

Warwickshire Rural Housing Association Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025

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WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ASSOCIATION INFORMATION

For the year ended 31 March 2025

Board of Management

Chair: **Mrs Ruth Bagley**

Vice-Chair: **Mr Steven Shanahan**

Mr Liam Preston
Mr Derek Harvey (resigned 26th March 2025)
Mrs Deanna von Anrep
Mr Marc Leppard (resigned 31st September 2024)
Mr Tony Hopkin (resigned 28th January 2025)
Mr Nick Cullen (resigned 1st February 2025)
Mr Andy Edwards
Mr Philip Briggs
Mr Philip Green (joined 26th February 2025)
Mrs Hannah Kavanagh (joined 26th February 2025)
Kulbir Shergill (joined 26th February 2025)

Registered Office: **Warwickshire Rural Housing Association**

c/o WRCC
University of Warwick
Wellesbourne Campus
Warwick
CV35 9EF

Auditor: **BDO LLP**

Two Snowhill
Birmingham
B4 6GA

Banker: **Barclays Bank PLC**

Secretary: **Mr Richard Mugglestone**

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2025

Principal Activities

The business of providing good quality, well-managed housing, including Social Housing, as well as the associated facilities, amenities and services necessary to help house, assist and serve people in housing need, enabling engaged communities to thrive in rural Warwickshire.

Review of the Year

Despite the continuing pressures in the economy, rising costs, and challenging supply chains and labour markets, throughout 2024/25 Warwickshire Rural Housing Association continued to deliver against its key Business Plan objectives, and to contribute to the provision of affordable and environmentally sustainable village homes in the County.

During the period, the Association remained committed to partnership working with other organisations and agencies, particularly to deliver new affordable homes. In this context, progress continues to be made with a healthy planned pipeline of new developments. The Association continued work to extend development activities beyond Stratford District with enabling work bringing forward opportunities for more homes across four Warwickshire districts.

The planned growth is seen as positive given the testing operating environment and the limitations on the levels of capital grant. The Association remains in a robust financial position, and the consolidation of existing loans is enabling finance to be raised which will assist in maintaining development objectives.

The Association continues to perform well in relation to the key housing management activity of arrears management with targets being exceeded. The performance remains particularly positive, keeping rental arrears at an average of 0.83% during the year despite the impact of the 'cost of living crisis' on top of national welfare reforms and growing pressures on residents' income. The Association has been successful in engaging and supporting residents at an early stage.

Following previous investments in additional staff to ensure this support is in place, WRHA has recently invested resources in energy efficiency and decarbonisation improvements for its homes. A focus remains on residents' satisfaction with the repairs service and contractors' performance as some targets around job completion have not been met.

Having adopted a Five-Year Strategic Plan which included new objectives and targets, the Board has continued to pursue the plan in the context of the challenging economic conditions. The Board has a series of working groups to drive forward improvement on several themes:

- Repairs – to improve delivery of repairs and refurbishment and consider the balance between refurbishment and new development. This group has picked up leadership of the Association's pursuit of decarbonisation and development and delivery of its Asset Management Strategy
- Rules and Governance – to update the Service Level Agreements and the Association's governance arrangements and align them with the NHF Model Rules and Code of Governance
- Equality, Diversity and Inclusivity – to develop comprehensive policy and practice across the activities of the Association
- Residents' engagement – to develop meaningful resident engagement ensuring that the Association is accountable to and influenced by its customers
- Finance – to improve financial reporting and planning and the use of resources that best deliver the Association's objectives and financial viability. To consider the balance of investment needed to bring older properties up to current standard and build new properties, whilst balancing the needs of current and potential future residents.

The first two have been particularly active. We are reviewing the latter three to ensure that we have a focused, long-term financial strategy and are maximising our engagement with all our residents.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2025

Review of the Year (continued)

In addition, the Board continues to refine its reporting and monitoring processes, including relating to Health and Safety to provide increased assurance that the Association is meeting its obligations and emerging consumer regulation.

The Board receives regular reports on complaints and they are being handled in line with policy and changes are made to processes and service delivery as a result of learning lessons. There has been a particular focus on any damp and mould issues that have been raised or discovered and an updated policy and process has dealt with any issues quickly and effectively.

The Association has been working to ensure compliance with the new Consumer Standards. The Regulator of Social Housing (RSH) published a range of documents setting out its approach to regulation from 1st April 2024, following changes introduced by the Social Housing (Regulation) Act 2023. The Board welcomes the aim of these changes which is focused on strengthening the accountability of social landlords for providing safe homes and quality services, and treating residents with respect. The four new consumer standards have been established to drive improvement in social housing and the Association has carried out a self-assessment to review compliance with the Safety & Quality Standard; Transparency, Influence and Accountability Standard; Neighbourhood and Community Standard; and Tenancy Standard.

Another introduction in the Social Housing (Regulation) Act 2023 was the Tenant Satisfaction Measures (TSMs). These are part of a new system developed by the Regulator of Social Housing to assess how well social housing landlords are doing at providing good quality homes and services. The Board welcomes the aim of helping improve standards for people living in social housing, by letting tenants see how well their landlord is doing and enabling tenants to hold their landlords to account. The TSMs are designed to see how well landlords are doing at keeping properties in good repair, maintaining building safety, respectful and helpful engagement, effective handling of complaints and responsible neighbourhood management. The Association is working with the results of the initial TSM survey which it carried out in September 2023 and found positive results in all of the five themes. WRHA's result for overall satisfaction with the service provided to residents was 83% satisfaction. Our working groups are working on the results to look for improvements in areas where satisfaction or performance was lower in comparison to other similar associations or in relation to overall results for WRHA.

We recognise that the future will continue to be challenging and the risks to the business will need to be managed. In this regard, the known risks to the business have been assessed and the impacts of the 'cost of living crisis,' welfare reform and potential rent restrictions in particular will need to be addressed, but we remain confident that the Association is in a strong position to do this.

Overall, the Board of Management is satisfied with the progress the Association continues to make and is able to report a total comprehensive income of £732,975 for the year (compared to £270,731 in 2023/24). The increased surplus is due to the initial budget enabling a higher surplus than the previous year which was then outperformed due to strong shared ownership sales, lower administration costs than anticipated, improved interest rates, and low void and bad debt losses thanks to careful housing management.

During the year a loan covenant was found to be breached as at 31 March 2024 that was not known at the time of approving the prior year accounts. This was a result of increased capital expenditure on existing properties partly funded by SHDF grants, where the grant income was not included in the covenant calculation. As a result of the breach all loan balances have been reclassified from Creditors: Amounts falling due after 1 year to Creditors: Amounts falling due within 1 year as the lenders had the right to call in the loan balances following the breach. Since the yearend all lenders have agreed to waivers for the breach at 31 March 2024 and loan covenants have been redrafted to provide greater headroom and ensure that there is no breach for the year ended 31 March 2025 or in future years.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2025

Review of the Year (continued)

During the year, the comprehensive servicing arrangements with Midlands Rural Housing have continued, and this has seen the Association's Business Plan objectives delivered, with continued operating efficiencies and financial benefits. The cost and service sharing model allows the Association to draw upon the knowledge, skills and rural housing experience of staff coordinated by Midlands Rural Housing along with three other independent Rural Housing Associations. The costs are recharged to each Association proportionately and the model provides both efficiency and expertise for the full range of services required by a Housing Association. Work has continued to review and update the servicing arrangements to ensure strong governance and effective and efficient working practices.

Value for Money

Delivering Value for Money (VfM) is integral to the way the Association operates and this is overseen directly by the Board. A key part of delivering our services as efficiently as possible is understanding the costs and main drivers, setting targets for key financial measures and understanding how our costs compare to our peers.

The Sector Scorecard comprises a number of indicators; mostly taken from our financial accounts across 5 categories (Business health, Development, Outcomes delivered, Effective asset management and Operating efficiencies). It allows us to track our progress with delivering savings and surpluses and demonstrate how we are controlling costs whilst still delivering our core services and developing new homes.

We apply a commercial approach to our decision making and our efficient operating model, which sees us procuring services from Midlands Rural Housing, helps us to focus our attention on the activities that support the achievement of our corporate objectives.

We have continued to increase our focus on environmental and social objectives illustrated by our delivery of high environmental standards for construction, utilities upgrades and decarbonization, and by our work on inclusivity, diversity and resident engagement.

We delivered strong performance against the key measures in the Sector Scorecard during the year and our key figures are explained below. The Association remained committed to Modern Methods of Construction, investment in staff, maintaining and upgrading our homes, and supporting our residents.

Unit Costs

Our unit costs for the year are slightly higher than the median of other housing associations in the peer group (Acuity Smaller Housing Benchmarking group), with a total social housing cost per unit of £4,706 (smaller housing benchmarking group median is £4,300). An increase has been seen year on year as a result of the increase in spending on homes as major investment into decarbonisation has taken place. In addition, the Association owns all its stock whereas many other small rural associations have at least a proportion of managed stock in their portfolios.

Business Health

As a responsible landlord, we aim to balance the delivery of quality services to our existing customers with the provision of new homes to meet growing demand. We are a "profit for purpose" organisation; aiming to maximise the operating margin on our core social housing activities whilst maintaining customer satisfaction. Surpluses are then reinvested back into the capital reinvestment in our existing properties and the development of new homes to meet the diverse range of housing need within our geographical area of operation.

During the year, the Association continued its Customer Support Fund in response to the 'cost of living crisis.' The number and scale of individual arrears have been maintained at a low level to the benefit of residents and the Association.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2025

Value for Money (continued)

2024/25 also saw another increase in the Association's investment in existing stock with heating system replacements and insulation upgrades improving the energy efficiency of homes. Successful bids were made to the Social Housing Decarbonisation Fund to further commit the Association to improvements to existing stock. The Association completed its two-year programme to upgrade the first 51 homes requiring improvements to be above EPC level C by 2030. New Warm Homes: Social Housing Fund grant more than matched by our own capital will enable a further 104 homes to be upgraded by the end of 2027/28.

Our results for 2024/25 saw us achieve an overall operating margin of 32.4% which is higher than the upper quartile figure of the benchmarking peer group of 27.4%. This is as a result of effective operational performance on our core social housing activities, particularly through low bad debts and rent loss as a result of our robust income collection strategy.

Whilst there are significant pressures on our finances from the challenging operating environment, the operating margins on our core social housing lettings remain strong. We aim to increase our income each year by developing new homes to generate additional rental income and the robust management of our empty properties.

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) measures our ability to generate sufficient cash from our operating activities to meet our interest commitments. Comparability with other providers is difficult due to variability in risk appetite, development strategy, and treasury policies.

Our EBITDA MRI stands at 112.2% (against the benchmarking peer group median of 133%). Strong operating surpluses demonstrate that we are generating sufficient funds to more than meet our interest commitments. We have sufficient headroom in our loan covenants and are confident that we can continue to meet the obligations placed upon us by our funders. As with other indicators it has been negatively influenced as a result of increased spend on the maintenance and decarbonisation of our homes.

Development Capacity and Outcomes Delivered

Whilst aware that development has a negative impact on our financial viability and gearing, with each new property developed having a negative Net Present Value, the Board is committed to the provision of new homes and is committed to innovation and high environmental standards. This is carefully balanced with the need to reinvest in our existing properties to maintain standards for our residents. Each year we reinvest through our rolling programme of capital maintenance such as windows, kitchens, bathrooms and heating systems. Reinvestment will fluctuate year on year depending on the profile of spend on both the replacement of capital components and also the timing of spend on new developments.

Effective Asset Management

Return on Capital Employed increased to 2.6% which is similar to the benchmarking peer group median of 2.68%. ROCE performance of smaller, rural associations may remain relatively low due to the majority of the Association's homes being developed on rural exception sites where build costs are higher due to the need to put in place services and access without being able to charge the corresponding increase in higher rent. The Association experiences higher build costs in delivering the Modern Methods of Construction and the higher environmental standards that WRHA is committed to within its Strategic Plan.

Similarly, the Association invests in new and more energy efficient heating systems and insulation without being able to reflect the cost benefit to residents in the rent. Although we note that with the impact of increased energy prices such improvements may only mitigate some part of utility cost increase rather than reduce costs.

The VfM metrics provided for the regulator are shown in the table below. The benchmarking peer group is the other associations in Acuity's smaller housing association benchmarking group. Wider benchmarking is possible against all providers who submit data to Acuity.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2025

Value for Money (continued)

Regulator Metrics	WRHA 2025	WRHA 2024	Year on year trend	2025 Benchmarking Group (Acuity - smaller/rural housing associations)		2025 Wider Benchmarking Group (Acuity - all providers)	
				Median	Upper quartile	Median	Upper quartile
Operating Margin (RSH 101)	32.4%	32.3%	↔	24.8%	27.4%	15.6%	22.7%
EBITDA MRI % Interest Cover (RSH 103)	112.2%	77.7%	↑	133%	186%	197%	640%
Units Developed as % of Units Owned (RSH204)	1.2%	1.2%	↔	0.22%	1.17%	0%	1.63%
Gearing (RSH 203)	20.5%	20.1%	↔	22.4%	33.03%	12.75%	28.34%
Reinvestment % (RSH 304)	6.3%	6.6%	↔	3.77%	6.69%	3.34%	8.25%
Return on Capital Employed (RSH401)	2.6%	2.4%	↔	2.68%	3.15%	3.05%	4.23%
Headline Social Housing Unit Cost (RSH501)	£4,706	£4,562	↑	£4,300	£3,886	£6,508	£5,142



Indicator has improved from previous year



Indicator has stayed within 1% of previous year



Indicator has worsened from previous year

Board Members

The Board of Management of the Association during the period are as stated on page 2.

Each member of the Board of Management holds one fully paid share of £1 in the Association. New Board members acquire their share on appointment.

Liability Insurance

The Association has taken out liability insurance on behalf of the members of the Board of Management.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31 March 2025

Future Outlook

The Association acknowledges that the wider economy continues to be affected by economic uncertainty. However, the Association has the resources to respond positively and ensure that the viability of the business is maintained whilst delivering on its key aims and objectives. There will, however, be the need to balance maintenance, investment in existing properties, management costs and the delivery of new homes. It is recognised that the country's economic performance is uncertain and that the political landscape remains uncertain.

The Board also intends:

- To develop a new 10-Year Plan and to test it robustly against the potential extremes of the economic context and against changing regulatory requirements
- To complete and implement the review of the Service agreements and associated Governance improvements
- To deliver our Asset Management Strategy, which includes investment in maintaining and improving our residents' homes including property upgrades and tackling health and safety risks
- To deliver our Development Strategy for the investment in over 50 new homes to high environmental standards over the next 5 years
- To secure further grants towards delivery of its investment in environmental efficiency of existing properties
- To tackle decarbonisation by completing the first year of our newly funded programme to bring a further 58 properties to EPC C and above.
- To continue our progress towards improved customer engagement and satisfaction
- To continue improving our response to and learning from complaints
- To strengthen and grow our partnership relationships, being particularly aware of the changes to local government

To maintain a viable and well-managed business enabling re-investment in our objectives, supporting a skilled and motivated workforce and making evidence-based decisions.

On behalf of the Board of Management

Richard Mugglestone

Secretary

17th September 2025

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND
THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

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

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

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

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

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

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

Ruth Bagley

Chair

17th September 2025

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF INTERNAL CONTROLS ASSURANCE

For the year ended 31 March 2025

The Board of Management has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board of Management recognises that no system of internal control can provide absolute assurance against or eliminate all risk of failure to achieve business objectives.

In meeting its responsibilities, the Board of Management has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes regular evaluation of the nature and extent of risk to which the Association is exposed and is consistent with best practice principles as required by the regulator. In this context, the Board of Management understands that there are no regulatory concerns that would lead to the Regulator of Social Housing intervening in the affairs of the Association.

The Board of Management is also able to confirm that there have been no reported cases of fraud during 2024/25, and that the necessary policies and procedures are in place for dealing with and reporting such matters.

The processes adopted by the Board of Management in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

Identification and evaluation of key risks

The Association undertakes a comprehensive annual review of its risk map, which is linked into business objectives and firmly embedded in the internal control system. On-going monitoring and reporting mechanisms assist in the delivery of the Risk management action plan.

Monitoring and corrective action

The Board of Management receives regular management reports on all aspects of the work of the Association, together with proposals on corrective action when required. The annual report on assurance from the Secretary assists in the consideration of effectiveness of systems in place, as do any reports received from external sources such as Homes England and The Regulator of Social Housing.

Control environment and procedures

Midland Rural Housing manages the operations of the Association under a formal service agreement. There is a comprehensive set of policies and procedures documenting all aspects of the Association's work including standing orders, delegated authority, treasury management strategy, budgetary information and fraud prevention.

Information and financial reporting systems

There is regular reporting of key performance indicators to assess progress towards the achievement of key business objectives and targets.

Financial reporting procedures include detailed annual budgets and quarterly management accounts. These are approved by the Board of Management, who also review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Internal Audit who provided independent verification to the Board of Management reviews the internal control framework under a three-year rolling programme.

The Board of Management confirms that there are on-going processes for maintaining sound systems of internal control and for managing significant risks. These processes have been in place throughout the period, up to the date of the signing of the financial statements and they are regularly reviewed in conjunction with Midlands Rural Housing.

On behalf of the Board of Management

Ruth Bagley

Chair

17th September 2025

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO WARWICKSHIRE RURAL HOUSING ASSOCIATION
LIMITED

For the year ended 31 March 2025

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

We have audited the financial statements of Warwickshire Rural Housing Association Limited ("the Association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO WARWICKSHIRE RURAL HOUSING ASSOCIATION
LIMITED

For the year ended 31 March 2025

Other information

The Board are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities in Respect of the Board's Report and the Financial Statements, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO WARWICKSHIRE RURAL HOUSING ASSOCIATION
LIMITED

For the year ended 31 March 2025

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Association's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Co-operative and Community Benefit Society Act 2014, Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, the Bribery Act 2010, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Review of the fraud register for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO WARWICKSHIRE RURAL HOUSING ASSOCIATION
LIMITED

For the year ended 31 March 2025

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Samantha Lifford (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover	3	3,574,061	3,331,348
Operating costs	3	(2,403,257)	(2,255,812)
Gain on disposal of tangible fixed assets	8	60,860	-
Operating surplus	3	1,231,664	1,075,536
Interest receivable and similar income	9	74,862	40,233
Interest payable and similar charges	10	(599,387)	(644,426)
Surplus for the year		707,139	471,343
Other comprehensive income			
Remeasurement of Social Housing Pension Scheme		25,836	(200,612)
Total comprehensive income for the year		732,975	270,731

Turnover is derived from continuing activities.

The notes on pages 19 to 37 form part of these financial statements.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Tangible fixed assets			
Housing properties	12	43,946,983	43,160,551
Net book value tangible fixed assets		43,946,983	43,160,551
Current assets			
Trade and other debtors	13	214,426	248,129
Cash and cash equivalents		1,652,972	2,736,493
Total current assets		1,867,398	2,984,622
Creditors: amounts falling due within one year	14	(11,374,399)	(12,499,739)
Net current (liabilities)		(9,507,001)	(9,515,117)
Creditors: amounts falling due after one year	15	(21,090,552)	(20,946,170)
Provision for liabilities			
Pension liability	20	(124,788)	(207,597)
Net assets		13,224,642	12,491,667
Capital and reserves			
Called up share capital	21	18	18
Revenue reserves		13,224,624	12,491,649
Total funds		13,224,642	12,491,667

The notes on pages 19 to 37 form part of these financial statements.

These financial statements were approved by the Board of directors on 17 September 2025 and were signed on its behalf by:

Ruth Bagley

Chair

Steven Shanahan

Board Member

Richard Mugglestone

Secretary

A registered provider under Co-operative and Community Benefit Society with Charitable Rules
Registration No: IP26636R
Homes England Registered No. L3881

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital £	Revenue reserve £	Total equity £
Balance at 1 April 2024	18	12,491,649	12,491,667
Total comprehensive income for the period			
Surplus for the year	-	707,139	707,139
Remeasurement of Pension Schemes	-	25,836	25,836
Balance at 31 March 2025	18	13,224,624	13,224,642

	Called up share capital £	Revenue reserve £	Total equity £
Balance at 1 April 2023	18	12,220,918	12,220,936
Total comprehensive income for the period			
Surplus for the year	-	471,343	471,343
Remeasurement of Pension Schemes	-	(200,612)	(200,612)
Balance at 31 March 2024	18	12,491,649	12,491,667

The notes on pages 19 to 37 form part of these financial statements.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Note	£	£
Cashflows from operating activities			
Operating surplus for the year	3	1,231,664	1,075,536
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	12	686,673	631,771
Loan amortisation charges	10	14,021	14,022
Deferred government grants amortisation	18	(170,984)	(157,000)
Pensions costs less contributions payable	20	(56,973)	(54,006)
Net book value sales of tangible fixed assets		70,144	-
Decrease/ (increase) in trade & other debtors		33,703	(213,543)
(Decrease)/ increase in trade and other creditors		(645,769)	259,698
Net cash from operating activities		1,162,479	1,556,478
Cashflows from investing activities			
Interest received		74,862	40,233
Acquisition of tangible fixed assets		(1,499,490)	(2,788,471)
Proceeds from receipt of government grants		315,472	1,282,770
Capitalised development expenditure		(46,102)	(47,938)
Net cash used in investing activities		(1,155,258)	(1,513,406)
Cashflow from financing activities			
Interest paid		(609,579)	(659,854)
Repayment of borrowings		(481,163)	(458,827)
Net cash used in financing activities		(1,090,742)	(1,118,681)
Net change in cash and cash equivalents		(1,083,521)	(1,075,609)
Cash and cash equivalents at start of period		2,736,493	3,812,102
Cash and cash equivalents at end of period		1,652,972	2,736,493

The notes on pages 19 to 37 form part of these financial statements.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 LEGAL STATUS

The Association is incorporated under the Co-operative and Community Benefit Society Act 2014. The company registration number is IP26636R. It is registered with The Regulator of Social Housing (registration number L3881). Its principal place of business is Memorial House, Stenson Road, Coalville and it is a Public Benefit Entity.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Association are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation and functional currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Board of Management, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in this note.

Measurement convention

The financial statements are prepared on historical cost basis.

Going concern

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

The Association prepares a 5 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Association budgets for 2025/26 and the Association's medium term financial position as detailed in the 5-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Association has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities give significant headroom for committed spend and other forecast cash flows that arise;
- The Associations' ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

The Board believe the Association has sufficient funding in place and expect the Association to be in compliance with its debt covenants even in severe but possible downside scenarios.

The statement of financial position shows the Association in a negative net current asset position as at 31 March 2025. This is a result of the reclassification of the full loan balances to Creditors: Amounts falling due within 1 year following a loan covenant breach as at 31 March 2024 that was still in breach at 31 March 2025, as detailed in Note 16 Loans. Whilst the full loan balances could technically be recalled by the lenders at any time this has not happened and waivers have been obtained for 31 March 2024 and covenants amended for 31 March 2025 and future years so that the Association is again compliant. The loan balances will therefore be recategorised between Creditors: Amounts falling due within 1 year and Creditors: Amounts falling due after 1 year for the 31 March 2026 accounts. The Regulator of Social Housing has also been informed of the loan covenant breach and following the agreements reached with lenders has acknowledged that no further engagement relating to the 31 March 2024 accounts is needed. Given this the board consider that the Association will have sufficient funds to meet loan settlement needs as they become due under the normal terms of business.

Consequently, the Board are confident that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basic financial instruments

Tenant arrears, trade and other debtors

Tenants arrears, trade and other debtors are recognised at an undiscounted amount of the cash or other consideration expected to be received net of impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised at an undiscounted amount of the cash or other consideration expected to be received net of impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at transaction value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Housing properties

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	150 years
Boilers	15 years
Kitchens	20 years
Windows and doors	20 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of significant changes since the last annual reporting date in the pattern by which the Association expects to consume an asset's future economic benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Housing properties (continued)

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Interest capitalised

Development schemes are charged with interest by the developing agents. Commercial rates of interest are used for this calculation and the charge is arrived at by considering interest earned on capital grants received in advance, thereby reducing the interest chargeable once scheme costs exceed capital grants received. In certain cases the interest earned on the capital grants received in advance exceeds the interest payable and this is included in the income and expenditure account as interest receivable.

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Social housing grant

Social housing grant is initially recognised at transaction value as a long term liability, specifically as deferred grant income and released through the statement of comprehensive income as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost. On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Properties held for sale and work in progress

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Association would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in surplus. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus.

Fixed Assets

The Association's internal controls are designed to identify where impairment triggers for the reduction in value of housing properties, other tangible fixed assets, and properties for sale and work in progress, as held on the Statement of Financial Position have occurred through an annual assessment. Where a trigger is identified then an assessment will be performed and where there is evidence of impairment, assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

Employee benefits

Defined benefit plans

The Pensions Trust Social Housing Pension Scheme

The Association participates in The Pensions Trust Social Housing Pension Scheme via Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Ltd (MRH) and three other rural housing associations. The entire assets and liabilities of this pension scheme is declared in the accounts of MRH.

The Association is liable for a share of the full pension deficit arising under this plan via a legal agreement between the Association, MRH and the three other rural housing associations. This share of the deficit is recognised as a provision in the accounts and changes in the liability are reported in the Statement of Comprehensive Income as Other Comprehensive Income.

Termination benefits

Termination benefits are recognised when the Association is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Taxation

Tax on the profit or loss for the year comprises current tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership and from properties developed for open market sales, and amortisation of Social Housing Grant (SHG) under the accrual model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sale are recognised on practical completions. Other income is recognised as receivable on the delivery of the services provided.

Expenses

Operating Costs

Operating costs represent the costs and overheads associated with delivering the services rendered.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of Housing Properties that take a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on an individual basis for current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are:

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolescence

No triggers for impairment have been identified.

Value of schemes in development

The Association capitalises development expenditure in accordance with the accounting policy earlier in this note. Initial capitalisation is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place. In determining if an approved scheme is likely to cease, management monitors the development programme and considers if changes have occurred that result in an impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Key Judgements, Estimates and Assumptions (continued)

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates, future pension increases and ongoing legal cases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. The details of the assumptions used along with the scheme assets and liabilities are disclosed in MRH financial statements, further details are given in Note 20.

Apportionment of Management Expenses

Direct administration and operating costs have been apportioned to the Income and Expenditure Account on the basis of actual expenditure incurred. Finance and administration costs are further apportioned on the basis of charges levied by the Managing Agents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	Turnover	Operating costs 2025 £	Operating surplus	Turnover	Operating costs 2024 £	Operating surplus
3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS						
Social housing lettings						
General needs	3,367,398	(2,320,092)	1,047,306	3,132,307	(2,172,665)	959,642
Low cost home ownership	150,099	(83,165)	66,934	145,084	(83,147)	61,937
	3,517,497	(2,403,257)	1,114,240	3,277,391	(2,255,812)	1,021,579
Other social housing activities						
Other	56,564	-	56,564	53,957	-	53,957
	56,564	-	56,564	53,957	-	53,957
Total social housing	3,574,061	(2,403,257)	1,170,804	3,331,348	(2,255,812)	1,075,536
Gain on disposal of tangible fixed assets			60,860			-
Operating surplus			1,231,664			1,075,536

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	General Needs £	Low cost home ownership £	2025 Total £	2024 Total £
3 SOCIAL HOUSING LETTINGS				
Rent receivable net of identifiable service charges	3,093,119	110,347	3,203,466	2,980,865
Service charges receivable	121,563	20,878	142,441	138,972
Net rents receivable	3,214,682	131,225	3,345,907	3,119,837
Amortised government grant	152,110	18,874	170,984	157,000
Other	606	-	606	554
Total income from lettings	3,367,398	150,099	3,517,497	3,277,391
Expenditure on lettings activities:				
Management	821,863	36,634	858,497	802,594
Service charge costs	121,626	16,894	138,520	150,638
Routine maintenance	513,300	2,432	515,732	495,698
Planned maintenance	192,397	320	192,717	171,531
Major repairs expenditure	1,200	-	1,200	-
Bad debts	9,915	3	9,918	3,580
Depreciation of housing properties	659,791	26,882	686,673	631,771
Total expenditure on lettings	2,320,092	83,165	2,403,257	2,255,812
Operating surplus on lettings	1,047,306	66,934	1,114,240	1,021,579
Void losses	23,369	-	23,369	22,850

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	2024 Number	Disposals Number	2025 Number
4 HOUSING STOCK			
Social housing accommodation			
General needs rented	433	-	433
Affordable rented	59	-	59
Low cost home ownership	102	(1)	101
Total social housing managed	594	(1)	593
Non-social housing managed			
Freehold	-	1	1
Total non-social housing managed	-	1	1
Total housing stock	594	-	594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
5 EXPENSES AND AUDITORS' REMUNERATION		
<u>Included in surplus are the following:</u>		
Depreciation of housing properties	686,673	631,771
Gain on disposal of tangible fixed assets	60,860	-
Auditor's remuneration:		
Audit of these financial statements	15,000	17,500

6 STAFF NUMBERS AND COSTS

The association employs staff on Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Limited (MRH) and three other rural housing associations. The numbers in this note relate to WRHA's share of these staff. Management and development services are provided under a management contract with MRH.

The average number of persons employed by the Association during the year, analysed by category, was as follows:

	2025 Number	2024 Number
Office staff	9	9
	9	9

	2025 £	2024 £
Recharges from MRHA under the above contract during the year were as follows:		
Staff costs	522,933	429,897
Finance processing/accounting costs	140,583	143,213
Other recharges	81,611	78,451
	745,128	651,561

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
7 BOARD MEMBERS		
£nil remuneration was payable to members of the Board of Management during the period (2024: £nil)		
The number of people serving on the Board during the year was 10 (2024: 9)		
Total expenses reimbursed to the committee members	-	416

8 SURPLUS ON DISPOSAL OF FIXED ASSETS

Disposal proceeds	134,500	-
Cost of disposals	(73,640)	-
	60,860	-

9 INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest receivable	74,862	40,233
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10 INTEREST PAYABLE AND SIMILAR CHARGES

Loan interest	584,846	561,703
Amortisation of loan fees	14,021	14,021
FRS102 adjustment	(1,720)	68,702
Recycled capital grant fund	2,240	-
	599,387	644,426

11 TAXATION

No liability to taxation arises on the Association in the current year.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

12 TANGIBLE FIXED ASSETS

	-----Housing properties-----			
	Under construction	Social housing letting £	Low cost home ownership	Total housing properties
Cost				
1 April 2024	127,772	46,132,003	3,430,011	49,689,786
Additions	251,606	-	-	251,606
Replacement components	(64,651)	1,356,295	-	1,291,644
Properties completed in the year	(252,441)	(1,056)	253,497	-
Transfers	-	-	-	-
Transfer of sale properties to current assets	-	-	-	-
Disposals	-	(85,629)	(73,383)	(159,012)
31 March 2025	62,286	47,401,613	3,610,125	51,074,024
Accumulated depreciation				
1 April 2024	-	6,093,387	435,848	6,529,235
Provision in the year	-	659,791	26,882	686,673
Transfers	-	-	-	-
Eliminated on disposal	1	(85,629)	(3,239)	(88,867)
31 March 2025	1	6,667,549	459,491	7,127,041
Net book value				
31 March 2025	62,285	40,734,064	3,150,634	43,946,983
31 March 2024	127,772	40,038,616	2,994,163	43,160,551

	2025 £	2024 £
Additions to housing properties includes:		
Direct administration costs	46,102	47,936

The Association had property with a net book value of £9,012,222 pledged as security at 31 March 2025 (2024: £8,525,257).

There were no other fixed assets held under finance lease at the year-end (2024: £nil).

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
13 TRADE AND OTHER DEBTORS		
Current tenant arrears	37,686	30,620
Less provision for bad and doubtful debts	(15,145)	(8,323)
Former tenant arrears	1,296	1,327
Less provision for bad and doubtful debts	(1,296)	(1,327)
Trade debtors	-	1,949
Prepayments and accrued income	191,885	223,883
Total debtors	214,426	248,129
Due within one year	214,426	248,129
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Loans and overdrafts (see note 16)	10,947,621	11,428,786
Trade creditors	220,630	796,881
Rent received in advance	128,036	114,703
Accruals and deferred income	77,542	137,304
Other creditors	570	22,065
	11,374,399	12,499,739
15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Deferred government grants (see note 18)	21,038,729	20,943,826
Recycled capital grant fund (see note 19)	51,823	2,344
	21,090,552	20,946,170

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
16 LOANS		
Bank loans	10,174,080	10,566,095
Building Societies	773,541	862,691
	10,947,621	11,428,786

Loans are repayable at varying rates of interest in instalments due as follows:

In one year or less	10,947,621	11,428,786
	10,947,621	11,428,786

All loans are secured by fixed charges on individual properties. The loan valuations above include a decrease of £481,164 (2024: decrease £376,228) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

During the year a loan covenant was found to be breached as at 31 March 2024 that was not known at the time of approving the prior year accounts. This was a result of increased capital expenditure on existing properties partly funded by SHDF grants, where the grant income was not included in the covenant calculation. As a result of the breach all loan balances have been reclassified from Creditors: Amounts falling due after 1 year to Creditors: Amounts falling due within 1 year as the lenders had the right to call in the loan balances following the breach.

Since the yearend all lenders have agreed to waivers for the breach at 31 March 2024 and loan covenants have been redrafted to provide greater headroom and ensure that there is no breach for the year ended 31 March 2025 or in future years. The loan balances have still been reclassified as Creditors: Amounts falling due within 1 year as the covenants had not been redrafted at the date of the financial statements.

	At 1 April 2024 £	Cash flows £	Other non- cash changes £	At 31 March 2025 £
17 ANALYSIS OF CHANGES IN NET DEBT				
Cash and cash equivalents	2,736,493	(1,083,521)	-	1,652,972
<u>Borrowings</u>				
Debt due within one year	(11,428,786)	481,165	-	(10,947,621)
Debt due after one year	-	-	-	-
	(11,428,786)	481,165	-	(10,947,621)
Total Net Debt	(8,692,293)	(602,356)	-	(9,294,649)

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

18 DEFERRED GOVERNMENT GRANTS

	Social housing grant £	Other governmen t grant £	Total £
At 1 April 2024	17,790,472	3,153,354	20,943,826
Received in the year	-	313,314	313,314
Released to income in the year	(142,858)	(28,126)	(170,984)
Disposed in the year	(47,427)	-	(47,427)
At 31 March 2025	17,600,187	3,438,542	21,038,729

19 RECYCLED CAPITAL GRANT

	Recycled capital grant fund £
At 1 April 2024	2,344
Utilised during the year	(2,344)
Interest credited to the fund	2,240
Transferred to fund during the year	49,583
At 31 March 2025	51,823

20 EMPLOYEE BENEFITS

The Pensions Trust - Social Housing Pension Scheme

As detailed in Note 6 employees are employed on Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Limited (MRH). MRH participates in The Pensions Trust - Social Housing Pension Scheme. The entire assets and liabilities of this pension scheme is declared in the accounts of MRH.

A legal agreement has been entered into between the 5 entities involved in the joint contracts of employment identifying how the pension liability of those jointly employed staff will be met by each entity. The Association recognises its share of the pension deficit which is the best estimate of the pension liability at year end.

	2025 £	2024 £
Opening Balance	207,597	-
Creation of Opening Liability (charged to SOCI)	-	184,860
Contributions paid	(56,973)	
Change in Liability (charged to SOCI)	(25,836)	22,737
Closing Balance	124,788	207,597

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£

21 SHARE CAPITAL

Share capital

Allotted, issued and fully paid at 1 April and 31 March	18	18
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At 31 March 2025, the Association had 18 ordinary shares (2024: 18) in issue, with each share having a nominal value of £1. The shares have no rights to dividends nor to any share of assets of the Association in the event of it ceasing to operate.

22 CAPITAL COMMITMENTS

Capital expenditure that has been authorised by the Board of Management but has yet been contracted for	11,077,499	10,876,997
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Sources of Funding

Social Housing Grants	3,723,400	4,006,800
Other Government Grants	2,188,000	1,348,000
New Loan Facilities	5,166,099	5,522,197

23 RELATED PARTIES

Board Member and Shareholder, Mr Derek Harvey, was also on the Board of Midlands Rural Housing and Village Development Association Limited.

Payments made during the year to Midlands Rural Housing and Village Development Association Limited on an arm's length basis in respect of staff costs, finance processing, accounting, development and other recharges are as disclosed in Note 6.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

<u>2024</u>	<u>2024</u>
<u>Restated</u>	<u>Original</u>
£	£

24 PRIOR PERIOD ADJUSTMENT

Loans

During the year a loan covenant was found to be breached as at 31 March 2024 that was not known at the time of approving the prior year accounts. This was a result of increased capital expenditure on existing properties partly funded by SHDF grants, where the grant income was not included in the covenant calculation. As a result of the breach all loan balances have been reclassified from Creditors: Amounts falling due after 1 year to Creditors: Amounts falling due within 1 year as the lenders had the right to call in the loan balances following the breach.

Since the yearend all lenders have agreed to waivers for the breach at 31 March 2024 and loan covenants have been redrafted to provide greater headroom and ensure that there is no breach for the year ended 31 March 2025 or in future years.

This has impacted the following lines in the financial statements.

STATEMENT OF FINANCIAL POSITION

Creditors: amounts falling due within one year	(12,499,739)	(1,543,600)
Creditors: amounts falling due after one year	(20,946,170)	(31,902,309)

There is no impact on the previously reported Statement of Comprehensive Income.

The notes to the accounts that have been impacted by this adjustment have also been restated, note 14 Creditors: Amounts falling due within one year, note 15 Creditors: Amounts falling due after one year, note 16 Loans and note 17 Analysis of changes in net debt.