(7.9)**	**-**	**-**	**(387.9)**
Net book value at 31 March 2026	**2,657.3**	**425.6**	**169.3**	**96.8**	**3,349.0**
Net book value at 1 April 2025	2,474.1	293.7	187.6	137.4	3,092.8

LSE denotes Leasehold Schemes for the Elderly.

Housing properties comprise:	**2026** **£m**	2025 £m
Freehold	**3,241.9**	2,977.1
Long leasehold	**488.6**	479.3
Short leasehold	**6.5**	6.4
	3,737.0	3,462.8

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities, which is derived using a percentage of development activity spend, amounting to £14.2m (2025: £17.0m). The appropriateness of the percentage applied is reviewed annually.

Additions to housing properties in the course of construction during the year include capitalised interest of £18.7m (2025: £13.5m).

12. OTHER FIXED ASSETS

				Commercial & Office Properties				
	Vehicles	Plant & Specialist Equipment	Computer equipment	Freehold	Long leasehold	Short leasehold	Fixtures & Fittings	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 April 2025	0.5	1.1	129.4	13.2	30.2	1.1	1.6	177.1
Additions	-	-	14.8	0.0	1.2	0.3	0.0	**16.3**
Change of tenure	-	-	-	-	1.5	(0.0)	0.2	**1.7**
Disposals	-	-	(0.1)	-	-	-	-	**(0.1)**
At 31 March 2026	**0.5**	**1.1**	**144.1**	**13.2**	**32.9**	**1.4**	**1.8**	**195.0**
Depreciation								
At 1 April 2025	(0.1)	(1.1)	(38.1)	(2.3)	(3.4)	(0.7)	(0.9)	**(46.6)**
Charge for year	(0.1)	-	(14.1)	(0.5)	(0.5)	(0.2)	(0.2)	**(15.6)**
At 31 March 2026	**(0.2)**	**(1.1)**	**(52.2)**	**(2.8)**	**(3.9)**	**(0.9)**	**(1.1)**	**(62.2)**
Impairment								
At 1 April 2025	-	-	-	(0.4)	(0.5)	-	-	**(0.9)**
Charge for year	-	-	-	(0.3)	-	-	(0.1)	**(0.4)**
At 31 March 2026	**-**	**-**	**-**	**(0.7)**	**(0.5)**	**-**	**(0.1)**	**(1.3)**
Net book value at 31 March 2026	**0.3**	**-**	**91.9**	**9.7**	**28.5**	**0.5**	**0.6**	**131.5**
Net book value at 1 April 2025	0.4	-	91.3	10.5	26.3	0.4	0.7	129.6

13. FIXED ASSET INVESTMENTS

	2026	2025
	£m	£m
External investments and investment in related undertakings (a)	**792.5**	700.9
Investment property (b)	**189.4**	248.1
Total fixed asset investments	**981.9**	948.9

(a) External investments and investment in related undertakings	2026	2025
	£m	£m
Cost		
At 1 April	**708.4**	685.8
Additions	**96.2**	41.9
Disposals	**(10.2)**	(19.3)
At 31 March	**794.4**	708.4
Accumulated impairment		
At 1 April	**(7.5)**	(6.1)
Provision released in the year	**5.6**	-
Charge for the year	**-**	(1.4)
At 31 March	**(1.9)**	(7.5)
Net book value at 31 March	**792.5**	700.9
Equity investments in related undertakings	**395.3**	395.3
Investments in joint venture undertakings	**118.3**	45.1
External investments	**32.0**	31.1
Cash deposits	**9.7**	9.6
Amounts due from related undertakings	**222.2**	195.9
Amounts due from joint venture undertakings	**15.0**	23.9
	792.5	700.9

The cash deposits are as follows:-

Investments in a Debt Servicing Reserve are held in trust for the Association by the Prudential Trustee Company as security against the 6.625% Eurobond 2038. The reserves equate to one year's payment of interest and principal.

Amounts due from related undertakings and joint ventures are included as investments where they relate to long-term funding.

Places for People Homes Limited equity investments at cost are analysed as follows:

	2026	2025
	£m	£m
Investments in subsidiary undertakings		
Cityscape Edinburgh LLP	**5.8**	5.8
Lighthouse Court LLP	**2.7**	2.7
Places for People Financial Services Limited	**0.5**	0.5
Places for People Landscapes Limited	**0.3**	0.3
Places for People Scotland Limited	**1.0**	1.0
Places for People Ventures Limited	**185.0**	185.0
Places for People Ventures Operations Limited	**200.0**	200.0
	395.3	395.3
Investments in joint venture undertakings		
Eastwick & Sweetwater Projects (Holdings) Limited	**46.4**	44.9
Places for People Barratt Redrow (Gilston) LLP	**61.5**	-
Countryside Places for People (Lower Herne) LLP	**10.4**	0.2
	118.3	45.1

The association has invested in the Joint ventures undertakings above for the purpose of developing new affordable Homes for future provision.

External investments		
New Avenue Living Manchester Limited	**0.2**	-
Picture Living LP	**31.8**	31.1
	32.0	31.1

(b) Investment properties	**£m**
At 1 April 2025	248.1
Additions	2.7
Change of tenure	(2.1)
Revaluation in year	(6.4)
Disposals	(52.9)
At 31 March 2026	**189.4**

14. EQUITY LOANS

	2026	2025
	£m	£m
Gross valuation		
At 1 April	**43.3**	45.4
Net appreciation in year	**0.8**	0.9
Disposals in year	**(3.0)**	(3.0)
At 31 March	**41.1**	43.3
Other associated liabilities		
At 1 April	**(12.0)**	(12.0)
Net appreciation in year	**(0.6)**	(0.7)
Disposals in year	**0.9**	0.7
At 31 March	**(11.7)**	(12.0)
Net book value at 31 March	**29.4**	31.3

Equity loans are provided to customers to assist with the purchase of their own homes. Loans are secured against customer's homes and have a variety of maturity terms, some of which are indeterminate.

Equity loans include loans that charge interest at below market rate, with a total gross valuation of £35.1m (2025: £7.9m) and net book value of £12m (2025: £11m). Of 368 (2025: 188) such loans, 341 are offered at a below market rate of interest of 3.75% (2025: 3.75%), a further 18 (2025: 21) at 1.75% + (RPI + 1%), and 9 at 1% to 3%. (2025: 9).

15. STOCK

	2026	2025
	£m	£m
Housing properties for sale		
Land	**77.0**	80.0
Buildings - In Progress	**104.8**	99.0
Buildings - Completed	**58.3**	59.0
Other	**1.7**	1.8
	241.8	239.8

16. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2026 £m	2025 £m
Revaluation of foreign currency denominated debt	**28.9**	24.7
Mortgages	**0.6**	0.5
Derivative financial instruments held to manage the interest rate profile and currency risk	**24.6**	9.5
	54.1	34.7

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £m	2025 £m
Rental debtors	**13.8**	14.0
Less: provision for bad and doubtful debts	**(2.0)**	(3.0)
	11.8	11.0
Agency leases	**0.1**	0.1
Other trade debtors	**18.9**	50.5
Development debtor	**21.5**	12.8
Amounts due from related undertakings	**27.1**	66.9
Corporation Tax	**10.4**	11.1
Deferred tax (notes 10 & 22)	**6.0**	4.8
Other taxes	**3.8**	9.4
Sundry debtors, prepayments and accrued income	**26.8**	27.2
Derivative financial instruments held to manage the interest rate profile and currency	**4.0**	3.9
	130.4	197.7

Amounts due from related undertakings are receivable on demand. Interest is not charged on these balances.

18. CURRENT ASSET INVESTMENTS

	2026 £m	2025 £m
Cash held as security	**3.3**	2.5

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
Debt	**£m**	£m
Housing and bank loans	**0.4**	1.8
Debenture stocks and bonds	**3.3**	3.1
Discount on bond issue	**(4.1)**	(3.9)
Amounts owed to related undertakings	**71.5**	99.5
Finance lease	**1.4**	1.3
	72.5	101.8
Other financial liabilities		
Deferred Government Grant	**14.7**	14.4
Recycled Capital Grant Fund	**8.2**	3.6
Interest on loans	**44.0**	37.0
Trade creditors	**7.3**	14.4
Development creditor	**80.3**	107.5
Accruals	**34.6**	33.1
Other creditors	**31.8**	22.0
Prepaid rent	**6.9**	6.3
	300.3	340.3

Amounts owed to related undertakings represent amounts payable on demand. These amounts attract interest at various rates as set out in note 25.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2026	2025
	£m	£m
Debt		
Housing and bank loans	**110.9**	101.3
Debenture stocks and bonds	**483.7**	487.1
Discount on bond issue	**(7.1)**	(11.2)
Amounts due to related undertakings	**2,478.1**	2,223.1
Obligations under finance lease	**147.5**	148.9
Derivative financial instruments to manage the interest rate profile and currency risk	**57.2**	44.2
	3,270.3	2,993.4
Other financial liabilities		
Deferred Income	**3.7**	1.8
Recycled Capital Grant Fund	**8.8**	21.7
Deferred government grant	**1,034.3**	1,005.4
HomeBuy grant	**12.8**	14.3
	4,329.9	4,036.6

The total value of the loans subject to guarantee is £nil (2025: £nil).

All secured loans are supported by specific charges on the Group or Association's housing properties and are repayable at varying rates of interest from 6.63% - 10.99% in instalments.

Included within housing and bank loans is £1.6m (2025: £1.9m) which relates to the cost of debt issue.

Amounts due to related undertakings represent balances due after more than one year. These amounts attract interest at various rates as set out in note 25.

21. RECYCLED CAPITAL GRANT FUND

RECYCLED CAPITAL GRANT FUND

		Homes England		Greater London	
		2026	2025	**2026**	2025
		£m	£m	**£m**	£m
At 1 April		**17.6**	33.2	**7.7**	5.5
Inputs to RCGF:	Grant recycled	**11.0**	2.8	**0.9**	3.3
	Interest Accrued	**0.3**	0.8	**0.2**	0.2
Recycling of grant:	New Build	**(20.7)**	(19.2)	**-**	-
Repayment of grant to the HE/GLA		**-**	-	**-**	(1.3)
At 31 March		**8.2**	17.6	**8.8**	7.7
Amounts 3 years old or older where repayment may be required		**-**	4.3	**3.1**	1.8
Total recycled capital grant fund		**17.0**	25.3		

22. PROVISION FOR LIABILITIES AND CHARGES

	At 1 April 2025	**Additional provision**	**Utilised**	**At 31 March 2026**
	£m	**£m**	**£m**	**£m**
Deferred tax assets (note 10)	**(4.8)**	**(1.2)**	**-**	**(6.0)**
	(4.8)	**(1.2)**	**-**	**(6.0)**

23. NON-EQUITY SHARE CAPITAL

	2026	2025
Issued, allotted and fully paid shares of £1 each	**£**	£
At 31 March	**8**	8

The shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules.

On a return of capital on a winding-up, no member shall receive any property or sum beyond their £1 entitlement.

24. CAPITAL COMMITMENTS

	2026	2025
	£m	£m
Capital expenditure authorised and contracted but not provided for within the financial statements	**226.9**	259.9
Additional expenditure authorised by the Board	**1,163.8**	1,070.4

The above commitments will be financed in accordance with the Group Treasury management policy which is detailed in the Places for People Group consolidated accounts.

Operating Leases
Non-cancellable operating lease rentals are payable as follows:

	2026	2025
	£m	£m
Motor vehicles and equipment		
In one year or less	**4.2**	4.6
In one year or more but less than five years	**8.2**	11.8
	12.4	16.4
Land and buildings		
In one year or less	**1.3**	1.3
In one year or more but less than five years	**5.1**	5.1
In more than five years	**5.1**	6.4
	11.5	12.8

25. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies
The Places for People Group board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit & Risk Committee oversees how management monitors compliance with the Association's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Association. The Group Audit & Risk Committee is assisted in its oversight role by Business Assurance. That team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Association's Treasury function is responsible for the management of funds and control of the associated risks. Its activities are governed in accordance with Board approved policy and are subject to regular audit. The function does not operate as a profit centre. The Association's policy is to retain minimal cash whilst targeting facilities to finance 1 year's cash flow. Cash projections cover a 3-year period to continuously monitor future borrowing requirements.

Places for People Homes had further available facilities of £920m (2025: £913m) and the Group has established a European Medium Term Note Programme of £1,838.5m (2025: £982.1m) for future fundraising.

Market risk
Market risk comprises interest rate risk, currency risk and other price risk.

Interest rate risk
The Association's strategy is to contain interest rate risk within 30% of the loan book, with the Board exercising a strict control over derivative transactions; currently 77% of debt is either held at fixed rates of interest or hedged against adverse rate movements.

The Association manages its exposure to this risk through a mix of debt at fixed rates of interest and interest rate hedging techniques.

It is estimated that each quarter percent increase in interest rates would increase interest payable costs by £2.43m per annum. Due to the low levels of cash and cash deposits held, the impact of a change in the interest rate on interest receivable is insignificant.

Currency risk
The Association has no overseas subsidiaries and trades only in sterling. The Association has some bonds which are denominated in foreign currency. The Association's strategy is to mitigate currency risk arising from foreign currency denominated debt. This is achieved using cross currency swaps. Currency cash flows exposure is fully hedged, therefore a change in the foreign currency rate would be fully offset by the swaps.

Other price risk
The Association is impacted by general changes in price levels and specifically the Retail Price Index (RPI). This is because some payments to retail bond holders are directly linked to the RPI.

It is estimated that each quarter percent increase in RPI would increase interest payable costs by £0.19m per annum. This is capped at £3.8m.

Credit risk
Credit risk arises from exposure to the risk of a loss if a counterparty fails to perform its obligations to the Group. This relates to exposures to financial institutions for investments and cash deposits placed, with corporates for credit granted in the course of operations and with individuals for rent receivable and loans granted.

The Association's credit exposure is virtually nil all within the United Kingdom.

Whilst the Association's maximum exposure to credit risk is best represented by the carrying value of the individual assets, in most cases the likely exposure is far less due to the nature of the debt held, credit status of counterparties, security held and other actions taken to mitigate the risk to the Association as described below:

- In respect of investments and deposits placed, the Association has established strict counterparty credit limits based on the overall level of its investment activity and the credit quality of the institutions with which investments are placed. External fund managers are employed to manage investment in government securities which are held as debt reserves to credit enhance certain loan stocks; these reserves are held at levels in excess of covenanted requirements in order to manage against the risk of short-term movements in financial markets.

- In respect of financial derivative instruments, the Association treasury team currently performs a weekly review of the credit ratings of all its financial institution counterparties. The credit risk on liquid funds and derivative financial instruments is managed through the Association's policies of monitoring counterparty exposure, concentration of credit risk through the use of multiple counterparties and the use of counterparties of investor grade quality.

- In respect of individuals, tenants arrears are reported each working day and dedicated teams are assigned to maximise debt recovery. In addition more than half of arrears are collected directly from local authorities reducing the Association's exposure to individual tenant's credit risk.

- Loans made to customers to purchase Association developed houses are secured by a charge against the relevant property.

Liquidity risk and refinancing exposure

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Interest rate risk is considered to be a key component of both market and liquidity risk.

The Association policy is to minimise liquidity and refinancing risk, with the aim to hold facilities which cover the first 18 months of its 36 month cash requirement projections.

The Association is in compliance with all of its financial covenants contained within its loan documents and loan stocks trust deeds. The Association defines its refinancing risk as loans which do not include some form of amortisation or sinking fund.

The Association utilises short-term revolving bank debt as a consequence of its sales programme. Currently, 37.7% of debt matures within the next 5 years, of which 3.7% of debt matures during the next financial year.

Hedging

The Association hedges its currency risk by taking out fixed/fixed cross currency interest swaps to fix the GBP value of both interest and principal repayable under the foreign currency denominated debt. As at 31st March 2026 the Association held cross currency interest rate swaps with a net adverse mark to market value of £28.6m (2025: £30.8m adverse) and no interest rate swaps (2025: £nil). The currency swaps are held at fair value as disclosed in notes 16, 17, 19 & 20. The cash flows associated with these instruments are shown in the table on the next page.

Liquidity Risk
The interest rate risk analysis below is considered to be a key component of the Association's liquidity risk.

Ageing Profile and Interest Rate Risk of Financial Instruments
For each class of interest bearing financial asset and financial liability, the following tables indicate the range of interest rates effective at the statement of financial position date, the carrying amount on the statement of financial position and the periods in which they reprice, if earlier than the maturity date. The tables take into account interest-bearing assets and liabilities only.

The ageing profiles below include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

Ageing profile and Interest Rate Risk of Financial Assets as at 31 March 2026

	Effective interest rate	Total carrying amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	6.24%	155.1	31.7	70.7	25.7	-	-	27.0
Floating rate	6.77%	76.5	-	-	76.5	-	-	-
Amounts due from related undertakings	8.91%	25.2	-	-	-	-	-	25.2
		256.8	31.7	70.7	102.2	-	-	52.2
Mortgages and loans		-	-	-	-	-	-	-
Derivative financial instruments held to manage the interest rate profile and currency risk		28.5	4.0	-	4.3	1.2	0.6	18.4
		285.3	35.7	70.7	106.5	1.2	0.6	70.6

All financial assets carry a fixed interest rate unless otherwise shown.

Comparative figures as at 31 March 2025 were as follows:

	Effective interest rate	Total carrying amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Fixed asset investments:								
Fixed rate	6.64%	158.7	17.9	35.8	74.2	21.2	-	9.6
Floating rate	8.21%	51.9	-	-	-	51.9	-	-
Amounts due from related undertakings	9.11%	23.9	-	-	-	-	-	23.9
		234.5	17.9	35.8	74.2	73.1	-	33.5
Mortgages and loans		-	-	-	-	-	-	-
Derivative financial instruments held to manage the interest rate profile and currency risk		13.4	3.9	6.1	-	0.8	-	2.6
		247.9	21.8	41.9	74.2	73.9	-	36.1

Ageing Profile and Interest Rate Risk of Financial Liabilities as at 31 March 2026

The tables in respect of financial assets and liabilities include undiscounted future contractual payments including interest. As a result, the amounts reported here are not comparable with the balances reported in notes 16, 17, 19 and 20.

	Effective interest rate	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	%	£m	£m	£m	£m	£m	£m	£m
Stocks and bonds:								
Fixed rate	4.82%	606.0	26.7	26.7	273.0	17.7	21.3	240.6
Discount on bond issue		(11.3)	(4.1)	(3.6)	(3.7)	0.0	0.0	0.1
		594.7	22.6	23.1	269.3	17.7	21.3	240.7
Housing and other loans:								
Fixed rate	5.19%	3,498.0	233.5	138.9	277.1	205.3	221.6	2,421.6
Floating rate	5.04%	401.0	19.0	1.0	357.7	1.0	22.3	-
Index linked	5.00%	57.3	0.3	0.3	56.7	-	-	-
		4,551.0	275.4	163.3	960.8	224.0	265.2	2,662.3
Finance leases	6.00%	502.6	14.8	14.8	14.8	14.8	14.8	428.6
Derivative financial instruments held to manage interest rate risk		57.3	-	-	21.0	0.2	-	36.1
		5,110.9	290.2	178.1	996.6	239.0	280.0	3,127.0

Comparative figures as at 31 March 2025 were as follows:

	interest rate	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
							£m	£m
Stocks and bonds:								
Fixed rate	4.83%	632.8	26.7	26.7	26.7	273.0	17.7	262.0
Discount on bond issue		(14.9)	(3.9)	(2.8)	(2.8)	(2.8)	(2.8)	0.2
		617.9	22.9	23.9	23.9	270.2	14.8	262.1
Housing and other loans:								
Fixed rate	5.03%	3,268.9	219.5	220.6	90.6	160.2	124.1	2,453.9
Floating rate	5.80%	439.8	-	-	439.8	-	-	-
Index linked	5.00%	55.0	0.3	0.3	0.3	54.1	-	-
		4,381.6	242.6	244.8	554.6	484.5	139.0	2,716.1
Finance leases	6.00%	496.8	14.2	14.2	14.2	14.2	14.2	425.9

Trade and other payables are not included in the above tables as they are non-interest bearing and are not subject to interest rate risk.

Borrowing facilities

	2026	2025
At 31 March Places for People Homes had undrawn committed borrowing facilities expiring as follows:	£m	£m
In one year or less, or on demand	-	-
In more than one year but not more than two years	-	-
In more than two years	920.0	975.0
	920.0	975.0

£nil of the undrawn committed borrowing facilities require fixed charge security to be placed with lenders (2025: £Nil).

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying values and fair values of all of the Association's financial instruments. None of the financial assets or liabilities have been reclassified during the year.

		2026		2025	
		Book value	Fair value	Book value	Fair value
	Note	£m	£m	£m	£m
Financial assets					
Fixed asset investments	13 & 14	821.9	820.7	732.2	730.9
Current asset investments	18	3.3	3.3	2.5	2.5
Cash at bank and in hand		14.9	14.9	12.2	12.2
Long term debtors	16	-	-	-	-
Mortgages	16 & 17	0.6	0.6	0.5	0.5
Amounts owed from joint venture undertakings	17	-	-	-	-
Revaluation of foreign currency denominated debt	16 & 17	28.9	28.9	24.7	24.7
Derivative financial instruments held to manage interest rate risk	16 & 17	28.6	28.6	13.4	13.4
Financial assets falling due within one year	17	108.6	108.6	178.0	178.0
		1,006.8	1,005.6	963.5	962.2
Financial liabilities					
Debenture stocks and bonds	19 & 20	487.0	483.0	490.2	484.6
Discount on bond issue	19 & 20	(11.2)	(11.2)	(15.1)	(15.1)
Housing and bank loans	19 & 20	111.3	111.3	103.1	103.1
Prepaid rent	19	6.9	6.9	6.3	6.3
Amounts owed to related undertakings	19 & 20	2,549.6	2,549.6	2,322.6	2,322.6
Amounts owed to joint venture undertakings	19 & 20	-	-	-	-
Revaluation of foreign currency denominated debt	19 & 20	-	-	-	-
Derivative financial instruments held to manage interest rate risk	19 & 20	57.2	57.2	44.2	44.2
Other financial liabilities	19 & 20	165.9	165.9	175.6	175.6
Financial liabilities falling due within one year	19 & 20	214.5	214.5	230.3	230.3
		3,581.2	3,577.2	3,357.2	3,351.6

Of the financial assets above, £28.6m (2025: £13.4m) are derivative financial instruments and £28.9m (2025: £24.7m) is revaluation of foreign currency denominated debt, with the remaining amounts being measured at amortised cost.

Of the financial liabilities above £57.2m (2025: £44.2m) are derivative financial instruments with the remaining amounts being measured at amortised cost.

Investments in debt and equity securities
The fair value of held-to-maturity investments is determined by reference to their quoted bid price at the statement of financial position date. The fair value of held-to-maturity investments after initial recognition is determined for disclosure purposes only.

Financial assets falling due within one year, long term debtors and mortgages
The fair value of these assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Financial liabilities
The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Cash at bank and in hand and bank balances
The fair value of cash is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date.

Interest-bearing borrowings
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the statement of financial position date.

Derivative financial instruments
The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair value hierarchy
The measurement of fair value for financial instruments has been done using a level 2 valuation technique. The definition of this technique per the standard is a valuation using inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

26. PENSION OBLIGATIONS

The pension costs for Places for People Homes relate to two schemes of which employees and former employees are members. Details of each scheme are set out below.

The Places for People Group Stakeholder Scheme
Employees joining the Association from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme - the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the statement of comprehensive income of £6.5m (2025: £6.0m) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

Social Housing Pension Scheme
Places for People Homes Limited participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

SHPS is a defined benefit scheme in the UK and is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation determined a scheme deficit of £700m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

SHPS is classified as a 'last-man standing arrangement'. 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. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The mortality assumption used at 31 March 2026 is that a male currently aged 65 years old has a life expectancy of 20.9 years (2025: 20.5 years), a female currently aged 65 years old has a life expectancy of 23.2 years (2025: 23.0 years).

The major assumptions used by the actuary were:

	2026 SHPS	2025 SHPS
Discount rate	**6.10%**	5.60%
Price inflation (RPI)	**3.50%**	3.20%
Price inflation (CPI)	**2.80%**	2.70%
Salary growth	**4.01%**	3.75%

Amounts recognised in the Statement of Financial Position	**SHPS**
Value at 31 March 2026	**£m**
Fair value of plan assets	**7.6**
Present value of defined benefit obligation	**(8.3)**
Net liability recognised in the statement of financial position	**(0.7)**

	SHPS
Value at 31 March 2025	£m
Fair value of plan assets	7.1
Present value of defined benefit obligation	(8.5)
Net asset/(liability) recognised in the statement of financial position	(1.4)

The major categories of assets as a percentage of total assets are as follows:

	2026 SHPS	2025 SHPS
Diversified growth funds	**17.8%**	18.6%
Equities	**11.3%**	11.3%
Liability driven investments	**48.8%**	47.0%
Cash	**0.0%**	1.5%
Other fixed interest	**1.0%**	0.2%
Insurance linked securities	**0.1%**	0.3%
Direct lending	**16.1%**	16.1%
Property	**4.9%**	5.1%
	100%	100%

Analysis of amounts recognised in the Statement of Comprehensive Income

	SHPS
Year ending 31 March 2026	**£m**
Expected return on plan assets	**0.4**
Interest on scheme liabilities	**(0.5)**
	(0.1)

	SHPS
Year ending 31 March 2025	£m
Expected return on plan assets	0.3
Interest on scheme liabilities	(0.4)
Amounts charged to other finance costs	(0.1)

Amounts recognised in Other Comprehensive Income	**SHPS**
Year ending 31 March 2026	**£m**
Actuarial gain in pension scheme	**0.3**

	SHPS
Year ending 31 March 2025	£m
Actuarial gain in pension scheme	0.2

Movement in fair value of plan assets	**SHPS**
	£m
As at 1 April 2025	**7.1**
Interest on plan assets	**0.4**
Company contributions	**0.4**
Benefits paid	**(0.5)**
Return on plan assets less interest	**0.2**
As at 31 March 2026	**7.6**

Movement in present value of defined benefit obligation	**SHPS**
	£m
As at 1 April 2025	**8.5**
Administration costs	**-**
Interest costs	**0.5**
Benefits paid	**(0.6)**
Losses/(gains) from changes to demographic assumptions	**0.1**
Gains from changes to financial assumptions	**(0.3)**
Gains from experience adjustments	**-**
Actuarial (gain)/loss on obligation	**0.1**
As at 31 March 2026	**8.3**

27. PROVISIONS

At 31 March 2026, the Association held a provision of £12.7m (2025 restated: £12.7m) in respect of identified fire safety risks due to be remediated. Payments are expected to be made in 2028.

	Opening balance £m	**Additions £m**	**Utilised £m**	**Remeasurement £m**	**Closing balance £m**
Fire Safety Risk	12.7	-	-	-	**12.7**
	12.7	**-**	**-**	**-**	**12.7**

28. RESTATEMENT OF OPENING BALANCES

In preparing these financial statements, an existing fire safety risk has been identified that has not previously been provided for. On investigation, it has been determined that the specific risk has been extant since 10 July 2023 and therefore the opening balances on provisions and the income expenditure reserve have been restated by £12.7m, to show the effect of a provision having been created during the financial year ended 31 March 2024.

As a result, the statement of financial position and the statement of changes in reserves have been restated as shown in the extracts below and a note on the provision has been added at note 27.

Extract from the Statement of Financial Position

	2025 as previously reported	**Adjustment**	**2025 restated**
	£m	**£m**	**£m**
Non-current liabilities			
Creditors: amounts falling due after more than one year	(4,036.6)	-	**(4,036.6)**
Pension liability	(1.4)	-	**(1.4)**
Provisions	-	(12.7)	**(12.7)**
	(4,038.0)	(12.7)	**(4,050.7)**
Net assets	311.3	(12.7)	**298.6**
Capital and reserves			
Income and expenditure reserve	343.7	(12.7)	**331.0**
Cash flow hedge reserve	(32.4)	-	**(32.4)**
Total capital and reserves	311.3	(12.7)	**298.6**

Extract from the statement of changes in reserves

	2025 opening as previously reported	**Adjustment**	**2025 opening restated**
	£m	**£m**	**£m**
Balance at 1 April 2024			
Income and expenditure reserve	314.1	(12.7)	301.4
Cash flow hedge reserve	(26.3)	-	(26.3)
Total reserves	287.8	(12.7)	275.1

29. CONTINGENT LIABILITIES

The Association is party to legal action arising from the scheme rules on the Group retirement benefit pension scheme, of which it was previously the principal employer. During the year, a court-mandated settlement was reached in respect of this matter, which had previously been disclosed as a contingent liability. The settlement has resulted in the recognition of an additional pension benefit obligation, the cost of which has been estimated at £24m and recognised within the Places for People Group financial statements as a past service cost. This estimate remains subject to the completion of the underlying calculations and any associated administrative processes. In addition, the settlement has given rise to legal and administrative costs, some of which have yet to crystallise. Further details of the settlement, associated costs and the overall financial impact are included in the Places for People Group Annual Report for the year ended 31 March 2026.

The Association, together with some fellow subsidiaries of the Places for People Group, has guaranteed to holders of debt issued by members of the Places for People Group, the principal amount and interest accrued in respect of certain debts in the event of default by the issuing entity. The total debt outstanding at 31 March 2026 in respect of such guarantees was £4,043.6m (2025: £3,434.7m).

The total interest accrued at 31 March 2026 relating to this debt was £41.2m (2025: £42.9m). This represents the maximum exposure for the Association.

The directors consider it extremely unlikely that the company would be required to make any payments in respect of this guarantee.

The Association assesses the fire risk of external wall construction and cladding of its housing properties through PAS9980 assessments. There is a possible but uncertain obligation to remediate any fire safety defects relating to buildings where a PAS9980 assessment has not yet been conducted and therefore any defects are not known. It is not possible to reliably estimate this possible obligation as there is no information available on whether such defects exist and therefore what the cost of any remediation would be.

30. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 26.

Places for People Homes Limited is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the parent company publishes consolidated group accounts, the company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS 102 section 33.1A.

No tenants served on the Board of Places for People Homes Limited during the year.

The Association had the following transactions during the year with joint ventures, associates and other external investments.

	Services provided £000's	Services received £000's	Amounts outstanding at 31 March £000's	Interest received £000's	Dividends received £000's
Brooklands LLP	2,656	-	-	-	-
East Wick & Sweetwater Projects (Holdings) Limited	697	-	131	-	-
East Wick and Sweetwater Projects (Phase 1) Limited	15	-	2	-	-
Global Habitat Housing SL	-	70	-	-	-
PFP US JV LLP	-	-	-	1,724	1,000
Picture Living LP	-	-	-	-	1,166

31. EVENTS AFTER THE REPORTING DATE

The Directors have considered events subsequent to the reporting date and confirm that there have been no events since the reporting date up to the date of approval of these financial statements that require adjustment to, or disclosure in, the financial statements.

32. HOUSING STOCK

The Association owns or manages 51,992 housing properties (2025: 51.573), a breakdown of these housing properties is shown below:

	2025	Units developed or newly built units acquired	Units sold/ demolished	Transfers (to)/from other RPs	Other movements	**2026**
	No.	No.	No.	No.	No.	**No.**
Social housing owned						
- General Needs Housing	31,231	324	(414)	-	(11)	**31,130**
- Affordable Housing	3,974	348	-	-	4	**4,326**
- Supported Housing	425	-	-	-	7	**432**
- Housing for Older people	2,310	-	-	-	-	**2,310**
- Low cost home ownership accommodation	3,120	397	(496)	252	-	**3,273**
Total social housing owned	41,060	**1,069**	**(910)**	**252**	**-**	**41,471**
Social housing managed						
- General Needs Housing	32,975	324	(410)	-	(50)	**32,839**
- Affordable Housing	4,507	348	-	-	4	**4,859**
- Supported Housing	(2)	-	-	-	17	**15**
- Housing for Older people	1,892	-	-	-	-	**1,892**
- Low cost home ownership accommodation	605	243	-	46	-	**894**
Total social housing managed	39,977	**915**	**(410)**	**46**	**(29)**	**40,499**

	2026	2025
	No.	No.
Total social housing units managed but not owned	**4,354**	4,355
Total social housing units owned but not managed	**5,326**	5,467

	2026	2025
	No.	No.
Non-social housing managed		
- Market rent	**582**	348
- Managed services	**492**	-
- Leased housing - freehold only	**2,559**	1,155
- Student accommodation	**34**	35
Total non-social housing managed	**3,667**	1,538
Total social housing managed	**40,499**	39,948
Total housing managed	**44,166**	41,486
Total non-social housing owned but managed by another body	**7,826**	10,087
Total housing owned or managed	**51,992**	**51,573**
Garages, commercial premises and other non-residential units managed or serviced	**2,396**	1,526
Total residential and non-residential units managed or serviced	**54,388**	53,099