



Annual Report and Accounts 2025/26



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We are Clarion Housing Group



Clarion is the UK's largest social landlord, maintaining 125,000 homes and serving more than 360,000 residents across the country. We were founded in 1900 when Victorian philanthropist William Sutton left his fortune to provide homes for those who needed them most. More than 125 years on, that founding purpose still shapes every decision we make.

We provide and maintain quality homes across a range of affordable tenures, investing in our existing properties to ensure they are safe, warm and fit for the needs of the people living in them today and in the future. Through our development arm Latimer, we build new homes and communities at scale, with an ambition to deliver places that are sustainable, connected and designed for long-term resilience.

Our charitable foundation, Clarion Futures, extends our impact beyond housing. This year alone, we helped over a thousand residents into employment and thousands more with debt and money guidance to help them become more financially resilient. We see this work as central to our role as a compassionate, responsible social landlord.

Clarion's 4,000-plus colleagues deliver for residents every day, responding to repairs, supporting vulnerable households, maintaining neighbourhoods and building the relationships that make a house a home. Their work is the organisation in practice, and we are proud of what they achieve.

Our purpose has never changed. We exist to provide safe, affordable homes for those who need them most. What has changed is our understanding of what that requires. Alongside building homes, we must forge the right partnerships, hold ourselves to higher standards and build communities where people can genuinely thrive and build better futures. This Annual Report is an account of how we are doing that.

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Cover photograph: Niomi Gibson, Clarion resident, Clarion Futures Board member and member of the 125 Foresight Group.

2025/26 highlights

Turnover **£1.045 billion**

Operating Surplus **£289 million**

Resident satisfaction **85.6%**

Repairs satisfaction **91.1%**

People supported into work **1,287**

Social value generated by the Group **£156 million**

£631 million invested into new homes and regeneration

22,800+ pipeline of new homes

1,466 homes completed

Over 80% of homes completed were for affordable tenures

£453 million spent on improving and maintaining our homes

£300 million+ spent on building safety since 2017

Statement from the Group Chief Executive



As I reflect on the past 12 months, it has been another challenging and significant year. The conflict in the Middle East has brought fresh turbulence to an already uncertain global environment, with higher energy prices, disrupted supply chains and renewed pressure on household finances arriving mid-year.

For many of our residents, already managing on tight margins, these are not distant geopolitical events but immediate pressures felt in heating bills, food costs and the ability to make ends meet. This year's Clarion Index resident survey found that half of our working-age residents remain in a financially precarious position, with health, disability, caring responsibilities and the cost of childcare among the most persistent barriers they face to becoming more financially resilient. That is the context in which Clarion operates, and it shapes the decisions we make as an organisation.

Against this backdrop, Clarion has remained financially resilient and operationally focused. Our operating surplus rose to £289 million and customer satisfaction stood at 85.6% while repairs satisfaction remained above 90% once again.

This year we published the Five New Giants of Opportunity report, setting out our long-term vision for what social housing must do to address the defining challenges of our age. The report proposes a new social contract for housing built around five principles: Connection, Resilience, Sufficiency, Trust and Health. These 'Giants' are intended to shape not only how we build homes, but how we improve resident outcomes, strengthen communities and invest for the long term. They have also informed the development of our new Resident, Corporate, Property and People strategies, helping ensure we continue delivering for residents now and in the future.

Of the five Giants set out in the report, health feels particularly urgent. The quality of housing has a direct impact on people's physical and mental wellbeing, and investing in existing homes is one of the most important ways providers like Clarion can improve outcomes for residents. Warm, safe and well-maintained homes can reduce hospital admissions, support mental wellbeing and provide families with the stability they need to thrive.

That is why we invested £453 million this year in improving and maintaining existing homes, ensuring they are better suited to the needs of residents today and in the future. But the report also challenges us to think more broadly about the role housing providers can play in society. Addressing the issues facing communities cannot be achieved by one organisation alone and requires closer collaboration between housing providers, the NHS, local authorities and communities themselves. We look forward to working with partners to deliver our goal of building safe, sustainable, resilient and connected communities for years to come.

Like many housing providers, we continued to navigate inflationary pressures and wider market constraints affecting development delivery across the sector. During the year, we completed 1,466 new homes and invested £631 million in new homes and regeneration. While we are naturally disappointed not to have increased the number of homes completed this year, our development pipeline has increased to more than 22,800 homes as we stand ready to build the homes that so many families desperately need.

Through Clarion Futures, our charitable foundation, we have helped 1,287 residents into employment this year, including helping almost 100 set up their own businesses. Our Money Guidance team supported more than 4,000 residents with debt and budgeting advice, and the Sustainment team helped generate more than £1.5 million in additional resident income while securing a further £4 million in financial support for essentials. Almost 65,000 visits were recorded across our wellbeing spaces network, extended for a further two years with support from the Rothesay Foundation. In a year of rising costs and global uncertainty, this practical support has never mattered more.

Following our first planned Regulator for Social Housing inspection under the new consumer standards, Clarion received a C2 consumer grade, retained G1 governance and achieved an upgraded V1 viability grade. The judgement recognised the strength of our safety arrangements and repairs services while identifying further work needed on property condition information and complaints handling. We fully accept the Regulator's assessment, and we are already working to improve our ways of working wherever we can.

None of this is possible without the residents who hold us to account, shape our services through co-design and governance, and trust us to do better. I also want to thank our colleagues for their commitment throughout a demanding year. Every repair, every guidance conversation, every family supported truly makes a difference, and I am incredibly proud to work with colleagues who regularly go above and beyond to provide not just a home to our residents, but to help them build a better future.

In a period of continued uncertainty, our focus remains clear on providing safe, sustainable homes, supporting residents through changing economic conditions and investing in communities for the long term.

Clare Miller
Group Chief Executive

Statement from the Group Chair



This year brought the strength of Clarion's governance into sharp focus. Our first planned inspection under the new consumer standards, ongoing building safety obligations and the wider pressures facing the social housing sector have all required the Board to continue providing careful oversight and active engagement with significant decisions.

For an organisation of Clarion's scale and purpose, responsible stewardship means balancing the long-term financial resilience that makes sustained investment possible with the social mission that makes that investment matter. It means being honest about where we need to improve, recognising where the organisation is delivering well, and ensuring the resident voice is not an afterthought in governance but a structural part of how decisions are made.

Our first consumer inspection was a significant moment for Clarion. The Board's role has been to receive the judgement with seriousness, hold the Executive Team to account for the improvement work required, and ensure that the same rigour is applied to the areas challenged by the inspection as to those it affirmed. The C2 consumer grade reflects areas of genuine strength, but also highlighted the need for further improvement when it comes to housing property condition and repairs which we absolutely recognise. The Board has reviewed the Regulator's feedback in full, alongside the resident feedback we receive through other channels, and has scrutinised the action plans put in place to respond and deliver these improvements.

There are genuine grounds for optimism about the direction of government policy. The new Affordable Homes Programme, the 10-year rent settlement and rent convergence changes provide the long-term certainty the sector has needed to plan and invest with greater confidence. But translating policy intent into delivery requires strong relationships, readiness and continued engagement. Clarion has been doing that work, including through sustained engagement across government and with key departments as new requirements such as the Future Homes Standard, Awaab's Law and the updated Decent Homes Standard develop.

The Board is clear that meeting these obligations, while continuing to deliver at scale, requires careful planning, honest assessment of cost implications and close collaboration with government and partners. I am proud of the work taking place across Clarion to put the organisation in the best possible position to deliver with purpose.

Financially, a strong operating surplus in a demanding environment reflects disciplined management. More significant than the number itself is what it enables: reinvestment in homes, services and communities. The Board scrutinises that reinvestment carefully, and the scale of investment going back into new and existing social housing is something we are determined to sustain.

Clare sets out the Five New Giants of Opportunity and what they mean for our strategy. From a Board perspective, commissioning that work and holding ourselves to account for the strategies it has informed reflects the kind of long-term thinking Clarion needs. The questions the report raises, about the communities we are helping to build and whether our ambitions match the challenges ahead, are ones we take seriously and will continue to press. I would like to acknowledge our Board colleague David Orr, who chaired the 125 Foresight Group, who's leadership was central to bringing this work to life.

I want to acknowledge Clarion's residents directly. Their willingness to participate in governance, scrutiny and co-design, including the independent review of our resident influence model commissioned by Resident Committee this year, is central to how the organisation works. As Group Chair, I value the opportunity of being able to attend Resident Committee periodically and hear resident feedback directly on how we can improve in delivering key services. An organisation that takes accountability seriously must take resident voice seriously, and I believe we are becoming better at that, even as more remains to be done.

I also want to thank our colleagues across the organisation, whose commitment and professionalism make everything reported here possible. To my fellow Board members, whose rigour, collective challenge and dedication throughout the year ensure that Clarion remains focused and accountable, I am equally grateful.

As highlighted above, the operating environment remains demanding. But Clarion is well-governed, financially sound and clear about its responsibilities. That gives us the foundation to keep investing in homes, improving services and supporting residents and communities in the years ahead.

Jock Lennox
Group Chair

Five New Giants of Opportunity

To look at the challenges facing housing providers and their residents in the years ahead, Clarion established the 125 Foresight Group, a multi-disciplinary panel of thinkers drawn from housing, health, finance, architecture, technology and academia, alongside resident voice which was embedded in the Group from the outset. Niomi Gibson, a Clarion resident and Clarion Futures Board Member, joined as a full member, bringing lived experience to the thinking alongside external experts and practitioners. Through workshops and discussions, we asked them to look beyond the immediate pressures facing our organisation and think radically about the long-term forces shaping the lives of the people we serve. Their work was distilled into five principles - five giants - that housing must address to build a genuinely better future for those in social housing.



Connection

The problem: 15% of Clarion residents say they are often or always lonely, more than double the national average. Changing demographics, digital disruption and the erosion of community infrastructure are pulling people apart. Housing policy has too often responded by counting units rather than building places that connect people.

The principle: A home is the foundation from which people build relationships, put down roots and participate in their communities. Connection asks us to design for belonging as well as shelter, thinking about shared spaces, active travel, green infrastructure and the conditions that allow communities to form and sustain themselves as living systems rather than housing allocations.

Our intent: We want to move beyond the role of landlord to become a genuine anchor for the communities we serve, designing new developments with connection at their core, investing in wellbeing infrastructure and working with residents, not just for them.



Resilience

The problem: 48% of Clarion residents say acute financial strain has negatively affected their mental health. Compounding shocks like economic instability, rising energy costs and the risks of a technology landscape residents did not design are falling hardest on those least able to absorb them. The current system was built to manage crisis after it arrives, not to prevent it.

The principle: Rising energy costs, eroding public services and increasing economic insecurity are compounding the pressure on households already managing on tight margins. For too many of our residents, there is no buffer, and one unexpected bill, a car repair or washing machine that needs replacing is enough to tip a manageable situation into crisis.

Our intent: We want to build resilience into how we design and retrofit homes, support residents through hardship and ensure no resident is locked out of accessing essential services to improve their situation which depend on reliable digital access. Resilience cannot be delivered to residents, but has to be built with them.

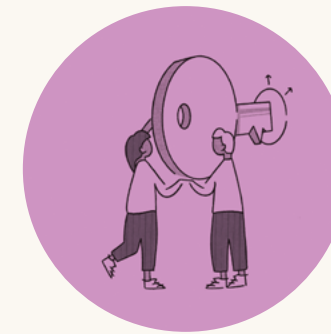


Sufficiency

The problem: More than 176,000 children are living in temporary accommodation. The affordable housing sector represents just 16% of all housing properties, with 1.3 million people on waiting lists. Decades of policy choices have prioritised market mechanisms over long-term public value, leaving millions without a decent, stable home.

The principle: Sufficiency is ensuring people and families have the conditions they need to live well. Enough space, warmth, security and stability to participate fully in society. It challenges providers, funders and government to define and fund that standard honestly rather than accepting inadequacy as structural.

Our intent: We want to be part of rebalancing a system that has drifted too far from long-term public value. Our focus is building homes that genuinely meet residents' needs, advocating for the funding conditions that make sufficiency achievable and helping shape a national conversation about what adequate housing actually requires.



Trust

The problem: The relationship between social landlords and residents has too often been transactional and compliance-driven with communication being made downwards, consulting without acting and treating engagement as a process to manage. The introduction of consumer regulation reflects a sector-wide reckoning with that history. Trust, where it has been lost, cannot be recovered through better communications alone.

The principle: Trust requires residents to have genuine agency in how services are designed, decisions are made and complaints resolved. As Niomi Gibson, Clarion resident and Foresight Group member, puts it "by involving residents in decision-making and providing the support they need, we can build a new era based on trust and empowerment."

Our intent: We want to embed resident voice not as a feature of governance but as a condition of it while being present in strategy, co-design and scrutiny. That means being honest about where we fall short and measuring progress by whether residents feel genuinely heard.



Health

The problem: In the UK there is a 16-year gap in life expectancy between the most and least deprived neighbourhoods. 3.5 million households live in non-decent homes, with cold and damp conditions linked directly to respiratory illness, mental health deterioration and preventable winter death. Health inequalities are a product of the conditions in which people live.

The principle: Housing is a health intervention. Every decision about how we build, maintain and retrofit a home is also a decision about the health of the person living in it. The social determinants of health - income, employment, connection, green space - all play out at neighbourhood level, which is precisely where housing providers operate.

Our intent: We want to position health as an organising principle for how we invest, not a secondary consideration but a primary measure of whether what we build is doing its job. That means working with the NHS, local authorities and public health partners to treat the health of our residents as inseparable from the health of the places they call home.

Scan the QR code to read the full report.



Scan the QR code to watch the video.



Our corporate strategy

The Five New Giants of Opportunity shaped a comprehensive refresh of Clarion’s corporate strategy in 2025/26. Four interlocking strategies covering our people, our residents, our homes and our business were developed together, each examined through the lens of connection, resilience, sufficiency, trust and health. Each are designed to reinforce the others in pursuit of our shared purpose to provide homes, shape places and create opportunity for our residents.

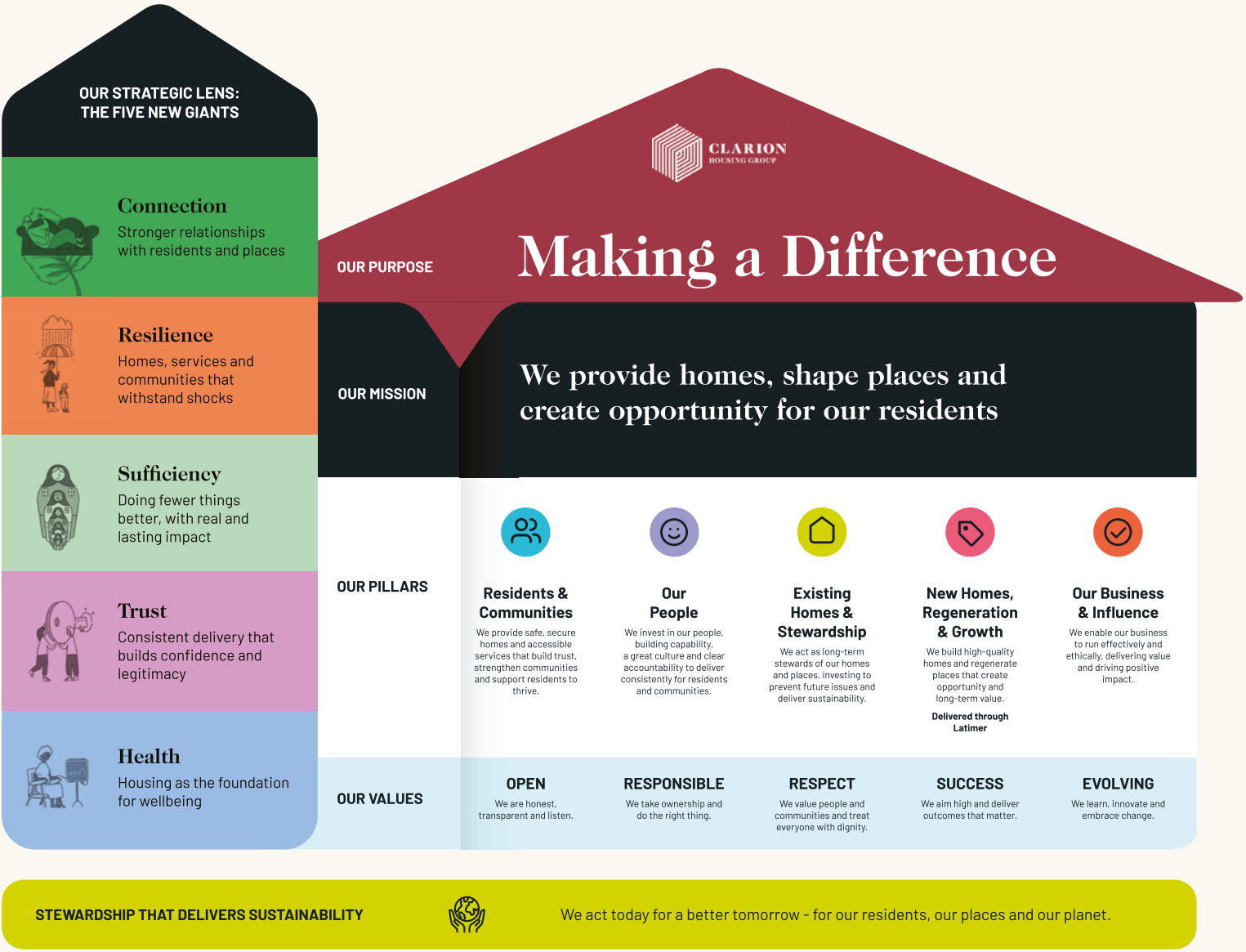
Delivering for residents starts with our colleagues. The commitment, skill and professionalism of more than 4,000 people across Clarion is what makes everything else in this report possible. We know that the quality of service a resident receives depends directly on the quality of the organisation delivering it, and that means investing in our people with the same seriousness we invest in our homes. Our new People Strategy sets out an ambition to create an equitable, learning-led and wellbeing-focused workplace, built around equity in access to opportunities, capability and skills to thrive, agile ways of working and sustained colleague wellbeing. This is not simply about being a good employer. It is about building an organisation whose people have the tools, the confidence and the support to deliver for residents every day.

Residents are at the centre of every decision we make. We serve more than 360,000 people across the country, and each of them deserves a service that is responsive, respectful and genuinely helpful. Clarion’s refreshed Resident Strategy commits us to being more than a landlord, focusing on delivering services that are large in scale but local in character, strengthening our relationship with residents and ensuring good-quality affordable housing remains accessible at every stage of life. It also reflects a clear commitment to listening more, acting on what residents tell us and building the kind of trust that has to be earned through consistent delivery over time.

Safe, well-maintained and sustainable homes are the foundation of everything. A home that is warm, safe and fit for purpose is not just a basic standard but is the platform from which residents build their lives. Our Property Strategy sets out how Clarion will invest in and improve the homes it already manages, deliver new homes through Latimer at scale and pace, and accelerate the transition to sustainable, healthy and resilient places. With over 125,000 properties and a development pipeline of more than 22,800 homes, the ambition of this strategy is as significant as the responsibility it carries.

Financial strength and strong governance make all of this possible. Without disciplined management of resources, none of our ambitions for residents, colleagues or communities can be sustained over the long term. Our Business and Influence Strategy ensures the financial resilience, accountability and external relationships needed to support our wider goals remain robust, while also making clear that Clarion intends to use its scale and voice to shape the housing debate and advocate for the conditions that allow the sector to deliver more.

Shown opposite, these strategies sit within Clarion’s overall purpose and the values that run through everything we do.



Our residents



Understanding resident life

The Clarion Index, now in its fifteenth year, provided the most detailed picture yet of the lives and challenges of the people we serve. The 2025 edition, based on insight from more than 2,000 resident households, showed genuine movement in some indicators alongside persistent barriers in others.

The proportion of working-age residents in employment rose to 56%, up from 50% the previous year. The share of households in a financially precarious position fell from 58% to 50%, though significant barriers remain. Health, disability, caring responsibilities and the cost of childcare continue to be the most persistent factors preventing residents from building financial resilience – a picture that has directly shaped the long-term priorities in the Five New Giants of Opportunity.

The Index also highlights the digital divide within our communities. While 86% of residents use the internet, this drops to 44% among residents aged 75 and over, a gap with real consequences for access to services, information and connection.

Making every contact count

Every day, Clarion colleagues answer calls, respond to emails, resolve repairs and support residents through some of the most difficult moments of their lives. The quality of those interactions, not just whether the issue was fixed, but whether the resident felt heard, respected and kept informed, is what determines whether Clarion is genuinely doing its job. In 2025/26, we received almost 1.1 million contacts across our customer service channels: 581,240 calls, 417,577 emails, 68,171 live chats and 20,927 social media contacts. Contact Centre customer satisfaction ended the year at 80.8%, with quality performance reported at 91.5%.

Understanding our satisfaction measures

Clarion measures resident satisfaction in two ways. Tenant Satisfaction Measures (TSMs) are a sector-wide standard that allow comparison across landlords and are submitted to the Regulator of Social Housing. Clarion's transactional surveys provide faster, more granular feedback on individual services and interactions, capturing what residents experience in the moment and helping us make improvements more quickly. The two measures tell us different things and we use both.

Clarion's reported satisfaction from residents was 85.6% for the year, while overall satisfaction measured through Tenant Satisfaction Measures reached 65.8% – the third consecutive year of improvement, up from 63.7% in year two and 60.8% in year one. Through TSMs, statistically significant improvements were recorded for whether Clarion listens to and acts on residents' views, provides a safe home and makes a positive contribution to the neighbourhood. Satisfaction with the safety of the home reached 72.7%, while 75.0% of tenants agreed that Clarion treats them fairly and with respect.

Community investment and connection

This year we supported 1,287 people into employment alongside our delivery partners, with 95 helped to set up their own businesses. Through its activities, Clarion generated £156 million in social value across the Group during 2025/26, with £125 million of this delivered through our charitable foundation Clarion Futures.

Staying connected, warm and supported matters, and in 2025/26, it mattered more than ever. In partnership with the Rothesay Foundation, we extended our wellbeing spaces programme for a further two years, backed by a donation of more than £1 million. During 2025, more than 50 wellbeing spaces across England generated almost 65,000 visits – a 50% increase on the previous year – providing free, welcoming places where residents could access practical help with benefits, energy use and

digital skills, take part in activities and spend time with others. The extended programme will support a minimum of 55 spaces nationwide.

The sixth William Sutton Prize, with its prize pot increased to £125,000 to mark Clarion's 125th anniversary, attracted a record number of applications. Five winners were named across two categories: Sustainability, which recognised innovations including AI-powered heating systems, low-carbon insulation panels made from agricultural waste and automated retrofit planning tools; and Connected Communities, which celebrated an AI-powered digital super-neighbour and a programme empowering young social housing residents to become environmental innovators. A new scholarship programme also supported six young people to study architecture and sustainability at institutions including Oxford and University College London.

We also awarded more than £100,000 in digital inclusion grants to 24 projects across the country. Through the Merton Community Panel, more than £53,400 was awarded to ten local organisations focused on care leavers, tackling violence affecting women and girls and reducing isolation. In Bow, £66,700 from the Veolia Environmental Trust was secured to create a sustainable plant nursery on a former garage site. The nursery will grow plants and green infrastructure for Clarion estates across North London, while providing training and volunteering opportunities for local residents, combining environmental benefit, employment pathways and community use on a site that previously stood vacant.

Working with our supply chain to deliver additional social value in our communities, Clarion generated £9,281,857 in cash and in-kind value this year.

Resident voice

Residents are not passive recipients of Clarion's services but shape them. Throughout the year, residents influenced communications, anti-social behaviour services, complaints handling, procurement and regeneration planning, as well as testing new telephony and technology ahead of wider rollout.

In January 2026, our Resident Committee commissioned an independent review of Clarion's resident influence model for enabling residents' views to influence Clarion's services and decision-making. A seven-week governance recruitment campaign reached 16,869 people, generated 78 applications and led to appointments including a Resident Committee Chair, two Housing Association Board members and three Resident Committee members.

Safety campaigns driven by resident insight also delivered measurable results. A smoke alarm campaign, built around the finding that cooking was a primary cause of alarms being deactivated, used the message 'Test it, Vent it, Handle it', with webpage visits almost trebling. An awareness campaign ahead of new electrical safety legislation in November 2025 combined letters, emails, postcards and frontline door-knocking to improve access rates for mandatory inspections.

Specialist support

Clarion supported more than 1,500 customers affected by domestic abuse during the year and secured 184 refuge placements across Kent, Medway and East Sussex. Teams followed up on 2,400 safeguarding concerns, resulting in more than 700 referrals to local authority teams. At Amy's Place, 85 young women recovering from addiction were supported to rebuild their lives. More than 10,000 older residents live in LiveSmart homes, with 54 welfare benefit support surgeries held this year.

The Sustainment, Welfare Benefits and Wellbeing Team supported more than 2,700 residents. Of 84 surveyed after working with the team, 94% reported improved wellbeing. Targeted interventions helped 50 care leavers sustain their tenancies and prevented enforcement action in 867 cases. The team also supported 70 residents who needed to be temporarily rehoused during major repairs. These are outcomes that rarely appear in headline figures but represent some of the most significant work Clarion does.



Our homes and communities



Delivering at scale

Alongside completing 1,466 homes in 2025/26, our development arm Latimer acquired 2,592 homes for its programme, achieved planning for around 3,690 homes and started work on more than 2,054 new homes. Five-star customer satisfaction status was retained for the fourth consecutive year – a measure of delivery quality as well as volume. The year's activity demonstrates the breadth of approach required across very different contexts, from large-scale urban brownfield regeneration to new affordable supply on constrained sites.

Transforming brownfield land

At Brewery Gardens in central Manchester, Latimer began work on the £109 million regeneration of the former Boddingtons Brewery site. The development will create 505 new homes, 60% of them affordable, including 115 homes for social rent, alongside public realm improvements and commercial spaces. In Digbeth, a Brownfield Land Grant of around £12 million was secured to unlock viability on a challenging site, demonstrating how public investment can make development work where market conditions alone would not. A new partnership was established with Manchester City Council at Gorton, and at Dyecoats in Leeds, revised outline approval was secured for around 1,800 homes, while phase one completions at Cocoa Gardens welcomed the first residents to a regenerated neighbourhood.

Increasing affordable supply

In Penge, amended plans for the Blenheim Centre were approved to deliver all 228 homes as social rent – an increase from 35% to 100% affordable, supported by the Greater London Authority and the London Borough of Bromley. The revised scheme will also include more family-sized homes, commercial units, a new public square and a pocket park.

In Lee Green, Lewisham, Clarion exchanged contracts to take on 261 affordable homes as part of the regeneration of the former Leegate Shopping Centre – 149 for social rent and 112 for shared ownership – forming part of a wider 620-home scheme delivering new community facilities, a medical centre and public space improvements. At Argenta House in Stonebridge Park, planning permission was secured for a more than £90 million scheme providing 180 affordable homes on a vacant site.

Building with social purpose

Latimer's social impact activity reached more than 6,000 individuals during 2025/26, including 2,445 young people. 149 apprenticeships were created as a direct result of our development projects over the year, alongside 104 jobs and 73 work experience placements, 37 qualifications, 151 industry certifications and 640 hours of green skills training.

Case study: Tendring Colchester Borders Garden Community

In 2025/26, Latimer submitted a planning application for the Tendring Colchester Borders Garden Community – a long-term masterplan for 7,750 new homes to the east of Colchester, representing one of the most ambitious development proposals in Clarion's history.

The proposal reflects, in practice, what the Five New Giants of Opportunity sets out in principle. At least 30% of homes will be affordable.

More than 50% of the site will be open space, including a 60-hectare country park. Schools, health facilities, retail and leisure are integrated throughout, alongside a rapid transport link to central Colchester and a 20-minute neighbourhood design principle. The development is projected to generate more than 6,000 full-time jobs, and £65 million of additional Homes England funding has been secured for off-site infrastructure.



Clarion is acting as Master Developer – a role that enables long-term stewardship of the community rather than short-term disposal – and the application is the product of more than four years of close working with three local authorities.

Keeping homes in good condition

In 2025/26, Clarion invested £453 million in improving and maintaining existing homes, covering reactive repairs, planned maintenance and proactive capital investment. Of this, £161 million was proactive capital investment – an increase of £38 million year-on-year – including £34 million in component investment, £37 million in block investment projects, £19 million in energy efficiency measures and £10 million in mechanical and electrical work. These works benefitted 17,853 homes across the country.

A strategic refresh of Clarion 2050 and its sub-strategies, including the Home Condition Strategy, was completed during the year, following the Regulator for Social Housing’s inspection and significant legislative change across the sector. This provides an updated framework for long-term investment decisions in existing homes.

Alongside capital investment, Clarion managed a £116 million disposal programme, generating a £52 million net surplus from 176 open-market disposals and 1,029 homes transferred to other providers. These proceeds are reinvested directly into Clarion’s homes and services.

Performance

Repairs satisfaction reached 91.1% and asset investment satisfaction was above 85%. Our ‘On My Way’ resident communication service, allowing us to receive instant feedback, performed favourable to target throughout the year. Together, these results contributed to the positive outcome of Clarion’s first Regulator for Social Housing consumer inspection, which specifically recognised the effectiveness of its repairs and maintenance service and building safety performance.

Building safety

Clarion has invested £305 million in building safety since 2017, including more than £60 million in 2025/26 alone. External wall system appraisals were completed for all buildings over 11 metres during the year, well ahead of the 2027 deadline set by the government’s Remediation Acceleration Plan. Clarion remains on track to remediate all 67 buildings above 11 metres ahead of acceleration plan targets.

Twelve Building Assessment Certificate applications were submitted, with positive outcomes received on five and decisions awaited on the remaining seven. All key safety compliance metrics were moved to 100% targets and a compliance improvement plan, supported by resident communications campaigns, has driven measurable progress: three of six communal compliance measures now stand at 100% and overdue high and medium fire risk assessment remedial actions have been reduced to around 100.

Preparations for phase one of Awaab’s Law included the design and implementation of new systems and processes ahead of the legislative changes. Clarion’s safety culture was recognised externally through a fifth consecutive RoSPA Gold Award, its first RoSPA Gold Medal and a Fleet Safety Gold Award.

Delivering healthy, future- fit homes

Improving the energy performance and environmental quality of our existing homes is central to how we think about resident health and long-term sustainability. Latimer was again named the UK’s most sustainable housebuilder in the NextGeneration Benchmark, with 96.5% of completed homes delivered fossil fuel free. Our Climate Transition Plan, published in May 2025, sets out the scale of what lies ahead, as across our portfolio, we will need to replace over 80,000 individual gas boilers with low-carbon alternatives, transition over 150 heat networks and install solar panels across a significant proportion of our residents’ homes.

Our collaboration with Octopus Energy and The Hill Group has already helped deliver the UK’s first affordable rent Zero Bills homes, guaranteeing residents zero energy bills for at least five years. Building on this, we have teamed up with Octopus again to retrofit ten of our existing homes in Kent with cutting-edge technology to make them eligible for Octopus’ innovative Zero Bills tariff.



Our people



An employer of choice

Clarion's ability to deliver for residents depends on the quality, commitment and diversity of the people who work here. In 2025/26, the external recognition Clarion received as an employer reflected genuine progress in building a workplace where colleagues can develop, contribute and thrive.

Clarion was named one of the UK and Ireland's Top 50 Inspiring Workplaces, ranking 38th overall and recognised as the top non-profit organisation on the list. Alongside this, Clarion again achieved Level 3 Disability Confident Leader status – the highest accreditation under the UK Government's Disability Confident scheme – following an independently validated assessment that recognised the strength of its reasonable adjustments processes and Disability Confident Interview Scheme.

Employee feedback reinforces the picture. 96% of colleagues agreed that people from all cultures and backgrounds are valued at Clarion, and 93% agreed that Clarion supports equality of opportunity. Colleague confidence in Clarion as an employer also strengthened during the year, with 92% agreeing that Clarion makes a positive difference to communities, up from 88% in 2024/25, and 88% saying they would recommend Clarion as a great place to work, up from 85% the previous year.

Reward and recognition

We want Clarion to be one of the best places to build a career. We have continued to develop our reward and benefits package, which includes sector-leading maternity and fertility leave, matched employer pension contributions of up to 10% and a new car salary sacrifice scheme to support colleagues with the cost of commuting and transport. These changes reflect our commitment to offering a package that recognises the demands of our colleagues' roles and supports their financial wellbeing alongside their professional development.

An inclusive workplace

Clarion's workforce reflects the communities it serves. Women represent 48% of colleagues and 44% of the Board. 23% of colleagues are from ethnic-minority backgrounds, as are 28% of Board members. Two ethnically diverse colleagues were finalists in the G15 Ethnicity in Housing Awards during the year, with one receiving a Highly Commended Certificate of Recognition in the Outstanding Achievement category.

Clarion achieved LGBTQIA+ Housing Pledge accreditation and partnered with HouseProud for Pride London. Inclusive learning was broadened to include neurodiversity sessions and refreshed training on diversity and inclusion, unconscious bias and microaggressions.

Clarion voluntarily publishes its ethnicity pay gap alongside the statutory gender pay gap. The median gender pay gap at 5 April 2025 was minus 4.95%, meaning women earned marginally more than men on the median measure. The mean gender pay gap narrowed to 4.49% from 5.24% the previous year. The median ethnicity pay gap was 0.46%, and the mean narrowed to 7.29% from 8.57%. Progress on pay is steady, and the decision to publish figures that are not required by law reflects genuine accountability rather than a compliance exercise.

Investing in careers

Clarion's learning and development offer is built around the principle that career growth should be accessible at every level and stage. During 2025/26, 74 existing colleagues began apprenticeships across 15 learning pathways in areas such as leadership, artificial intelligence, data, digital, trades, sustainability, employability, project management, surveying and housing. Fifty-five colleagues completed apprenticeships during the year, with 95% of those on leadership programmes achieving distinctions.

45 colleagues gained professional qualifications, and our mentoring programme, with 44 mentors supporting 57 colleagues, continued to provide structured career support. 9 graduates joined Clarion in 2026, bringing the total to 17 across the organisation, with 6 moving into permanent roles.

102 Heads of Service and Directors attended Leading with Influence, a senior leadership programme focused on leading change, building trust and driving outcomes collaboratively. Developing our people is central to Clarion's mission as we know the quality of leadership directly shapes the quality of service received by residents.

Giving back

Colleagues raised £105,230 for Clarion's corporate charity partner, the NSPCC, during 2025/26, with 249 colleagues taking part in more than 70 events including sponsored challenges, bake sales, sporting events and cycling activities.

Through 'Clarionteering', colleagues volunteered 3,203 hours across the country, delivering 569 volunteering opportunities. 10% of colleagues used their paid volunteering day during the year, up from 7% in 2024/25, supporting activities ranging from resident befriending and school reading support to planting days and professional skills-sharing with community partners. The increase in uptake reflects a culture in which giving time to others is genuinely encouraged and in which colleagues see a direct connection between their work at Clarion and the communities they choose to support in their own time.

Change and transformation



When a resident contacts Clarion to report a repair, raise a complaint, query a bill or ask for help, they should be able to do so quickly, know what will happen next and trust that the issue will be dealt with properly.

Clarion is changing to adapt, innovate and improve the way we can deliver for our residents. By evolving our systems, processes and data, we are embedding change to help colleagues resolve issues more easily while making sure those in our homes can rely on our services and support.

Making it easier to raise issues

Resident complaints to Clarion are one of the most important barometers of performance and were an immediate area of focus in 2025/26. This year, the complaints handling process at Clarion was redesigned to introduce a new Complaints Business Process Flow. This has created a single-case approach that strengthens ownership, transparency and ensures residents receive more regular and consistent communication. Rather than cases being handed over to different teams, there was a single point of contact so any resident raising a complaint had clearer oversight of who was responsible for resolving the issue and what to expect next.

To make sure the redesign of the Complaints handling process made a difference to residents, proposals were reviewed by our Resident Committee and the resident-led Complaints Special Project Group. They tested the new approach, questioning its assumptions and helped identify improvements before it went live. Ahead of rollout, telephony and contact centre technology was also tested by residents, ensuring that changes worked for residents, and colleagues alike.

Early indicators show progress in the right direction. Compliance with timely acknowledgements has improved, resolution within timescale has strengthened at both Stage 1 and Stage 2, and the proportion of the most severe Housing Ombudsman maladministration findings has reduced by a third.

While resident satisfaction with complaints handling remains at 26% – a figure that is not acceptable – these are early signs that the foundations for improvement are in place, with the infrastructure now being built to enhance these further.

Making repairs work better for residents

Repairs are the single most frequent reason residents contact Clarion, and the quality of that experience has a direct bearing on whether residents trust the organisation. Throughout the year we have focused on how our repairs service could be more joined-up and consistent for residents.

Over the course of the year, changes were made to the operating model to integrate the surveying function with Clarion Response. It means that the teams diagnosing repair needs and those carrying them out now operate within a shared model, reducing the handoffs that previously caused delays and communication gaps. New Neighbourhood Repairs Managers, Voids Managers and Repairs Team Leaders have provided residents with support for major repairs, with clearer updates at each stage of the repairs process. This is strengthened by the On My Way service, which sends residents real-time notifications about repair appointments and outperformed expectations throughout the year.

Together, these improvements contributed to the 91.1% repairs satisfaction reported in 2025/26 and to the Regulator's inspection judgement that specifically recognised the effectiveness of Clarion's repairs and maintenance service.

Building stronger foundations

Behind the resident-facing changes, we have made decisions to invest in the technology, data and processes that will enable implementation of joined-up services consistently. One of the most immediate deliverables was a refresh of colleague laptops, mobile devices and network provision, improving reliability and supporting more effective working in the field. To ensure the benefits went beyond colleagues, a commitment was made to recycle the Clarion laptops with 450 repurposed and distributed to residents in need and digital hubs across Clarion communities, helping address the digital inclusion gap identified through the Clarion Index.

A new procurement system replaced multiple platforms with a single streamlined approach, reducing administrative overhead and improving consistency. We have also introduced new capability and processes needed for fire door compliance and heat network identification across Clarion's homes, strengthening the safety and regulatory performance residents depend on.

The work continues

As our changes take shape, residents should notice the difference across all touchpoints. Fewer hand-offs, clearer accountabilities and streamlined processes mean that reporting a problem, understanding what happens next, and trusting that it will be resolved should all become simpler.

Streamlined Energy and Carbon Reporting (SECR)

Figure 1 outlines Clarion Housing Group’s energy use and carbon emissions, including its subsidiary businesses, for the 2025/26 financial year. This disclosure in line with the Government’s Streamlined Energy and Carbon Reporting (SECR) methodology as defined by the Environmental Reporting Guidelines (2019) and as required in The Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Figure 1: Summary of energy use and carbon emissions

Energy use (MWh)	2025/26	2024/25	YoY variance (%)
Natural gas (Scope 1)			
		68,427	-6.8%
		73,445	
Van fleet (Scope 1)			
		12,336	-1.3%
		12,504	
Company cars (Scope 1)			
		479	-5.0%
		504	
Purchased electricity (Scope 2)			
		25,808	-5.8%
		27,383	
Grey fleet (Scope 3)			
		1,953	-10.9%
		2,192	
Total energy consumption			
		109,003	-6.1%
		116,028	
Associated Greenhouse Gas (GHG) Emissions (tonnes CO ₂ e)			
Natural gas (Scope 1)			
		12,519	-6.8%
		13,433	
Van fleet (Scope 1)			
		3,197	-0.8%
		3,172	
Company cars (Scope 1)			
		111	-5.9%
		118	
Purchased electricity (Scope 2)			
		4,568	-19.4%
		5,670	
Grey fleet (Scope 3)			
		474	-10.2%
		528	
Total gross tCO ₂ e			
		20,869	-8.9%
		22,921	
Intensity Ratio (tCO ₂ e/£m revenue)			
		19.97	-5.4%
		21.09	

* This SECR disclosure reports location-based emissions, in compliance with mandatory reporting requirements. Emissions and totals are rounded to the nearest tonne, and energy use to the nearest MWh.

This year we have seen an 8.9% reduction in our SECR emissions, alongside a 5.4% reduction in our emissions intensity per million GBP revenue. The energy efficiency actions outlined below help to explain this and are a part of Clarion’s ongoing commitment to embed sustainability throughout the business.

Building on this disclosure, Clarion’s comprehensive carbon footprint inventory, including all relevant Scope 3 emissions, will be published within our annual ‘Making a Difference’ ESG report in late 2026.

Fleet

While the number of electric vehicles has stayed consistent throughout the last year (8% of the total fleet), we have been preparing for further EV transition by exploring multiple solutions to rolling out electric vehicles, with plans to have 100 EV vans in the fleet by the end of 2026/27. To support this, we are exploring EV home charging options for operatives, exploring business-to-business EVCP sharing networks, and installation of superfast EVCPs across several workplaces. We have also begun trialling multiple new makes and models of EVs that can better meet fleet needs, while reducing operating costs and improving operative comfort.

Workplaces

This year, we have demonstrated our commitment to reducing our scope 1 emissions arising from workplaces by decarbonising 9 sites. This involved the removal of 325kW of gas fuelled boilers and replacing them with 166kW of direct electric heating and hot water systems. So far, this has mitigated the burning of 260,000 kWh of gas and has reduced the emissions of the impacted sites by over 30% compared to 2024/25.

Last year we began trialling voltage optimisation, which continued this year following initial success by reducing electricity use by an average of 5%. Another site is already planned to have the technology installed during 2026/27, with consideration for rollout across all our freehold workplaces.

The energy efficiency of our workplaces has also increased via the implementation of measures committed to within our ESOS Phase 3 Action Plan. During 2025/26, 13 measures were implemented across 5 workplaces, ranging from the installation of LED lighting, PIR sensors, and daylight harvesting systems, to improving heating system controls and providing additional staff training on their operation.

Heat networks

While a milder winter contributed toward the reduction in gas use over the past year, as the largest contributor to our natural gas use and scope 1 emissions, decarbonising our ~180 heat networks is a priority. To help us achieve this, this year we commissioned two detailed feasibility studies to address decarbonising two key archetypes of heat networks, and one of the feasibility studies was further refined through a Department for Energy Security and Net Zero (DESNZ) funded study carried out in Q4. During 2025/26 four Heat Network Efficiency studies were carried out and we are reviewing the opportunity to submit a funding application for the recommended capital works. Following this work, we are developing our heating strategy in 2026/27 including the organisational approach and programme for heat network decarbonisation.

Methodology

This information was collected and reported in line with the methodology set out in the UK Government’s Environmental Reporting Guidelines (2019). Emissions have also been calculated using the latest conversion factors provided by the UK Government (2025).

An ‘operational control’ approach has been used to define the Greenhouse Gas (GHG) emissions boundary, as defined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition).

For this disclosure, we are presenting our SECR data in an alternative table format to previous years. This change is more closely aligned with the recommended formatting within the Energy Reporting Guidelines (2019). Presenting our emissions in reference to scopes, rather than via business function as previously reported, allows for easier comparison with our comprehensive Group carbon footprint inventory (to be published within our annual ‘Making a Difference’ ESG report. This change also has resulted in a slight adjustment to the intensity ratio reported for 2024/25, which is now excluding Scope 3 Category 3 upstream emissions associated with energy and fuel use.

There remain a small number of energy supplies that are not yet captured under the Group’s central energy procurement contract and therefore, due to a lack of data availability, are not included within this disclosure. We continue to work hard to improve data completeness in subsequent SECR disclosures.

Section 172 statement

Although not required to do so under the Companies Act 2006, Clarion Housing Group voluntarily publishes a Section 172 statement as part of our commitment to strong governance, transparency and accountability.

Under Section 172(1) of the Companies Act 2006, directors must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, they must have regard to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers, and others
- The impact of the company's operations on the community and the environment
- The desirability of maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

Promoting long-term success

Clarion continues to operate with a long-term view, ensuring decisions are taken in the context of our corporate strategy, financial sustainability and social mission. The Board regularly reviews the Group's long-term financial plan, assesses risk, and oversees major investment decisions with the aim of sustaining and strengthening the business for future generations.

During 2025/26, our change programme continued to modernise the way we work, improving how our people, systems and resources are aligned to resident needs. This included further progress in strengthening our customer contact channels, improving repairs and housing processes, and using better data and technology to support more responsive services.

Engagement with employees

Our employees are key to our ability to deliver excellent resident services and sustain organisational resilience. In 2025/26, we continued to invest in leadership, learning and inclusion, supporting colleagues to develop the skills, confidence and capability needed to deliver for residents and communities.

Employee voice is supported through Colleague Councils, staff networks and structured feedback processes, which inform Board-level discussions and policy design. Our approach to role-based flexibility, wellbeing, learning and development, and inclusion continues to evolve so that Clarion remains a place where colleagues can build rewarding careers and contribute to our social purpose.

Strengthening external relationships

Clarion focuses on building long-term, positive relationships with residents, suppliers, local authority partners, regulators, funders and sector bodies. This year, we continued to strengthen our partnerships in both service delivery and development, working with others to increase the supply of affordable homes and improve outcomes for residents and communities.

Through Latimer, our development arm, we worked with public and private sector partners to progress major schemes across the country, including new affordable homes, regeneration projects and long-term placemaking opportunities.

Our procurement approach continues to support fairness, transparency and social value. The use of Atamis, our new procurement system supports more consistent procurement processes and improves visibility of spend and contract data across the organisation.

Community and environmental impact

Clarion remains committed to building thriving communities and reducing our environmental footprint. We continue to deliver practical support across employment, money guidance, digital inclusion and community investment. This included helping residents into employment, supporting households with debt and money guidance, and extending our network of wellbeing spaces in partnership with the Rothesay Foundation.

Building upon our environmental responsibilities, we continued to build on our Climate Transition Plan, supporting colleagues and residents to engage with the transition to net zero. This included further work on retrofit, energy efficiency, biodiversity and sustainable development, alongside resident engagement to help shape our approach to making homes warmer, healthier and more efficient over time.

Standards of conduct

Clarion's governance framework remains aligned to the National Housing Federation Code of Governance 2020. During the year, the Regulator of Social Housing confirmed Clarion's G1 governance rating and upgraded our financial viability rating to V1, while awarding a C2 consumer standards grade following its first planned inspection under the new consumer standards.

The Board continues to review its performance annually and ensures ethical standards are applied across all business functions. It also maintains oversight of key areas including building safety, repairs, complaints, financial resilience, risk management and resident services.

Resident involvement in governance remains central to our approach. Our Resident Committee and other resident engagement mechanisms continue to provide scrutiny, insight and challenge, helping ensure that resident experience informs decision-making and service improvement.

Act fairly between members

We continue to encourage colleagues to hold honest conversations at all levels of the organisation. Our training programmes, values and leadership expectations highlight the ways in which we expect employees to interact with colleagues, residents and stakeholders.

In making decisions, the Board considers the long-term interests of Clarion, the needs of residents, the views of colleagues and the impact of our activities on communities and the environment. This helps ensure that Clarion continues to act responsibly, fairly and in line with its charitable purpose.



Financial review of 2025/26

The Group has delivered an improved financial performance and maintained a robust position for the financial year 2025/26. Turnover continues to exceed £1 billion, supported by strong operating performance and the inflation-linked rent formula, which has driven increased revenue from social housing activities. Operating surplus increased to £289 million (2025: £232 million), reflecting effective cost management and increased surplus on disposals.

This strong underlying performance has enabled the Group to absorb exceptional impairments and provisions related to the challenging development market and still deliver an increased net surplus of £148 million (2025: £82 million).

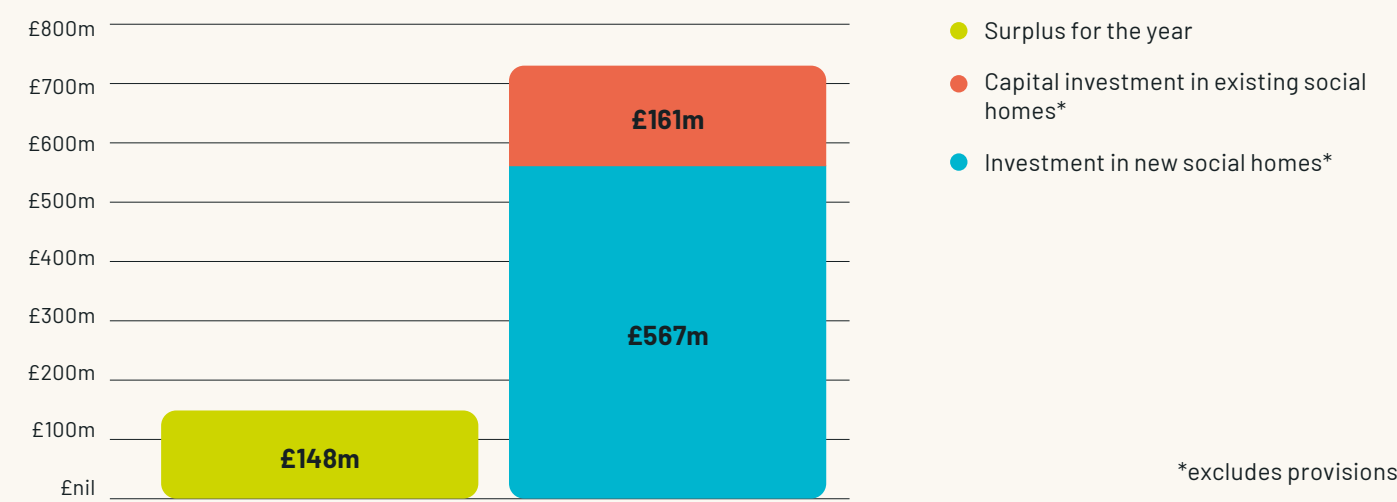
The Group continued to invest significant sums in both improving existing homes and in the development of new social homes. This investment of £728 million (2025: £504 million) equated to nearly five times the net surplus. Maintenance spend remained broadly stable at £292 million (2025: £294 million).

Development activity reduced slightly, with 1,466 completions compared to 1,727 in the prior year, although the proportion of affordable homes at 80% remained above the longer term target of 70%. The development pipeline increased to

over 22,800 homes, indicating future growth potential but noting these will only be delivered when market conditions allow.

Financially, net assets strengthened to £2.9 billion (2025: £2.8 billion), supported by strong operating cash generation, although liquidity reduced year-on-year from £1.3 billion to £1.0 billion, partly due to the early cancellation of an expiring facility.

Figure 1: Surplus versus investment in social housing



Statement of Comprehensive Income

Figure 2: Summary of the Group's Statement of Comprehensive Income

	2025/26 £m	2024/25 £m
Turnover	1,045	1,087
Cost of sales	(94)	(165)
Operating costs (including pension cessation)	(736)	(733)
Surplus on disposal of properties	74	43
Operating surplus	289	232
Operating margin %	28%	21%
Share of deficit of JCEAs	(10)	(3)
Net interest and other financing costs	(144)	(153)
Other	13	6
Surplus for the year after tax	148	82
Net margin %	14%	8%
Remeasurement of defined benefit pensions	2	8
Movement in fair value of financial instruments	12	33
Total comprehensive income for the year	162	123

Operating surplus

The Group has generated a significantly improved operating surplus of £289 million in the twelve months to 31 March 2026, along with an operating margin of 28% (2025: £232 million, 21%). The underlying performance excluding exceptional costs such as impairments and provisions shows an operating surplus of £301 million and operating margin of 29% (2025: £254 million, 23%).

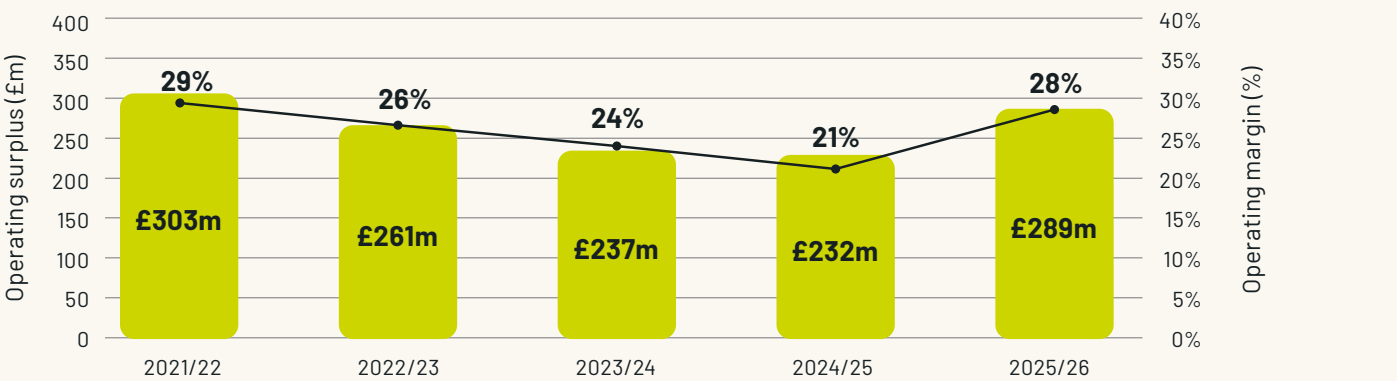
This demonstrates a significant year-on-year improvement both pre- and post-exceptional costs.

Social housing activities have contributed £67 million to the £57 million net improvement in operating surplus, with £31 million from increased disposals of social housing and our core lettings business has also seen a £23 million improvement (see Figure 4).

Offsetting these increases in our social housing activities surplus are a £5 million increase in the private sales deficit - which continues to be impacted by exceptional impairments, provisions and general market conditions - and a £4 million decrease in the surplus generated by other non-social housing activities due to one-off land sales in the prior year.

Figure 3 shows our operating surplus and margin trends over five years.

Figure 3: Operating margin and operating surplus over five years



Financial review of 2025/26

continued

Social housing lettings activity

Operating surplus from our core social housing lettings activity at £242 million has seen a 11% increase on the prior year (2025: £219 million). Figure 4 provides an analysis of the movement.

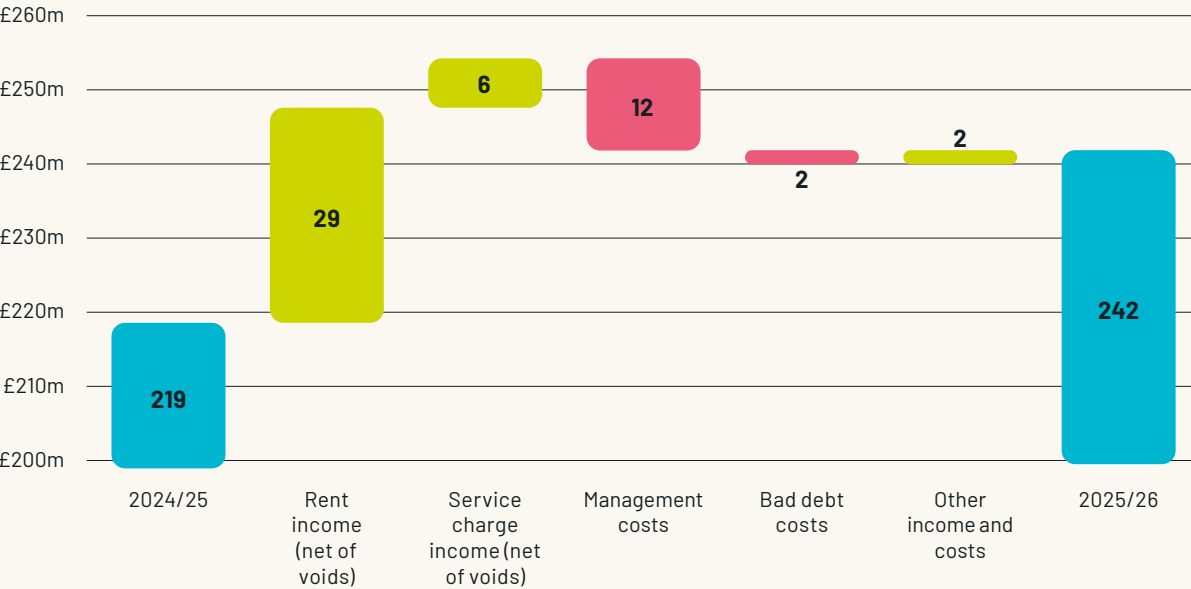
Income from social housing rent (net of voids) increased by £29 million (4%) as a result of inflation-linked rent increases, while service charge income increased by £6 million (13%).

Costs relating to our tenancy management are now £132 million having increased by £12 million on the prior year. We continue to invest in our customer and housing management services, improving customer experience.

As at 31 March 2026 current social rent arrears stood at 5.4%, down from 5.9% at the end of 2024/25. The £7 million charge this year for bad debt costs is primarily due to tenants leaving during the year with unpaid balances – we provide for these amounts in full but we will continue to seek their recovery.

Good cost control throughout the year has resulted in minor movements within the other income and costs classes, leading to a net reduction of £2 million in these categories.

Figure 4: Movement in operating surplus from social housing lettings activity during 2025/26



Other social housing activities

Operating surplus from the Group's other social housing activities at £47 million has seen a £43 million increase (2025: £4 million). Figure 5 analyses the movement.

At £74 million, the surplus generated from social housing property disposals is £31 million higher than that generated in 2024/25. This reflects our continued property rationalisation programme which saw 1,037 units transferred to other Registered Providers (2025: 744 units), along with shared ownership staircasing plus some

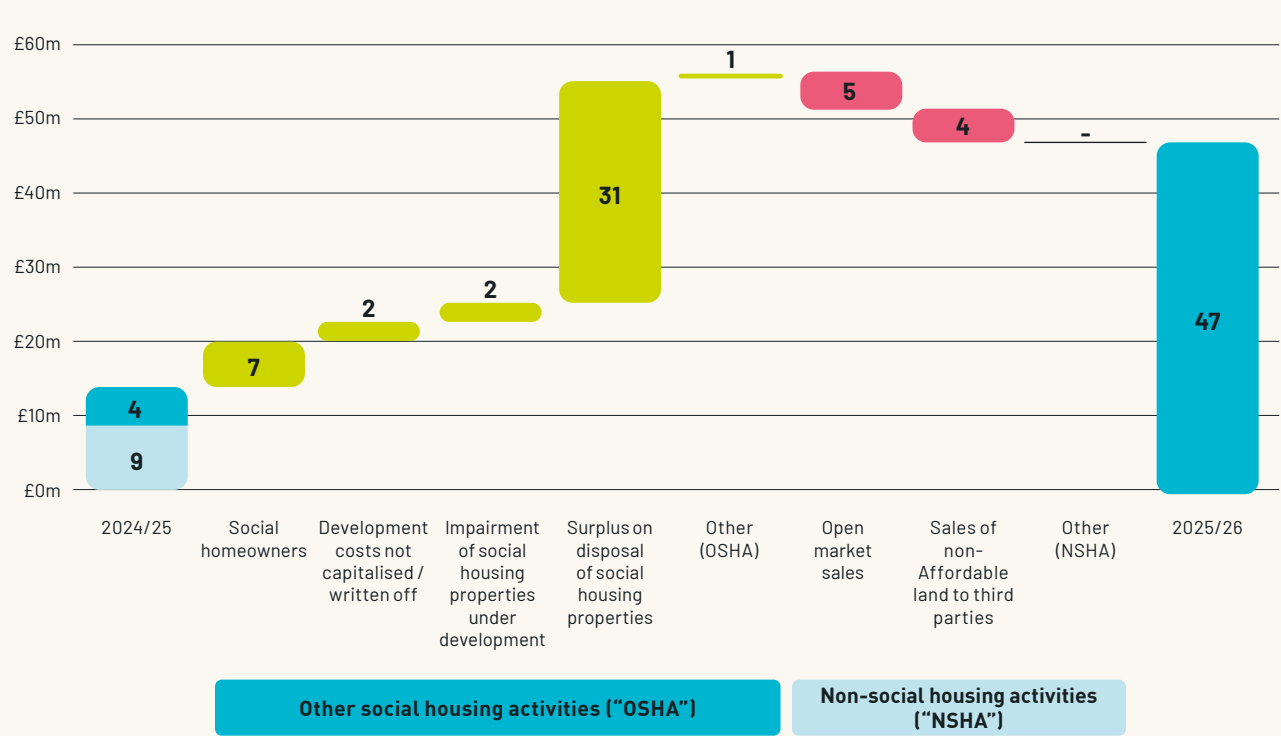
open market disposals of void properties. Shared ownership first tranche sales generated a £7 million surplus (2025: £8 million), a £1 million reduction on the prior year.

Net income from social homeowners has increased by £7 million. Grants to cover the cost cladding remediation and safety works have increased by £5 million, while the amount of major repairs recharged to leaseholders has increased by £4 million.

Both our impairments of social housing properties under development and development costs not capitalised have seen decreases in the year, but we have

still recognised a further £13 million of impairments on schemes with historical contractor failure and we continue to provide significant amounts for the cost of building safety and remediation works. We are continuing to seek recovery of these costs from third parties where appropriate.

Figure 5: Movement in operating surplus from other social housing activities (OSHA) and non-social housing activities (NSHA) during 2025/26



Financial review of 2025/26 continued

Non-social housing activities

Our non-social housing activities includes open market sales, lettings from our market rent and commercial portfolios and sales of non-affordable land to third parties. Figure 5 shows the movements for non-social housing activities, resulting in a reduction in the related operating surplus to £nil (2025: £9 million).

Open market sales have reduced in the current year, with 70 open market sales completed at a headline sales margin of minus 5% (2025: 225 at 4% margin) reflecting the challenging market conditions. After allowing for other costs (holding costs etc.), the margin pre-impairments was minus 19% versus minus 2% in the prior year. The net result for open market sales this year also includes £2 million of impairment and a £3 million provision for defects, leading to an overall operating loss of £12 million (2025: £7 million loss). These figures exclude our share of joint venture sales.

Operating surplus from our non-social lettings activity at £8 million (2025: £9 million) continues to remain resilient in the face of a difficult market rent environment. Disposals of other non-social housing, such as land and investment properties, did not take place this year, leading to a £4 million reduction in this surplus.

Share of surplus of jointly controlled entities and associates (JCEAs)

The Group has a number of joint venture partnerships with other major developers. Our share of turnover totalled £94 million (2025: £56 million) at an overall gross margin of 5% (2025: 19%).

After financing, these partnerships have contributed a £10 million net loss to the Group (2025: £3 million), as a result of recognising a £9 million impairment/loan write-off charge in the year reflecting the challenging market conditions. We do however believe joint venture partnerships still have an important part to play in delivering our future development ambitions.

(Loss) / gain on revaluation of investment properties

Our investment property portfolio includes market rent units, commercial properties, and non-social freeholds. Overall we have seen a £2 million loss this year, representing less than 1% of the value, with the local markets across the three portfolios remaining relatively stable.

Net financing costs

Interest payable and financing costs have decreased by £11 million compared to the prior year. The primary driver of this decrease is a reduction in the level of loan interest being incurred largely due to the fall in interest rate set by the Bank of England from 4.5% to 3.75%. Likewise there is a £2 million decrease in interest receivable, with lower rates reducing bank and derivative interest income, but partially offset by increased interest received from our joint ventures due to an increase in the amount lent during the year.

The Group continues to hold a relatively high proportion of its net debt at fixed rates thus ensuring it is not unduly exposed to fluctuating interest rates. Since 31 March 2025, this proportion has decreased slightly from 89% to 87%. The weighted average cost of debt has also reduced slightly to 4.29% (2025: 4.47%).

Overall, at £144 million, net interest has seen a £9 million decrease on 2024/25. Interest cover calculated on a covenant basis has increased to 2.56 due to increased operating surplus and decreased net interest payable and so remains comfortably above our tightest covenant.

Other comprehensive income (OCI)

Although the Bank of England has progressively cut the base rate over the year to 3.75% by the end of the year, indicators of medium-to-longer term UK activity at the year end continued to look weaker than expected reflecting persistent inflation and future economic challenges. As a result, the Group's net liability position of its interest rate swaps (derivatives) has reduced by around 58%, contributing £15 million to an overall value gain of £14 million (2025: £32 million). Due to hedge accounting, the majority of this movement continues to be taken through OCI.

Also impacting OCI is a £2 million gain on remeasuring our defined benefit pension schemes (2025: £8 million). The Group now retains just two defined benefit pension schemes, both of which are closed to future accrual. Since 31 March 2025, the net liability on our pension schemes has remained at £31 million.

Statement of Financial Position

Figure 6: Summary of the Group's Statement of Financial Position

	31 March 2026 £m	31 March 2025 £m
Tangible fixed assets	9,494	9,108
Net current assets	431	407
Creditors due in over one year	(7,279)	(7,039)
Other	273	282
Total net assets	2,919	2,758
Income and expenditure account	2,929	2,779
Cash flow hedge and other reserves	(10)	(21)
Total capital and reserves	2,919	2,758

Our net asset position has increased to £2,919 million (31 March 2025: £2,758 million). Our gearing ratio (as per our covenant definition) is 44% (2025: 45%) which is comfortably below our tightest covenant. Overall, our financial position metrics remain strong.

The primary drivers behind the £161 million (6%) increase in net assets are continued investment in our existing properties, new homes and JCEAs and a reduction in the fair value of our financial instrument liabilities, partially offset by an increase in housing grants.

Social housing properties, stock and grant

Social housing properties and stock have seen a combined net increase of £442 million during 2025/26, primarily due to our continued investment in our existing properties and development of new homes.

This year £631 million (excluding exceptionals) was invested in our new homes and major regeneration programmes, a significant increase on the £420 million invested in the previous year. The increase in spend on new homes is partially attributable to the unblocking of the pipeline after the previous delays associated with the Building Safety Regulator sign offs and planning delays. Completions however reduced in the year with 1,466 new homes delivered versus 1,727 in 2024/25. Of these, 80% were of affordable tenures (2025: 83%).

We remain committed to our mission of helping address the chronic shortage of affordable housing in England and regenerating our existing properties but at a pace that allows us to maintain a resilient financial profile. £4,632 million of capital expenditure was approved at the year-end (2025: £4,144 million) and our future homes pipeline stands at over 22,800 (2025: 20,173).

Improving our existing homes, ensuring they remain safe and fit for the future, is a key priority for the Group. This year we invested £161 million (2025: £123 million) in our existing homes which is on top of the £292 million (2025: £294 million) of revenue maintenance spend.

Partially offsetting the above is a £129 million increase in our grant liability, reflecting new grant recognised during the year less amounts amortised, recycled or transferred on disposal. This year £166 million of additional capital grant was received or accrued which, along with £6 million of previously recycled grant funding, provides a 24% contribution to our investment in affordable homes (2025: £174 million of grant, 35% contribution). The remaining funding gap is met by a mixture of our own cash reserves supplemented by the proceeds of our disposal programme and borrowings, ensuring at all times that we maintain significant headroom on our banking covenants. Further detail is provided in our analysis of the Statement of Cash Flows.

Borrowings, collateral deposits and financial instruments

The Group continues to ensure it has sufficient funding and liquidity in place with committed and fully secured facilities at 31 March 2026 of £5,554 million (2025: £5,770 million); of which £4,678 million was drawn (2025: £4,593 million). The undrawn element along with cash balances provided liquidity of £972 million at 31 March 2026 (2025: £1,279 million). Of these borrowings, 81% are repayable after 5 years (2025: 83%) and the weighted average maturity has reduced by one year to 13 years.

The Group continues to be prudent in its approach to interest rate risk management and operates a policy of hedging 70% to 100% of its net debt using a mixture of fixed rate borrowings and interest rate swaps. Interest rate swaps are held at fair value and this valuation reduced by £15 million (2025: £32 million) to a net liability of £11 million (2025: £26 million). The majority of this movement is seen within creditors greater than one year.

Interests in JCEAs

We continue to invest in a number of jointly controlled entities which we share with other major developers. The £24 million decrease in our interest this year reflects our effective exit from a number of schemes in London in Brent and Bromley along with the addition of only one new joint venture with Hill Residential in Bushey.

Financial review of 2025/26 continued

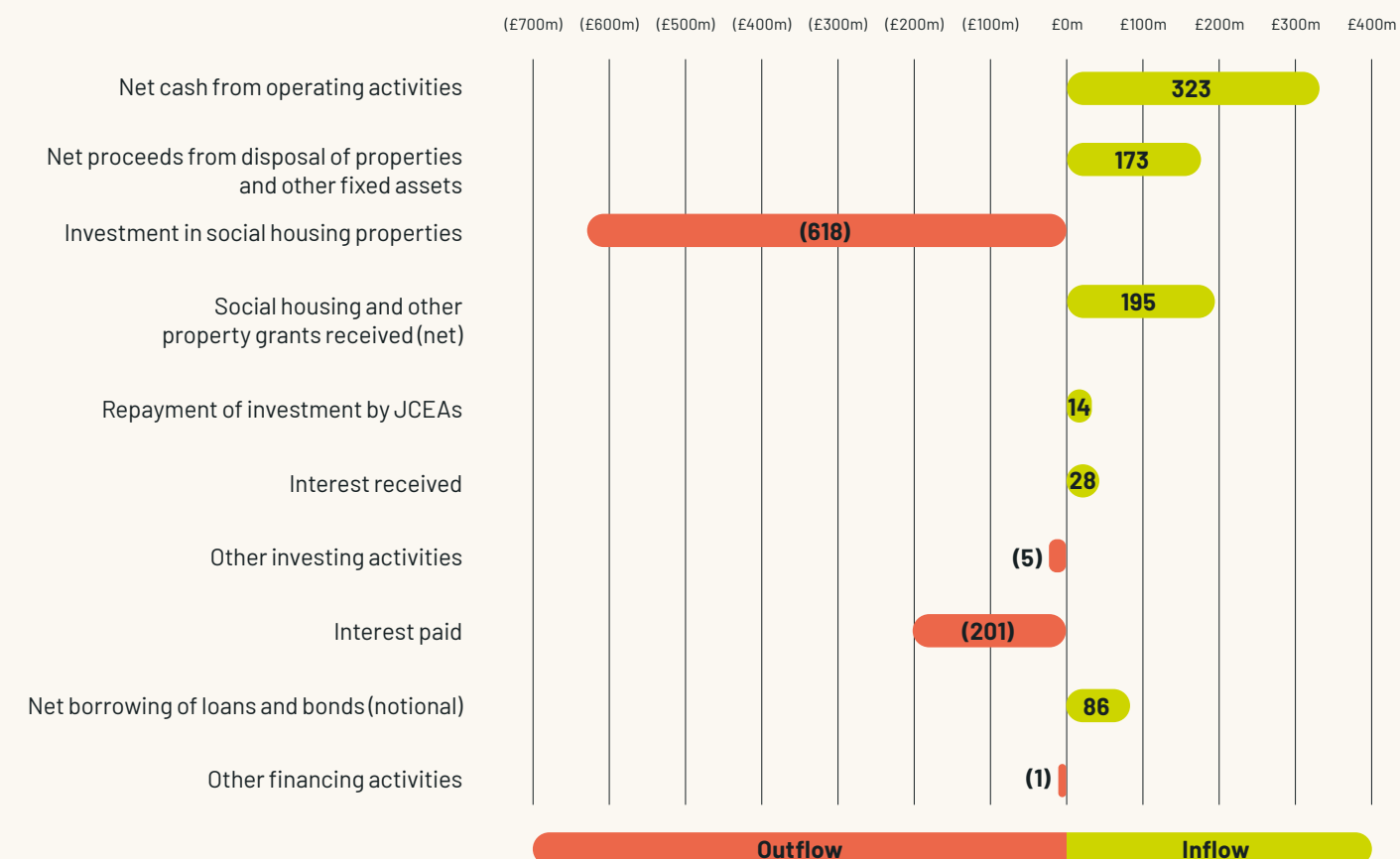
Statement of Cash Flows

The Group reported a net cash outflow of £6 million in 2025/26 (2025: £16 million inflow), reflecting underlying cash movements excluding non-cash items. Operating cash generation remained strong at £323 million, exceeding interest payments of £201 million and contributing to the £618 million of investment in social housing.

Net investment activity resulted in a £213 million net outflow, including £195 million of grant income and £173 million of disposal proceeds, alongside reduced investment in joint ventures. Financing activities generated a £116 million net outflow, with interest costs broadly stable and partially offset by £86 million of additional borrowings.

The Group ended the year with cash and cash equivalents of £96 million versus £102 million at 31 March 2025, a contributor to our overall Group liquidity of £972 million (2025: £1,279 million).

Figure 7: Group cash flows for the 2025/26 financial year



Treasury management report

General

The Group’s treasury function is responsible for the efficient management and effective oversight of the organisation’s cash flows, banking and investor relationships, funding activities, and associated risks. The function also ensures delivery of optimal performance within parameters approved periodically by the Treasury Committee and in compliance with contractual obligations established under funding arrangements.

Funding requirements are subject to continuous review, with a range of adverse scenarios assessed through stress testing of the Group’s long-term financial plan. Although the Company did not need to access public markets during the year, it continues investor engagement activity and remains confident in its ability to access funding as required.

While confidence in market access remains strong, the availability of funding is recognised as a key risk and is actively managed through our bespoke treasury policies. These include the maintenance of a strong liquidity position, a large pool of charged but unallocated property security, diversifying funding sources, and making prudent assumptions regarding future funding costs.

The Group’s borrowing arrangements include financial covenants relating to interest cover, gearing, and asset cover. The Group remained comfortably compliant with all covenant requirements throughout the period. The Group’s long-term financial plan incorporates stress testing which indicates continued compliance under a wide range of scenarios, including those reflecting severe adverse trading conditions.

At the year end, the Group held public credit ratings from Moody’s, Standard & Poor’s, and Fitch, all of which assign strong investment-grade ratings (Moody’s: A3, stable outlook; S&P: A-, stable outlook; Fitch: A+, negative outlook). Clarion remains one of just three registered providers in the sector to maintain an A+ rating with Fitch.

Capital structure

The Group carefully utilises diverse sources and types of funding to reduce reliance on any one market and to ensure it can raise debt finance even at times of market volatility or stress. As at 31 March 2026, the Group had £5,554 million of committed debt funding (2025: £5,770 million), with drawn funding totalling £4,678 million (2025: £4,593 million). All undrawn funding is committed and available within three days’ notice whilst cash is available with same day notice.

The Group maintains a highly supportive banking group with which it has well established relationships. A total of £250 million of existing revolving credit facilities were renewed or extended in duration during the year.

During the year, the Group published its first ‘allocation and impact’ report, detailing how funds raised from our 2024 bond issue will be used in line with our Sustainable Housing Finance Framework, along with the positive impact those investments will have.

As at 31 March 2026 the debt portfolio duration averages 13.0 years (2025: 13.9 years), whilst the Group’s average cost of funds decreased to 4.07% (2025: 4.19%). 58% of committed funding was sourced from the capital markets and 42% from bi-lateral facilities with ten banks and building societies.

The Group has limited re-financing risk in the near term with 69% of the Group’s debt facilities maturing after five years and 41% maturing after 10 years. The Group’s exposure to drawn re-financing risk within one year is £62 million, representing less than 2% of debt facilities.

Investment and liquidity

The Group’s capital expenditure programme will continue to be funded through cash generated from operations, sales receipts and capital grant income, supplemented by debt funding where appropriate.

Clarion maintains a financial profile consistent with a strong investment-grade credit rating through disciplined financial management and the prudent control of debt levels. The ability to service debt comfortably under a wide range of adverse scenarios remains a key consideration in strategic planning and stress testing activities.

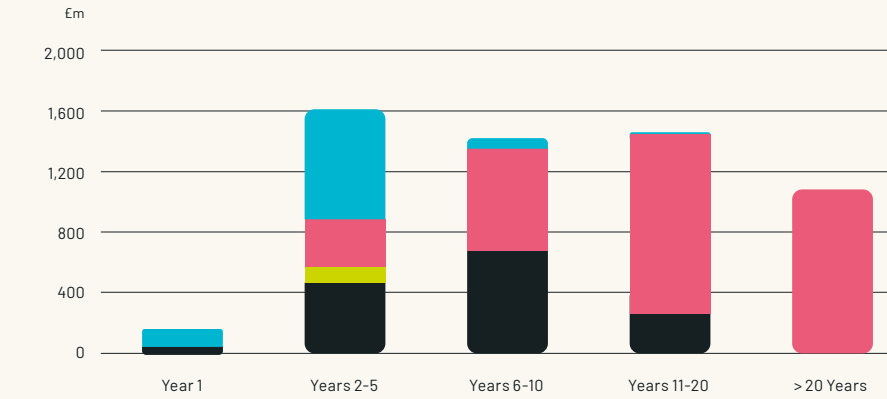
The Group seeks to minimise the risk of financial loss or adverse liquidity exposures arising from counterparty default by operating a conservative counterparty policy. Revolving credit facilities are managed actively to enable the repayment of debt where surplus cash is available, resulting in low levels of short-term investments. Cash investments are diversified and placed only with funds and counterparties that meet the cautious criteria approved by the Treasury Committee.

The Group maintains a conservative liquidity policy, ensuring it can meet a minimum of 18 months of funding requirements assessed on a prudent basis. In addition, the Treasury Committee reviews liquidity levels regularly, determining a prudent level that considers geopolitical dynamics and market conditions as appropriate.

As at 31 March 2026, the Group’s total liquidity was £972 million, comprising £96 million of cash and £876 million of committed undrawn credit facilities.



Figure 8: Committed Funding Maturity Profile



Risk management

The Group takes a prudent approach to interest rate risk management and maintains a policy of hedging 70% to 100% of its net debt. At 31 March 2026, 87% of net debt (2025: 89%) is either held at fixed rates of interest or hedged against adverse rate movements. The slight reduction in hedging level during the year is due to the increased level of borrowing, which has been raised through existing floating rate facilities. It is estimated that a 0.25% increase in interest rates would increase net interest payable by £1.5 million per annum, which is considered a very manageable level of exposure for the Group.

Most of the Group’s hedged position is achieved by holding long-term debt at fixed rates of interest. In addition, the Group actively manages exposure to interest rate risk by entering into vanilla interest rate derivatives. As of 31 March 2026, the Group held interest rate derivatives with a net mark-to-market value of negative £11 million (£12 million inclusive of accrued interest).

Security

The Group maintains a strong position in respect of charged but unallocated security and continues to adopt a prudent and effective approach to collateralising its debt portfolio. The principal property security pool comprises approximately 63,900 properties, providing a highly diversified source of collateral in support of all bank funding and bond issuances, including debt facilities and mark-to-market exposures on interest rate derivatives.

In addition to security allocated to the existing debt portfolio, a significant proportion of charged assets remains unallocated. These assets provide additional assurance to existing funders, support new debt issuance, and can be deployed to mitigate adverse mark-to-market movements or reductions in property security valuations.

The current discounted value of charged unallocated property assets is £2,935 million, compared with a total discounted security pool value of £7,504 million. This provides substantial headroom to meet funding requirements over the medium term. Further assets are charged on a periodic basis from the Group’s substantial pool of unencumbered properties.

Value for Money

At Clarion Housing Group, our focus is firmly on delivering sustainable value for money (VfM) for our residents, partners and wider stakeholders. We recognise that VfM is not solely about cost efficiency, but about maximising the social, economic and environmental value we create through every decision we make.

Our VfM approach is underpinned by a clear and consistent strategy that balances investment, performance and long-term resilience. We assess value across four interconnected dimensions – Customers, Assets, Social and Financial – ensuring resources are deployed to target the greatest impact. This enables us to maintain high-quality services, invest in our existing homes and communities, and support the delivery of new affordable housing.

By embedding VfM across the organisation, we strengthen our ability to respond to evolving customer expectations, economic pressures and regulatory requirements. This disciplined and forward-looking approach ensures we continue to generate sustainable returns and deliver meaningful outcomes for current and future generations.

Performance management and governance

Accountability for delivering VfM sits with the Executive Team and is subject to robust oversight from the Group Board, supported by the Housing Association, Latimer and Clarion Futures Boards. This governance framework ensures that VfM considerations are integral to strategic decision making and operational delivery across the Group. Targets are kept under regular review and, where necessary, are adjusted to reflect changes in the external environment and evolving requirements, ensuring that our approach remains responsive, relevant and aligned to our strategic priorities.



VfM is embedded in our culture, with colleagues at all levels empowered to identify opportunities to improve efficiency, enhance service quality and maximise impact. Through this organisation-wide focus, we continue to optimise the use of our resources, while maintaining a strong commitment to resident and customer outcomes.

The following processes support the effective delivery of our VfM framework:

- Corporate planning, business planning, annual budgeting and quarterly forecasting strengthen financial control and performance management. Budgets are built on a functional and individual budget-holder basis, with oversight of the consolidated position provided by the Group Executive Team and the Boards.
- Action plans are developed and implemented within individual functional areas to support the delivery of VfM, informing both budgets and in-year reforecasting.
- VfM is embedded within our procurement processes, ensuring value is delivered while maintaining an appropriate balance between cost, quality and risk.
- A business-case approach is applied to significant decisions, ensuring options are rigorously assessed across financial, operational and customer considerations.

- Disposal and Investment Committees provide clear oversight and challenge in relation to asset performance and portfolio decisions.
- A Social Value Steering Group drives and embeds social value across all functional areas, supporting delivery of the ambitions set out in the Sustainability Strategy.

2025/26 value for money performance and targets

Customer value for money

Residents are at the centre of our Customer value pillar. We are committed to ensuring that they receive quality, secure and affordable homes, supported by services that meet their needs and expectations. To optimise value, we continue to invest in customer experience, focusing on service innovation, and improved accessibility, responsiveness and consistency across all channels. Our performance measures track progress in delivering a more seamless and efficient customer journey, reducing complaints, improving outcomes and strengthening overall resident satisfaction.

Customer VfM measures	2025/26 Actual	2025/26 Target	2025/26 Achieved	2024/25 Actual	2026/27 Target	2027/28 Target
Call centre customer interactions (annual) per property	8.6	8.0	✗	8.4	8.0	7.8
Complaints per 1,000 homes	74	53	✗	63	60	55
Customer satisfaction - overall	85.6%	85.0%	✓	84.7%	85.0%	86.0%
Customer satisfaction - repairs	91.1%	90.6%	✓	90.4%	91.0%	91.0%
Customer ease score	4.0	4.0	✓	4.0	3.9	3.8

Key observations:

Customer interactions with our contact centre for 2025/26 have been at a similar level to that seen over the past two years, albeit we saw some modest improvement in 2024/25. Our recently launched Resident Strategy – centred on a relationship-first approach and on delivering timely, consistent services – is already demonstrating a positive impact. In the first two months of its introduction, email volumes have reduced by 52% leading to lower demand and improved response times. In addition, the implementation of a new workflow system last year is expected to drive further efficiency gains and enhance the resident experience as we progress through subsequent phases.

Complaints per 1,000 homes fell outside our target for the year. The first part of the year saw the measure tracking below the prior year. However, from November onwards we have seen this increase due to several factors including raised awareness and expectations arising from Awaab's Law. From a similar level of resource, we have increased our productivity during the year and

have seen progress in key areas such as compliance with acknowledgement and resolution SLAs, a reduced maladministration rate and fewer maladministration findings.

Overall customer satisfaction improved, standing above target at 85.6%. The continued rollout of our operating model and Omnichannel solution has placed temporary pressure on performance. Maintaining a stable transactional satisfaction through a period of significant change is therefore encouraging. We will hold our overall satisfaction target for 2026/27 at 85% and target a 1% improvement in 2027/28. Repairs customer satisfaction improved in the year and has exceeded the year-end target. Reflecting this positive trend the 2026/27 and 2027/28 target has been revised upwards to 91.0%. Customer insight from surveys continues to inform improvement priorities, particularly around timely responses to enquiries and keeping customers updated on repair progress

A lower customer ease score reflects a better perceived experience by our residents. For 2025/26, we achieved our target and maintained last year's performance despite significant operational changes. This indicates that residents continue to find our services accessible and straightforward to use. Improving ease of access remains a key priority in enhancing the overall customer experience. Following the full integration of Omnichannel, we expect resident experience to improve alongside realising savings made through the enhanced ways of working.

Value for Money continued

Social value for money

Social value is fundamental to Clarion, reflecting our core purpose as a social enterprise. We generate significant social value through the provision of affordable housing, alongside a broad range of complementary services that support residents and communities. This includes programmes delivered through Clarion Futures, which focus on social benefits across health & wellbeing, education, financial awareness, employment, placemaking and social interaction. Our performance measures track the scale and impact of this activity, ensuring we continue to deliver meaningful social outcomes and maximise the value created. It should be noted that Clarion Futures is currently undergoing a strategic review, which could impact future strategy and targets.

Social VfM measures	2025/26 Actual	2025/26 Target	2025/26 Achieved	2024/25 Actual	2026/27 Target	2027/28 Target
Ratio of social value generated versus Clarion contribution to Futures budget – return on investment	12.0 : 1	12.1 : 1	✗	13.8 : 1	12.2 : 1	12.3 : 1
Ratio of Clarion budget contribution to additional external funding & support brought in	1 : 1.4	1 : 1.2	✓	1 : 1.4	1 : 1.5	1 : 1.6
Cash and in-kind value generated by working with supply chain to deliver additional social value impact in our communities	£9.3m	£6.0m	✓	£7.3m	£9.4m	£9.5m
Clarionteering opportunities per annum	569	400	✓	394	450	500
Affordable vs. market rent social value	£584m	n/a	n/a	£618m	n/a	n/a

Key observations:

Clarion Futures has delivered £125 million of the Group’s £156 million social value. The ratio of social value generated compared to Clarion’s contribution to Future’s budget is 12.0x, which is just below our target of 12.1x. This is because the HACT Social Value Bank was updated from Version 5 to 6 during the year, which led to social values being calculated using the standardized WELLBY (Wellbeing Adjusted Life Year) framework. If our calculation had been based on Version 5, we would have achieved target.

Clarion maintained 1.4x its budget in external funding and support, exceeding target due to Wellbeing Spaces project funding and additional social value income from our Group procurement contracts. The target for 2026/27 has been increased to 1.5x due to an anticipated continuation of current trends.

Cash and in-kind value generation has seen a significant increase year-on-year and is well above target. This is due to

the increasing focus of our procurement function, working in close collaboration with Clarion Futures and our supply chain. As a result of this strong performance, our 2026/27 target has been revised upwards from £6.5 million to £9.4 million.

Clarionteering is Clarion’s employee volunteering programme, providing each employee one volunteering day per year. As a result of the Clarion 125 celebrations and associated opportunities, there has been a significant increase in the number of days undertaken to support charitable work across the year. As engagement continues to grow, our target for 2026/27 has been revised upwards from 400 to 450 days.

Clarion’s provision of affordable housing continues to generate significant social value. During the year, rents charged were £584 million (2024/25: £618 million) below the Local Housing Allowance (LHA) levels, equivalent to over £11.2 million per week. If compared to average market rents, this saving (and associated social value) would be substantially higher. The

reduction compared with the prior year reflects the continued freeze in LHA rates since 2024, whereas our rents have increased in line with inflation (CPI+1%), narrowing the differential between the two.

Asset value for money

Delivering value from our assets is fundamental to achieving our mission to provide affordable homes to those who need them most. We take a disciplined approach to investment across our existing portfolio and new development programme to ensure resources are deployed effectively. Through targeted investment, we maintain homes that are safe, secure and fit for purpose, while supporting operational efficiency and the long-term sustainability of the organisation. Our performance measures focus on asset quality, efficiency and overall portfolio performance.

Asset VfM measures	2025/26 Actual	2025/26 Target	2025/26 Achieved	2024/25 Actual	2026/27 Target	2027/28 Target
Average repair jobs per property (tenanted)	2.6	2.7	✓	2.7	2.8	2.8
Repairs cost per job	£341	£329	✗	£327	£321	£329
Units targeted to move to EPC rating of C or above	266	2,200	✗	5,107	1,733	1,665
Unreserved stock as a % of sales handovers	50%	≤ 35%	✗	51%	≤ 35%	≤ 35%
New homes output – % of affordable	80%	70%	✓	83%	84%	78%

Key observations:

Average repair jobs per property again saw a decrease in the year and continues to be to within target. This decrease is a function of improvements to appointment management, performance management of operatives, and underlying processes. As a result, an increasing proportion of repairs are being completed in a single visit, reducing the need for repeat attendances. Targets have been increased for future years to reflect the anticipated rise in repair volumes associated with the implementation of Awaab’s Law.

The average cost per repair job has increased compared with the previous year and is outside of target. This rise in cost is primarily due to higher-than-anticipated use of subcontractors to accelerate the reduction of work in progress (WIP). Future targets have been adjusted to reflect the baseline budget assumption of returning to lower, more sustainable levels of subcontractor usage.

The number of properties achieving EPC C or above in 2025/26 has been affected by the methodology update to align the VfM metric with our SDR reporting. Performance in the year has also been influenced by the transition to SAP 10, and extensive property condition surveys undertaken, contributing to data fluctuations alongside lower-than-expected delivery in the first year of our Wave 3 retrofit programme. Targets have subsequently been rebased to reflect current delivery programmes, the development pipeline, and planned asset disposals. In addition, forthcoming reforms to the way EPCs are calculated and presented will require further adjustments to this metric in future years.

The definition of the percentage unreserved stock metric has been updated to focus solely on market-facing development activity and now includes joint venture handovers and stock held. As a result, the prior year has been restated, however targets remain the same. Stock levels remain above

target as a result of the challenging sales market, along with a single building impacted by a building safety certificate issue. The quantity of unreserved stock has fallen by 89 units to 359.

80% of new homes delivered were of affordable tenures, which continues to be significantly above the Group target.

Value for Money continued

Financial value for money

Financial strength is fundamental to Clarion’s ability to deliver its mission and maintain long-term resilience. We focus on operating in a sustainable, efficient and effective way, enabling us to reinvest in our homes, services and communities. We assess financial value for money using the Regulator of Social Housing’s VfM metrics and the Sector Scorecard, covering business health, operational efficiencies, development, outcomes delivered and asset management. These measures are benchmarked against our G15 peers (our large London-based peers) using 2024/25 publicly available financial data. The Regulator VfM measures are identified by a tick under the heading RSH VfM.

The Transparency, Influence and Accountability Standard requires Clarion to provide tenants with accessible information on directors’ remuneration and management costs. Management costs relative to the size of the organisation are reported as management cost per unit within Operating Efficiencies (Section 2), while the remaining measures relating to directors’ remuneration are set out in Section 6.

In a challenging economic and regulatory context, performance has improved in several areas, although some measures remain below target. Targets have been updated where appropriate to reflect the latest financial outlook and baseline performance.

1. Business health

Sector Scorecard - Business health	RSH VfM	2025/26 Clarion	2025/26 Target	2025/26 Achieved	2024/25 Clarion	2024/25 G15 Average	2024/25 Clarion Ranking	2026/27 Target	2027/28 Target
Operating margin (social housing lettings)	✓	27.4%	25.6%	✓	25.8%	21.3%	3/11	24.4%	24.8%
Operating margin (overall, excluding disposals)	✓	20.6%	20.0%	✓	17.3%	16.1%	4/11	20.1%	20.5%
EBITDA MRI interest cover	✓	113.4%	107.0%	✓	101.8%	67.7%	1/11	109.1%	117.0%

The Business Health metrics look at the efficiency with which we generate operating income, and our ability to service our debt from operating activities. They link directly to our strategic objectives for good financial stewardship and governance. Positively, Clarion’s performance in all three measures has improved in the year, with all exceeding target. Future targets have been revised to reflect current market conditions, alongside an anticipated recovery and our underlying plans to deliver gradual improvements in operating performance.

Compared to the G15 sector 2024/25 results, Clarion’s ranking for EBITDA MRI interest cover has improved from second to first (despite the G15 average increasing from 57.7% in 2023/24 to 67.7%), with our ranking for social housing lettings operating margin improving from fifth to third. Our ranking for overall operating margin has dropped by one place to fourth. Looking ahead our targets reflect increased investment to respond to regulatory requirements and the desire to improve and standardise services offered to our residents. Where

possible we will seek to deliver additional efficiency gains above those assumed in our budget.

2. Operating efficiencies

Sector Scorecard - Operating Efficiencies	RSH VfM	2025/26 Clarion	2025/26 Target	2025/26 Achieved	2024/25 Clarion	2024/25 G15 Average	2024/25 Clarion Ranking	2026/27 Target	2027/28 Target
Headline social housing cost per unit	✓	£6,648	£6,307	✗	£6,538	£7,239	5/11	£6,992	£7,161
Management costs per unit		£1,212			£1,099	£1,618	2/11		
Service charge costs per unit		£708			£694	£1,141	3/11		
Maintenance costs per unit		£2,394			£2,385	£2,135	9/11		
Major repairs costs per unit		£292			£305	£261	7/11		
Capitalised major repairs expenditure for period per unit		£1,342			£1,260	£1,456	7/11		
Other costs per unit		£701			£795	£629	9/11		
Rent collected as percentage of rent due		99.9%	≥100%	✗	100.8%	99.7%	1/7	≥100%	≥100%
Overheads as a percentage of adjusted turnover		12.1%	12.4%	✓	12.6%	10.4%	6/6	11.6%	11.2%

Organisational operating efficiencies are focussed on demonstrating control and discipline over the use of capital and resource. This is the foundation of ensuring that a strong and robust financial profile is maintained.

Headline social housing cost per unit has increased in the current year by 1.7% to £6,648, exceeding our target (by 5.4%). Although the overall year-on-year movement is aligned to inflation, operational demands and supply chain pressures have caused a larger than anticipated rise in some key areas. Notably, however, we have seen year-on-year reductions in major revenue repairs (4.3%) and other (11.8%). In addition, below inflationary increases have occurred in maintenance (0.4%) and service charge costs (2.0%). In respect of maintenance costs, this is an ongoing reflection of embedding the Connect

benefits implemented in previous years, bringing about increased operative productivity, improved performance and the additional capacity to insource historically subcontracted repairs. The main increases relate to our capitalised major repairs (6.5%) and management costs (10.3%), although for the latter, Clarion was ranked second against the G15 for 2024/25. Our targets for 2026/27 and 2027/28 reflect our latest budgeted cost baseline, which includes further anticipated efficiency savings from our ongoing programme of process review and realignment.

In 2025/26, we again report strong performance with 99.9% of rent due collected, falling just short of our target of 100%. We continue to focus on arrears and rent collection, targeting improvements to bring arrears down to longer-term trend rates.

Overheads as a percentage of adjusted turnover has again decreased in the current year, reflecting continuing cost control. Crucially, this means that our overheads are continuing to increase at a slower rate compared to turnover, delivering efficiency of our cost base.

Value for Money

continued

3. Development (capacity & supply)

Sector Scorecard - Development (Capacity & Supply)	RSH VFM	2025/26 Clarion	2025/26 Target	2025/26 Achieved	2024/25 Clarion	2024/25 G15 Average	2024/25 Clarion Ranking	2026/27 Target	2027/28 Target
New supply delivered: absolute (social and non-social)		1,466	1,810	✗	1,727	1,063	3/11	1,676	2,586
New supply (social housing units)	✓	1.0%	1.3%	✗	1.2%	1.3%	5/11	1.2%	1.7%
New supply (non-social housing units)	✓	0.03%	0.0%	✓	0.1%	0.2%	5/11	0.0%	0.2%
Gearing	✓	49.7%	49.9%	✓	51.0%	48.1%	8/11	49.2%	47.6%

Our development programme has delivered 1,466 new homes during the year. This includes 244 units from joint venture activity and 10 replacement homes(not reflected in the G15 average). Of this total, 80% were of affordable tenures.

While our target for 2025/26 was not achieved, we remain committed to our goal of delivering more than 3,000 homes per annum. The scale of our development programme continues to

be reviewed annually and had previously been adjusted to reflect slower growth in response to ongoing economic uncertainty and programme delays, helping to mitigate sales risk and manage funding requirements. Notwithstanding these challenges, Clarion's delivery of 1,727 homes in 2024/25, was significantly above the equivalent G15 average of 1,063, maintaining our position as the third highest developer within the peer group.

Our gearing has reduced slightly in the year to 49.7% and is within our target. This is reflective of a 47% increase in development investment compared to the prior year. Our relatively lower position in the G15 rankings demonstrates our ongoing willingness to use our financial capacity to deliver new homes over an extended period. Future targets have been rebased to reflect the current year and future budgets but continue to demonstrate our desire to continue to gradually improve this metric.

4. Outcomes delivered

Sector Scorecard - Outcomes Delivered	RSH VFM	2025/26 Clarion	2025/26 Target	2025/26 Achieved	2024/25 Clarion	2024/25 G15 Average	2024/25 Clarion Ranking	2026/27 Target	2027/28 Target
Total social housing units owned and/or managed at period end		108,738	109,787	✗	109,254	67,250	1/11	109,530	109,712
Customer satisfaction		85.6%	85.0%	✓	84.7%	68.6%	1/11	85.0%	86.0%
Reinvestment	✓	6.8%	7.7%	✗	5.3%	5.7%	6/11	8.1%	7.8%
Investment in communities		£16.5m	£15.4m	✓	£18.0m	£6.5m	1/10	£15.3m	£15.2m

Providing the right safe, comfortable and secure homes to our customers, and improving the services we provide to them is at the core of what we do. Total social housing units owned and/or managed at the period end reduced slightly in the year from strategic disposals. This is aligned with our refreshed Property Strategy where a key focus is on the right homes in the right location, supported by better services for our residents.

Once again, overall customer satisfaction increased during the year. The result of 85.6% is another new record for Clarion, exceeding last year's record of 84.7%. Through our improvement programmes, we will continue to focus on improving our customer experience and are well placed to drive performance beyond our target of 85.0% for 2026/27.

Reinvestment increased during the year despite the challenges of the operating environment in which new homes are developed. Our investment in social housing for 2025/26 increased by 35% to £635.6 million but fell short of our target.

Clarion is proud of its strongly held commitment to investment in local communities. We are pleased to have

been able to invest £16.5 million (gross) in charitable projects and initiatives, again exceeding our target. During increasingly challenging times, providing valuable additional services and support to our

residents will remain of paramount importance. Benchmarking against the G15 for 2024/25 on all these measures shows

strong overall performance, with Clarion ranked first in three of the four metrics, reinforcing our commitment to delivering positive outcomes and value for our residents.

5. Effective asset management

Sector Scorecard - Effective Asset Management	RSH VFM	2025/26 Clarion	2025/26 Target	2025/26 Achieved	2024/25 Clarion	2024/25 G15 Average	2024/25 Clarion Ranking	2026/27 Target	2027/28 Target
Return on capital employed (ROCE)	✓	2.9%	2.9%	✓	2.4%	2.4%	6/11	2.9%	3.1%
Occupancy		98.9%			98.6%	98.7%	5/7	99.1%	99.1%
Ratio of responsive repairs to planned maintenance		72.6%	76.7%	✓	74.8%	60.2%	8/11	64.6%	62.9%

Clarion's effective asset management performance demonstrates how efficiently we utilise and invest in our housing properties, ensuring our homes remain high quality, well maintained and financially sustainable.

Return on capital employed improved in 2025/26 and was in line with target. Higher operating surplus was partially offset by an increase in capital employed, driven by a 3.7% increase in our total fixed asset base. Compared to the G15, our ranking declined to sixth in 2024/25 from third in 2023/24. We remain focused

on driving efficiencies and making more effective use of our assets to improve this measure over time. Continuing the upward trend since 2022/23, occupancy increased again during the year to 98.9%, reflecting the ongoing embedding of improved processes for void turnaround and lettings. High occupancy levels demonstrate our ability to maximise the use of existing homes, increasing housing availability and supporting our contribution to meeting housing demand within our communities.

A key aspect of our Property Strategy is to shift from reactive repairs to planned maintenance. Our ratio of responsive to planned activity demonstrates this focus as we continue to reduce our proportion of reactive works, improving from the prior year and remaining well within our target. This reflects our desire to identify recurring issues earlier, standardise performance and quality, empower our frontline team to solve issues, escalate risks and support residents. Future targets have been rebased to reflect our latest budget assumptions.

6. Directors' remuneration

Sector Scorecard - Directors' Remuneration	RSH VFM	2025/26 Clarion	2024/25 Clarion	2024/25 G15 Average
Remuneration payable to the highest paid director relative to the size of the landlord		£4.53	£4.31	£5.35
Aggregate amount of remuneration paid to directors, relative to the size of the landlord		£33.64	£33.95	£34.61

Clarion's aggregate directors' remuneration, when considered relative to the size of the organisation, decreased by 0.9% in the year. Our results also remain below the G15 average across both measures, demonstrating

the efficiencies and economies of scale achieved by operating a large organisation with proportionate executive and leadership structures.

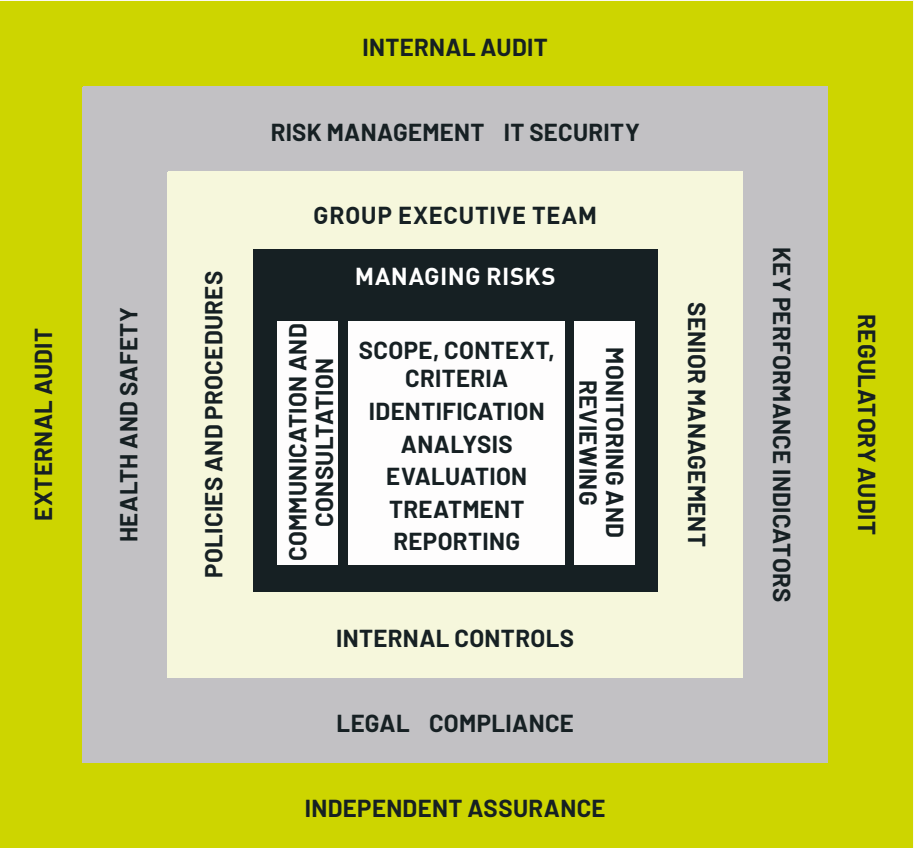
Principal risks and uncertainties

Against a backdrop of an uncertain and complex external environment, effective risk management is fundamental to how Clarion is governed and how it delivers its strategy, protects residents and colleagues, and safeguards long-term sustainability and financial resilience.

Risk management framework

Clarion operates an enterprise wide risk management framework as part of its three-lines governance model, designed to identify, assess, prioritise and manage material and emerging risks. The framework promotes clear risk ownership, accountability and oversight through defined roles and responsibilities and remains aligned to Clarion’s values and long-term objectives. The Group remains agile to change, and risks are kept under continued review to consider external factors and insights which have the potential to impact the Group’s strategy and objectives.

The following diagram outlines Clarion’s governance structure and risk management framework at high-level, illustrating how risks are identified, managed and escalated and are supported by Executive, Audit and Risk Committee and Group Board oversight.



Risk governance structure

The Group Board retains overall responsibility for risk management, including setting the Group’s risk appetite, reviewing principal risks and uncertainties, and receiving assurance on the effectiveness of risk management and internal control, both directly from management, and through the work of the Audit and Risk Committee.

The Board delegates authority to the Audit and Risk Committee for in-depth oversight of the Group’s systems of risk management and internal control. The Audit and Risk Committee reviews the Group’s risk profile and receives assurance from management on the adequacy of risk management arrangements through regular reporting and deep-dive risk reviews. The Audit and Risk Committee reports its work to the Group Board in line with the Group’s governance structure.

The Group Executive is responsible for effectively managing material risks and prioritising those which might impact the delivery of mission-critical objectives. It supports that risk management is integrated into operations and is underpinned by a culture of continuous improvement. Directors and senior leaders are accountable for managing risks effectively within their areas of responsibility. The second-line Risk team supports continuous review and improvement of the framework.

Risk appetite

The Group Board has overall responsibility for setting and overseeing the Group’s risk appetite, the degree and type of risk it is prepared to take in pursuing its strategy and long-term success.

The most significant judgements are associated with our investment decisions, our asset strategy and reinvestment priorities, our customer offer, obligations under regulation and legislation, maintaining sufficient financial capacity, fulfilling our environmental and social responsibilities and maintaining resilience to climate-related risks.

The Group has a low appetite for risks that could affect regulatory or legislative compliance, health and safety, our information and cybersecurity, or the resilience of our operations and systems.

The Group has a higher appetite for taking well-managed risks in pursuit of new business and opportunities for growth, the delivery of safe, high-quality and sustainable homes, and maintaining strong data integrity and customer outcomes within the financial risk parameters set by the Board.

We continuously monitor our effectiveness in managing risk, enabling us to take swift and appropriate action arising from changes in the operating environment and to ensure we remain within the risk appetite levels determined by the Board.

Ongoing monitoring of emerging risks

The Group monitors emerging risks through structured horizon scanning and external insights.

The operating environment remains unpredictable, shaped by geo-political developments, global instability, macro-economic pressures, domestic political uncertainty and rapid technological change. These dynamics may disrupt supply chains, heighten cyber threats, increase cost pressures, and affect resident affordability, placing additional demands on services. These are considered alongside ongoing improvements in internal controls, resilience and assurance to ensure risk exposure is actively managed as conditions evolve. The Group’s strong financial position and focus on strategy and resilience underpin its ability to manage these pressures effectively and maintain long term stability.

Principal risks and uncertainties

During the year, the Group undertook a cyclical re-evaluation of its principal risks, informed by its risk management framework and external evaluation, including the Regulator of Social Housing’s sector risk profile. The outcomes were reviewed by senior management, the Group Executive and the Audit and Risk Committee, and approved by the Board.

A subset of principal risks was identified as mission-critical which received enhanced Board oversight and more detailed reporting, reflecting their potential impact on residents, safe and compliant homes, regulatory outcomes and long-term sustainability. The principal risks have been assessed within the framework and aligned to strategic priorities, demonstrating their relevance to long-term objectives. Other material risks continued to be reviewed through the regular reporting cycle.

STRATEGIC PILLARS	PRINCIPAL RISK AND CONTEXT	CURRENT AND PLANNED MITIGATIONS	CHANGE IN THE YEAR
OUR BUSINESS OUR RESIDENTS OUR PEOPLE	Information security / significant cyber security breach An increasingly sophisticated external cyber threat environment, combined with growing digital reliance and third party interdependencies, continues to elevate exposure to cyber risk. This is managed through a comprehensive cyber security framework, incorporating prevention, detection, and response capabilities, alongside ongoing monitoring and resilience measures, to protect services, data, and stakeholders.	- Defence-in-depth security architecture and cyber hygiene controls - Cyber maturity roadmap informed by NIST assessment outcomes and assurance - Continuous monitoring service capabilities and third-party threat intelligence - Regular vulnerability management, penetration testing and assurance activities - Strengthening of incident response, disaster recovery and resilience testing - Supplier and third-party security assurance - Policies aligned to recognised standards and mandatory security awareness training	↔
OUR BUSINESS OUR RESIDENTS	Government policy, legislation and regulation An expanding and increasingly complex external policy, legislative, and regulatory environment continues to reshape operating requirements, including across consumer standards, building safety, rent and planning policy. Ongoing reform, funding uncertainty and heightened expectations for transparency and accountability increase pressure on cost, governance and delivery. This is actively managed to ensure the Group responds effectively to meet compliance requirements with positive impacts to service delivery and operations.	- Long-term financial planning incorporating scenario analysis and regulatory sensitivity - Dedicated governance, compliance and assurance leadership with clear executive accountability - Structured horizon scanning, policy insight and coordinated responses to consultations - Consumer Standards self-assessments and delivery of regulatory action plans - Embedding of Awaab's Law requirements and preparation for future phases - Policies, procedures and training to support compliance - Regular performance, quality and compliance reporting to Executive and Boards - Ongoing engagement with regulators and sector bodies to anticipate and influence change	↔
OUR BUSINESS OUR RESIDENTS OUR HOMES	Property condition and investment Managing a large, ageing housing portfolio requires balancing rising maintenance costs, regulatory requirements, and sustainability objectives. Investment decisions need to align with affordability and long-term resilience. Our strategies maintain asset quality to support resident outcomes whilst balancing these objectives.	- Delivery of the Clarion 2050 Asset Strategy and Regional Investment Plans - Property condition survey programme and asset data improvements - In-house repairs and maintenance capability - Clear investment governance and performance oversight - Decarbonisation and energy efficiency programmes, including Warm Homes funding - Continuous monitoring of delivery, value for money and resident impact	↔
OUR RESIDENTS OUR HOMES	Safe and compliant homes Maintaining compliance with safety regulations, including building, fire, gas, electrical standards etc, remains critical to resident safety, expectations for service delivery and increasing regulatory scrutiny. This is actively managed through structured controls, monitoring, and assurance to maintain safety, compliance, and resident confidence.	- Building safety, fire safety and resident engagement strategies - Specialist Building Safety and Health & Safety teams with clear governance and oversight - Enhanced assurance, monitoring and escalation pathways - Fire risk assessment and external wall appraisal programmes - Targeted approach to leaks, condensation, damp and mould supported by specialist teams - Performance monitoring of compliance, contractors and remedial actions - Sector collaboration and continuous improvement	↔

STRATEGIC PILLARS	PRINCIPAL RISK AND CONTEXT	CURRENT AND PLANNED MITIGATIONS	CHANGE IN THE YEAR
OUR BUSINESS OUR RESIDENTS OUR HOMES	Resident experience and expectations Delivering against regulatory reform and maintaining a focus on continuous improvement in service quality, transparency, and resident outcomes remain priorities. Clarion's large and diverse resident base, including considerations of resident vulnerabilities continues to shape the Group's approach, supporting effective service delivery, positive resident experience and sustained stakeholder confidence.	- Updated Resident strategy - Implementing new resident operating model and accountabilities - Investment in systems, CRM and contact handling capability - Complaints handling transformation - Increased frontline capacity and update of leadership structures - Use of TSMs, insight, root-cause analysis and resident feedback to drive improvement - Regular performance monitoring and regulatory reporting	↔
OUR BUSINESS OUR RESIDENTS	Data integrity and governance Reliable, high-quality data underpins effective compliance, decision-making, and performance management. Continued focus on strengthening a culture of data awareness, ownership and confidence supports Clarion's ambition to be a data-driven organisation, enabling data informed decisions and reinforcing stakeholder confidence.	- Group-wide data governance framework and policy - Data Council oversight of strategic direction and prioritisation - Defined Data Owners and Stewards with clear accountability - Ongoing identification of critical data elements and improvement plans - Data quality audits, dashboards and assurance activity - Targeted data literacy and training programmes - Strengthened controls around AI use, data protection and validation	↔
OUR BUSINESS OUR PEOPLE	Change and transformation (delivery / pace / engagement) Delivery of multiple, concurrent transformation programmes introduces risks around capacity, prioritisation, and adoption. Ensuring systems, processes, and people align to future operating models is critical. We seek to deliver and embed change effectively to minimise disruption and maximise benefits realisation.	- Group-wide change governance, prioritisation and portfolio oversight - Dedicated programme and project teams with clear executive ownership - Board-approved change control and benefits realisation framework - Transformation programme delivering service, process and technology improvements - Phased implementation, testing and colleague engagement to support adoption - Ongoing monitoring of delivery, inter-dependencies and change capacity	↔

Key: Residual risk movement (after taking current responses and controls into consideration)
⬆ Risk increasing ↔ No risk movement ⬇ Risk decreasing

Other principal risks reviewed included **Funding and Liquidity, Macro-economic conditions, Third-Party and Supply Chain Dependence, Sale of Homes and Sustainability Commitments.**

People Development and Wellbeing risk was more clearly recognised by the Group Executive, alongside **Sourcing and Retaining Skilled People**, underscoring the Group's commitment to workforce resilience and cultural alignment. **Business Disruption** was also prioritised, reflecting increasing technological complexity and external uncertainty.

Whilst the Group's principal risks have not materially changed within the overall risk profile, they have continued to be robustly assessed and monitored through the risk management framework, with appropriate oversight and controls in place to support resilience and respond to emerging developments.

Clarion Housing Group Board

Jock Lennox
Non-Executive
Director and
Group Chair



Jock brings over 30 years of experience from Ernst & Young, where he held various leadership positions, including 20 years as a partner. His previous board experience includes Chairmanships at Enquest PLC and Hill & Smith Holdings PLC, and directorships at Dixons Carphone PLC, Oxford Instruments PLC, A&J Mucklow Group PLC and Barratt Redrow PLC. Jock currently chairs Johnson Service Group PLC and has been appointed Chair Designate of Halfords Group PLC, joining its Board on 1 September 2026.

David Orr CBE
Non-Executive
Director and
Chair of the
Clarion Housing
Association Board



David is Chair of the Clarion Housing Association Board. With over 35 years of experience in the housing sector, he has served as Chief Executive of the National Housing Federation, Newlon Homes, and the Scottish Federation of Housing Associations. He has also been President of Housing Europe and Associate Director for Homes at the Centre for Ageing Better. David currently chairs the Canal and River Trust, ReSI Housing, ReSI Homes, and the National Communities Resource Centre.

Doris Olulode
Non-Executive
Director and Vice
Chair of Group
Board and Chair of
the Remuneration,
Nominations and
People Committee



Doris serves as Vice Chair of the Group Board and chair of the Remuneration, Nominations and People Committee. Following a distinguished career, she was previously HR Director for Europe, the Middle East and Africa at Ford Motor Company, where she also led its African Ancestry Network. Doris is currently Chair at Prostate Cancer UK and the Royal National Orthopaedic Hospital. She is also a Lay Member for HM Courts and Tribunals Service.

Graham Farrant
Non-Executive
Director and Chair
of Clarion Futures



Graham chairs our charitable arm, Clarion Futures. He brings extensive leadership experience spanning both public and private sectors. His previous CEO roles include the London Borough of Barking & Dagenham, Brentwood Council, HM Land Registry, Leisure Connection, pmpgenesis (a sport and leisure consultancy), and Thurrock Council. He was most recently Chief Executive of Bournemouth, Christchurch and Poole Council.

Lord Barwell
Non-Executive
Director



Lord Barwell's political career has included roles as Chief of Staff to Prime Minister Theresa May and Minister for Housing. He served as the Member of Parliament for Croydon Central from 2010 to 2017, having previously been a local councillor for 12 years. Outside of Clarion, he advises a range of organisations including Arcadis, Avonhurst, Barratt Developments PLC, Community Fibre, DLA Piper, and PwC.

David Lunts
Non-Executive
Director and
Chair of Latimer
Developments



David chairs the Development Committee and the Latimer Board, Clarion's development arm. He brings decades of experience in housing, regeneration and urban development with senior roles across national, regional and local government, including as Executive Director for Housing and Land at the Greater London Authority and Chief Executive of the Old Oak and Park Royal Development Corporation. David is currently Vice Chair of the Joseph Rowntree Foundation.

Heike Munro
Non-Executive
Director and Chair
of the Treasury
Committee



Heike chairs the Treasury Committee. A highly experienced finance professional with over three decades in the industry, she has held senior roles at leading global investment banks including Goldman Sachs, Deutsche Bank, and Rothschild. She later became Managing Director and Partner at global consultancy Alix Partners, where she co-led the Financial Advisory practice in Europe. Heike previously served as a non-executive director at Mencap Trust and was a board member and Chair of the Audit Committee at Oldenburgische Landesbank AG. Heike is currently a board member and Deputy Chair of Citigroup Global Markets Europe AG, Citigroup's European broker-dealer subsidiary and a trustee of Pimlico Opera.

Jeremy Newman
Non-Executive
Director and Chair
of the Audit and
Risk Committee



Jeremy chairs the Audit and Risk Committee. He brings a deep understanding of audit, governance and regulatory frameworks, having previously served as Global CEO and UK Managing Partner of BDO. He was Chair of the Audit Commission and of the Single Source Regulations Office and led independent reviews of the UK's Civil Aviation Authority and the Westminster Foundation for Democracy. Jeremy has a portfolio of board level roles in the public, not for profit and private sectors, including as Senior Non-Executive Director of Open Banking Limited.

Rachel Fletcher
Non-Executive
Director



Rachel is a regulatory and policy expert. She brings particular expertise in utility regulation and public service delivery. Rachel was formerly Chief Executive of Ofwat and held board-level positions at Ofgem. Her earlier career included work in international development and energy policy consultancy. Rachel is currently Director of Regulation and Economics at Octopus Energy.

Gareth Turpin
Non-Executive
Director



Gareth is a senior board level director and strategic advisor with over 25 years' experience leading large scale transformation, commercial performance, and growth across major UK telecommunications and technology businesses. He has held executive leadership roles at Virgin Media O2, and Telefónica UK, with accountability for P&L performance, complex mergers, and organisation wide transformation programmes. Gareth is currently Managing Director of Transformation at BT Group and acts as a strategic advisor to North Highland, Cresta AI and Techsee.

Clarion Housing Group Executive Team

Clare Miller
Chief Executive



Clare has served as Group Chief Executive since 2018, having joined Affinity Sutton as Director of Governance and Compliance in 2010 and continues in this role following the formation of Clarion in 2016. A chartered accountant with more than 30 years' experience in the housing sector, Clare began her career at the Housing Corporation in 1992 as a financial regulator, rising to Director of Regulation. She subsequently held executive responsibility for housing association regulation at the Tenant Services Authority. In addition to her role as Group Chief Executive, Clare is the current Vice Chair of the G15, which represents London's largest housing associations.

Mark Hattersley
Chief Financial Officer



Mark serves as Clarion's Chief Financial Officer, having previously held senior financial leadership roles across the housing, education and transport sectors. This has included being Chief Financial Officer at Sovereign Housing Association, Director of Finance and Infrastructure at Staffordshire University, and Chief Financial Officer at Birmingham International Airport. A chartered accountant, he is responsible for the Group's financial management, funding and long-term sustainability. He also chairs the G15's Chief Financial Officer Group.

Catherine Thomas
Chief Corporate Affairs Officer



Catherine leads Clarion's strategic engagement with government, key stakeholders and the wider housing sector, with a remit spanning strategy, policy influence, public affairs, external and resident communications, insight and research and overall creative and brand leadership. She helped drive the vision behind the 125 Foresight Group and the development of the Five New Giants of Opportunity report. Catherine joined Clarion in February 2020, bringing senior experience in marketing and communications across real estate and retail, with particular expertise in placemaking and destination marketing developed at Land Securities, where she oversaw communications for the Victoria SW1 regeneration.

Catrin Jones
Chief People, Data and Digital Officer



Catrin started a new role as Clarion's Chief People, Data and Digital Officer in January 2026. She leads an integrated portfolio spanning People, Technology, Data, Cyber and Health & Safety, reflecting Clarion's belief that organisational performance, resilience and impact depend on these capabilities working together. A member of Clarion's Executive Team since 2019, she previously held executive responsibility for Corporate Services developing the People Strategy for the Group. With deep organisational insight and a strong track record of delivery, she ensures Clarion is equipped with the skills, systems and data needed to deliver for residents today while preparing for the challenges of tomorrow.

Richard Cook
Chief Development Officer



Richard leads Clarion's new homes and regeneration development business and holds responsibility for the Group's sustainability strategy. With more than 30 years of experience in the property sector, his career has spanned senior roles at Mace, Taylor Wimpey and Lendlease, where he served as European Head of Residential and played a central role in the delivery of the London 2012 Athletes' Village. Richard joined Clarion in February 2019 and is also a member of the National House-Building Council Foundation Expert panel.

Kate Still
Chief Housing Officer



Kate is Clarion's Chief Housing Officer after joining in 2025, holding responsibility for resident services, insight and engagement, housing management and community investment. Since joining, she has led the development of Clarion's new Resident Strategy, setting the framework for how the organisation will deliver for its residents over the coming five years. She brings over three decades of experience in housing, regeneration and economic development, with previous executive roles including Chief Operating Officer at Citizen Housing Group, National Director of Housing Operations at Sanctuary Housing, and senior positions at Home Group and Golding Homes.

Rob Lane
Chief Property Officer



Rob joined Clarion in 2016 as Commercial Finance Director before being appointed Chief Property Officer in 2021, bringing with him extensive experience across both property and finance. He leads the Property Directorate, with responsibility for repairs, maintenance, property services, investment and long-term asset strategy across the Group's 125,000 homes. His remit also includes Grange, Clarion's property management subsidiary, and its commercial and investment properties. Rob has also held senior finance roles at Domino's Pizza Group and Network Rail Property, and serves as Clarion's designated Health and Safety Lead under the Social Housing (Regulation) Act 2023.

Louise Hyde
Chief Governance & Corporate Compliance Officer



Louise oversees Governance and Corporate Compliance, Audit and Risk, Land and Deeds, and Legal across the Group while supporting the non-executive members who serve on Clarion's boards and committees. A Fellow of the Chartered Governance Institute of the UK, she has over 25 years of experience in the housing sector. Louise became Clarion's Company Secretary in 2018, having joined as Director of Governance following the Group's formation. Before that, she spent a number of years at the Regulator of Social Housing in a range of operational and policy roles, and joined Affinity Sutton in 2012 as Head of Governance.

Corporate governance

Clarion Housing Group is the strategic parent of the group and has overall control of all of its subsidiaries. Within the Group, there are key business streams: the landlord, Clarion Housing; the development company, Latimer Developments; and the charitable foundation, Clarion Futures. A single housing association, Clarion Housing, owns all of the Group’s social housing assets and delivers all services to residents.

Clarion Housing Group Board

The Board sets the strategic direction of the wider group and monitors overall performance as well as ensuring compliance with the association’s objects and regulatory obligations. It receives assurance on landlord functions from the Clarion Housing Association Board. The Group Board approves the budgets and business plans of its subsidiary companies and retains control through the ability to appoint and remove subsidiary board members.

The Board and Group Executive Team have an effective working relationship which helps to facilitate appropriate challenge and support.

The Board delegates certain matters to four committees. The Committees operate on behalf of all group entities. The chair of each Committee provides a written update at each board meeting on the work of their committee.

Group Executive Team

The Group Executive Team, led by the Chief Executive, is the internal leadership team responsible for day-to-day operational performance. They also lead on implementing agreed strategies and ensuring our culture and values are embedded across the business, and they have operational responsibility for the management of risk across the business and provide the first line of defence in the management of corporate risk.

Audit and Risk Committee

Advises the Group and subsidiary boards on the effectiveness of assurance arrangements and has oversight of the risk framework. It also reviews the effectiveness of the internal audit function and maintains the relationship with our external auditor.

Remuneration, Nominations and People Committee

Responsible for Board member appointments and renewals, the appointment of the Chief Executive and for Board and Executive succession planning. It also agrees the remuneration strategy for all employees and remuneration for the Group Chief Executive and Executive Directors. It oversees and monitors the Group’s culture and behaviours.

Treasury Committee

Responsible for the Group’s funding strategy and associated transactions.

Investment Committee

Responsible for scrutiny of all proposed projects involving major investment, by way of acquisition, development or regeneration. It recommends to the Group Board any projects outside agreed delegations.



Board composition

The Group Board comprises ten non-executive directors and two executive directors.

Together, they bring a broad and complementary range of skills, experience and perspectives, including expertise in finance, risk, regulation, customer service, housing and public administration.

This breadth of experience enables the Board to provide effective oversight of the Group’s strategy, risk management and performance, while ensuring robust challenge and informed decision-making.

The Board maintains an appropriate balance between executive and non-executive directors in line with good governance practice. Non-executive directors bring independent judgement and constructive challenge, which is fundamental to the Board’s effectiveness.

Non-executive directors are normally appointed for a maximum term of six years. This may be extended for a further period of up to three years where the Board determines that doing so is in the best interests of the organisation, for example to retain critical skills or ensure continuity during periods of change. Any such extensions are considered carefully by the Board and justified in the context of succession planning and Board effectiveness.

Board effectiveness

The Board undertakes a structured and rigorous approach to evaluating its effectiveness.

During the year:

- All Board and committee members participated in an annual appraisal process
- A comprehensive skills audit was completed, aligned to the Group’s strategic priorities and principal risks
- Outcomes from both processes informed Board development, recruitment and succession planning

As a result, the Board is satisfied that it continues to have the collective capability, experience and diversity of thought required to discharge its responsibilities effectively, including oversight of:

- Strategic direction
- Service delivery and resident outcomes
- Risk management and internal control
- Financial performance and resilience

Where gaps are identified, these are addressed through targeted recruitment, training or development.

Succession planning

Succession planning remains a key priority for the Board. The skills audit and appraisal process directly inform:

- Planned Board refreshment
- Future recruitment priorities
- Development of both executive and non-executive talent

This ensures that Board composition continues to evolve in line with the changing regulatory environment, emerging risks and the organisation’s strategic direction.

Board and Committee attendance

The table below sets out the Board and Committee membership along with attendance for 2025/26:

Board Member	Group Board	Audit and Risk Committee	Remuneration, Nominations and People Committee	Development Committee	Treasury Committee
Jock Lennox	●●●●●●●●		●●●●●		
Doris Olulode	○●●●●●●●		●●●●●		
David Orr	○●●●●●●●		●●		
Lord Barwell	○●●●●●●●		●●●●●	○●●●●●	
Jeremy Newman	●●●●●●●●	●●●●●●●●			
Graham Farrant	●●●●●●●●	○●●●●●●●			
Rachel Fletcher	●●●●●●●●				
Amanda Metcalfe*	○●●●●●●●		●●●●●		
Heike Munro	●●●●●●●●	●●●●●●●●			●●●●●
David Lunts	○●●●●●●●			●●●●●●●●●●	
Clare Miller	●●●●●●●●				●●●●●
Mark Hattersley	●●●●●●●●			●●●●●●●●●●	●●●●●
Other committee members					
Sharon Critchlow		●●●●●●●●			
Andrew Murray				○●●●●●●●●●	
Chris Hatfield				●●●●●●●●●●	
Paul Munday				●●●●●●●●●●	
Rob Lane				●●●●●●●●●●	
Richard Cook				●●●●●●●●●●	
Kate Still				○●○●○●●●●●	
Kwok Liu					●●●●●
Maxim Sinclair					●●●●●
Retired during the year					
Rupert Sebag-Montefiore	●●				
Karima Fahmy				●●●●●●	
Michelle Reynolds				○●●●●	

* Resigned from the Board on 31 May 2026

● Attended meeting ○ Did not attend

Governance review

In October 2025, the Regulator of Social Housing (RSH) confirmed Clarion’s G1 governance grading and upgraded its viability rating from V2 to V1 following a full inspection. This reflects the Board’s continued focus on strengthening risk oversight, financial resilience and governance effectiveness.

Clarion also received its first consumer grading of C2. While this represents compliance with the consumer standards, the assessment identified specific areas where the delivery of services to residents required improvement, particularly in consistency of outcomes and operational performance.

In response, the Board approved a comprehensive regulatory action plan, with clear accountabilities, milestones and performance measures. Delivery is overseen directly by the Board, supported by enhanced reporting and scrutiny through its committees. The plan has been published on our website to ensure transparency and enable residents to track the actions we are taking to improve services and strengthen compliance.

The Board has considered its obligations under regulation and is satisfied that it complies in all material respects with the standards.

During 2025/26, the Board has continued to strengthen its governance framework, with a focus on enhancing effectiveness, improving oversight and ensuring that governance arrangements support better outcomes for residents. Key areas of focus included:

- Reviewing the board and committee structure to strengthen oversight and ensure the resident voice is embedded throughout Clarion’s governance structure, including expanding the remit of the Investment Committee to form a Development Committee with broader oversight of development, investment and regeneration, now chaired by non-executive director David Lunts
- Enhanced succession planning for both executive and non-executive directors

Code of governance

The Group has adopted the National Housing Federation (NHF) Code of Governance 2020, which provides the framework through which the Board demonstrates compliance with recognised best practice in the housing sector.

The Board undertakes regular and structured reviews of performance against the Code, including periodic self-assessment and independent evaluation where appropriate. Governance arrangements are continuously reviewed and enhanced to ensure they remain effective, proportionate and aligned to both regulatory expectations and organisational risk.

For 2025/26, the Group complied fully with the NHF Code of Governance 2020, with two time-limited exceptions outlined below:

Principle	Summary	Rationale
3.1(4)	Until 6 July 2025, our Development Committee was chaired by Mark Hattersley, the Chief Financial Officer	The Board believed that Mark was best placed to chair the Committee given his detailed knowledge and experience of the business. The Committee included four independent non-executive members, ensuring robust challenge and scrutiny throughout the period. With David Lunts now in the position of Committee Chair, we are now compliant with this principle.
3.3(2)	Between 6 July 2025 and 15 July 2025, the Group Board comprised of 13 members.	The Board agreed to increase the number of members to ensure a smooth transition between Rupert Sebag-Montefiore’s retirement and David Lunt’s appointment, with David succeeding Rupert as Chair of Latimer Developments upon his appointment.

The Group has also adopted, and complies with, the NHF Code of Conduct 2022, which underpins high standards of integrity, behaviour and accountability. A robust probity framework is in place, with all Board and committee members required to declare any potential conflicts of interest at least annually and at each meeting. These declarations are formally recorded and actively managed.

Resident involvement

The Board is committed to ensuring that the resident voice is embedded throughout the Group's governance and decision-making structures. Residents are able to engage at local, regional and national levels through a range of structured forums, enabling diverse perspectives to inform both operational delivery and strategic decisions.

The Board actively promotes resident scrutiny and accountability, recognising that resident insight improves decision-making and strengthens service outcomes. The Group remains committed to inclusive and accessible engagement mechanisms, ensuring all residents have meaningful opportunities to influence the services they receive.

The Housing Association Board includes four resident Board members, providing direct and ongoing resident input into governance.

During 2025/26, the Customer Committee was re-launched as the Resident Committee to align with the Group's new Resident Strategy and strengthen its focus on resident outcomes. The Committee plays a central role in scrutinising performance, customer experience and service delivery, providing both challenge and assurance to the Board.

The Committee is chaired by a resident Board member and includes the Chief Housing Officer and Chief Property Officer alongside six additional residents, ensuring balanced insight and effective challenge. In 2026/27, membership will be expanded to include three additional residents, further strengthening representation and insight. The Committee operates as a formal committee of the Clarion Housing Association Board, with clearly defined responsibilities and reporting arrangements.

Modern slavery and human trafficking statement

The Group is committed to preventing modern slavery and human trafficking in all areas of its operations and supply chains. This forms part of a broader commitment to ethical behaviour, integrity and responsible business practices.

A comprehensive framework of policies, procedures and contractual controls is in place to mitigate the risk of modern slavery across the organisation and its supply chains. Further details are provided in our Modern Slavery Statement, available on the Group's website.



Report of the Remuneration, Nominations and People Committee

Membership of the Committee

Doris Olulode (Chair)
Lord Barwell
Jock Lennox
Amanda Metcalfe
David Orr (appointed 1 August 2025)

The role of the Committee is to ensure that the Board has the skills and members to operate effectively, and to agree remuneration policies which are appropriate for the organisation's needs, balancing our absolute requirement to attract and retain the right staff with our social purpose.

Board Members are appointed for two, 3-year terms. Where members have a particular expertise or skillset, we may choose to extend the appointment for a further three years, reviewed at least annually.

The Committee monitors equality, diversity and inclusion across all levels of the Group and regularly reviews and evaluates the strength and diversity of the Group's leadership. The Committee also has responsibility for overseeing and monitoring the culture and behaviours of the organisation.

As a long-term investor in homes and property we value the experience and knowledge Board Members acquire over their term of office. Our Board understands the property market and the cycles it displays, which helps to manage and mitigate the risks of the business. The Board aims to undertake an external review every three years, with the latest taking place in 2024/25. In other years the Board conducts its own assessment with the relevant Chair appraising all Board and Committee Members' performance.

The Committee approves the annual pay remit for staff and sanctions any bonus or merit payments for all staff and

senior executives. This considers the performance of the Group and whether the performance metrics for bonus have been met such as the financial performance of the Group and customer satisfaction with service delivery. The Committee maintains a watching brief on the market for recruitment, and this influences its thinking in agreeing the annual pay remit. We aim to pay staff in line with market conditions, recognising that for some roles and in some locations, we create the market. The Committee is aware of its responsibility to create conditions which encourage and promote a diverse workforce. We publish details of the gender pay gap for the three employing entities in the group.

This year the Committee has been engaged in recruiting vacancies across the governance structure. In addition, the Committee has helped develop Clarion's new People Strategy and ensured a continued focus on equality, diversity and inclusion across the organisation.

Report of the Audit and Risk Committee

Membership of the Committee

Jeremy Newman (Chair)
Sharon Critchlow
Graham Farrant
Heike Munro

The Committee currently includes three non-executive Group Board Members and one non-executive member from the Clarion Housing Association Board.

The Committee continues to meet regularly during the year and the focus is to ensure there are sound and effective systems of internal control and risk management along with scrutinising the financial statements and proposing them to the Group Board for approval. Members examine in detail the work of internal audit, and the risk framework, advising the Board of any

new and emerging risks of which they consider the Board should be aware. In support of the accounts, the Committee has considered the accounting policies and the significant judgements and accounting estimates. The Committee has also continued to focus on monitoring Clarion's approach to cyber security and the broader IT framework.

During the year, the Committee oversaw the procurement process for a new external auditor, who will replace KPMG in 2027/28 following the conclusion of their tenure.

The Committee's role remains vital in overseeing the internal control and risk management environment, advising the Board and working closely with management to secure the best outcomes for those who benefit from our services.

Internal audit

Clarion has its own internal audit and risk function, led by the Director of Audit and Risk. This is supplemented by the engagement of external partners to carry out specific internal audit reviews utilising their specialist surveying, IT and treasury skills. We continue to believe this model gives us a suitably skilled and flexible resource for maximum coverage and benefit to the business. The focus of the audit programme this year has included anti-social behaviour, recruitment, complaints handling and disrepair.

External audit

KPMG are the external auditor and meet with the Committee a number of times during the year.

Report of the Treasury Committee

Membership of the Committee
Heike Munro (Chair)
Mark Hattersley
Kwok Liu
Clare Miller
Maxim Sinclair

The role of the Committee is to assist the Group in discharging its responsibility in relation to treasury and financing activities. This includes monitoring and advice on treasury policies, approving the appointment of bankers and financial intermediaries, approving the funding strategy and reviewing the terms and conditions of any financing arrangements.

Our non-executive members bring diverse expertise and independent insights into a range of treasury matters, in particular the key areas of funding strategy, banking, investor relations and risk management.

During the year, the Committee oversaw the renewal of Clarion’s EMTN programme, the early cancellation of certain bank facilities to achieve optimal efficiency in our funding portfolio, and the publication of our first allocation and impact report under our Sustainable Housing Finance Framework. It also approved the renewal and extension of two of our bank facilities, which totalled £250 million.

The Committee regularly receives presentations from third parties to assist in the performance of its duties, and during the year met with two of our three ratings agencies.

The Committee also continued to review and advise upon the Group’s liquidity and treasury policies, security position and the significant derivative portfolio.

Board statement on the effectiveness of the system of internal control

Responsibility for internal control

The Board of Clarion Housing Group Limited has overall responsibility for establishing and maintaining a sound and effective system of internal control across the Group. This supports the delivery of the Group’s strategy, the safeguarding of people and assets, and compliance with legal and regulatory requirements.

The principal risks and uncertainties facing the Group are set out in its Annual Report. This statement focuses on the effectiveness of the systems, processes and assurance arrangements through which those risks are identified, managed and controlled.

The Board reviews the effectiveness of the system of internal control at least annually and throughout the year as part of its ongoing oversight of risk and performance. The Board delegates authority to the Audit and Risk Committee (ARC) for in-depth oversight of the Group’s systems of risk management and internal control, and receives reports from the ARC on its work.

Risk management and governance

The Group operates an enterprise-wide risk management framework, aligned to recognised good practice and as set out in the Group’s Risk Management policy.

The framework supports the consistent identification, assessment and management of strategic, operational, financial and compliance risks, with clear ownership and accountability at all levels. Risk considerations are incorporated into key decision-making, including new business activity, major projects, and strategic planning, with ongoing efforts to ensure consistency and effectiveness.

The Board defines the Group’s risk appetite, articulating the level and nature of risk the Group is willing to accept in the delivery of its strategy and in pursuit of its long term objectives. During the year, the Board, supported by the Audit and Risk Committee under delegated authority, received assurance on the management of the Group’s principal risks.

Oversight and assurance

The Group’s governance framework includes:

- regular reporting from management on risk exposures, control effectiveness and performance;
- clearly defined governance arrangements and management structures that provide effective oversight, accountability and decision-making;
- oversight by the Audit and Risk Committee, which provides in-depth review of risk management and internal control, and which reports its findings to the Board;
- independent assurance from Internal Audit through a risk-based programme of work; and
- assurance from the External Auditor, and regulatory engagement, as appropriate.

This framework enables the Board to assess both the design and operating effectiveness of key controls.

Other considerations

The system of internal control also includes:

- the Board has adopted the National Housing Federation Code of Governance 2020 and complies with its principles,
- periodic review of documented policies, procedures and financial controls, including defined standards and delegated authorities;
- a Group-wide Health and Safety framework providing specialist oversight, guidance and assurance;
- processes to monitor regulatory compliance and service performance, with management accountability;
- a robust anti-fraud and anti-bribery framework, supported by formal policies and whistleblowing arrangements;
- defined appraisal and approval processes for housing investment and major commitments, in line with the Group’s financial regulations;
- a central treasury function with appropriate oversight by the Treasury Committee;
- annual budgets and long-term business plans, supported by regular performance reporting, including the Group’s Balanced Scorecard; and
- the Chief Executive’s annual assessment of the effectiveness of the Group’s governance, risk management and internal control systems, and which is reported for consideration, evaluation and assurance to the Audit and Risk Committee, Entity Boards and the Group Board.

Report of the Development Committee

Membership of the Committee
David Lunts (Chair)
(appointed 5 July 2025)
Mark Hattersley
(Chair until 4 July 2025)
Lord Barwell
(appointed 1 October 2025)
Richard Cook
Chris Hatfield
Rob Lane
Paul Munday
Andrew Murray
Kate Still
(appointed 1 September 2025)
Karima Fahmy
(resigned 31 August 2025)
Clare Miller
(resigned 23 September 2025)
Michelle Reynolds
(resigned 31 August 2025)

During the year, a review of the Committee’s remit was undertaken, resulting in an increased level of delegated authority from the Board of Latimer Developments. Consequently, the Committee was rebranded as the Development Committee, and its membership was refreshed.

The Committee comprises executive members, alongside non-executive members from Clarion Housing Group, Clarion Housing Association, and Latimer Developments. The non-executive members bring significant expertise in finance and development, enhancing the Committee’s oversight and decision-making capability.

The Committee’s primary role is to scrutinise and approve projects involving major investment, including acquisitions, development schemes, major repairs, and regeneration initiatives. In doing so,

it assesses the viability and suitability of proposals, considering financial performance, risk, equality impacts, and environmental and sustainability factors.

In addition, the Committee monitors the progress of approved schemes to ensure they remain within agreed parameters. It also oversees broader development considerations, such as the sales market, future pipeline, contractor risk, grant programmes, and project exceptions.

Throughout the year, the Committee continued to focus on adapting the development programme in response to a range of challenging external factors, including legislative changes, supply chain disruption, cost inflation, and mortgage affordability pressures.



Culture and continuous improvement

The Board recognises that effective internal controls depend on culture, leadership and behaviours as well as processes and systems. It sets standards to promote openness, constructive challenge and early escalation of risk.

The Group operates in a dynamic and evolving environment and maintains a strong focus on continuous improvement. Areas for improvement across the Group's systems of governance, risk and internal control identified through operating and assurance activities are

actively managed, with structured action plans in place and oversight through established governance processes.

Review of effectiveness and conclusion

Based on assurances received, the Board, and Audit and Risk Committee are satisfied they have obtained reasonable assurance that the organisation's systems of governance, risk management and internal control are generally adequate and operated effectively throughout the period. Entity Boards have also received reports on the effectiveness of these systems.

For the year ended 31 March 2026, and up to the date of approval of the financial statements, no material control weaknesses or significant issues have been identified that require separate disclosure.

Statement of Board's responsibilities in respect of the Strategic Report, the Report of the Board and the financial statements

The Board is responsible for preparing the Strategic Report, the Report of the Board, and the financial statements in accordance with applicable law and regulations.

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

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

In preparing each of the Group's and the Parent Association's financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's and the Parent Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the Parent Association, or to cease operations, or has no realistic alternative but to do so.

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

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

Going Concern

After reviewing the Group's budget for 2026/27 which includes those of its subsidiaries, the Group's 30-year business plan, and based on normal strategic business planning and control procedures, the Board has a reasonable expectation that Clarion Housing Group Limited has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements.

Disclosure of information to Auditor

The Board members who held office at the date of approval of this Report of the Board confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

KPMG LLP have expressed their willingness to continue in office as the Group's auditor.

By order of the Board

Jock Lennox
Group Chair

8 July 2026

Financial statements



Independent auditor’s report to Clarion Housing Group Limited

Opinion

We have audited the financial statements of Clarion Housing Group Limited (“the Association”) for the year ended 31 March 2026 which comprise the Group and the Parent Association Statements of Comprehensive Income, the Group and the Parent Association Statements of Financial Position, the Group and the Parent Association Statements of Changes in Capital and Reserves, the Group Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

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

- enquiring of the Board and internal audit as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board meeting minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

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

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

We did not identify any additional fraud risks.

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

Independent auditor’s report to Clarion Housing Group Limited continued

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and other unusual journal characteristics; and
- assessing significant accounting estimates for bias.

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

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

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation and related Companies Act legislation), taxation legislation, health and safety legislation, distributable profits legislation and pensions legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

Other information

The Board is responsible for the other information, which comprises the Annual Report, the Statement on Internal Financial Control and Strategic Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board’s responsibilities

As explained more fully in its statement set out on page 65, the Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the Parent Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the Parent Association, or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities

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

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

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

This report is made solely to the Group and the Parent Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Group and the Parent 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 Group and the Parent Association for our audit work, for this report, or for the opinions we have formed.

Fleur Nieboer
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

15 July 2026

Group statement of comprehensive income

for the year ended 31 March 2026

	Notes	2026 £m	2025 £m
Turnover	4a	1,044.8	1,086.9
Cost of sales	4a	(94.2)	(165.4)
Operating costs (excluding pension cessations)	4a	(735.8)	(732.1)
Pension cessations	4a, 28	-	(1.3)
Surplus on disposal of properties	4a	73.9	43.6
Operating surplus	4a	288.7	231.7
Deficit on disposal of other fixed assets	4a	-	(0.9)
Share of deficit of JCEAs	17	(9.7)	(3.2)
(Loss)/gain on revaluation of investment properties	15	(1.5)	1.1
Interest receivable	7	28.6	30.9
Interest payable and financing costs	8	(172.5)	(183.9)
Movement in fair value of financial instruments	9	2.1	(0.6)
Surplus on ordinary activities before taxation	10	135.7	75.1
Tax credit on surplus on ordinary activities	11	12.0	7.0
Surplus for the year		147.7	82.1
Remeasurement of defined benefit pensions	28	1.9	7.8
Movement in fair value of financial instruments	9	12.2	33.0
Total comprehensive income for the year		161.8	122.9

The financial statements were approved by the Board and were signed on its behalf by:

Jock LennoxGroup Chair

Mark HattersleyChief Financial Officer

Louise HydeCompany Secretary

8 July 2026

Parent statement of comprehensive income

for the year ended 31 March 2026

	Notes	2026 £m	2025 £m
Turnover	4a	60.7	76.3
Operating costs	4a	(56.0)	(70.8)
Operating surplus	4a	4.7	5.5
Interest receivable	7	56.1	58.0
Interest payable and financing costs	8	(60.5)	(63.5)
Surplus/result on ordinary activities before taxation		0.3	-
Tax charge on surplus/result on ordinary activities	11	(0.3)	-
Result for the year		-	-

The financial statements were approved by the Board and were signed on its behalf by:

Jock LennoxGroup Chair

Mark HattersleyChief Financial Officer

Louise HydeCompany Secretary

8 July 2026

Group statement of financial position

as at 31 March 2026

	Notes	2026 £m	2025 £m
Fixed assets			
Goodwill	12	14.3	14.3
Other intangible assets	13	37.1	44.7
Social housing properties	14	9,287.3	8,883.7
Investment properties	15	178.9	194.2
Non-housing fixed assets	16	27.7	30.0
Interests in JCEAs	17	262.7	286.4
Other fixed asset investments	18	14.5	15.1
		9,822.5	9,468.4
Current assets			
Stock	19	438.4	400.3
Debtors: amounts falling due within one year	20	96.6	126.8
Debtors: amounts falling due after one year	20	110.6	108.5
Current asset investments	21	55.6	59.1
Cash and cash equivalents		95.9	101.9
		797.1	796.6
Current liabilities			
Creditors: amounts falling due within one year	22	(365.7)	(389.8)
Net current assets		431.4	406.8
Total assets less current liabilities		10,253.9	9,875.2
Creditors: amounts falling due after one year	23	(7,279.4)	(7,039.3)
Provisions for liabilities and charges	27	(55.1)	(78.3)
Total net assets		2,919.4	2,757.6
Capital and reserves			
Non-equity share capital	32	-	-
Cash flow hedge reserve		(10.0)	(22.2)
Income and expenditure reserve		2,928.7	2,778.9
Restricted reserve		0.7	0.9
Total capital and reserves		2,919.4	2,757.6

The financial statements were approved by the Board and were signed on its behalf by:

Jock Lennox
Group Chair

Mark Hattersley
Chief Financial Officer

Louise Hyde
Company Secretary

8 July 2026

Parent statement of financial position

as at 31 March 2026

	Notes	2026 £m	2025 £m
Fixed assets			
Other intangible assets	13	37.1	44.7
Non-housing fixed assets	16	15.2	18.1
Other fixed asset investments	18	95.6	45.6
		147.9	108.4
Current assets			
Debtors: amounts falling due within one year	20	24.2	12.5
Debtors: amounts falling due after one year	20	518.6	536.9
Cash and cash equivalents		76.0	83.6
		618.8	633.0
Current liabilities			
Creditors: amounts falling due within one year	22	(73.2)	(83.8)
Net current assets		545.6	549.2
Total assets less current liabilities		693.5	657.6
Creditors: amounts falling due after one year	23	(613.7)	(627.3)
Provisions for liabilities and charges	27	-	(0.5)
Total net assets		79.8	29.8
Capital and reserves			
Non-equity share capital	32	-	-
Income and expenditure reserve		79.8	29.8
Total capital and reserves		79.8	29.8

The financial statements were approved by the Board and were signed on its behalf by:

Jock Lennox
Group Chair

Mark Hattersley
Chief Financial Officer

Louise Hyde
Company Secretary

8 July 2026

Statements of changes in capital and reserves
for the year ended 31 March 2026

Group	Non-equity share capital £m	Cash flow hedge reserve £m	Income and expenditure reserve £m	Restricted reserve £m	Total capital and reserves £m
At 31 March 2024	–	(55.2)	2,689.0	0.9	2,634.7
Surplus for the year ending 31 March 2025	–	–	82.1	–	82.1
Other comprehensive income for the year	–	33.0	7.8	–	40.8
At 31 March 2025	–	(22.2)	2,778.9	0.9	2,757.6
Surplus for the year ending 31 March 2026	–	–	147.7	–	147.7
Other comprehensive income for the year	–	12.2	1.9	–	14.1
Transfers between reserves	–	–	0.2	(0.2)	–
At 31 March 2026	–	(10.0)	2,928.7	0.7	2,919.4

Parent	Non-equity share capital £m	Income and expenditure reserve £m	Total capital and reserves £m
At 31 March 2024	–	29.8	29.8
Result for the year ending 31 March 2025	–	–	–
At 31 March 2025	–	29.8	29.8
Result for the year ending 31 March 2026	–	–	–
Distribution from Group undertaking (see note 18)	–	50.0	50.0
At 31 March 2026	–	79.8	79.8

Group statement of cash flows
for the year ended 31 March 2026

	2026 £m	2026 £m	2025 £m	2025 £m
Surplus for the year		147.7		82.1
Adjustment for working capital movements				
(Increase)/decrease in stock	(44.5)		58.1	
Decrease in operating debtors	4.9		11.0	
Increase in operating creditors	9.9		24.4	
Pension expense in excess of contributions	0.1		1.4	
Pension cessation receipts	–		15.6	
Pension cessation payments	–		(8.1)	
Payments to settle other provisions	(0.3)		(0.3)	
	(29.9)		102.1	
Adjustment for non-cash items				
Amortisation of government grants	(24.0)		(25.9)	
Deferred tax credit	(12.2)		(7.0)	
Amortisation of intangible assets	11.2		15.1	
Depreciation charge	139.2		140.6	
Impairment charge	15.2		21.2	
Loss/(gain) on revaluation of investment properties	1.5		(1.1)	
Building safety and remediation provisions (de)recognised (non-capital element)	(1.0)		12.4	
Other non-cash increase in provisions	0.9		0.7	
	130.8		156.0	
Adjustment for financing or investment activities				
Surplus on disposal of properties	(73.9)		(43.6)	
Deficit on disposal of other fixed assets	–		0.9	
Share of deficit/(surplus) of JCEAs (excluding impairment)	6.6		(4.8)	
Net financing costs	141.8		153.6	
	74.5		106.1	
Net cash from operating activities		323.1		446.3

Group statement of cash flows continued
for the year ended 31 March 2026

	2026 £m	2026 £m	2025 £m	2025 £m
Cash flows from investing activities				
Net proceeds from disposal of properties and other fixed assets	172.9		129.5	
Interest received	28.2		30.6	
Acquisition of intangible assets	(3.6)		(3.5)	
Investment in social housing properties	(617.7)		(429.6)	
Acquisition of non-housing fixed assets	(5.9)		(11.2)	
Repayment of investment by/(investment in) JCEAs	13.9		(68.2)	
Distributions from JCEAs	0.1		7.5	
Decrease/(increase) in other fixed asset investments	0.6		(4.6)	
Decrease in current asset investments	3.5		0.8	
Social housing and other property grants received (net)	194.7		108.7	
Repayment of Recycled Capital Grant Fund	-		(0.4)	
Net cash from investing activities		(213.3)		(240.4)
Cash flows from financing activities				
Interest paid	(200.6)		(203.8)	
Net borrowing of loans and bonds (notional)	85.5		19.3	
Discount on bond issues	-		(3.3)	
Capital transaction costs paid	(0.6)		(1.8)	
Payment of finance lease capital	(0.1)		(0.2)	
Net cash from financing activities		(115.8)		(189.8)
Net (decrease)/increase in cash and cash equivalents		(6.0)		16.1
Cash and cash equivalents at 1 April		101.9		85.8
Cash and cash equivalents at 31 March		95.9		101.9

See note 24 for the reconciliation of net debt.

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

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (September 2024) (“FRS 102”), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers (“the SORP”), the Accounting Direction for Private Registered Providers of Social Housing 2022 (“the Accounting Direction”) and the Co-operative and Community Benefit Societies Act 2014; recent amendments made to FRS 102, as a result of Periodic Review 2024, are not currently mandatory and have not been early-adopted.

Clarion Housing Group Limited and a number of its subsidiaries (see note 34) are public benefit entities.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Clarion Housing Group Limited’s consolidated (“Group”) and individual (“Parent”) financial statements.

Basis of preparation

The financial statements are prepared on an accruals basis and under the historical cost convention, with the exception of investment properties and certain financial instruments (as specified elsewhere) which are held at their fair value.

Going concern

The Board, after reviewing the Group’s budget for 2026/27 and its long-term financial plan (“LTFP”), is of the opinion that the Group has adequate resources to continue to meet their liabilities over the period of at least 12 months from the date of approval of the financial statements.

The most recent LTFP was approved by the Board in May 2026 and presents a financially robust plan, emphasising the Group’s resilience amid ongoing political and economic uncertainty, elevated inflation, and regulatory and operational pressures shared across the sector. The LTFP projects a strong financial outlook with sufficient funding in place and maintains compliance with the most stringent financial banking covenant requirements.

Rigorous stress testing is carried out based on single and multi-variate scenarios linked to the latest Group risk register. The impact on cash, covenants, and security, when faced with plausible cyclical and long-term economic and business risks, has been measured. A worst-case “perfect storm” scenario is also modelled and mitigating actions identified to ensure compliance with all loan covenants, restoring financial viability.

The Group’s budget and LTFP includes the activity of the Parent. The Parent’s costs are met by its subsidiary entities and there are no plans to discontinue this approach. The Parent is also part of the Group’s cash-pooling arrangement and so has the ability to raise cash for temporary trading gaps, thus enabling it to access adequate resources.

Consequently, the Board is confident that the Group and its Parent will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

The Group, through its subsidiaries, has provided confirmation of support to Bonner Road LLP, Circle Housing Asset Design Limited, Clarion Regeneration Limited, Latimer Cocoa Works LLP, Latimer Green Lanes Limited, Latimer Kirkstall Limited, Latimer Media City Limited, Latimer (Tendring Colchester Borders Garden Community) Development Limited, Leamington Waterfront LLP and Twyford Abbey NW10 LLP, and some of its jointly controlled entities and associates (“JCEAs”). This confirmation of support is for at least twelve months after their financial statements for the year ended 31 March 2026 are signed.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of all entities controlled by Clarion Housing Group Limited as at the reporting date, using aligned reporting periods and accounting policies, and using merger or acquisition accounting where appropriate.

JCEAs are separate legal entities. For JCEs, the Group shares control with other parties and strategic financial and operating decisions require unanimous consent. For associates, the Group has the right to participate in these decisions, but its consent is ultimately not required. Both are accounted for using the equity method, which reflects the Group’s share of their profit or loss, other comprehensive income and equity.

Intra-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated in full on consolidation.

Notes to the financial statements continued

for the year ended 31 March 2026

1. Accounting policies continued

Disclosure exemptions

The Parent has taken advantage of the exemptions in FRS 102 in respect of the following disclosures:

- a. the requirement to present a statement of cash flows and related notes;
- b. financial instrument disclosures, including: categories of financial instruments; items of income, expense, gains or losses in respect of financial instruments; and, exposure to, and management of, financial risks; and
- c. the requirement to provide an assessment of its exposure to Pillar Two income tax rules.

Value Added Tax

For the majority of the Group’s members, VAT affairs are dealt with under a Group registration in the name of Clarion Housing Group Limited. Turnover and other income are shown net of any VAT charged. As most of the Group’s income comes from renting out residential property, which is exempt from VAT, the Group only recovers a small proportion of the input VAT it incurs, and expenditure is shown inclusive of irrecoverable VAT.

Leased assets

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a “finance lease”. A fixed asset is recognised while the future instalments due under the lease, net of interest payable, are included within creditors. Rentals payable are apportioned between the finance element, which is included in interest payable, and the capital element which reduces the outstanding creditor. This treatment likewise applies to sale and leaseback transactions where the Group sells an asset but then enters into a lease under which it retains substantially all the risks and rewards of ownership of said asset.

Likewise, where the Group enters into a lease which substantially transfers to a third party all the risks and rewards of ownership of an asset (or the Group’s interest in an asset, where the Group itself leases the asset from another third party), this is accounted for as a finance lease debtor. Future instalments receivable under the lease, net of interest receivable, are included within debtors. Rentals receivable are apportioned between the finance element, which is included in interest receivable and the capital element which reduces the outstanding debtor.

All other leases are accounted for as operating leases, and the total rental payable is recognised on a straight-line basis over the lease term.

Turnover

Rent and service charge income is recognised on an accruals basis. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with administering authorities. Other income is recognised as receivable on the delivery of services provided.

Virtually all social housing property grant is amortised over 100 years, starting from when the property is completed, in line with the Group’s depreciation policy for the structure of rental-only social housing properties; grants relating to major works are amortised over the life of the related asset, which in some cases is less than 100 years. This 100-year period also applies to grants relating to shared ownership properties, even though these properties are not depreciated. Grants receivable in respect of operating costs are recognised as income in the same period(s) as the related expenditure.

Sales of properties are recognised on legal completion. Turnover includes receipts from the sale of properties developed for outright sale as well as the first tranches of shared ownership properties (see the ‘Social housing properties, investment properties and stock’ policy); subsequent staircasing receipts are included in disposals. Both the first tranche and staircasing receipts are calculated as the proportion of the property sold, multiplied by the market value determined at the time.

Cost of sales

Cost of sales comprises the cost of stock sold, as well as most marketing costs incurred in the year; the cost of further staircasing is included in disposals.

Depreciation and amortisation

With the exception of goodwill, all depreciation and amortisation is accounted for on a straight-line basis, reducing the cost of each asset to its residual value over its useful economic life, from the date the asset is available for use.

No depreciation is provided in respect of land or investment properties.

Goodwill:

Goodwill is amortised on a systematic basis over its useful life, with both the basis and life depending on the business combination which gave rise to the goodwill.

Other intangible assets:

ERP system	11 years
Other computer software	4-10 years

Social housing properties:

The cost of rental-only social housing properties (net of land) is split between the structure and the following other components which require periodic replacement. The cost of the existing components is depreciated over the following useful economic lives (“UELs”):

Structure	100 years
Bathrooms	30-35 years
Boilers	15 years
Other heating	25-30 years
Doors	30-35 years
Electrics	30-35 years
Energy efficiency	30 years
External works	30 years
Fire safety	5-15 years
Kitchens	20-25 years
Lifts	15-25 years
Mechanical systems	20 years
Roofs – flat	15-25 years
Roofs – pitched	50-60 years
Windows	30-35 years
Other	5-25 years

“Other” includes components such as paving, fences, playgrounds, door entry systems, CCTV, insulation and solar panels.

For social housing properties held under leases, the remaining lease term is used as the UEL if this is shorter than the above lives.

When components are replaced, the remaining net book value is expensed as depreciation, and the asset is disposed.

Shared ownership social housing properties are not broken down into components as their tenants are generally liable for any repairs, and they are not depreciated due to their high residual value.

Non-housing fixed assets:

Freehold offices	100 years
Leasehold offices	Over the period of the lease
Office furniture, fixtures and fittings	3-10 years
Computer hardware	4-5 years

Notes to the financial statements continued

for the year ended 31 March 2026

1. Accounting policies continued

Impairment

Stock is stated at the lower of cost and estimated sales proceeds less selling costs and remaining construction costs.

Loss allowances for tenant and other debtors are always measured at an amount equal to lifetime expected credit losses (“ECLs”).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

For other assets an impairment review is undertaken when there is an indication that an asset may be impaired. Impairment is recognised when it is assessed that the carrying amount of that asset (or the cash generating unit, including goodwill, it belongs to) is higher than the recoverable amount, which is the higher of fair value less costs to sell and value in use. Where this is the case the higher of these two values is taken to be the new book value, and the difference is the impairment loss.

The Group’s social housing properties are held for their social benefit rather than solely for the cash inflows they generate, therefore value in use is likely to be based on service potential rather than cash flows. However, those properties which are deemed not to be providing the Group with service potential, for example due to being in a poor condition or in an area of low demand, are not valued based on service potential.

After an impairment loss has been recognised, the recoverable amount of an asset or cash-generating unit may increase because of changes in: economic conditions; the circumstances that previously caused the impairment; or, the expected use of the asset(s). As a result, the carrying amount is adjusted to the lower of the new recoverable amount and the carrying amount that would have been determined had the original impairment not occurred, with the exception that the impairment of goodwill is not reversed.

Impairment relating to stock is included in cost of sales; impairment relating to JCEAs is included in share of surplus/deficit of JCEAs; and impairment relating to other assets is included in operating costs.

Interest receivable, interest payable and financing costs

Interest receivable is only recognised to the extent that it is probable that it will be recoverable when due.

Interest payable is recognised over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Transaction costs relating to the refinancing of existing debt, such as breakage costs, are expensed as incurred unless there is a substantial modification of the terms. Transaction costs relating to financial instruments held at fair value are also expensed as incurred.

When social housing properties and stock are under active construction, interest payable is capitalised using the interest rate of the funds specifically used to finance the development, such as in the case of the properties developed by the Group’s JCEAs; otherwise, the weighted average interest rate of the Group’s general borrowings is used.

Corporation tax

Many members of the Group almost wholly undertake charitable activities which are exempt from corporation tax. The remaining members, and the JCEAs in which the Group has a share, are liable to corporation tax at the prevailing rate of taxation.

Deferred tax is provided for in full on differences between the treatment of certain items for taxation and accounting purposes, unless the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future. Deferred tax is calculated using the tax rates and laws which have been enacted (given Royal Assent) or substantively enacted (passed by the House of Commons, or under the Provisional Collection of Taxes Act 1968) by the reporting date and are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax charge/credit is presented either in the Income Statement, Other Comprehensive Income or equity depending on the transaction that resulted in the tax charge/credit.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are offset only where allowed by FRS 102, and likewise they are not discounted.

Goodwill

Goodwill arising on business combinations is initially measured as the acquisition cost less the share of the net amount of the acquiree’s identifiable assets, liabilities and contingent liabilities, with fair values used where required and reliable. Following initial recognition, goodwill is measured at cost less accumulated amortisation and impairment losses.

Social housing properties, investment properties and stock

The Group generates revenue from properties in a number of ways, and the accounting treatment of the costs incurred varies accordingly:

- a. Most of the Group’s housing properties are held for social benefit and the rent charged to the tenants is below or even significantly below market rates. These properties are shown as rental-only social housing properties.
- b. However, some housing properties are held to earn income at market rates and/or for capital appreciation, and these are treated as investment properties. This includes freeholds where ground rent is payable by the leaseholder, provided that the Group substantially retains the risks and rewards of ownership of (or interest in) the freehold.
- c. The Group also develops housing properties for open market sale and these are shown as non-social stock.
- d. Housing properties developed for sale to another Registered Provider are shown as social stock.
- e. Shared ownership (also known as “low cost home ownership”, or LCHO) is where, initially, a long lease on a property is granted through a sale to the occupier, in return for an initial payment (the “first tranche”). The occupier then has the right, but not the obligation, to purchase further shares (“staircase”) until they own 100% of the property; they pay a subsidised rent on the portion of the property they don’t own. The cost of the expected first tranche proportion of shared ownership properties is shown as social stock with the remainder included in shared ownership social housing properties.
- f. Non-residential properties such as retail units or offices, which are sometimes built as part of a residential development, are treated as investment properties if they are held for rental, or as non-social stock if they are developed for sale on a long lease (i.e. a premium is paid on completion, followed by a nominal rent).
- g. Mixed tenure schemes where the precise mix is yet to be finalised; investment properties under construction; and land without planning consent or grant allocation (“land bank”) are included in social housing properties under construction. This also includes properties acquired as part of a regeneration project, and which may generate some incidental rental income prior to demolition.

Notes to the financial statements continued

for the year ended 31 March 2026

1. Accounting policies continued

Social housing properties, investment properties and stock (continued)

In all cases, properties are initially stated at their directly attributable cost: this includes the cost of land, construction works and professional fees, as well as capitalised staff costs for those employees attributable to the development activity and interest. No staff or interest costs are capitalised on land banks.

The cost of completed rental-only social housing properties is split into components (see ‘Depreciation’ policy). Major repairs are capitalised on a component level, to the extent that they are either replacement works, or an enhancement to the existing component which will reduce future repair costs, extend the life of the component or result in increased rental income. Major repairs are expensed as incurred in other circumstances, including where the cost is expected to be recovered from freeholders and/or leaseholders.

Investment properties are adjusted to fair value at each reporting date. Further expenditure relating to these properties, even if capital in nature, is expensed.

Investments in subsidiaries

These are initially recognised at the amount of the investment made, including transaction costs, and subsequently adjusted for any impairment losses.

Interests in JCEAs

These are initially recognised at the amount of the investment made, including transaction costs, and subsequently adjusted to reflect the Group’s share of the investee’s net assets.

Public benefit concessionary loans

As a “public benefit entity group” (as defined by FRS 102), loans which are made as part of the Group’s social housing objectives, at below-market rates of interest, and are not repayable on demand, qualify for treatment as public benefit entity concessionary loans. They are initially recorded at the amount lent and subsequently adjusted for accrued interest receivable less any impairment loss.

This treatment applies to the Group’s equity loans (including those under the Homebuy scheme), where the amount to be repaid by the homeowner scales with the subsequent movement in the value of their property. It also applies to the arrangements which the Group has made with some tenants for payment of rent and service charge arrears, which are effectively loans granted at a zero interest rate.

Local authority housing transfers

Where an opportunity for the regeneration of local authority (“LA”) social housing properties arises after a transfer request from tenants, the Group may seek to maximise the resources available for the regeneration by entering into a VAT shelter arrangement with the LA. In this circumstance, the transactions are accounted for on a gross basis: the Group’s remaining obligation to refurbish the properties is shown as a creditor while the LA’s remaining obligation to have the properties refurbished is included in debtors. The split between amounts due within one year and amounts due after more than one year reflects the expected timing of the remaining refurbishment works.

Social housing and other property grants

These grants – which have been provided by central and local government to part-fund the construction of the Group’s social housing properties – are treated as deferred income, and amortised as per the ‘Turnover’ policy; the amount due to be amortised in the following year is included in creditors due within one year. The original amount granted may become repayable if the conditions of the grant are not complied with: for example, if the related properties cease to be used for the provision of affordable rental accommodation, or are sold on the open market. If there is no obligation to repay the grant on disposal of the assets, the remaining unamortised grant is credited against the cost of the disposal.

Grant in respect of shared ownership properties is allocated against the amount retained after the first tranche is sold.

Social housing and other property grants which the Group is entitled to and is reasonably certain of receiving are included in debtors while those received but not yet allocated to a development project are included in creditors.

HomeBuy grants

Under the HomeBuy scheme, the Group received grants in order to advance interest-free loans to homebuyers. In the event that the homeowner sells the property, or otherwise wishes to repay the loan, the related grant is transferred to the Recycled Capital Grant Fund. However, if there is a fall in the value of the property and the Group receives back less than it lent, the difference is offset against the amount of grant transferred, so that the Group does not incur a loss.

Recycled Capital Grant Fund (“RCGF”)

The Group often has the option to recycle social housing property grants – which would otherwise be repayable to either Homes England or the Greater London Authority, depending on the location of the disposed property – to the RCGF. If the amounts set aside in this manner are not used to fund the development of new social housing within a three-year period, they again become repayable, with interest, unless a time extension or a waiver is received.

The amounts held within the funds which are not anticipated to be recycled, or become repayable, within one year are included under ‘creditors due after more than one year’. The remainder is included under ‘creditors due within one year’.

Non-derivative financial instruments

The Group applies the recognition and measurement provisions of IFRS 9 Financial Instruments, as allowed by FRS 102.

All investments, short-term deposits and loans held by the Group are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price.

On initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income (“FVOCI”) debt investment, FVOCI equity investment or fair value through profit and loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- i. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- i. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Where loans and other financial instruments are redeemed during the year, a redemption penalty is recognised in the Income Statement of the year in which the redemption takes place, where applicable.

Tenant and other debtors and creditors are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction and does not qualify for treatment as a concessionary loan, in which case the present value of the future receipts discounted at a market rate of interest is used.

Cash and cash equivalents include cash balances and call deposits, as well as short-term investments with an original maturity of three months or shorter. It also includes those overdrafts which are repayable on demand and form an integral part of the Group’s cash management strategy.

Notes to the financial statements continued

for the year ended 31 March 2026

1. Accounting policies continued

Derivative financial instruments and hedge accounting

To manage interest rate risk, the Group manages its proportion of fixed to variable rate borrowings within approved limits and, where appropriate, utilises interest rate swap agreements. Amounts payable and receivable in respect of these agreements are recognised as adjustments to interest payable over the period of the agreement.

These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Where considered appropriate, the Group applies hedge accounting and has designated each of the swaps against either existing drawn debt or against highly probable future debt. Hedges are classified as either:

- a. fair value hedges when hedging exposure to changes in the fair value of a recognised asset or liability; or
- b. cash flow hedges when hedging exposure to variability in cash flows that is attributable to either a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Hedge relationships are formally designated and documented at inception, together with the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the Group will assess the hedging instrument effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Accounting for fair value hedges:

The change in fair value of a hedging derivative is recognised in the Income Statement. The change in the fair value of the hedged item attributable to the risk being hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Income Statement. The Group applies fair value hedge accounting when hedging interest rate risk on fixed rate borrowings. If the criteria for hedge accounting are no longer met, the accumulated adjustment to the carrying amount of a hedged item at such time is then amortised to the Income Statement over the remaining period to maturity.

Accounting for cash flow hedges:

To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counterparty credit risk, are recognised in Other Comprehensive Income and presented in a separate Cash Flow Hedge Reserve. Any movements in fair value relating to ineffectiveness and adjustments for own or counterparty credit risk are recognised in the Income Statement.

Where hedge accounting for a cash flow hedge is discontinued and the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until those future cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to the Income Statement.

Interest rate benchmark reform:

Following the cessation of LIBOR on 31 December 2021, all of the Group's financial instruments that were previously indexed to Sterling LIBOR are now indexed to SONIA.

The Group has also updated its hedge documentation in order to designate the new benchmark. In order to ensure this reindexing is done on an economically equivalent basis, a credit adjustment spread is added to the SONIA rate for instruments previously indexed to LIBOR.

- In doing so, the Group applies the following reliefs in IFRS 9 (the "Phase 2" amendments issued in August 2020):
- i. the carrying amounts of assets and liabilities are not affected by the change in benchmark;
 - ii. hedge relationships can be re-designated to the new benchmark without discontinuing the hedge relationship; and
 - iii. amounts accumulated in the cash flow hedge reserve are deemed to be based on the new benchmark.

Therefore, there is no further risk or uncertainty to the Group as a result of this reform.

Fair value:

All financial assets or liabilities at fair value are calculated using measurements based on inputs that are observable for the asset either directly or indirectly from prices.

Fair value is determined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. To calculate fair value, the Group uses:

- a. where they exist, quoted market prices in an active market for an identical asset or liability; or
- b. if a market for a financial instrument is not active, the Group will use a valuation technique that makes maximum use of market inputs and includes recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models where in each case it is an acceptable valuation technique that incorporates all factors that market participants would consider in setting a price.

Derivative financial instruments are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. As required by IFRS 13, there is also a bilateral credit valuation adjustment made in order to adjust for the credit worthiness of the counterparties involved in the trade.

Provisions and contingent liabilities

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.

A contingent liability, where settlement is not probable and/or cannot be reliably estimated, is not recognised as a liability unless it is identified as part of a business combination.

Pensions

The Group participates in two defined benefit pension schemes – closed to future accrual since 2023 – as well as a number of defined contribution pension schemes. The assets of these schemes are held separately to those of the Group.

For defined benefit schemes, the net liability (or asset, to the extent it is recoverable) is calculated by estimating the amount of future benefit that employees have earned to date, discounted to present value, and deducting the fair value of the scheme's assets. Changes in this net defined benefit liability arising from benefit changes, curtailments and settlements during the period, as well as scheme admin expenses, are recognised in operating costs. The net interest expense (or income) on the net liability (or asset) for the period is recognised as other finance cost (or income). Remeasurement of the net liability (or asset) is recognised as actuarial gains/ losses in Other Comprehensive Income.

Contributions to schemes accounted for as defined contribution are recognised as an expense as they fall due.

Other employee benefits

The Group recognises an accrual for unused annual leave which employees are entitled to carry forward and use within the next 12 months. This is measured at the salary cost payable for the period of absence.

Notes to the financial statements continued

for the year ended 31 March 2026

1. Accounting policies continued

Segmental reporting

Segmental reporting is presented in these consolidated financial statements in respect of the Group’s business segments, which are the primary basis of segmental reporting.

The business’ segmental reporting is disclosed in note 4 and reflects the Group’s management and internal reporting structure.

Segmental results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. As the group has no material activities outside the UK, segmental reporting is not required by geographical region.

The chief operating decision makers have been identified as the Group Executive Team.

2. Significant judgements and accounting estimates – Group

Significant judgements

The following significant judgements have been made in applying the Group’s accounting policies:

1. Gain/loss on revaluation of investment properties.

The Group considers that any gains and/or losses made as a result of the revaluation of investment properties is incidental to its operating activities, which is renting out the properties in order to generate revenue. As a result, these gains and/or losses are not included in determining the operating result.
2. Impairment of social housing properties.

For social housing properties where an impairment trigger has been identified, and the property is providing some level of service potential (e.g. is regularly tenanted), the Group generally relies on Depreciated Replacement Cost (“DRC”) for calculating the recoverable amount against which the book value of the affected property is compared. DRC is defined as the lower of a) the cost of constructing an equivalent asset or b) acquiring an equivalent asset on the open market. Based on the Group’s knowledge of the construction market, significant judgement is required in determining a fair rebuild cost, particularly for larger blocks of flats which are also subject to an increasing amount of building safety legislation. Additionally, significant judgement may be required in determining the amount of grant that would offset the DRC.

Accounting estimates

The nature of estimation means that actual outcomes could 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:

1. The useful economic lives (“UELS”) of rental-only social housing properties.

The Group considers the UELs applied to be reasonable based on its experience. The most material assumptions are the UELs of rental-only social housing property components: these were reviewed in 2026, with input from the Group’s repairs and maintenance staff. A further sense check was performed through a review against expected asset service lives.

Using these UELs, the accumulated depreciation at the reporting date was £1,637.1 million. Were each of the UELs shorter by one year, this figure would be approximately £1,691.3 million, reducing the net book value of social housing properties by £54.2 million.

Conversely, included in liabilities is £2,524.8 million of social housing and other property grants. As their amortisation rate is generally matched to the UEL of the structure component, a reduction of one year would have reduced the liability by £4.7 million, leading to a net reduction in assets of £49.5 million (1.7% of net assets).
2. The valuation of residential investment properties.

At the reporting date, the Group holds £134.0 million of residential investment properties, of which £128.3 million relates to market rent properties valued by Jones Lang LaSalle. The most significant assumptions made for the properties valued by Jones Lang LaSalle are:

 - Vacant possession values: a 10% fall in these would reduce the value of these properties by £8.6 million;
 - Market rents: a 10% fall in these would reduce the value of these properties by £7.3 million; and
 - Discount rates: increasing these by 0.5% would reduce the value of these properties by £2.8 million.

3. The fair value of derivative financial instruments.

At the reporting date, the Group has a £11.0 million net liability in respect of interest rate swaps. These have been valued using discounted cash flow models, for which the main assumption is the interest rate yield curve used.

The curve used has been based on external market data at the reporting date, including Bank of England forecasts, plus an appropriate credit spread, giving a range of 3.75% to 4.90%. Decreasing this curve by 100 basis points would increase the net liability by £49.9 million (1.7% of net assets).

Note: as most of the Group’s derivatives are accounted for as cash flow hedges, almost all of the in-year impact of any change would be included in other comprehensive income, depending on the effectiveness of the hedging relationship.
4. The valuation of defined benefit pension scheme obligations.

A number of critical underlying assumptions are made when measuring a defined benefit obligation, including standard rates of inflation, mortality, discount rates and the anticipation of future salary levels.

The assumptions have been set by independent actuaries, reviewed by a second independent actuary appointed by the Group, and finally reviewed and signed off by management.

The range of assumptions used are shown in note 28. Using sensitivity analysis which the largest scheme’s actuary has provided, the estimated combined impact of changing the material assumptions would be as follows:

 - Decreasing the discount rate by 0.1% would increase the obligation by £3.2 million;
 - Increasing the pension increase assumption by 0.1% would increase the obligation by £3.2 million; and
 - Increasing the assumed life expectancy by 1 year would increase the obligation by £6.5 million.

Note: as these are changes in actuarial assumptions, almost all of the in-year impact of any change would be included in other comprehensive income.
5. The recoverability of current tenant arrears.

Included in ‘Rent and service charges debtors’ is £66.6 million which relates to current tenants. Excluding amounts covered by Housing Benefit or Universal Credit (which is expected to be received directly from the government) and also amounts owed by tenants who are freeholders or leaseholders (as larger arrears, such as for their share of communal repairs, may be secured against the properties they own) leaves £53.6 million to provide against.

Based on a review of the movement in the amounts owed in the past year, the Group has determined that a provision of 53% is required, or £28.4 million.

A 1% increase in the provision rate would increase the provision by £0.5 million.
6. The valuation of stock.

At the reporting date, the Group holds £147.0 million of social stock, which is net of £2.9 million of impairment. Based on the sales margins in the year, this would generate £164.6 million of sales. Therefore, it is estimated that for the cost of this stock to be materially impaired, sales values would need to drop by around 23% in the following year. This is extremely unlikely.

The Group also holds £291.4 million of non-social stock, which is net of £5.2 million of impairment. For these properties the most significant assumptions, and their sensitivities as per the 31 March 2026 impairment review, are sales income and build costs:

 - a 5% fall in future open market sales proceeds would increase the impairment by £3.0 million; and
 - a 5% fall in future open market sales proceeds combined with a 5% increase in the cost of completing these properties would increase the impairment by £12.6 million.

Notes to the financial statements continued

for the year ended 31 March 2026

3. Units managed and/or owned – Group

	At 1 April 2025	Adjustments	Units developed or newly- built units acquired	Units sold or demolished	Transfers to other Registered Providers	Other movements	At 31 March 2026
Units managed							
Social housing							
Social rent	73,309	(5)	148	(216)	(621)	(107)	72,508
Affordable rent	15,178	(1)	568	(44)	(123)	(23)	15,555
General needs	88,487	(6)	716	(260)	(744)	(130)	88,063
Supported	867	2	–	(32)	(20)	(36)	781
Housing for older people	6,159	–	–	(37)	(30)	(3)	6,089
Shared ownership	11,541	1	443	(86)	(159)	(141)	11,599
Care homes	12	(12)	–	–	–	–	–
Intermediate rent	457	–	–	–	–	(2)	455
Keyworker	940	(1)	–	–	–	26	965
Leaseholders	10,252	(38)	–	(30)	(9)	155	10,330
Staff accommodation	81	(22)	–	–	–	(1)	58
Social homes managed	118,796	(76)	1,159	(445)	(962)	(132)	118,340
Non-social housing							
Market rent	785	16	–	(1)	(75)	(11)	714
Leaseholders	5,081	46	4	–	–	56	5,187
Homes managed	124,662	(14)	1,163	(446)	(1,037)	(87)	124,241
Non-housing							
Garages and car parking spaces	10,198	(220)	–	(97)	–	–	9,881
Commercial leaseholders	354	16	–	–	–	1	371
Community centres	57	–	–	(1)	–	–	56
Units managed	135,271	(218)	1,163	(544)	(1,037)	(86)	134,549
The figures above include							
Social housing	158	(1)	–	–	–	(37)	120
Non-social housing	1,243	1	2	–	–	–	1,246
Non-housing	10	–	–	–	–	–	10
Units managed but not owned	1,411	–	2	–	–	(37)	1,376

	At 1 April 2025	Adjustments	Units developed or newly- built units acquired	Units sold or demolished	Transfers to other Registered Providers	Other movements	At 31 March 2026
Units owned but not managed							
Social housing	791	12	–	–	(14)	(3)	786
Non-social housing	2,006	–	–	(158)	–	(11)	1,837
Non-housing	9	1	–	–	–	–	10
Units owned but not managed	2,806	13	–	(158)	(14)	(14)	2,633

All supported and housing for older people units are used for social rent.

Notes to the financial statements continued

for the year ended 31 March 2026

4. Turnover, cost of sales, operating costs (including pension cessations), surplus on disposal of properties and operating surplus/deficit

4a. Particulars of turnover, cost of sales, operating costs (including pension cessations), surplus on disposal of properties and operating surplus/deficit

Group							
	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on disposal £m	2026 Operating surplus/ (deficit) £m	Turnover £m	2025 Operating surplus/ (deficit) £m
Social housing activities							
Social housing lettings (note 4b)	884.2	-	(641.9)	-	242.3	850.1	219.2
Shared ownership first tranche sales	63.5	(55.9)	(0.8)	-	6.8	96.1	7.5
Other social housing activities							
Care and support services	12.4	-	(7.8)	-	4.6	13.4	4.5
Social homeowners	22.2	-	(20.6)	-	1.6	13.7	(5.4)
Development costs not capitalised / written off	1.7	-	(12.1)	-	(10.4)	3.7	(13.6)
Impairment of social housing properties under development	-	-	(13.1)	-	(13.1)	-	(14.6)
Community investment	2.7	-	(16.5)	-	(13.8)	4.0	(14.0)
Pension cessations(see note 28)	-	-	-	-	-	-	(1.3)
Other	3.0	-	(5.7)	-	(2.7)	3.2	(2.8)
Total	42.0	-	(75.8)	-	(33.8)	38.0	(47.2)
Disposal of social housing properties	-	-	-	73.9	73.9	-	43.1
Total social housing activities	989.7	(55.9)	(718.5)	73.9	289.2	984.2	222.6

	Turnover £m	Cost of sales £m	Operating costs £m	Surplus on disposal £m	2026 Operating surplus/ (deficit) £m	Turnover £m	2025 Operating surplus/ (deficit) £m
Non-social housing activities							
Property sales							
Open market sales	28.8	(35.9)	(4.8)	-	(11.9)	69.5	(6.9)
Leaseholder reprovion	2.4	(2.4)	-	-	-	0.6	-
Total	31.2	(38.3)	(4.8)	-	(11.9)	70.1	(6.9)
Other non-social housing activities							
Sales of non-Affordable land to third parties	-	-	-	-	-	9.1	3.9
Market rent lettings	10.3	-	(4.9)	-	5.4	10.4	5.8
Garage lettings	2.6	-	(1.1)	-	1.5	2.6	1.4
Commercial lettings	3.8	-	(2.4)	-	1.4	3.7	1.6
Other	7.2	-	(4.1)	-	3.1	6.8	2.8
Total	23.9	-	(12.5)	-	11.4	32.6	15.5
Disposal of investment properties	-	-	-	-	-	-	0.5
Total non-social housing activities	55.1	(38.3)	(17.3)	-	(0.5)	102.7	9.1
Total social and non-social housing activities	1,044.8	(94.2)	(735.8)	73.9	288.7	1,086.9	231.7
Analysis of disposals							
Social housing properties	174.5	(88.6)	(12.0)	73.9	73.9	145.7	43.1
Investment properties	11.0	(11.0)	-	-	-	2.5	0.5
Other fixed assets	-	-	-	-	-	-	(0.9)

Turnover from social homeowners includes £5.0 million of grant relating to leaseholder cladding (2025: £0.4 million).

Parent

Turnover includes corporate recharges to operating companies(see note 35) and sundry external income.

Notes to the financial statements continued

for the year ended 31 March 2026

4. Turnover, cost of sales, operating costs (including pension cessations), surplus on disposal of properties and operating surplus/deficit continued

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

Group	General needs housing £m	Supported housing/ housing for older people £m	Shared ownership accom- modation £m	Other £m	Total 2026 £m	Total 2025 £m
Income						
Rent receivable net of identifiable service charges	679.1	40.4	68.9	15.6	804.0	774.6
Service charge income	29.2	11.1	13.0	1.7	55.0	48.7
Amortisation of government grants	20.0	1.1	2.3	0.6	24.0	25.9
Other income	0.4	-	0.8	-	1.2	0.9
Turnover from social housing lettings	728.7	52.6	85.0	17.9	884.2	850.1
Expenditure						
Management	(110.4)	(6.5)	(12.0)	(2.9)	(131.8)	(120.1)
Service charge costs	(44.9)	(12.7)	(17.3)	(2.1)	(77.0)	(75.8)
Routine maintenance	(168.1)	(12.5)	(0.6)	(3.0)	(184.2)	(184.7)
Planned maintenance	(72.1)	(2.4)	(0.3)	(1.3)	(76.1)	(75.9)
Major works expensed	(30.2)	(0.8)	(0.1)	(0.6)	(31.7)	(33.3)
Bad debts charge	(6.0)	(0.8)	(0.4)	(0.1)	(7.3)	(5.0)
Depreciation of social housing properties	(123.7)	(7.7)	-	(2.0)	(133.4)	(134.5)
Social housing leased-in	(0.1)	-	-	-	(0.1)	(0.2)
Other costs	(0.3)	-	-	-	(0.3)	(1.4)
Operating costs on social housing lettings	(555.8)	(43.4)	(30.7)	(12.0)	(641.9)	(630.9)
Operating surplus on social housing lettings	172.9	9.2	54.3	5.9	242.3	219.2
Void losses	10.6	2.2	-	2.2	15.0	17.5

Other includes intermediate rent, keyworker and temporary social units.

Void losses represent rent and service charge income lost as a result of an available-for-letting property not being let.

5. Employees – Group

The average monthly number of full-time equivalents (“FTEs”) employed during the year, including members of the Group Executive Team, was as follows:

	2026 Number	2025 Number
FTEs	4,235	4,167

FTEs are based on a standard working week, which varies between 35 and 40 hours, but is 36 hours for most employees. All staff are employed by subsidiaries.

	2026 £m	2025 £m
Staff costs		
Wages and salaries	207.0	200.7
Compensation for loss of office	1.6	2.2
Social security costs	26.0	20.7
Pension costs	11.5	12.1
	246.1	235.7

Pension costs include £nil (2025: £1.3 million) relating to pension cessation (see note 28).

6. Key management personnel

Key management personnel is defined as the members of the Group Board and/or the Group Executive Team.

Unless otherwise stated, remuneration includes salaries, performance-related pay, fees, benefits-in-kind, compensation for loss of office and pension contributions, as applicable. Amounts disclosed reflect the total remuneration receivable from the Clarion Housing Group during the period of appointment to the Group Board and also include any amounts receivable in respect of other directorships held within the Group as well as any amounts receivable in respect of membership of Group committees.

Remuneration payable was as follows:

	2026 £'000	2025 £'000
Non-Executive Directors		
Fees and other benefits	299	306
Executive Directors		
Salary and other benefits	2,739	2,852
Pension contributions, or pay in lieu thereof, in respect of services as Directors	188	163
	2,927	3,015
	3,226	3,321

In addition to the above remuneration, £432,000 of social security contributions were made by the Group during the year (2025: £388,000).

Notes to the financial statements continued

for the year ended 31 March 2026

6. Key management personnel continued

	2026 £	2025 £
Remuneration of highest paid Director (excluding pension contributions, or pay in lieu thereof)	492,045	470,996
Pension contributions, or pay in lieu thereof, in respect of the highest paid Director	35,101	26,709

The Chief Executive Officer is a not a member of any Group pension scheme, instead receiving pay in lieu of pension contributions, through normal payroll remuneration.

Banding for key management personnel whose total remuneration exceeded £60,000 per annum is as follows:

	2026 Number	2025 Number
£130,000 to £139,999	-	1
£150,000 to £159,999	1	-
£180,000 to £189,999	1	-
£230,000 to £239,999	1	-
£250,000 to £259,999	-	1
£300,000 to £309,999	1	1
£340,000 to £349,999	-	1
£350,000 to £359,999	1	1
£360,000 to £369,999	-	1
£370,000 to £379,999	1	2
£390,000 to £399,999	2	-
£490,000 to £499,999	-	1
£520,000 to £529,999	1	-
Total	9	9

7. Interest receivable

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Interest receivable on bank deposits	5.0	6.8	2.8	4.2
Interest receivable on derivatives	1.2	5.3	-	-
Interest receivable on finance leases	0.1	0.1	-	-
Interest receivable from Group undertakings	-	-	53.3	53.8
Interest receivable from JCEAs	21.4	17.6	-	-
Interest receivable relating to pensions in surplus (see note 28)	0.4	0.3	-	-
Other interest receivable	0.5	0.8	-	-
	28.6	30.9	56.1	58.0

8. Interest payable and financing costs

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Interest payable on loans	61.4	72.5	-	-
Interest payable on bonds and similar instruments	123.0	122.5	-	-
Interest payable on derivatives	6.0	3.5	-	-
Interest payable on finance leases	0.4	0.6	-	-
Interest payable to Group undertakings	-	-	60.2	63.2
Interest payable relating to pensions in deficit (see note 28)	2.2	2.1	-	-
Other interest payable	1.4	2.2	-	-
Other charges	5.9	6.2	0.3	0.3
	200.3	209.6	60.5	63.5
Interest payable capitalised	(27.8)	(25.7)	-	-
	172.5	183.9	60.5	63.5

Notes to the financial statements continued

for the year ended 31 March 2026

9. Movement in fair value of financial instruments – Group

Included in income and expenditure	2026 £m	2025 £m
Fair value gains on		
Derivatives treated as fair value hedging instruments	0.9	-
Derivatives treated as cash flow hedging instruments – ineffective	2.8	0.2
	3.7	0.2
Fair value losses on		
Borrowings treated as fair value hedging items	(0.9)	-
Derivatives treated as cash flow hedging instruments – ineffective	-	(0.1)
Amortisation of cash flow hedge reserve relating to a prematured derivative	(0.7)	(0.7)
	(1.6)	(0.8)
	2.1	(0.6)
Included in other comprehensive income	2026 £m	2025 £m
Fair value gains on		
Derivatives treated as cash flow hedging instruments – effective	11.9	32.6
Amortisation of cash flow hedge reserve relating to a prematured derivative	0.7	0.7
	12.6	33.3
Fair value losses on		
Derivatives treated as cash flow hedging instruments – effective	(0.4)	(0.3)
	12.2	33.0

See note 26 for an explanation of the Group’s hedging activities.

10. Surplus/result on ordinary activities before taxation

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Surplus/result on ordinary activities before taxation is stated after charging/(crediting):				
Amortisation				
Other intangible assets	11.2	15.1	11.2	15.1
Depreciation				
Social housing properties	133.4	134.5	-	-
Non-housing fixed assets	5.8	6.1	5.4	4.2
	139.2	140.6	5.4	4.2
Impairment				
Social housing properties	13.1	14.6	-	-
Interests in JCEAs	3.1	8.0	-	-
Stock	(1.1)	(1.4)	-	-
Finance lease debtors	0.1	-	-	-
	15.2	21.2	-	-
Operating lease rentals	11.3	10.0	-	1.9
	2026 £m	2025 £m	2026 £m	2025 £m
Auditor’s remuneration (exclusive of VAT)				
- for statutory audit services	0.8	0.7	0.2	0.2
- for other services	0.2	0.1	-	0.1
	1.0	0.8	0.2	0.3

Notes to the financial statements continued

for the year ended 31 March 2026

11. Taxation

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Analysis of (credit)/charge in period				
Current tax				
Current tax on income for the period	0.2	-	0.3	-
Adjustment in respect of prior periods	-	-	-	-
	0.2	-	0.3	-
Deferred tax				
Origination and reversal of timing differences	(12.2)	(7.0)	-	-
	(12.0)	(7.0)	0.3	-
Recognised in income and expenditure	(12.0)	(7.0)	0.3	-

The tax charge for the Group for the period is less than 25% (2025: less than 25%), the main rate of corporation tax in the UK. The tax charge for the Parent for the period is more than 25% (2025: equal to 25%), the main rate of corporation tax in the UK. The differences are explained below:

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Reconciliation of tax recognised in income and expenditure				
Surplus/result on ordinary activities before taxation	135.7	75.1	0.3	-
Tax charge at 25% (2025: 25%)	33.9	18.8	0.1	-
Effects of				
Charitable surpluses not taxed	(51.4)	(30.5)	-	-
Expenses not deductible for tax purposes	6.4	5.7	-	-
Gift Aid expected to be paid in following 9 months	(0.4)	(1.1)	-	-
Deferred tax asset not recognised on losses carried forward	1.4	2.4	-	-
Deferred tax on share of LLP losses	(3.8)	(2.3)	-	-
Other non-material differences	1.9	-	0.2	-
	(12.0)	(7.0)	0.3	-

The impairment of certain intra-Group loans and investments is not deductible for tax purposes.

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Deferred tax				
Deferred tax assets				
Unused tax losses	31.6	19.4	-	-
Deferred tax liabilities				
Unrealised gains on revaluation of investment properties	(2.0)	(2.0)	-	-
	29.6	17.4	-	-

For tax losses at 31 March 2026 which are expected to be utilised against profits made in the following year, the related deferred tax asset is included in debtors falling due within one year. For those losses where the timing of future profits is uncertain, the deferred tax assets are included in debtors falling due after more than one year.

Deferred tax liabilities have been recognised for the difference between the fair value and the historic cost of the investment properties which are owned by members of the Group who are not exempt from corporation tax, as the disposal of these properties will give rise to a tax charge based on the historic cost. The amount of deferred tax which will reverse in the following year depends on the future movement in the valuation and the properties disposed, neither for which a reliable estimate can be made. This deferred tax is included in provisions.

All deferred tax assets and liabilities as at 31 March 2026 are calculated using 25% (2025: 25%).

12. Goodwill – Group

	£m
At 1 April 2025 and at 31 March 2026	14.3

£13.9 million of goodwill relates to land acquired as part of acquiring the remaining 50% of Bonner Road LLP, and will be being amortised over the life of the development scheme as properties are sold.

The remaining £0.4 million of goodwill relates to land acquired as part of the acquisition of Latimer Clyde Limited (and since transferred to Latimer Kirkstall Limited), and likewise will be amortised over the life of the development scheme as properties are sold.

Notes to the financial statements continued

for the year ended 31 March 2026

13. Other intangible assets

Group	Enterprise resource planning system £m	Other computer software £m	Total £m
Cost			
At 1 April 2025	78.4	39.2	117.6
Additions	-	3.6	3.6
Disposals (including write-offs)	-	(1.3)	(1.3)
At 31 March 2026	78.4	41.5	119.9
Amortisation			
At 1 April 2025	(53.7)	(19.2)	(72.9)
Amortisation charge for the year	(6.2)	(5.0)	(11.2)
Eliminated and disposals (including write-offs)	-	1.3	1.3
At 31 March 2026	(59.9)	(22.9)	(82.8)
Net book value			
At 31 March 2026	18.5	18.6	37.1
Net book value			
At 31 March 2025	24.7	20.0	44.7

During the year £1.3 million of fully-amortised assets were written off through disposals.

Included in 'Other computer software' at 31 March 2026 is £2.7 million relating to assets under development (2025: £2.6 million).

Parent	Enterprise resource planning system £m	Other computer software £m	Total £m
Cost			
At 1 April 2025	78.4	38.9	117.3
Additions	-	3.6	3.6
Disposals (including write-offs)	-	(1.0)	(1.0)
At 31 March 2026	78.4	41.5	119.9
Amortisation			
At 1 April 2025	(53.7)	(18.9)	(72.6)
Amortisation charge for the year	(6.2)	(5.0)	(11.2)
Estimated on disposal (including write-offs)	-	1.0	1.0
At 31 March 2026	(59.9)	(22.9)	(82.8)
Net book value			
At 31 March 2026	18.5	18.6	37.1
Net book value			
At 31 March 2025	24.7	20.0	44.7

During the year £1.0 million of fully-amortised assets were written off through disposals.

Included in 'Other computer software' at 31 March 2026 is £2.7 million relating to assets under development (2025: £2.6 million).

Notes to the financial statements continued

for the year ended 31 March 2026

14. Social housing properties – Group

	Completed		Under construction		Total £m
	Rental-only £m	Shared ownership £m	Rental-only £m	Shared ownership £m	
Cost					
At 1 April 2025	8,241.7	1,538.0	441.9	217.5	10,439.1
Construction/redevelopment of properties	–	–	351.0	135.9	486.9
Works to completed properties	145.9	–	–	–	145.9
Properties completing construction	205.8	84.5	(205.8)	(84.5)	–
Change of tenure	–	–	21.9	(21.9)	–
Transfer from non-housing fixed assets	–	–	2.4	–	2.4
Transfer from investment properties	2.8	–	–	–	2.8
Transfer from stock	–	7.1	–	6.6	13.7
Components replaced	(12.4)	–	–	–	(12.4)
Transfers to other Registered Providers (“RPs”)	(60.3)	(11.3)	–	–	(71.6)
Other disposals / write-offs	(12.0)	(29.4)	(5.6)	–	(47.0)
At 31 March 2026	8,511.5	1,588.9	605.8	253.6	10,959.8
Depreciation and impairment					
At 1 April 2025	(1,532.5)	(14.7)	(6.1)	(2.1)	(1,555.4)
Depreciation charge for the year	(133.4)	–	–	–	(133.4)
Impairment charge for the year	–	–	(13.1)	–	(13.1)
Eliminated on components replaced	12.4	–	–	–	12.4
Eliminated on transfers to other RPs	13.3	0.4	–	–	13.7
Eliminated on other disposals / write-offs	3.1	0.2	–	–	3.3
At 31 March 2026	(1,637.1)	(14.1)	(19.2)	(2.1)	(1,672.5)
Net book value					
At 31 March 2026	6,874.4	1,574.8	586.6	251.5	9,287.3
Net book value					
At 31 March 2025	6,709.2	1,523.3	435.8	215.4	8,883.7

Included in “Construction/redevelopment of properties” and “Works to completed properties” are credits of £8.3 million and £14.7 million, respectively, due to derecognising capital provisions which were recognised as at 31 March 2025 (see note 27).

Completed properties with a combined net book value of £4,054.9 million (2025: £4,171.1 million) are held as security against debt and derivatives (see notes 24 and 26), £14.4 million (2025: £14.3 million) of which relates to assets held under finance leases.

15. Investment properties – Group

	Residential properties £m	Non- residential properties £m	Freeholds £m	Total £m
At 1 April 2025	149.1	40.5	4.6	194.2
Transfer to social housing properties	(2.8)	–	–	(2.8)
Disposals	(11.0)	–	–	(11.0)
Revaluation	(1.3)	(0.1)	(0.1)	(1.5)
At 31 March 2026	134.0	40.4	4.5	178.9

All residential properties, the majority of the non-residential properties, and all freeholds were valued as at 31 March 2026 by either Jones Lang LaSalle or Savills, Chartered Surveyors. These valuations were prepared in accordance with ‘RICS Valuation – Global Standards’ (effective from 31 January 2025), which incorporates the International Valuation Standards, alongside, where applicable, ‘RICS Valuation – Global Standards 2023: UK National Supplement’ (effective from 1 May 2024).

The value of the remaining non-residential properties has been estimated internally, using Jones Lang LaSalle’s valuation results as a guide, as £5.5 million (2025: £5.4 million).

Investment properties with a combined fair value of £116.3 million (2025: £130.2 million) are held as security against debt and derivatives (see notes 24 and 26).

16. Non-housing fixed assets

Group	Freehold and leasehold offices £m	Office furniture, fixtures and fittings £m	Computer hardware £m	Total £m
Cost				
At 1 April 2025	27.8	33.8	13.9	75.5
Additions	–	3.4	2.5	5.9
Reclassification between categories	(0.7)	0.8	(0.1)	–
Transfers to social housing properties	(2.4)	–	–	(2.4)
Disposals (including write-offs)	(4.4)	(5.0)	(0.7)	(10.1)
At 31 March 2026	20.3	33.0	15.6	68.9
Depreciation and impairment				
At 1 April 2025	(16.5)	(21.2)	(7.8)	(45.5)
Depreciation charge for the year	(0.1)	(3.2)	(2.5)	(5.8)
Eliminated on disposals (including write-offs)	4.4	5.0	0.7	10.1
At 31 March 2026	(12.2)	(19.4)	(9.6)	(41.2)
Net book value				
At 31 March 2026	8.1	13.6	6.0	27.7
Net book value				
At 31 March 2025	11.3	12.6	6.1	30.0

During the year £10.1 million of fully-depreciated assets were written off through disposals.

Included in ‘Office furniture, fixtures and fittings’ at 31 March 2026 is £0.6 million relating to assets under construction (2025: £1.0 million in ‘Office furniture, fixtures and fittings’, £0.7 million in ‘Computer Hardware’).

Notes to the financial statements continued

for the year ended 31 March 2026

16. Non-housing fixed assets continued

Parent	Freehold and leasehold offices £m	Office furniture, fixtures and fittings £m	Computer hardware £m	Total £m
Cost				
At 1 April 2025	0.6	29.9	13.8	44.3
Additions	-	-	2.5	2.5
Reclassifications between categories	(0.6)	0.8	(0.2)	-
Disposals (including write-offs)	-	(4.1)	(0.7)	(4.8)
At 31 March 2026	-	26.6	15.4	42.0
Depreciation				
At 1 April 2025	-	(18.5)	(7.7)	(26.2)
Depreciation charge for the year	-	(3.0)	(2.4)	(5.4)
Eliminated on disposals (including write-offs)	-	4.1	0.7	4.8
At 31 March 2026	-	(17.4)	(9.4)	(26.8)
Net book value				
At 31 March 2026	-	9.2	6.0	15.2
Net book value				
At 31 March 2025	0.6	11.4	6.1	18.1

During the year £4.8 million of fully-depreciated assets were written off through disposals.

Included in 'Computer hardware' at 31 March 2026 is £nil relating to assets under construction (2025: £0.7 million).

17. Interests in JCEAs – Group

As detailed in note 34, the Group is a member of a number of jointly controlled entities and associates ("JCEAs").

The amounts included in respect of the Group's share of JCEAs comprise the following:

	2026 £m	2025 £m
Turnover	94.0	56.1
Cost of sales	(89.0)	(45.7)
Operating surplus	5.0	10.4
Interest payable	(5.3)	(5.6)
Loans to JCEAs waived	(6.3)	-
Impairment charge	(3.1)	(8.0)
Deficit for the year	(9.7)	(3.2)
Assets	318.7	322.3
Liabilities	(295.0)	(300.3)
Net assets	23.7	22.0
Investment in JCEAs	239.0	264.4
Interest in JCEAs	262.7	286.4

In accordance with FRS 102, the results for the year have been adjusted to eliminate any amounts in relation to sales of properties to other members of the Group. Likewise, the amounts above are also adjusted as necessary to be in line with Group accounting policies: sales of Affordable properties are accounted for at zero-margin, eligible interest costs are capitalised and prepaid marketing costs are expensed as incurred.

Included in 'Investment in JCEAs' are loans from the Group totalling £224.1 million gross (2025: £246.7 million) which are impaired by £3.4 million (2025: £6.3 million).

Development agreements for the construction of residential property are in place between the Group and some of its JCEAs. The amount of construction works provided in the year was £56.3 million (2025: £63.8 million) and £nil is included in creditors at the reporting date (2025: £nil). During the year the Group also acquired land from two of its JCEAs, for a total cash payment of £27.8 million (2025: £nil).

During the year, the Group received profit distributions of £0.1 million from its JCEAs (2025: £7.5 million).

Notes to the financial statements continued

for the year ended 31 March 2026

18. Other fixed asset investments

Group	2026 £m	2025 £m
Equity loans including HomeBuy	9.6	10.2
Brownfield grant receipts	4.9	4.9
	14.5	15.1

Equity loans are secured against the properties to which they relate. Where interest is charged, this is at 1.75% from the fifth anniversary, increasing annually by RPI plus 1%. With the exception of some loans, where repayment is required between the 10th and 25th anniversary, repayment is deferred until the related property is sold, or the homeowner decides to make voluntary repayment.

Brownfield grant received from the Greater Manchester Combined Authority(see note 22), plus interest earned, is required to be kept in a specified bank account and can only be withdrawn once 505 new homes have reached practical completion at the Group’s development of the site of the former Boddingtons Brewery. This is expected to take place in the year ended 31 March 2028.

Parent	2026 £m	2025 £m
Investments in subsidiaries	95.6	45.6

During the year the Parent purchased a further 50,000,000 of Latimer Developments Limited’s £1 shares, at par. This was funded through a £50.0 million distribution from Clarion Housing Association Limited, another of the Parent’s wholly-owned subsidiaries.

19. Stock – Group

	Under construction		Completed properties		Total £m
	Social £m	Non-social £m	Social £m	Non-social £m	
At 1 April 2025	94.7	190.2	37.1	78.3	400.3
Additions	69.3	64.4	–	–	133.7
Impairment credit/(charge)for the year	2.3	1.3	0.5	(3.0)	1.1
Properties completing construction	(45.7)	(28.1)	45.7	28.1	–
Change of tenure	–	–	7.1	(7.1)	–
Transfer to social housing properties	(6.6)	–	(7.1)	–	(13.7)
Properties sold	–	–	(50.3)	(32.7)	(83.0)
At 31 March 2026	114.0	227.8	33.0	63.6	438.4

20. Debtors

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Amounts falling due within one year				
Rent and service charge debtors	93.3	107.2	–	–
Impairment	(54.6)	(69.2)	–	–
	38.7	38.0	–	–
Finance lease debtors	0.2	0.3	–	–
Amounts due from Group undertakings: loans and cash pooling	–	–	11.9	1.2
Local authority housing transfers	10.6	7.0	–	–
Derivative financial assets (see note 26)	–	0.1	–	–
Amounts due from Group undertakings: interest	–	–	0.1	0.1
Prepayments and accrued income	32.3	31.5	8.7	8.2
Amounts due from Group undertakings: trading	–	–	2.7	2.8
VAT debtor	2.5	5.3	0.3	–
Social housing property grants debtor	4.7	33.4	–	–
Other debtors	7.6	11.2	0.5	0.2
	96.6	126.8	24.2	12.5

Amounts falling due after one year

Finance lease debtors	1.4	1.4	–	–
Amounts due from Group undertakings: loans	–	–	518.6	536.9
Local authority housing transfers	58.4	72.6	–	–
Derivative financial assets (see note 26)	12.5	8.6	–	–
Deferred tax assets (see note 11)	31.6	19.4	–	–
Net pension assets (see note 28)	6.7	6.5	–	–
	110.6	108.5	518.6	536.9

Included in ‘Rent and service charges debtors’ are gross social housing rent arrears of £88.7 million (2025: £103.0 million), which are impaired by £52.3 million (2025: £67.2 million).

Rents and service charges debtors relating to former tenants (across all tenures) total £26.7 million and continue to be provided for in full (2025: £41.7 million).

21. Current asset investments – Group

	2026 £m	2025 £m
Collateral deposits	51.2	51.2
Cash held on deposit	4.4	7.9
	55.6	59.1

Collateral deposits represent cash that the Group has placed with its commercial lenders and derivative counterparties. This mitigates their exposure to the Group, for example if the derivative fair values are sufficiently “out of the money” that the Group’s liability exceeds an agreed amount.

Funds held by Artex, the Group’s insurance vehicle, have been invested on a short-term basis. At the reporting date, £4.4 million (2025: £7.5 million) is invested in various Certificates of Deposit, which mature over the course of the following year.

Notes to the financial statements continued

for the year ended 31 March 2026

22. Creditors: amounts falling due within one year

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Debt (see note 24)				
Bank loans and bonds	63.1	112.1	-	-
Obligations under finance leases	1.9	0.2	-	-
Amounts due to Group undertakings: loans and cash pooling	-	-	67.6	74.9
	65.0	112.3	67.6	74.9
Capital grants (see note 25)				
Social housing and other property grants	23.2	23.2	-	-
Recycled Capital Grant Fund	3.8	7.1	-	-
	27.0	30.3	-	-
Other creditors				
Trade creditors	29.8	23.2	2.2	1.4
Local authority housing transfers	10.6	7.0	-	-
Interest creditor	39.0	40.6	-	-
Amounts due to Group undertakings: interest	-	-	0.1	0.2
Rents and service charges received in advance	32.5	33.6	-	-
Other accruals and deferred income	145.6	123.4	3.2	3.5
VAT creditor	1.7	3.5	-	0.3
Other taxation and social security	5.5	6.1	-	-
Amounts due to Group undertakings: trading	-	-	0.1	1.6
Other creditors	9.0	9.8	-	1.9
	273.7	247.2	5.6	8.9
	365.7	389.8	73.2	83.8

Included in Group's 'Other accruals and deferred income' is £12.6 million of deferred income (2025: £9.4 million) including £10.2 million for deferred Brownfield Housing grant received from combined authorities (2025: £7.9 million).

23. Creditors: amounts falling due after one year

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Debt (see note 24)				
Bank loans and bonds	4,644.5	4,511.2	-	-
Obligations under finance leases	5.0	7.0	-	-
Amounts due to Group undertakings: loans	-	-	613.7	627.3
	4,649.5	4,518.2	613.7	627.3
Capital grants (see note 25)				
Social housing and other property grants	2,501.6	2,373.7	-	-
HomeBuy grants	8.0	8.5	-	-
Recycled Capital Grant Fund	15.0	9.9	-	-
	2,524.6	2,392.1	-	-
Other creditors				
Local authority housing transfers	58.4	72.6	-	-
Derivative financial liabilities (see note 26)	23.5	34.9	-	-
Other creditors	23.4	21.5	-	-
	105.3	129.0	-	-
	7,279.4	7,039.3	613.7	627.3

Notes to the financial statements continued

for the year ended 31 March 2026

24. Debt analysis – Group

	2026 £m	2025 £m
Debt is repayable as follows:		
Due within one year	65.0	112.3
Due between one and two years	74.0	58.8
Due between two and five years	779.0	551.5
Due after more than five years	3,796.5	3,907.9
	4,714.5	4,630.5

The Group’s funding is provided by a number of entities and through a mixture of facilities, which are drawn as shown below. In addition, a number of accounting adjustments are then applied to these notional amounts.

	2026 £m	2025 £m
Notional amounts drawn		
Clarion Funding PLC		
• Note issuance	2,000.0	2,000.0
Clarion Treasury Limited		
• Loans	1,437.1	1,301.3
Circle Anglia Social Housing PLC		
• Bond issuance	635.0	635.0
Affinity Sutton Capital Markets PLC		
• Bond issuance	500.0	500.0
Circle Anglia Social Housing 2 PLC		
• Private placement	100.0	150.0
Clarion Housing Association Limited		
• Bonds and loans	-	0.3
• Finance leases	4.9	5.0
Your Lifespace Limited		
• Finance leases	1.2	1.2
	4,678.2	4,592.8
Accounting adjustments		
Fair value adjustment due to		
• Acquisitions of legacy Registered Providers	8.2	9.2
• Hedging of private placement	(9.8)	(10.7)
Effective interest rate adjustment	37.9	39.2
	36.3	37.7
	4,714.5	4,630.5

The fair value adjustment relating to acquisitions is amortised over the life of the related loans and £1.0 million has been released in the year (2025: £1.0 million). The private placement is held at fair value as a result of hedge accounting and has increased in value by £0.9 million (2025: no change in value over the year).

The following tables show the maturity and margins on the Group’s principal borrowings:

	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Total £m
Maturity of notional amounts drawn					
Term	55.7	66.8	365.1	698.6	1,186.2
Revolver	5.6	5.6	16.5	223.2	250.9
Bond	-	-	300.0	2,835.0	3,135.0
Private placement	-	-	100.0	-	100.0
Finance lease	0.8	0.2	0.7	4.4	6.1
At 31 March 2026	62.1	72.6	782.3	3,761.2	4,678.2
At 31 March 2025	110.4	56.6	545.3	3,880.5	4,592.8

	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Total £m
Maturity of facilities (notional amounts)					
Term	55.7	66.8	365.1	698.6	1,186.2
Revolver	106.0	156.4	569.3	294.8	1,126.5
Bond	-	-	300.0	2,835.0	3,135.0
Private placement	-	-	100.0	-	100.0
Finance lease	0.8	0.2	0.7	4.4	6.1
At 31 March 2026	162.5	223.4	1,335.1	3,832.8	5,553.8
At 31 March 2025	266.3	212.5	1,164.4	4,126.9	5,770.1

The Group’s facilities are repayable at various dates through to 2057 and are secured by fixed charges over the completed housing properties of the participating Group members and a series of cross guarantees.

Notes to the financial statements continued

for the year ended 31 March 2026

24. Debt analysis – Group continued

	At 1 April 2025 £m	Cash flows £m	Changes in fair value £m	Other non-cash changes £m	At 31 March 2026 £m
Analysis of changes in net debt					
Cash and cash equivalents	101.9	(6.0)	–	–	95.9
Debt	(4,630.5)	(84.8)	(0.9)	1.7	(4,714.5)
Derivatives	(26.2)	–	15.2	–	(11.0)
Net debt	(4,554.8)	(90.8)	14.3	1.7	(4,629.6)

	Fixed rate £m	Floating rate £m	Total £m
Analysis of financial instruments by type of interest (notional amounts)			
Term	807.2	379.0	1,186.2
Revolver	–	250.9	250.9
Bond	3,135.0	–	3,135.0
Private placement	–	100.0	100.0
Finance lease	6.1	–	6.1
Borrowings at 31 March 2026	3,948.3	729.9	4,678.2

Cash and cash equivalents	(2.5)	(93.4)	(95.9)
Collateral and other deposits	(4.4)	(51.2)	(55.6)
Cash and deposits at 31 March 2026	(6.9)	(144.6)	(151.5)

Net borrowings at 31 March 2026	3,941.4	585.3	4,526.7
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Net borrowings at 31 March 2025	3,959.5	472.3	4,431.8
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As at 31 March 2026, the Group’s debt has a weighted average maturity of 13.0 years (2025: 13.9 years) and a weighted average cost of 4.07% (2025: 4.19%). The weighted average cost during the year was 4.29% (2025: 4.47%). In order to minimise the Group’s exposure to variable interest rate risk, 87% of the Group’s portfolio as at 31 March 2026 is fixed, either directly or as a result of interest-rate swaps which convert variable interest rates to fixed interest rates (2025: 89%).

25. Capital grants – Group

	HomeBuy grants £m	Social housing and other property grants £m
Capital grants		
At 1 April 2025	8.5	2,396.9
New grant recognised	–	166.0
RCGF utilised	–	6.0
Amortisation income	–	(24.0)
Recycled on disposals (net of amortisation)	(0.5)	(5.4)
Disposals not required to be recycled	–	(14.7)
At 31 March 2026	8.0	2,524.8

Amounts falling due within one year	–	23.2
Amounts falling due after one year	8.0	2,501.6
	8.0	2,524.8

	Homes England £m	Greater London Authority £m	Total £m
Recycled Capital Grant Fund			
At 1 April 2025	12.5	4.5	17.0
Additions to fund due to disposals	3.3	3.7	7.0
Interest accrued	0.6	0.2	0.8
Utilised against new properties	(6.0)	–	(6.0)
At 31 March 2026	10.4	8.4	18.8

Amounts falling due within one year		3.8
Amounts falling due after one year		15.0
		18.8

Amounts three years old or older which may need to be repaid	1.1	–	1.1
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Notes to the financial statements continued

for the year ended 31 March 2026

26. Financial instruments – Group

The following financial derivative contracts are in place, all relating to active interest-rate swaps:

	2026 £m	2025 £m
Notional		
Pay fixed	807.2	828.3
Receive fixed	100.0	100.0
	907.2	928.3
Fair value		
Pay fixed (asset)	12.5	8.7
Pay fixed (liability)	(13.7)	(24.2)
Receive fixed (liability)	(9.8)	(10.7)
	(11.0)	(26.2)

For those interest-rate swaps where cash flow hedge accounting is used, the net undiscounted cash outflows/(inflows) expected to occur are as follows:

	2026 £m	2025 £m
Due within one year	4.2	4.1
Due between one and two years	3.1	6.4
Due between two and five years	13.6	17.4
Due after five years	(11.6)	2.0
	9.3	29.9

In order to better understand the assumptions behind the nature of measuring the fair values of the Group’s swap portfolio, the values have been placed into a hierarchy similar to that under IFRS 13.

All of the Group’s derivatives at the reporting date are Level 2 (2025: all are Level 2).

27. Provisions for liabilities and charges

	Group 2026 £m	2025 £m	Parent 2026 £m	2025 £m
Defined benefit pension schemes in deficit	38.0	37.8	–	–
Building safety and remediation	11.4	35.4	–	–
Deferred tax liabilities	2.0	2.0	–	–
Other	3.7	3.1	–	0.5
	55.1	78.3	–	0.5

For further details of the Group’s and Parent’s pension arrangements see note 28.

Group

	Building safety and remediation £m	Deferred tax liabilities £m	Other £m	Total £m
Non-pension provisions				
At 1 April 2025	35.4	2.0	3.1	40.5
Additions	15.4	–	1.4	16.8
Amounts utilised	(15.0)	–	(0.3)	(15.3)
Unused amounts reversed	(24.4)	–	(0.5)	(24.9)
At 31 March 2026	11.4	2.0	3.7	17.1

In the prior year, the Group recognised £32.7 million of provisions as a result of constructive obligations created by 31 March 2025, of which £23.0 million was incorrectly capitalised within social housing properties (see note 14). This treatment was not appropriate under FRS 102 Section 21 Provisions and Contingencies and Housing SORP 2018, as the relevant requirements do not support capitalisation of these costs.

As a result of a net £1.4 million of additions and amounts utilised during the year (debiting the cost of social housing properties), the provision had increased to £24.4 million at the time of reversal (crediting the cost of social housing properties). Because the Board does not consider the effect on the prior year financial statements to be material, this has been corrected in the current year.

Additionally, the Group has recognised a £4.5 million provision for the cost of completing remediation works at open market sale development schemes (2025: £2.7 million).

See note 11 for an explanation of the deferred tax liabilities.

Parent

	Other £m
Non-pension provisions	
At 1 April 2025	0.5
Unused amounts reversed	(0.5)
At 31 March 2026	–

Notes to the financial statements continued

for the year ended 31 March 2026

28. Pensions

The Group participates in the following defined benefit schemes, which it accounts for as defined benefit schemes:

Scheme	Date of the most recent comprehensive actuarial valuation
Clarion Housing Group Pension Scheme	30 September 2024
Downland Housing Association Pension & Assurance Scheme	31 March 2023

The Parent paid contributions in respect of active employees, and accounted for these on a defined contribution basis.

Local Government Pension Schemes (“LGPS”)

On 30 November 2023, the Group ceased participating in all five of its LGPS which triggered a cessation and settlement event. All amounts payable and receivable as a result were settled by 31 March 2025, and a final £1.3 million cessation charge was recognised in the prior year.

Remaining (non-LGPS) pension schemes

Likewise, both the Clarion and Downland pension schemes were closed to future accrual on 30 November 2023. Unlike the LGPS, this has not triggered cessation. As a result FRS 102 valuations continue to be sought at each reporting date.

The Clarion scheme is in a net deficit position of £38.0 million at the reporting date (2025: £37.8 million).

The Downland scheme is in a net surplus position of £6.7 million at the reporting date (2025: £6.5 million). As per the scheme’s trust deed and rules there is an unconditional right to refund, and the Group continues to recognise this net surplus in full.

The Group is aware of the June 2023 High Court judgement in the case of Virgin Media vs NTL Pension Trustees II Limited, and that in July 2024 the Court of Appeal dismissed the appeal brought by Virgin Media against aspects of the High Court’s decision. These rulings state that certain amendments made to the NTL Pension Plan between April 1997 and April 2016 were invalid because they were not accompanied by the correct actuarial confirmation. On 29 April 2026, the Pensions Schemes Act 2026 received Royal Assent, passing into law legislation which gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. Consequently, additional liabilities are now not expected to arise as a result of the Virgin Media court ruling.

Additionally, the Group was notified in 2021 by Verity Trustees Limited, the Trustee of the Clarion scheme, that it had performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding whether some of these changes were made in accordance with the Trust’s governing documentation. The Trustee is seeking clarification from the Court on these items. The case was heard in early 2025 but a judgement has not yet been delivered. The most recent estimate provided by the scheme’s actuary suggested this could potentially increase the value of the scheme’s gross liabilities by around 5%. This is an estimate only and is subject to change depending on the outcome of the court case and more detailed calculations on scheme data. Until the Court’s direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

The most recent comprehensive actuarial valuations have been used by actuaries to estimate the amounts recognised by the Group. These amounts are, in aggregate, as follows:

Reconciliation of opening and closing pension assets and liabilities:

	2026 £m	2025 £m
Fair value of scheme assets		
At the beginning of the year	132.9	149.3
Scheme admin expenses	(0.5)	(0.6)
Interest income	7.6	7.2
Actual return on scheme assets less interest income	(1.8)	(16.6)
Contributions by employer	0.4	0.5
Benefits paid	(8.1)	(6.9)
At the end of the year	130.5	132.9
Defined benefit obligation		
At the beginning of the year	164.2	186.5
Interest expense	9.4	9.0
Actuarial gains in respect of liabilities	(3.7)	(24.4)
Benefits paid	(8.1)	(6.9)
At the end of the year	161.8	164.2
Net pension liabilities	(31.3)	(31.3)
	2026 £m	2025 £m
Schemes in surplus included in debtors (see note 20)	6.7	6.5
Schemes in deficit included in provisions (see note 27)	(38.0)	(37.8)
	(31.3)	(31.3)

Notes to the financial statements continued

for the year ended 31 March 2026

28. Pensions continued

Remaining (non-LGPS) pension schemes (continued)

Amounts credited/(charged) to the Income Statement:

	2026 £m	2025 £m
Operating costs		
Scheme admin expenses	(0.5)	(0.6)
Cessation of schemes	-	1.3
	(0.5)	0.7
Interest receivable/(payable) relating to pensions (see notes 7 and 8)		
Interest income	7.6	7.2
Interest expense	(9.4)	(9.0)
	(1.8)	(1.8)
	(2.3)	(1.1)

Cessation of schemes

Payments to schemes	-	(1.3)
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Gains/(losses) recognised in other comprehensive income:

	2026 £m	2025 £m
Actuarial (losses)/gains		
Actual return on scheme assets less interest income	(1.8)	(16.6)
Actuarial gains in respect of liabilities	3.7	24.4
	1.9	7.8

The categories of scheme assets, and the actual return on those assets, were as follows:

	2026 £m	2025 £m
Equities	13.3	12.3
Liability-Driven Investments (“LDI”)	38.0	38.5
Gilts and other bonds	18.4	17.1
Private credit	15.5	15.0
Property	6.0	6.1
Liquid alternatives	20.9	22.1
Cash	6.3	6.3
Other	12.1	15.5
	130.5	132.9
Actual return	5.8	(9.4)

The ranges of principal actuarial assumptions used, including the expected number of years in retirement, are as follows:

	2026	2025
Inflation (RPI)	3.3%	3.1%
Future salary increases	4.0%	3.8%
Future pension increases (CPI)	3.1% – 3.3%	3.0% – 3.1%
Discount rate	6.1% – 6.2%	5.7% – 5.9%
Retiring today – male	21.7 – 21.8	21.2 – 21.3
Retiring today – female	23.8 – 24.0	23.6 – 23.8
Retiring in twenty years – male	23.0 – 23.3	22.6 – 22.9
Retiring in twenty years – female	25.3 – 25.5	25.0 – 25.2

29. Contingent assets/liabilities

Group

As per note 1, the original amount of social housing and other property grants may become repayable. In addition to the amounts disclosed in creditors, £467.4 million of grant has been credited to reserves to date through amortisation (2025: £449.2 million). The timing of any future repayment, if any, is uncertain.

On 27 July 2021, Clarion Housing Association Limited (“the Association”) received a letter of claim regarding potential defects in the design and/or construction of a site and buildings sold under a Development and Sale Agreement dated 15 January 2010. The claim was formally issued on 14 March 2025 and the Particulars of Claim were received by the Association’s lawyers on 11 July 2025. The matter has since been reviewed by the Association’s legal advisers and the Association’s defence to the claim was issued on 4 September 2025. A case management conference was held in May 2026 and a series of actions established with a trial currently scheduled for October 2028. The claim as filed would be material to the Group’s accounts although the Group believes the probability of it being at this level to be low, and that any potential liability which may arise cannot be measured or estimated reliably as at the date of signing these accounts.

Parent

The Parent has no contingent assets/liabilities.

Notes to the financial statements continued

for the year ended 31 March 2026

30. Capital commitments – Group

	2026 £m	2025 £m
Contracted for but not provided for in the financial statements	952.8	773.4
Authorised by the Board but not contracted for	3,678.8	3,370.8
	4,631.6	4,144.2

These commitments to future capital expenditure relate to the construction of housing properties.

The figures above include £873.0 million (2025: £803.0 million) for the Group’s share of the capital commitments of its JCEAs.

At the reporting date the Group had £95.9 million of cash and cash equivalents and £875.6 million of undrawn funding. Most of the remaining £3,660.1 million is expected to be funded by future surpluses and debt funding, sourced from banks and the debt capital markets. The Group considers this to be a reasonable expectation given its previous successes in these markets and its strong, investment-grade credit rating. The Group’s £3 billion European Medium Term Note programme’s most recent issue was a further £250 million in May 2024.

The Group has also been allocated grant funding under the Affordable Homes Programme 2021-26. £275 million of grant from Homes England and £348 million from the Greater London Authority, which in total will support the delivery of 4,960 homes. In April 2026, the Group submitted bids to the £39 billion Social and Affordable Homes Programme 2026-36.

Additionally, in the year ending 31 March 2027 the Group has budgeted to spend a total of £480.5 million on repairs and/or maintenance (whether capitalised or expensed). This figure includes the cost of external contractors(some of whom may be appointed on multi-year contracts), and related staff and overhead costs. This cost will generally be covered by the rent charged on these properties.

31. Commitments under leases

Total future minimum lease payments under non-cancellable operating leases are due as follows:

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Within the next year	7.8	7.1	0.4	2.5
Between one and five years’ time	15.9	17.2	0.3	3.2
Later than five years’ time	3.8	5.1	–	–
	27.5	29.4	0.7	5.7

During the year, a number of property leases were transferred from the Parent to Clarion Housing Association Limited (total commitment of £4.7 million as at 31 March 2025).

Total future minimum lease payments under non-cancellable finance leases are due as follows:

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Within the next year	2.4	0.7	–	–
Between one and five years’ time	2.4	4.4	–	–
Later than five years’ time	12.4	13.0	–	–
	17.2	18.1	–	–

The latter reconciles to the amounts included in creditors for “obligations under finance leases” as follows:

	Group		Parent	
	2026 £m	2025 £m	2026 £m	2025 £m
Obligations under finance leases				
Amounts falling due within one year	1.9	0.2	–	–
Amounts falling due after one year	5.0	7.0	–	–
	6.9	7.2	–	–
Interest payable to be recognised in future periods	10.3	10.9	–	–
	17.2	18.1	–	–

32. Non-equity share capital

	2026 £	2025 £
Shares of £1 issued and fully paid		
At the beginning of the year	11	12
Movements during the year	–	(1)
At the end of the year	11	11

Each member of the Parent holds one £1 share. These shares carry no dividend rights and are cancelled on cessation of membership of the Parent. Each member has the right to vote at members’ meetings.

33. Legislative provisions

The Parent is a registered society under the Co-operative and Community Benefit Societies Act 2014 and is regulated by the Regulator of Social Housing.

Notes to the financial statements continued

for the year ended 31 March 2026

34. Subsidiaries, JCEs and associates

Full name	Company	FCA Registered Society	Charity Commission	Regulator of Social Housing
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At the reporting date, Clarion Housing Group Limited controls the following entities. It also owns 100% of each of these entities, either directly or indirectly, except where shown in brackets:

Registered Provider (Public Benefit Entity)

Clarion Housing Association Limited	–	7686	–	4865
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Property management

Grange Management (Southern) Limited	08351375	–	–	–
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Registered charities (Public Benefit Entities)

Circle Anglia Foundation Limited	01832817	–	326681	–
Clarion Futures	07156509	–	1135056	–

Treasury vehicles

Affinity Sutton Capital Markets PLC	06678086	–	–	–
Affinity Sutton Funding Limited	05589011	–	–	–
Circle Anglia Social Housing PLC	06370683	–	–	–
Circle Anglia Social Housing 2 PLC	09781172	–	–	–
Clarion Funding PLC	10922187	–	–	–
Clarion Treasury Limited	06133979	–	–	–

Property development

Affinity Sutton Investments Limited	07466271	–	–	–
Bonner Road LLP	0C401099	–	–	–
Broomleigh Regeneration Limited	06494492	–	–	–
Circle Housing Asset Design Limited	08822471	–	–	–
Clarion Housing Property Development Services Limited	07068999	–	–	–
Clarion Regeneration Limited	09042606	–	–	–
Downland Regeneration Limited	06456605	–	–	–
Latimer Cocoa Works LLP	0C419999	–	–	–
Latimer (Tendring Colchester Borders Garden Community) Developments Limited	12429722	–	–	–
Latimer Developments Limited	05452017	–	–	–
Latimer Green Lanes Limited	012398V	–	–	–
Latimer Kirkstall Limited	11909078	–	–	–
Latimer Media City Limited	11850531	–	–	–
Latimer Storrington Limited	11894235	–	–	–
Latimer Twyford Abbey Limited	11775770	–	–	–
Latimer Weyburn Works Limited	11474914	–	–	–
Leamington Waterfront LLP	0C318351	–	–	–
Twyford Abbey NW10 LLP	0C446467	–	–	–
Your Lifespace Limited	02998648	–	–	–

Full name	Company	FCA Registered Society	Charity Commission	Regulator of Social Housing
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Estate-specific property management

Broadmeadow Park Management Company Limited	12691939	–	–	–
Cocoa Works York Management Limited	15143271	–	–	–
Conningbrook Lakes Management Limited	11416212	–	–	–
Eaton Crescent Management Company Limited (73%)	10097852	–	–	–
Elmbridge Road Cranleigh Homes Management Limited (54%)	11772660	–	–	–
Furness Quay Residents’ Management Company Limited	12715679	–	–	–
Garway Court (Tredegar) Management Limited	5575222	–	–	–
Islington Wharf Ancoats Management Limited	14936051	–	–	–
Latimer Blackfriars Road Management Limited	12525940	–	–	–
Latimer Green Lanes Management Limited	12715812	–	–	–
Ropetackle East Management Company Limited	6601595	–	–	–
Thackeray Mews Limited (62%)	02666421	–	–	–
Waterfront (Warwick) Management Company Limited	6371938	–	–	–

Other

Old Ford Homes Limited	04625160	–	–	–
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The Group also accounts for the assets and liabilities of its captive insurance cell as if it were a subsidiary:

Insurance vehicle

Artex Axcell (Guernsey) PCC Limited (Cell ASG2)	39917	–	–	–
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The Group is a member of the following JCEs. It also owns 50% of each:

Property development JCEs

261 City Road Developments LLP	0C360210	–	–	–
Argenta House (Stonebridge Park) LLP	0C439169	–	–	–
Bellway Latimer Cherry Hinton LLP	0C435634	–	–	–
Berkeley Latimer Estates Limited	08161672	–	–	–
Bovis Latimer (Sherford) LLP	0C423820	–	–	–
Circle Hill LLP	0C397177	–	–	–
Countryside Clarion (Eastern Quarry) LLP	0C420693	–	–	–
Durkan Latimer Eddington LLP	0C434668	–	–	–
Hadley Penge LLP	0C435213	–	–	–
Hadley Streatham LLP	0C432013	–	–	–
Latimer Hill LLP	0C415952	–	–	–
Latimer Hill Attleborough LLP	0C439632	–	–	–

Notes to the financial statements continued

for the year ended 31 March 2026

34. Subsidiaries, JCEs and associates continued

Full name	Company	FCA Registered Society	Charity Commission	Regulator of Social Housing
Latimer Hill Compass Park LLP	OC458328	-	-	-
Latimer Hill (Hardwick) LLP	OC429829	-	-	-
Linden (York Road) LLP	OC392756	-	-	-
Linden Homes (Sherford) LLP	OC384496	-	-	-
Linden/Downland Graylingwell LLP	OC333712	-	-	-
Lovell Latimer LLP	OC429114	-	-	-
Montgomrey’s Wharf LLP	OC437512	-	-	-
Ramsden Regeneration LLP	OC352417	-	-	-
Sherwood Close (Phase 3) LLP	OC454183	-	-	-
Twickenham Reach LLP	OC450619	-	-	-
Vistry Latimer Collingtree LLP	OC429233	-	-	-
Wilmington Regeneration LLP	OC352419	-	-	-
261 City Road Developments LLP has the following 100% subsidiary:				
City Road (Lexicon) Limited	30048	-	-	-
Berkeley Latimer Estates Limited has the following 100% subsidiary:				
Mayflower Residential Limited	11193327	-	-	-
Linden/Downland Graylingwell LLP has the following 100% subsidiary:				
The Graylingwell Community Management Company Limited	07298232	-	-	-
Twickenham Reach LLP has the following 100% subsidiary:				
Rose Square, Twickenham Management Company Limited	15423232	-	-	-

All of the above entities are incorporated in England and Wales with the exception of Artex Axcell (Guernsey) PCC Limited (registered in Guernsey), Latimer Green Lanes Limited (registered on the Isle of Man), and City Road (Lexicon) Limited (registered in Bermuda).

35. Related party disclosures and intra-group transparency

Debtor and creditor balances between members of the Group are either debt subject to a market rate of interest, fair values in respect of intra-Group derivative contracts, or trading balances which are non-interest bearing and are due to be settled within one year of their recognition.

The Group has a cash pooling arrangement whereby cash held by subsidiaries is pooled into the ultimate parent’s bank accounts. As a result the Group’s subsidiaries generally hold very little cash and instead have an interest-bearing intercompany balance with the ultimate parent.

As the Group parent, Clarion Housing Group Limited incurs certain overheads centrally on behalf of the whole Group. These costs are then recharged to other members of the Group based on the level of operating costs they have incurred directly.

The recharges were as follows:

	2026 £m	2025 £m
Clarion Futures	0.4	0.5
Clarion Housing Association Limited	58.1	71.7
Clarion Housing Property Development Services Limited	1.0	1.6
Clarion Regeneration Limited	-	1.1
Grange Management (Southern) Limited	0.1	0.1
Latimer Developments Limited	0.7	0.9
	60.3	75.9

Other regulated members of the Clarion Housing Group have disclosed transactions with non-regulated members in their own financial statements.

Apart from any disclosures made in relation to the Group’s key management personnel or JCEAs, no other related party transactions require disclosure.

General corporate information

Board

Jock Lennox (Group Chair)
Doris Olulode (Vice Chair)
Clare Miller (Group Chief Executive)
Lord Barwell
Graham Farrant
Rachel Fletcher
Mark Hattersley (Chief Financial Officer)
David Lunts (appointed 6 July 2025)
Heike Munro
Jeremy Newman
David Orr CBE
Gareth Turpin (appointed 1 May 2026)

Amanda Metcalfe (resigned 31 May 2026)
Rupert Sebag-Montefiore (resigned 15 July 2025)

Company Secretary

Louise Hyde

Executive Team

Clare Miller
Richard Cook
Mark Hattersley
Louise Hyde
Catrin Jones
Rob Lane
Kate Still (appointed 1 July 2025)
Catherine Thomas

Michelle Reynolds (resigned 31 August 2025)