Warwickshire Rural Housing Association Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

ASSOCIATION INFORMATION

For the year ended 31 March 2026

Board of Management

Chair:	**Miss Ruth Bagley**
Vice-Chair:	**Mr Steven Shanahan**
	Mr Liam Preston
	Mrs Deanna von Anrep
	Mr Andy Edwards
	Mr Philip Green
	Mr Philip Briggs
	Mrs Kulbir Shergill
	Miss Hannah Kavanagh
	Mr Eduardo Leach (appointed 25th February 2026)
	Mr David Moreland (appointed 25th February 2026)
	Mr Chris Cowcher (resigned 19th December 2025)
Registered Office:	**Warwickshire Rural Housing Association**
	c/o WRCC
	University of Warwick
	Wellesbourne Campus
	Warwick
	CV35 9EF
	From July 2026:
	c/o Warwickshire and Solihull Community & Voluntary Action
	The Newtown Centre
	Newtown Road
	Nuneaton
	Warwickshire, CV11 4HG
Auditor:	**BDO LLP**
	Two Snowhill
	Birmingham
	B4 6GA
Banker:	**Barclays Bank PLC**
Secretary:	**Mr Richard Mugglestone**

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 and instability in the economy, rising costs, and challenging supply chains and labour markets, throughout 2025/26 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 to deliver and further develop a healthy planned pipeline of new developments. The Association has been successful in extending development activities beyond Stratford District with enabling work bringing forward opportunities for more homes across four Warwickshire districts and rural Solihull.

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. During the year members have worked with managers to improve our scheme assessment methodology and our strategic capital planning.

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 0.91% 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 secured grant for the years 2025/26 to 2028/29 and invested its own 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:

- 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
- Residents' engagement – to develop meaningful resident engagement ensuring that the Association is accountable to and influenced by its customers
- Capital Investments – this new group brings together the scope of the old Repairs and Finance groups and focuses on improving the Association's approach to and assessment of development and on the Capital Investment strategy

The first and last have been particularly active. We are reviewing the second and third to ensure that we are maximising our engagement with all our residents.

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 continues to be a particular focus on

Review of the Year (continued)

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 maintains a focus on compliance with the Regulator of Social Housing's (RSH) consumer standards which help to drive improvement in social housing. Reviews of our self-assessment allow us to monitor and enhance compliance with the Safety & Quality Standard; Transparency, Influence and Accountability Standard; Neighbourhood and Community Standard; and Tenancy Standard. Work has also been carried out to comply with standards coming into force in 2026. The Competence and Conduct (C&C) Standard is aimed at driving greater professionalism and higher standards by ensuring relevant housing staff have the required skills, knowledge, experience, and behaviours to deliver a high standard of service to tenants. Senior housing managers and executives will be required to hold, or be working towards, a housing management qualification and the Association has assessed qualification levels and is on track to be compliant ahead of the deadline. Social Tenant Access to Information (STAIRs) requirements have also been assessed and plans are in place to ensure residents have access to the required information relating to the management of social housing. We will proactively publish certain information about the activities set out in the government's policy statement, and residents will be able to formally request relevant information and receive timely responses.

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 latest TSM survey which it carried out in September 2025 and found positive results in all of the five themes. WRHA's result for overall satisfaction with the service provided to residents rose to 90% 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 £780,211 for the year (compared to £732,975 in 2024/25). 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 2024/25 a loan covenant was found to be breached as at 31 March 2024 as a result of an error in accounting for capital spend and associated grants. The breach and accounting adjustments were reported in the Annual Accounts for 2024/25. During early 2025/26 all lenders agreed to waivers for the breach and loan covenants have been redrafted to provide greater headroom and ensure that there was no breach in 2024/25 or in future years.

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 Regulator of Social Housing's VfM metrics comprises of seven standard metrics that registered providers are designed to help assess financial strength, efficiency, investment and growth. They allow 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 (MRH), helps us to focus our attention on the activities that support the achievement of our corporate objectives and increasingly to take a long-term perspective. Procurement arrangements via MRH also allow for efficiencies to be experienced.

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 decarbonisation, and by our work on inclusivity, diversity and resident engagement. Our continued investment in more efficient heating systems, insulation and renewable technology not only has environmental benefits but also allows our residents to benefit from lower running costs.

We delivered strong performance against the key measures in the VfM metrics during the year and our key figures are explained below. The Association remained committed to modern construction, investment in staff, maintaining and upgrading our homes, and supporting our residents whilst keeping them safe.

Unit Costs

Our unit costs for the year are lower 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 £4,245 (smaller housing benchmarking group median is £4,918). A decrease has been seen year on year as a result of no major investment in new developments in the year.

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.' It supported 31 households with over £8,000 of the fund allocated to help residents facing hardship, unexpected costs, emergency help for food, energy bills or essentials, assistance setting up a new home or funding for training and employment opportunities. The number and scale of individual arrears have been maintained at a low level to the benefit of residents and the Association.

2025/26 also saw another increase in the Association's investment in existing stock with heating system replacements, solar energy, and insulation upgrades improving the energy efficiency of homes. Successful bids were made to the Warm Homes: Social Housing Fund to further commit the Association to improvements to existing stock. The Association commenced its three-year programme to upgrade a further 58 homes requiring improvements to their energy efficiency performance. The grant funding was more than matched by our own capital and will enable all homes to meet the EPC C target ahead of the 2030 deadline.

Our results for 2025/26 saw us achieve an overall operating margin of 32.3% which is higher than the median figure of the benchmarking peer group of 27.3%. 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.

Value for Money (continued)

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 203.5% (against the benchmarking peer group median of 168.2%). 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. The figure remains strong despite the increased spend on the maintenance and decarbonisation of our homes, but the metric remains strong.

Development Capacity and Outcomes Delivered

Whilst aware that development has a negative impact on our financial viability and gearing, 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.

The flow of new developments is not consistent due to the complexity of delivering rural exception sites and the timing of grant funding cycles. This means that a small associations such as ours will often have ‘peaks and troughs’ in the development pipeline which result in some years with no new developments. 2025/26 was such a year, hence the decrease in the figures for ‘units developed’ and ‘reinvestment.’

Effective Asset Management

Return on Capital Employed increased to 2.8% which is similar to the benchmarking peer group median of 2.7%. 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.

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.

Value for Money (continued)

Regulator Metrics	RHA 2025/26	WRHA 2024/25	Year on year trend	2026 Benchmarking Group - Acuity – smaller/rural housing associations	2026 Wider Benchmarking Group - Acuity – all providers
				Median	Median
Operating Margin (RSH 101)	32.3%	32.4%	◀	27.34%	12.20%
EBITDA MRI % Interest Cover (RSH 103)	203.5%	112.2%	▲	168.2%	151.0%
Units Developed as % of Units Owned (RSH204)	0.0%	1.2%	▼	0.74%	0%
Gearing (RSH 203)	19.5%	20.5%	◀	31.20%	14.35%
Reinvestment % (RSH 304)	1.8%	6.3%	▼	6.75%	4.00%
Return on Capital Employed (RSH401)	2.8%	2.6%	◀	2.70%	2.59%
Headline Social Housing Unit Cost (RSH501)	£4,245	£4,706	▲	£4,918	£6,987

▲ 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.

Code of Governance

The Association is compliant with the National Housing Federation's Code of Governance 2020. Compliance with both the Regulator of Social Housing Governance and Viability Standard, and the NHF Code of Governance is subject to annual review.

Future Outlook

The Association acknowledges that the wider economy continues to be affected by economic uncertainty and global instability. 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:

- Focus on delivery of a 10-Year Capital 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 100 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 continuing the funded three-year 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; and
- To strengthen and grow our partnership relationships, being particularly aware of the changes to local government

All of this whilst maintaining 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 (Sep 29, 2026 15:14:17 GMT+1)

Richard Mugglestone
Secretary
29th September 2026

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 2026

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.



Liam Preston (Sep 29, 2026 14:44:11 GMT+1)

Liam Preston
Board member
29th September 2026

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF INTERNAL CONTROLS ASSURANCE

For the year ended 31 March 2026

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 2025/26, 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

Liam Preston (Sep 29, 2026 14:44:11 GMT+1)

Liam Preston
Board member
29th September 2026

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

For the year ended 31 March 2026

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of the Association's surplus and the Association's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

We have audited the financial statements of Warwickshire Rural Housing Association ("the Association") for the year ended 31 March 2026 which comprise of the following:

- Association Statement of Comprehensive Income
- Association Statement of Financial Position
- Association Statement of Changes in Reserves
- Association Statement of Cashflows
- Notes 1 to 23 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 members' 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Association's ability to continue as a going concern.

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

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 and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 responsibilities in respect of the board report and the financial statements, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Association and management.
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.

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 available 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 and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
BDO LLP
2F0712164E124B0...
BDO LLP
Statutory Auditor
Birmingham, UK
Date:30 September 2026

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 2026

	Note	2026 £	2025 £
Turnover	3	3,841,700	3,574,061
Cost of sales	3	(149,523)	-
Operating costs	3	(2,451,101)	(2,403,257)
Gain on disposal of tangible fixed assets	8	-	60,860
Operating surplus	3	1,241,076	1,231,664
Interest receivable and similar income	9	61,165	74,862
Interest payable and similar charges	10	(521,026)	(599,387)
Surplus for the year		781,215	707,139
Other comprehensive income			
Remeasurement of Social Housing Pension Scheme	20	(1,004)	25,836
Total comprehensive income for the year		780,211	732,975

Turnover is derived from continuing activities.

The notes on pages 20 to 37 form part of these financial statements.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Tangible fixed assets			
Housing properties	12	43,861,748	43,946,983
Net book value tangible fixed assets		43,861,748	43,946,983
Current assets			
Properties for sale and work in progress	12	-	-
Trade and other debtors	13	203,815	214,426
Cash and cash equivalents		1,856,743	1,652,972
Total current assets		2,060,558	1,867,398
Creditors: amounts falling due within one year	14	(1,125,171)	(11,560,594)
Net current assets/ (liabilities)		935,387	(9,693,196)
Creditors: amounts falling due after one year	15	(30,712,059)	(20,904,357)
Provision for liabilities			
Pension liability	20	(80,223)	(124,788)
Net assets		14,004,853	13,224,642
Capital and reserves			
Called up share capital	21	18	18
Revenue reserves		14,004,835	13,224,624
Total funds		14,004,853	13,224,642

The notes on pages 20 to 37 form part of these financial statements.

These financial statements were approved by the Board of directors on 16 September 2026 and were signed on 29th September 2026 on its behalf by:

Liam Preston — Board Member



Liam Preston (Sep 29, 2026 14:44:11 GMT+1)

Hannah Kavanagh — Board Member



Richard Mugglestone — Secretary



Richard Mugglestone (Sep 29, 2026 15:14:17 GMT+1)

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

	Called up share capital	Revenue reserve	Total equity
	£	£	£
Balance at 1 April 2025	18	13,224,624	13,224,642
Total comprehensive income for the period			
Surplus for the year	-	781,215	781,215
Remeasurement of Pension Schemes	-	(1,004)	(1,004)
Balance at 31 March 2026	18	14,004,835	14,004,853

	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

The notes on pages 20 to 37 form part of these financial statements.

WARWICKSHIRE RURAL HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Cashflows from operating activities			
Surplus for the year	3	781,215	707,139
Adjustments for non-cash items:			
Deferred government grants amortisation	18	(179,574)	(170,984)
Depreciation of tangible fixed assets	12	722,173	686,673
Impairment of tangible fixed assets	15	-	-
Pensions costs less contributions payable	20	(45,569)	(56,973)
Surplus on sale of fixed assets		-	(60,860)
Interest receivable		(61,165)	(74,862)
Interest payable		521,025	599,387
Decrease in stock		-	-
Decrease/ (increase) in trade & other debtors		10,613	33,703
(Decrease)/ increase in trade and other creditors		(2,656)	(645,769)
Net cash from operating activities		**1,746,062**	**1,017,454**
Cashflows from investing activities			
Acquisition of tangible fixed assets		(736,024)	(1,499,490)
Capitalised development expenditure		(48,431)	(46,102)
Proceeds from sale of fixed assets		147,517	131,004
Proceeds from receipt of government grants		77,413	315,472
Interest received		61,165	74,862
Net cash used in investing activities		**(498,360)**	**(1,024,254)**
Cashflow from financing activities			
Interest paid		(544,521)	(609,579)
Loan amortisation charges	10	14,044	14,021
Repayment of borrowings		(513,454)	(481,163)
Net cash used in financing activities		**(1,043,931)**	**(1,076,721)**
Net change in cash and cash equivalents		**203,771**	**(1,083,521)**
Cash and cash equivalents at start of period		1,652,972	2,736,493
Cash and cash equivalents at end of period		**1,856,743**	**1,652,972**

The notes on pages 20 to 37 form part of these financial statements.

1 LEGAL STATUS

Warwickshire Rural Housing Association Ltd (WRHA) is incorporated under the Co-operative and Community Benefit Society Act 2014. The company registration number is IP26636R and it is a Public Benefit Entity. It is registered with The Regulator of Social Housing (registration number L3881). Its principal place of business is Memorial House, Stenson Road, Coalville, LE67 4JP.

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 financial statements are prepared on an historical cost basis.

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

Going Concern

The financial statements have been prepared on a going concern basis which the Board 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 reviewed in February 2026 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 to use five main types of sensitivity testing 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 2026/27 and the Group's medium term financial position as detailed in the business plan, is of the opinion that, taking account of severe but plausible downsides, the Association have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- 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 to take account of potential future reductions in rents;

2 PRINCIPAL ACCOUNTING POLICIES (continued)

The Association's 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 to be in compliance with its debt covenants even in severe but plausible downside scenarios.

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.

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.

Cost of sales

Cost of sales represents the directly attributable costs of products or services sold, namely First Tranche Shared Ownership Sales, Development Contract costs and Gardening Services costs. Where costs cannot be directly attributed then they are apportioned on an appropriate basis.

Operating Costs

Operating costs represent the costs and overheads associated with delivering the services rendered and in the general running of the business.

Interest receivable and Interest payable

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

Interest payable and similar charges include interest payable.

Borrowing costs that are 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 interest payable are recognised in the statement of comprehensive income as they accrue.

Taxation

The Association is generally exempt from Corporation Tax on income and gains to the extent that these are derived from the Association's charitable activities. The tax expense in the year relates to non-exempt activities in the Association.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

Pensions - Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Association's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Association determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Association's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Association recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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.

The Pensions Trust Social Housing Pension Scheme

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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
New Build Structures	100-150
Roofs	50
Bathrooms	30
Windows and doors	20
Kitchens	20
Heating Systems	15
Other components	30

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

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.

Impairment of Fixed Assets

The Association's internal controls are designed to identify where impairment triggers for reduction in the value of housing properties and other tangible fixed assets 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 group, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

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.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

Loan and 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.

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.

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.

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; and
- Obsolescence.

No triggers for impairment have been identified.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

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 and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

	Turnover	Cost of Sales	Operating costs	Operating surplus	Turnover	Cost of Sales	Operating costs	Operating surplus
		2026				2025		
		£				£		
3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS								
Social housing lettings								
General needs	3,472,490	-	(2,363,368)	1,109,122	3,367,398	-	(2,320,092)	1,047,306
Low cost home ownership	153,635	-	(87,733)	65,902	150,099	-	(83,165)	66,934
	3,626,125	-	(2,451,101)	1,175,024	3,517,497	-	(2,403,257)	1,114,240
Other social housing activities								
First tranche shared ownership sales	159,000	(149,523)	-	9,477	-	-	-	-
Other	56,575	-	-	56,575	56,564	-	-	56,564
	215,575	(149,523)	-	66,052	56,564	-	-	56,564
Total social housing	3,841,700	(149,523)	(2,451,101)	1,241,076	3,574,061	-	(2,403,257)	1,170,804
Gain on disposal of tangible fixed assets				-				60,860
Operating surplus				**1,241,076**				**1,231,664**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

	General Needs	Low cost home ownership	2026 Total	2025 Total
	£	£	£	£
3 SOCIAL HOUSING LETTINGS				
Rent receivable net of identifiable service charges	3,180,450	112,435	3,292,885	3,203,466
Service charges receivable	131,340	22,326	153,666	142,441
Net rents receivable	**3,311,790**	**134,761**	**3,446,551**	**3,345,907**
Amortised government grant	160,700	18,874	179,574	170,984
Other	-	-	-	606
Total income from lettings	**3,472,490**	**153,635**	**3,626,125**	**3,517,497**
Expenditure on lettings activities:				
Management	843,625	37,325	880,950	858,497
Service charge costs	157,926	17,171	175,097	138,520
Routine maintenance	499,004	3,630	502,634	515,732
Planned maintenance	173,866	50	173,916	192,717
Major repairs expenditure	(618)	-	(618)	1,200
Bad debts	(3,052)	2	(3,050)	9,918
Depreciation of housing properties	692,617	29,555	722,172	686,673
Total expenditure on lettings	**2,363,368**	**87,733**	**2,451,101**	**2,403,257**
Operating surplus on lettings	**1,109,122**	**65,902**	**1,175,024**	**1,114,240**
Void losses	17,889	722	18,611	23,369

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

	2025 Number	2026 Number
4 HOUSING STOCK		
Social housing accommodation		
General needs rented	433	433
Affordable rented	59	59
Low cost home ownership	101	101
Total social housing managed	593	593
Non-social housing managed		
Freehold	1	1
Total non-social housing managed	1	1
Total housing stock	**594**	**594**

	2026 £	2025 £
5 EXPENSES AND AUDITORS' REMUNERATION		
Included in surplus are the following:		
Depreciation of housing properties	722,173	686,673
Gain on disposal of tangible fixed assets	-	60,860
Auditor's remuneration:		
Audit of these financial statements	15,525	15,000

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:

	2026 Number	2025 Number
Office staff	10	9
	10	9

	2026 £	2025 £
Recharges from MRHA under the above contract during the year were as follows:		
Staff costs	537,630	522,933
Finance processing/accounting costs	153,388	140,583
Other recharges	71,669	81,611
	762,687	745,128

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
	£	£
7 BOARD MEMBERS		
£nil remuneration was payable to members of the Board of Management during the period (2025: £nil)		
The number of people serving on the Board during the year was 10 (2025: 9)		
Total expenses reimbursed to the committee members	**733**	**-**
8 SURPLUS ON DISPOSAL OF FIXED ASSETS		
Disposal proceeds	-	134,500
Grant abated	-	-
Cost of disposals	-	(73,640)
	-	60,860
The above numbers include the following for shared ownership staircasing;		
Disposal proceeds	-	134,500
Grant abated	-	-
Cost of disposals	-	(73,640)
	-	60,860
9 INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest receivable	61,165	74,862
10 INTEREST PAYABLE AND SIMILAR CHARGES		
Loan interest	528,841	584,846
Amortisation of loan fees	14,044	14,021
FRS102 adjustment	(23,954)	(1,720)
Recycled capital grant fund	2,095	2,240
	521,026	599,387
11 TAXATION		
No liability to taxation arises on the Association in the current year.		

12 TANGIBLE FIXED ASSETS

	Housing properties			
	Under construction	Social housing letting	Low cost home ownership	Total housing properties
Cost	£	£	£	£
1 April 2025	62,286	47,401,613	3,610,125	51,074,024
Additions	(357)	-	-	(357)
Replacement components	5,685	779,127	-	784,812
Transfer of sale properties to stock	-	-	(148,902)	(148,902)
Disposals	-	(106,573)	-	(106,573)
31 March 2026	67,614	48,074,167	3,461,223	51,603,004
Accumulated depreciation				
1 April 2025	1	6,667,549	459,491	7,127,041
Provision in the year	-	692,618	29,555	722,173
Transfer of sale properties to stock	-	-	(1,385)	(1,385)
Eliminated on disposal	(1)	(106,572)	-	(106,573)
31 March 2026	-	7,253,595	487,661	7,741,256
Net book value				
31 March 2026	67,614	40,820,572	2,973,562	43,861,748
31 March 2025	62,285	40,734,064	3,150,634	43,946,983

	2026	2025
	£	£
Additions to housing properties incudes:		
Direct administration costs	48,431	46,102

There were no other fixed assets held under finance lease at the year-end (2025: £nil).

The Association had property with a net book value of £21,649k pledged as security at 31 March 2026 (2025: £20,658k).

	2026	2025
	£	£
13 TRADE AND OTHER DEBTORS		
Current tenant arrears	56,714	37,686
Less provision for bad and doubtful debts	(2,905)	(15,145)
Former tenant arrears	482	1,296
Less provision for bad and doubtful debts	(482)	(1,296)
Prepayments and accrued income	148,129	191,885
Other debtors	1,877	-
Total debtors	203,815	214,426
Due within one year	203,815	214,426
	203,815	214,426

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Loans and overdrafts (see note 16)	530,232	10,947,621
Trade creditors	183,953	220,630
Rent received in advance	150,448	128,036
Accruals and deferred income	88,085	77,542
Deferred government grants (see note 18)	172,453	186,195
Other creditors	-	570
	1,125,171	11,560,594

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Loans and overdrafts (see note 16)	9,894,025	-
Deferred government grants (see note 18)	20,764,117	20,852,534
Recycled capital grant fund (see note 19)	53,917	51,823
	30,712,059	20,904,357

	2026	2025
	£	£
16 LOANS		
Bank loans	9,744,446	10,174,080
Building Societies	679,811	773,541
	10,424,257	10,947,621

All loans are in Sterling and are secured by fixed charges on individual properties.

Loans have various fixed and variable rates of interest ranging between 1.3% (2025: 1.3%) and 7.5% (2025: 7.5%). The maturity of fixed rate interest arrangements does not necessarily lead to a requirement to repay the debt. Interest is payable on differing terms varying between monthly, quarterly and annually.

Loans are repayable as follows:		
In one year or less	530,232	10,947,621
Between one and two years	544,552	-
Between two and five years	1,765,162	-
In more than five years	7,584,311	-
	10,424,257	10,947,621

The loan valuations above include a decrease of £396,307 (2025: decrease £420,262) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

	At 1 April 2025	Cash flows	Other non-cash changes	At 31 March 2026
	£	£	£	£
17 ANALYSIS OF CHANGES IN NET DEBT				
Cash and cash equivalents	1,652,972	203,771	-	1,856,743
Borrowings				
Debt due within one year	(10,947,621)	499,480	9,917,909	(530,232)
Debt due after one year	-	13,974	(9,907,999)	(9,894,025)
	(10,947,621)	513,454	9,910	(10,424,257)
Total Net Debt	(9,294,649)	717,225	9,910	(8,567,514)

18 DEFERRED GOVERNMENT GRANTS

	Social housing grant	Other government grant	Total
	£	£	£
At 1 April 2025	17,600,187	3,438,542	21,038,729
Received in the year	-	77,415	77,415
Released to income in the year	(142,858)	(36,716)	(179,574)
Disposed in the year	-	-	-
At 31 March 2026	17,457,329	3,479,241	20,936,570
Deferred government grant to be released within one year	144,953	27,500	172,453
Deferred government grant to be released in more than one year	17,312,376	3,451,741	20,764,117

19 RECYCLED CAPITAL GRANT

	Recycled capital grant fund
	£
At 1 April 2025	51,823
Utilised during the year	-
Interest credited to the fund	2,094
Transferred to fund during the year	-
At 31 March 2026	53,917

20 EMPLOYEE BENEFITS

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 are declared in th 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 entit The Association recognises its share of the full pension deficit arising under the plan that is payable to MF

Summary of the movement on pension scheme liabilities

	2026	2025
	£	£
Net liability as at 1 April	124,788	207,597
Contributions paid	(45,569)	(56,973)
Change in Liability (charged to SOCI)	1,004	(25,836)
Net liability as at 31 March	80,223	124,788

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the company’s fair share of the Scheme’s total assets to calculate the company’s net deficit or surplus.

The Pensions Trust (TPT) is involved in a current court case regarding the administration of its defined benefit pension schemes, including the Social Housing Pension Scheme (SHPS). Following a benefits review, TPT are asking the court to determine if changes made to the scheme rules in the past were in accordance with the trust deed and rules, and if not, whether certain amendments are invalid. If the court determines that historic amendments have resulted in amendments that are invalid this could result in increased pension liabilities. The court hearing finished on 28 March 2025, no ruling has yet been given nor is expected until late 2026.

The estimated impact on Warwickshire Rural Housing Association Limited if these pension changes are ruled not to have been valid is up to £38,000.

20 EMPLOYEE BENEFITS (continued)

This estimate is based on the current investment strategy and applicable valuation assumptions used for the purpose of the scheme triennial review. The potential impact on the FRS 102 defined benefit pension obligation is not expected to be materially different from this estimate. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed and a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years.

Following the ruling in another pensions legal case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors), the Trustee was advised that further clarification should be obtained in the Trustee's own court application on several points arising from the judgment. As a result, the Trustee has stated it will not be in a position to assess the extent of the changes (if any) which are required as a result of the Virgin Media judgment until it receives answers to the questions it is asking in its court application. These matters were considered by the High Court in the same hearing that closed on 28 March 2025. No ruling has yet been given. Subsequent to the hearing, the government has stated that it intends to legislate to allow pension schemes to retrospectively obtain actuarial confirmation under section 37 of the Pension Schemes Act 1993. While the legislation has not yet been laid, it is expected that once the new regulations are effective, they will significantly mitigate any risk of additional liabilities on these matters should there be an adverse ruling. At this time, no estimate has been made of the additional liabilities that may have arisen in the event of an adverse ruling by the High Court.

Management have considered all information available to them in respect of the ongoing court case. This includes discussions with the scheme's actuary, information provided by TPT and known information relating to the complexity of the case. Taking all this information together management have concluded that the best estimate of benefits payable used in measuring the defined benefit pension obligation recognised in these financial statements should not include an estimate for any additional liabilities that may arise if the high court makes an adverse ruling.

	2026	2025
	£	£
21 SHARE CAPITAL		
Share capital		
Allotted, issued and fully paid at 1 April and 31 March	18	18

At 31 March 2026, the Association had 18 ordinary shares (2025: 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 contracted for but has not been provided for in the financial statements	-	-
Sources of Funding		
Social Housing Grants	-	-
Other Government Grants	-	-
Existing Loan Facilities	-	-
New Loan Facilities	-	-
Capital expenditure that has been authorised by the Board of Management but has yet been contracted for	10,963,500	11,077,499
Sources of Funding		
Social Housing Grants	4,668,400	3,723,400
Other Government Grants	2,188,000	2,188,000
Existing Loan Facilities	-	-
New Loan Facilities	4,107,100	5,166,099

23 RELATED PARTIES

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.