Co-operative & Community Benefit Society
Registered Number: 18925R

Regulator of Social Housing
Registered Number: L2188

Harrogate Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2026

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Harrogate Housing Association Limited
Board of Management, Registered Office and Advisers
For the year ended 31 March 2026

Chairperson:	Ms Claire Stone	
Board of Management:	Ms Joanna Chambers	
	Ms Megan Henderson	Retired 24 September 2025
	Ms Liz Jones	
	Mr Ilyas Lunat	Resigned 25 March 2026
	Ms Carmen McCormack	
	Ms Susan Missin	Appointed 14 May 2025
	Mr David Smith	Chair of Audit, Risk and Governance Committee
	Ms Joanne Watson	Retired 24 September 2025
	Mr Stuart Whyte	Chair of Remuneration Committee
	Ms Kirsty Withers	Appointed 14 May 2025
Shadow Board Members:	Mr Liam Preston	Appointed 14 May 2025
Officers:	Mr Steven Brook (Chief Executive and Secretary)	

Registered Office:
10 High Street
Harrogate
North Yorkshire
HG2 7HY

Registered Number:
Co-operative & Community Benefit Society 18925R
Regulator of Social Housing (RSH) L2188

External Auditors:
Menzies LLP
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Bankers:

Virgin Money
21 James Street
Harrogate
North Yorkshire
HG1 1QU

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Handelsbanken
Large Corporates North
101 Barbirolli Square
Manchester
M2 3BG

Funders:

Triodos Bank UK Limited
Deanery Road
Bristol
BS1 5AS

THFC
3rd Floor
17 St. Swithins Lane
London
EC4N 8AL

GB Social Housing
Future Business Centre
Cambridge
CB4 2HY

I continue to be impressed by how the Association listens and then acts. For a number of years people occupying our properties were called customers but by listening we found out they would prefer to be called resident with tenant being a close second. We are now amending documents to reflect this change and getting used to the new terminology, but it will take some time. We also listened to residents when they joined the Board and staff at our annual strategy day in September. Residents told us that our values of being local, approachable and customer-focussed were very important to them, so much so that ensuring the Association upholds them in everything it does is now our first strategic objective. Maintaining a visible, local presence in our neighbourhoods, especially Starbeck, is a key deliverable of that strategy. We have exciting plans to strengthen that connection with a move to new, larger, Starbeck based offices, in the near future.

Providing more affordable homes remains a key strategic objective and last year saw the Association add a further 14 to its numbers. This represents a growth rate of more than 5% in the year which is significant and much higher than the majority of housing associations. With a further 114 new homes in the pipeline the Association will continue to deliver against this objective. Some of our recent additions are shown below.

The Board though remains mindful the Association needs to deliver on its first strategic objective and will not let growth detract it from delivering on its local, approachable and customer-focussed requirements. In delivering the latter the Association continues to focus on delivering an excellent, responsive repairs service, enhanced kitchen and bathroom upgrades on replacement and improving the condition of void properties when relet. The Association has also supported residents who are struggling with the cost of living by providing some of life’s essentials through its Helping Hand Fund. In the summer 2026 satisfaction survey 98% of residents who took part felt the Association and its staff delivered on its local, approachable and customer-focussed values – a significant achievement.

Residents also told us that being able to build and maintain long term relationships with the same staff was important. This can only be achieved by ensuring the staff team remain engaged and happy working for the Association. We have listened to the team and are looking at what we can do to make things even better for them.

The sector, and therefore the Association, continues to be subject to a growing volume of regulation. This includes the expansion of Awaabs Law to cover other health and safety issues as well as damp and mould, a new decent homes standard, the introduction of a new energy efficiency requirement as well as the Competency and Conduct Standard and STAIRs (Social Tenants Access to Information Requirements). Getting to grips with these changes provides challenges for small associations with limited specialist resources. The investment in expanding the team over the last few years to have a qualified surveyor on board is helping us keep up with the changes as is an investment in a new IT system to better record the information we hold on our properties. Accurate data is only part of the picture. Knowing our residents is a large part of the Association’s ethos – they are not just names and numbers on a system. In 2025/2026 the team visited 148 existing residents in their homes to have a conversation about them, their needs and aspirations. This means we know our residents which for me is a real strength and what attracted me initially to the Board. This is something we will continue to do and clearly builds on our values and strategy.

Our repairs surveyor worked hard during the summer of 2025 to deal with underlying issues resulting in damp and mould problems for our residents. This meant we were well placed when the new requirements were introduced in October 2025 and it is pleasing to note the number of cases reported has been very low, especially as we have a high number of old terraced properties. This work will continue as will our investment in energy efficiency measures to improve the thermal efficiency of our properties. We are currently undertaking room in roof internal wall insulation which is providing real benefits to residents. I would urge residents to let this work take place – it provides real benefits.

I would like to use this opportunity to welcome the residents of Harrogate Flower Fund Homes to the Association. They will be joining us in the autumn after a transfer of engagement. As we have been their Managing Agent for over 20 years they should not see a change in the services they receive. I am looking forward to working with them.

And finally, after 12 years, Steven Brook our Chief Executive has decided its time to retire. He will be around though for another year or so, enabling him to complete next years accounts, but also giving us plenty of time to recruit a replacement with ideally the same set of skills. That process is well underway. We will keep key stakeholders, including residents, updated on progress. Since joining the Association back in 2014 Steven has built a financially strong, expanding association with a high performing team. Resident satisfaction is high (the survey just completed has increased it from 80% to 91%) and operational performance, especially on repairs, a key resident service, is also strong. The Association is in a positive place to prosper under new leadership. I would like to take this opportunity, personally and on behalf of the Board, to thank Steven for all his hard work over the years and wish him well for the future. Success also relies on having a great team of staff and fellow Board members to whom I also express my thanks.

I am also sad to announce that I am standing down as Chair and from the Board at the Annual General Meeting. This is due to a change in my caring responsibilities and a need to spend more time supporting my family. Being part of Harrogate Housing Association has been a privilege. I am proud to have played a small part in the Association's success and wish my colleagues and residents all the very best for the future. I am sure the great team, that is committed to doing the right things, will continue to deliver the services residents want as well as it can.

Claire Stone
Chair
11 September 2026

Accounts
The Board of Management presents its annual report and the audited financial statements for the year ended 31 March 2026. Applegarth Homes, an almshouse charity, became a subsidiary of the Association on 1 October 2017. The financial results of the charity are not significant and therefore consolidated accounts, incorporating those results, have not been prepared.

Principal activities
The Association is registered under the Co-operative and Community Benefit Societies Act 2014 (Registered Number 18925R) and with the Regulator of Social Housing (Registered Number L2188).

Its rules state the Association is formed for the benefit of the community and its objects shall be to carry on for the benefit of the community:

"the business of providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people".

In addition the Association is able to undertake any other charitable object that can be carried out by an association registered with the Regulator of Social Housing.

The Association remains committed to only working in the old Harrogate footprint of the new North Yorkshire unitary authority.

The Association helps people create a home near family and work by providing a growing number of quality, affordable rented and shared ownership properties following its values of being local, approachable and customer-focussed.

Involving our residents
After consultation we are now using resident and not customer to refer to those occupying our properties and living in our neighbourhoods.

The Resident Liaison Committee (RLC) are the voluntary representatives of our residents. Their involvement helps to ensure the Association delivers excellent services residents want in an efficient manner. The Committee members are involved in and contribute to the key resident focussed activities that form part of our housing management function. They hold the Association to account on its performance and how it manages complaints, delivering appropriate outcomes, as well as considering housing related policy changes.

Involving a broad range of residents in formal meetings is a challenge so we use other avenues. These include estate walkabouts (dates are published and residents invited to take part), service charge consultation meetings, an annual resident conference hosted by the RLC and a telephone survey of new residents to get an insight into the signing up process and their first impressions of their home and the Association. The main consultation vehicle though is our home reviews (a biannual one to one meeting with residents in their own homes). This face-to-face opportunity is used to get to know the resident and their families, identify any concerns or problems and provide support as required. After each visit we update the data we hold about the household and any vulnerabilities, enabling us to tailor services to the household's needs. Property condition is also captured and works fed into the repairs system. We also garner residents' views on a variety of topics to help ensure our services remain on track and are what residents want.

Residents also joined the Board and staff at the annual strategic away day. They were instrumental in setting the new four, key strategic objectives of the Association which are noted later in this report. The Board would like to thank those residents who gave up their time to assist them in this key area.

A satisfaction survey is undertaken every two years with the most recent one being done over summer 2026. All rental residents were invited to take part with 54% choosing to do so. The results on the tenant satisfaction measures required by the Regulator are shown below.

Tenancy satisfaction measures	HHA results 2026	HHA results 2024	2026 Landlord median (Acuity)	Tenancy satisfaction measures	HHA results 2026	HHA results 2024	2026 Landlord median (Acuity)
Overall satisfaction	**91%**	80%	82%	Positive contribution to neighbourhood	**82%**	67%	71%
Well maintained home	**88%**	78%	84%	Dealing with anti-social behaviour	**75%**	71%	66%
Safe Home	**92%**	84%	87%	Listens and Acts	**83%**	70%	72%
Repairs satisfaction – last 12 months	**81%**	80%	86%	Keeps you informed	**91%**	70%	80%
Satisfaction with time taken for last repair	**84%**	79%	83%	Treats you fairly and with respect	**89%**	82%	84%
Communal areas are clean and well maintained	**80%**	78%	78%	Complaints handling	**58%**	52%	48%

There has been improvement across all measures since the last survey with the Association also performing well against other associations as shown by the comparison to the median score of surveys undertaken in 2026 for landlords with less than 1,000 homes. The areas targeted for action after the last survey in 2024 - listens and acts, keeps you informed and treats you fairly and with respect - have all seen significant improvements. The Board would like to thank those residents who helped us to deliver these positive changes. The Association is already working on a plan to maintain and improve satisfaction even further.

Supporting our community

The Association continues to work with the Positive Footprints Network in supporting the delivery of the "Raising Aspirations Project" for children and young people in local primary schools. The project enables primary school children to "discover their potential in the world of work". It aims to raise the children's aspirations for their future and shows them how they can develop employability skills which will help them overcome barriers and build their resilience. The Association has funded the project in two schools in the Starbeck area, a key area of concentration for its homes. This project is supported by staff getting involved in events, such as the Careers Carousel where local businesses talk to pupils about their careers and what their roles involve which enables pupils to learn about different opportunities. The project will have a long term positive impact on the lives and aspirations of those children who engage with it. The project costs £1,000 per school per year and is delivered primarily by teachers. By providing the funding for these schools to deliver the programme, the Association is investing in the workforce of the future and delivering corporate, social responsibility. The Board review the outcomes and success of the project each year prior to determining if the programme should be renewed.

Like many associations we help residents by providing some of the life essentials they need but can not readily afford. During the year we have provided support to 43 households which has included buying beds, furniture and new cookers, as well as repairs to white goods, waste item removals, energy costs contributions and food. Christmas food hampers were also provided again this year. Residents have been very appreciative of our support. Our Helping Hand Fund remains available for those who need it.

The Association also provided financial support to the Community Hub in Starbeck to enable the provision of a "pay as much as you can afford" warm lunch initiative over the winter months and the establishment of a food bank. The Hub is located close to many of the Association's properties and a number of residents attend on a regular basis.

Environmental sustainability statement

The Association is committed to protecting and supporting Harrogate's environment and quality of life objectives. It aims to reduce the impact it has on the local environment resulting from its business activities. As part of this it manages its activities in the workplace in various ways including:

- Reducing its energy consumption by using digital LED fittings
- Electric supplied from sustainable sources
- Lower temperatures for central heating and using TRVs on radiators
- Reducing paper waste by providing electronic board papers, electronic works orders and scanning and sending documents electronically. Printing off is monitored to ensure that unnecessary printing is eliminated
- Recycling cardboard and plastic from the office including toner cartridges
- Limiting our carbon footprint by walking to local properties, sharing cars, using trains to external meetings and supporting working from home, use of Teams and conference calls where appropriate

- Bulk ordering supplies to minimise transport of goods
- Using local contractors to avoid long journeys
- E mailing and texting residents using the housing administration system instead of sending letters
- E mailing newsletters to residents, although evidence suggests this approach is less effective than a hard copy in the post.

For our homes the Association provides:
- Energy efficient new build properties with an EPC rating of B or above with a number of properties fitted with solar panels and air source heat pumps
- Increasing the number of air source heat pumps being installed in new build properties to improve efficiency
- Increased investment for properties to reach EPC C by 2028, two years ahead of the Government target. This includes an EPC review of all void properties with action taken to improve the rating to a C. Works undertaken include room in roof insulation, underfloor insulation, fitting draught excluders on doors and other energy saving measures. As at the year end 52 properties have an EPC below C, down from 63 last year end
- Improved thermal efficiency by providing properties with cavity wall and loft insulation, upgrading boilers to A* rated combination boilers and all properties being fully double glazed, triple glazing is now undertaken on window replacements
- Improved energy efficiency in our homes by providing LED light fittings and energy efficient light bulbs where possible
- Communal electricity supplied from sustainable sources.

The Association will aim to ensure full compliance with all relevant environmental legislation and continually improve its approach, striving towards best practice in all its business activities. This will include the direct impacts the business has on the environment and will also consider indirect impacts and areas where we can exert influence to stimulate sustainable development. The Association will seek to educate and facilitate good environmental practice in partners, suppliers and stakeholders as well as the many residents and individuals that make use of its services.

Results
The results for the year are set out in the accounts on pages 19 to 44.

Review of activities and performance for the year
The Association has had a successful year, both financially, as shown by the results in the accounts, and operationally where rent collection was at 100.3% for the year, average relet time on voids was 7 days, 100% of emergency jobs and 98% of non emergency jobs (allowing for resident choice of timing) completed on time. The average repair time for a job was just over 10 days with residents satisfaction with repairs on a call back at 99%.

This success would not be possible without the hard work and dedication of the staff team. The Board are grateful for their continued commitment to our residents and the Association. Without them and their positive approach the Association would not perform as well as it does.

Growth has continued to be a key activity for the Association. By adding more homes to our property portfolio and costs not growing in the same proportion generates value for money and positive financial performance. 14 new properties were completed and handed over towards the end of the year across two schemes. By growing the Association by more than 5% the Association is playing its part to address the housing crisis. The majority of the properties were let on the day of handover. These are high energy efficient homes let to nominations from the Council, many of which were classed as homeless. With growth primarily coming from S106 opportunities the Association has worked with North Yorkshire Council and the York and North Yorkshire Housing Partnership to maintain access to this key supply route.

Costs overall have been maintained well within budget levels. The Repairs Surveyor recruited in the last financial year is managing the repairs service and contractors more closely than previously and has built up a good spread of local tradespeople that the Association uses. His expertise and oversight ensures the right, and only appropriate work is undertaken, thus better controlling costs. His skills have also been used to better manage the planned works and he has dealt with the root cause of problems associated with damp. In addition he expanded the painting programme to improve the visible appearance of our neighbourhoods. This was positively received by the residents.

The Association continued to improve the energy efficiency of its older properties. Following the cancellation of the external wall insulation programme last year due to planning issues a programme of room in roof insulation works commenced. These works will continue over the next few years as we aim for EPC C compliance across all our homes by 31 March 2028. 13 properties were improved to EPC C during the year with 52 still to upgrade as at the year end. This work responds directly to residents concern about energy costs and the cost of living crisis.

Other major activities in the year included:

- Continued investment in the redevelopment of Applegarth Homes which has not been straight forward. We responded to the requests of the planning department in a positive manner. Planning permission has been received post year end to develop the site and increase the number of apartments from 10 to 20
- Actively being part of the York and North Yorkshire Housing Partnership. This included developing an affordable housing specification which has been adopted by the majority of associations working in that area as well as the two local authorities. Being actively involved in the partnership is key to ensuring the continued growth of the Association
- Developing and enhancing how stock condition survey information is held to enable better planning of works in the future and their financial impact. This remains a work in progress
- The development of a new corporate strategy with residents.

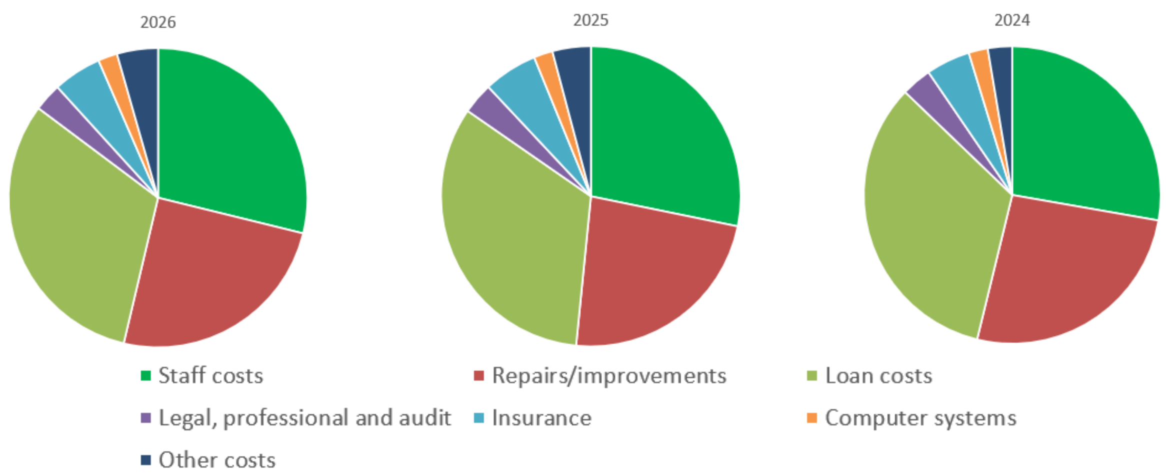
The new corporate strategy, based on what residents told us were important to them, has four strands:

- To uphold our values of local, approachable and customer-focussed
- To maintain/improve staff satisfaction and retention
- To continue to provide more affordable homes
- To develop a technology and data strategy.

Residents told us being present in their neighbourhoods, dealing with the same people and knowing there is someone nearby if they experience problems were key things they wanted from their landlord. Being part of the community with a local office is paramount to the delivery of what residents want.

All the activities of the Association, including property acquisitions, have been undertaken using cash reserves. There remains a significant amount of cash available but this has reduced. The new facility obtained in 2024 is sufficient to meet the costs of all properties in the development pipeline and the cost to redevelop Applegarth Homes. The facility also leaves further capacity for growth. All loan covenants have been met.

As can be seen below the Association's three main areas of spend are staff, repairs and interest. Each is important to the Association in different ways. Staff deliver services to residents and manage the Association, repairs are the most important service to residents and interest is on loans obtained to purchase properties which enables more homes to be provided. The charts show little variation between years. Staff costs have grown slightly as a proportion due to the recruitment of the Repairs Surveyor in September 2024 and repairs have increased as we invest in energy efficiency works.



Future activities
Looking ahead the Association will focus its resources on delivering the Applegarth redevelopment, increasing its engagement and community activities from an accessible office base in Harrogate, increase its property numbers through the existing development pipeline, develop an IT strategy focussed on what residents want and supporting the York and North Yorkshire Housing Partnership. The year will also see the Association undertake its bi-annual Satisfaction Survey, a key method of assessing whether the Association is delivering to the expectations of its residents. This has been completed with the outcomes included earlier in this report.

The Association is also committed to delivering the business as usual activities of a high performing repairs service and replacing those building components identified as being required. Energy efficiency works using the £250,000 budget allocated to this activity and Home reviews, the bi annual visits to residents in their home, will continue and we aim to have surveyed all our properties during the year.

The Association will also continue to meet its health and safety obligations and report compliance with the Associations gas, electric, asbestos and fire safety obligations in line with the requirements of the Regulator. The Association does not have any passenger lifts or high rise blocks. With no sheltered or older peoples accommodation legionella obligations are in relation to empty properties where the Association will undertake the necessary checks. The compliance with the above are reported to Board on a quarterly basis.

With feedback from residents a new standard for our empty homes available to let has been developed for implementation in the coming year. To deliver the new standard the Association has increased its void budget from £10,000 to £60,000. Spend will be monitored closely to ensure the standard is achievable within the allocated amount. This new void standard, together with the finish on the recent acquisitions, has resulted in an improved specification going forward on kitchen renewals which will now all contain a fitted electric oven and hob. The Association wants to ensure it lets homes it is proud of.

The Association has managed a 33 home housing association, Harrogate Flower Fund Homes (HFFH), since 2005. The Board of HFFH have decided to merge, through a transfer of engagements, with the Association. The service received by residents will not change, it’s the same one currently being delivered. HFFH is surplus generating so the merger will strengthen the finances of the Association but also generate efficiencies as some costs will no longer be incurred, eg the annual audit fee for HFFH, and senior management time will be released as there will no longer be the need to service the Board of HFFH. The transfer is due to take place this autumn and work to obtain all the necessary approvals to make it happen has been completed and filed with the Financial Conduct Authority for confirmation.

The Association can only successfully deliver on these activities with suitably qualified and engaged staff. The Association will continue to invest in its employees through training and development with CIH training available to all. Employees also attend targeted, role specific courses and have access to funded general personal development opportunities.

Cash reserves
The aim of the Association is to hold limited cash reserves with cash flow managed via a surplus generated on its housing activities and loan facilities. The long term additional funding obtained from The Housing Finance Corporation (THFC) in 2019 and other subsequent property disposals has resulted in significant cash reserves being held at the year end. These cash reserves will be used to fund the development activities and energy efficiency works noted above. The Board approved the drawdown from THFC recognising the growth of the Association, supported by long term financing, outweighed the cost of carry of the debt until development schemes were realised, however, these have been delayed by the pandemic. The Board have also confirmed that no capital project can be contracted until adequate funding has been secured which is facilitated by the above approach. It is worth noting that during the year more interest has been received on the funds on deposit than was paid on the underlying loans due to the increase in interest rates. This is an anomaly and the Association does not speculate on the market.

Creditor payment terms
Invoices received by the Association by the 7th calendar day of a month are paid on the last working day of that month where there are no issues with the work undertaken and no other payment terms have been agreed with the supplier.

Fixed assets
The changes in fixed assets during the year are set out in notes 12 and 13 of the accounts.

Political and charitable donations

During the year the Association made no political donations. A donation of £1,000 was made to the community hub in Starbeck to provide warm lunches during the winter months and establish a food bank. The hub is in the heart of our properties and was used by a number of residents.

Value for money

The Association's definition of Value for Money (VFM) is simple: to deliver our social objectives in the most cost-effective way possible by:

- Providing an increasing number of quality homes at affordable rents for residents
- Providing the services residents want, cost effectively, efficiently and to the standards they expect
- Contributing to improving the physical and social sustainability of the areas in which it works

whilst upholding our values of being local, approachable and customer-focussed.

The Association recognises that it needs to constantly look at how it delivers its core services to ensure they are cost effective and efficient, monitor the satisfaction of residents in relation to those services, taking action where appropriate, and ensure demand for its properties remains high. This approach resulted in the improved void standard which, in the long term, should make tenancies more sustainable, thus delivering value for money.

The key strategic objective to deliver value for money centres on property growth without a corresponding increase in the costs of management. Property numbers in the year increased by 13 (14 new acquisitions less one shared ownership full staircasing). With two large development schemes on site growth at this magnitude is expected to continue over the next few years. This should improve the value for money metrics. The merger with HFFH will further improve the position.

All our assets are located within the Harrogate district, the only area in which we operate, and are in high demand.

The metrics required under the value for money standard are as follows:-

VFM Standard metrics	Target 2027**	Actual 2026	Target 2026	Actual 2025	Actual 2024	Sector median*
1 Reinvestment percentage	24.3%	11.7%	22.8%	3.4%	2.0%	7.5%
2 New supply delivered ***	5.0%	4.9%	4.2%	0.0%	2.9%	1.3%
3 Gearing	36.3%	29.0%	39.0%	24.4%	26.1%	45.5%
4 EBITDA MRI interest cover	115.4%	247.6%	(8.4%)	248.9%	283.0%	112.9%
5 Social housing costs per unit	£5,414	£3,409	£7,102	£3,193	£2,788	£5,688
6 Operating margin social housing	31.1%	46.2%	22.5%	44.9%	47.5%	20.0%
Operating margin overall	30.6%	44.9%	22.5%	43.8%	46.9%	17.4%
7 Return on capital employed	2.9%	4.3%	2.0%	4.1%	4.4%	3.0%

* - sector VFM metrics summary published by the Regulator of Social Housing on 6 March 2026 (no ability to analyse down by size or housing type)
** - these are based on the Board approved business plan. In comparison to 2026 they are impacted by the timing of stage payments on developments but units not being delivered in the year, a higher budget spend on planned maintenance and major repairs (including £250,000 on energy efficiency works) than was spent in 2026, a higher allowance for void works (£50,000 more), drawdowns on the loan facility to fund development as cash reserves will be depleted and a prudent budget
*** - all new supply delivered are social housing units. A rolling target of 60 units over a three year period is in place (equating to approximately 7% per annum)

Other metrics	**Target 2027 [a]**	**Actual 2026**	**Target 2026**	**Actual 2025**	**Actual 2024**
Overhead cost per property [b]	£2,326	£2,061	£2,220	£2,037	£1,661
Percentage of rent collected	99.5%	100.3%	99.5%	100.8%	99.2%
Voids and bad debts percentage	0.5%	0.2%	0.5%	0.4%	0.4%
Current rent arrears percentage	1.0%	1.0%	1.0%	0.9%	1.1%
Units owned (Association)	302	287	285	274	275
Total units managed	336	321	319	308	309
Resident satisfaction [c]					
Overall	85%	80%	80%	80%	85%

a - these are the stretch targets used for monitoring and management. Overall the Association is operating well within the parameters used in the business plan. Units owned do not include the HFFH properties but they are included in the total managed
b – the overhead cost per property is based on total salaries and administration overheads to enable efficiency gains through growth to be measured
c - surveys undertaken in years ended 31 March 2025 and 31 March 2023. Next survey due in year ending 31 March 2027. This survey has been completed with an overall satisfaction rating of 91% being achieved

The VFM metrics for the year and performance against the 2026 target have been impacted by:

- Development schemes overall (including assets under construction) not progressing as fast as the 2026 business plan assumed and the payment profile on a large scheme changed from a 10:30:30:30 basis to a 10:90 one. This helps cashflow but reduces the investment amount. As development is primarily S106 based the Association has no control over a developer's speed of build. Two large schemes are on site with handovers occurring at regular intervals which is reflected in metric 2. 15 new properties are anticipated in 2026/27
- Major works spend was impacted by the cancellation of the external wall insulation programme in June 2025 (as noted in last years report). The budget in the year for this programme was £800,000 with only £57,000 being spent on replacement works. The 2027 budget includes £250,000 for insulation works, primarily room in roof insulation
- Interest cover benefitted from both of the above due to a lower spend level than planned. In addition high levels of cash reserves and continued high interest rates saw a considerable return being received which further positively impacted this metric
- The metrics for 2026 were also impacted by a shared ownership full staircasing which generated a surplus of £105,558. No disposals are planned for 2027

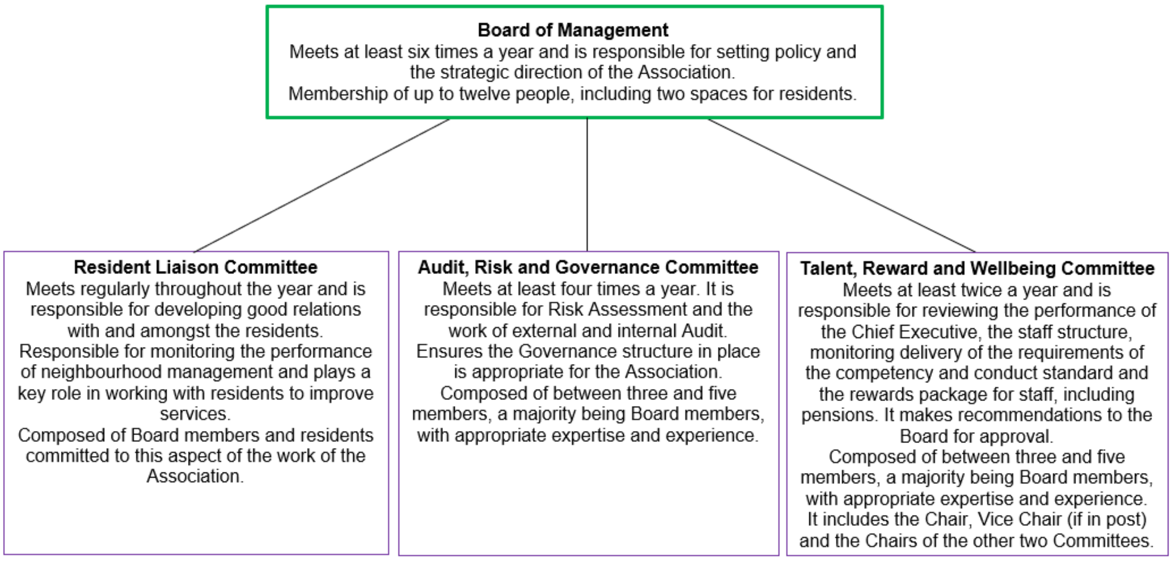
In relation to the other metrics of the Association performance remains strong. The overhead cost per unit has reduced once inflation is taken into consideration thus demonstrating the growth strategy generates value for money.

Compared to the sector overall the Association is performing well delivering a higher percentage level of reinvestment and new supply than many others with a much lower operating cost per unit. This is reflective of its new build programme. Interest cover and operating margin remain stronger than most with gearing well under the median levels. The metrics demonstrate the sound financial position of the Association.

The Association also subscribes to SPBM – the smaller providers benchmarking group run by Acuity. Comparing ourselves with other smaller associations indicates the Association is using its financial capacity to invest in both existing and new homes at a pace exceeding that of many of its compatriots. It is using its asset base to borrow and grow which in turn generates value for money as overheads are fixed. Being a purely general needs provider means it does not suffer from the problems associated with care/support contracts and their low margins meaning a healthy operating margin compared to others is being generated.

Governance

The following governance structure has been in place throughout the year and the Board have confirmed that it still meets the needs of the Association:



Details of the Board of Management and the changes during the financial year and up to the date of the approval of this report are included on page 2.

The Association follows the National Housing Federation's Code of Governance 2020. The Association complies fully with the code. The Association has also adopted the NHF Code of Conduct 2022.

The Association has adopted the National Housing Federations voluntary code for Mergers, Group Structures and Partnerships. In line with the requirements of the code the Association must report any approaches it has received and the outcome. The Association has not received any approaches during the year. Subsequent to the year end HFFH have determined they will merge with the Association. This is due to complete in the autumn.

The Group has insurance policies in place that indemnify its Board and Chief Executive against liability when acting for the Association. The policy also covers the Association when it is acting as Corporate Trustee for Applegarth Homes.

Equality, diversity and inclusion

The Association updated its Equality, Diversity and Inclusion Strategy during the year, a copy of which is available at www.hhal.org.uk. The principle targets and actions are to fully obtain the diversity information (ie the protected characteristic information as per the NHF guidance) for all its residents, including shared owners, and keep it up to date, participate in the NHF collection of data for the staff and Board, undertake staff refresher training and identify if there are any opportunities to improve services by using the resident data collected. The Association is a member of the Housing Diversity Network. Staff will be encouraged to use the information available through them to deliver services to residents.

Through direct contact with residents the Association has identified which ones want a change in how its services are delivered to meet their particular circumstances. For example we know which residents are hard of hearing and require a louder door knock. In total 93 residents have requested a service change. Staff are informed about the required change each time they access a resident record so they can react appropriately. Likewise contractors are informed when they need to undertake work at a property.

Protected characteristic information was collected as part of the bi-annual resident satisfaction survey undertaken over the 2026 summer. The sample size was too small to allow any meaningful analysis to be undertaken.

In line with the strategy property allocation information was reported to Board during the year. It confirmed no bias existed in the lettings of properties.

The Association will continue to deliver the actions and targets in its Equality, Diversity and Inclusion Strategy 2026.

Board Members and their interests
The Board Members in office during the year are listed on page 2.

Each Board Member holds one fully paid share of £1 in the Association.

Statement of the Board's responsibilities in respect of the financial statements
The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and of the income and expenditure for the period of account.

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

1. Select suitable accounting policies and then apply them consistently,
2. Make judgements and estimates that are reasonable and prudent,
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the 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 also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement on the Association's system of internal control
The Board acknowledges its overall responsibility, for establishing and maintaining the whole system of internal control and for reviewing annually its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk, and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed and is consistent with principles incorporated in the regulator's guidance.

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

Identification and evaluation of key risks
The Board reviewed its appetite for risk in September 2025 across key business areas. Overall the Board are more risk averse than risk takers, especially in relation to operational, regulatory and governance matters. They are though more open to taking risks when formulating strategy, achieving growth, developing a people strategy, with technology and information production. Any risk though must be measured.

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks in the Risk Assurance Framework which has been updated. There is a formal ongoing process of management review in each area of the Association's activities. The results continue to be reviewed by the Board on a regular basis. The Chief Executive is responsible for reporting significant risks or any changes in significant risks facing the Association to the Board within these reports. The Board formally approve a strategic risk map, which considers those risks which might prevent the Association delivering its strategic objectives.

At the strategic event the risks faced by the Association in the achievement of the strategic objectives developed at the event were identified with residents, staff and Board members involved. Their combined risks have been used to develop the current strategic objectives risk map.

The key strategic risks with additional commentary are given below:

- Upholding our values of local, approachable and customer-focussed
    - Unable to retain the personal touch
    - Service quality not maintained
    - Office not being accessible for residents
    - Staffing levels and skillsets not maintained

  The Association is investing in its team (second strategic objective) and has sourced larger office premises in Starbeck to manage these risks.
- To maintain/improve staff satisfaction and retention
    - Staff working patterns do not match residents requirements
    - Unable to match salary expectations
    - Poor working conditions
    - Ability to upskill staff to meet competency and conduct standard

  All requests for working pattern variations are considered against the needs of the Association and the impact on the team and residents. The Association aims to pay median salaries for roles, is improving working conditions through moving to larger offices and has a dedicated budget for upskilling the team. An HR consultancy firm has been retained to assist in this key area.
- To continue to provide more affordable homes
    - Development opportunities dry up or are not financially viable
    - Rent levels become too high and not affordable
    - Growth impacts on the ability to uphold our values

  The Association is an active member in the York and North Yorkshire Housing Partnership and a member of the recently formed North Yorkshire Development forum enabling it to access S106 opportunities. Rent levels are set in line with Government and Regulatory requirements. Action would be taken – increasing resources or reprioritising workloads – if there is evidence to support a reduction in resident satisfaction around the Association not upholding its values.
- To develop a technology and data strategy.
    - Costs of delivery are too high for the benefits obtained
    - Projects not completed
    - Data lost through a cyber attack

  IT projects will need to be supported by residents and a full cost benefit analysis will be undertaken for any major IT project. An IT consultancy is retained to support the Association and cyber essentials plus accreditation is in place.

The Association does not have any tower blocks or buildings with unsafe cladding. Externally commissioned fire risk assessments have been undertaken for all properties with communal areas and any items identified as requiring attention have been dealt with. Regular inspections of the communal areas take place as well as weekly fire alarm checks. None of the Association's properties contain RAAC.

The Board have considered the impacts of any future extreme changes to inflation, interest rates and other cost related scenarios on the long term finances of Association. The business plan scenarios undertaken indicate the Association is financially strong and able to withstand significant increases in costs and remain financially viable. The impact on residents from increased utility costs and the higher general cost of living, including food inflation has also been considered. In response the Board established a fund to help alleviate the problems being faced by residents. The Board receive regular updates on activities and performance which enables them to take action as required to manage the risks being faced by the Association.

Monitoring and corrective action

The Board is responsible for ensuring the process of control through self-assessment is effective and that management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes a rigorous procedure for ensuring that effective monitoring is in place and that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial, and compliance issues including treasury strategy and new investment projects. Policies and procedures cover such issues as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Information and financial reporting systems

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Auditors

In accordance with the Co-operative and Community Benefit Societies Act 2014 a resolution to re-appoint Menzies LLP as the Association's auditors, will be proposed at the Annual General Meeting.

Governance and Financial Viability

The Board confirms that the Association complies with the Regulator of Social Housing's Governance and Financial Viability Standard.

Statement of compliance

The Board of Management confirm that this report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers

Approved by the Board of Management on 11 September 2026.

Ms C Stone
Chair

Opinion

We have audited the financial statements of Harrogate Housing Association (the Association) for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity (Reserves), Statement of Cash Flows and the notes to the financial statements, including a summary of principle accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Board of Management, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements 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 in this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board
As explained more fully in the Statement of Board's Responsibilities set out on page 13, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

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

Menzies LLP
Statutory Auditor
Suite 9b
The Beehive
Lions Dr
Blackburn
BB1 2QS

Date: 15 September 2026

Harrogate Housing Association Limited
Statement of Comprehensive Income
For the year ended 31 March 2026

	Notes	2026 £	2025 £
Turnover	3a	2,160,589	2,041,062
Operating expenditure	3a	(1,190,763)	(1,147,963)
Profit on disposal of Fixed Assets	3b	105,558	167,580
Operating surplus		1,075,384	1,060,679
Interest receivable	5	97,008	129,045
Interest and financing costs	6	(442,381)	(468,290)
Surplus before taxation		730,011	721,434
Taxation	11	-	-
Surplus for the year	7	730,011	721,434
Other comprehensive income			
Actuarial gains/(losses) in respect of pension scheme	10	9,000	(11,000)
Total comprehensive income for the year		739,011	710,434

All of the above results derive from the continuing operations of the Association.

Historical cost surpluses and deficits were identical to those shown in the statement of comprehensive income.

The notes on pages 23 to 44 form an integral part of these financial statements.

The financial statements on pages 19 to 44 were approved and authorised for issue by the Board of Management on 11 September 2026 and were signed on its behalf by:-

Ms C Stone........................ **Chair of the Board**

Mr D Smith........................ **Chair of the Audit, Risk and Governance Committee**

Mr S Brook........................ **Secretary**

Harrogate Housing Association Limited
Statement of Financial Position
For the year ended 31 March 2025

	Notes	2026		2025	
Fixed assets		£	£	£	£
Housing properties	12		20,461,953		18,410,876
Other tangible fixed assets	13		205,851		182,887
			20,667,804		18,593,763
Current assets					
Stock	14	-		-	
Trade and other debtors	15	213,661		225,008	
Current asset investments	16	287,000		287,000	
Cash and cash equivalents	17	1,634,046		3,074,616	
		2,134,707		3,586,624	
Less:					
Creditors: amounts falling due within one year	18	(390,564)		(361,884)	
Net current assets			1,744,143		3,224,740
Total assets less current liabilities			22,411,947		21,818,503
Creditors: amounts falling due after more than one year	19		(12,589,438)		(12,705,008)
Provisions for liabilities					
Pension – defined benefit liability	10		(82,000)		(112,000)
Total net assets			9,740,509		9,001,495
Reserves					
Non-equity share capital	22		25		22
Income and expenditure reserve	23		9,740,484		9,001,473
Total reserves			9,740,509		9,001,495

The notes on pages 23 to 44 form an integral part of these financial statements.

The financial statements on pages 19 to 44 were approved and authorised for issue by the Board of Management on 11 September 2026 and were signed on its behalf by:-

Ms C Stone...................... **Chair of the Board**

Mr D Smith...................... **Chair of the Audit, Risk and Governance Committee**

Mr S Brook...................... **Secretary**

Harrogate Housing Association Limited
Statement of Changes in Reserves
For the year ended 31 March 2026

	Non-equity share capital £	Income and expenditure reserve £	Total £
Balance at 31 March 2024	21	8,291,037	8,291,058
Surplus for the year	-	721,434	721,434
Actuarial losses in respect of pension scheme	-	(11,000)	(11,000)
Shares issued during the year	3	-	3
Shares surrendered during the year	(2)	2	-
Balance at 31 March 2025	22	9,001,473	9,001,495
Surplus for the year	-	730,011	730,011
Actuarial gains in respect of pension scheme	-	9,000	9,000
Shares issued during the year	3	-	3
Shares surrendered during the year	-	-	-
Balance at 31 March 2026	25	9,740,484	9,740,509

The notes on pages 23 to 44 form an integral part of these financial statements.

Harrogate Housing Association Limited
Statement of Cash Flows
For the year ended 31 March 2026

		2026		2025
	£	£	£	£
Net cash generated from operating activities (see Note 1 below)		1,188,531		1,104,322
Cash flow from investing activities				
Purchase of tangible fixed assets	(2,360,561)		(614,724)	
Purchase of shared ownership properties	-		-	
Proceeds from shared ownership staircasing sales	152,654		-	
Proceeds from sale of fixed assets	-		-	
Loan repayment from Harrogate Flower Fund Homes	-		229,026	
Grants repaid	-		-	
Release/(increase) of THFC sinking fund	-		-	
Interest received	101,701		128,342	
		(2,106,206)		(257,356)
Cash flow from financing activities				
Shares issued	3		3	
Interest paid	(490,723)		(460,431)	
Refinancing/other loan related costs	(32,175)		(151,189)	
New secured loans	-		-	
Repayments of loans	-			
		(522,895)		(611,617)
Net change in cash and cash equivalents		(1,440,570)		235,349
Cash and cash equivalents at beginning of year		3,074,616		2,839,267
Cash and cash equivalents at end of the year		1,634,046		3,074,616
Note 1				
Surplus for the year		730,011		721,434
Adjustments for non-cash items:				
Depreciation of tangible fixed assets		311,661		292,949
Amortisation of Government grants		(61,539)		(61,539)
Decrease in stock		-		-
Decrease/(increase) in trade and other debtors		2,565		(13,634)
(Decrease)/increase in trade and other creditors		(6,982)		36,447
Profit on disposal of fixed assets		(105,558)		(167,580)
Pension costs less contributions payable		(27,000)		(43,000)
Adjustments for investing or financing activities:				
Interest and financing costs		442,381		468,290
Interest received and similar income		(97,008)		(129,045)
		1,188,531		1,104,322

The notes on pages 23 to 44 form an integral part of these financial statements.

1. General information

Harrogate Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 10 High Street, Harrogate, North Yorkshire, HG2 7HY.

The Group comprises the following entities:

Name	Incorporation	Registration status
Harrogate Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered – Regulator of Social Housing
Applegarth Homes	Charitable Incorporated Organisation	Registered – Charity Commission

2. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2022.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £ for the year ended 31 March 2026.

The financial statements have been prepared in compliance with FRS 102. The Association meets the definition of a public benefit entity (PBE).

Basis of consolidation

Consolidated financial statements have not been prepared for the year ended 31 March 2026 as there were no activities in the subsidiary.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

The current business plan is financially strong and stress testing indicates the Association can easily withstand significant adverse financial impacts, like increased voids and arrears, and remain compliant with its loan obligations.

The Board of Management also has a reasonable expectation that working capital is adequate to continue in operational existence for the foreseeable future. The Association holds various loan facilities (as detailed in note 19) which were taken out for the acquisition of housing properties. The Board of Management is not aware of any circumstances that may adversely affect the renewal of these facilities. Accordingly, it believes it is appropriate to prepare the financial statements on a going concern basis.

2. Principal accounting policies (continued)

Judgements and key sources of estimation uncertainty

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 balance sheet 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 (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Key areas of judgement:

a. Categorisation of housing properties
The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, it has considered if the asset is held for social benefit or to earn commercial rentals.

b. Impairment
The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level.

c. Impairment of non-financial assets
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 scheme level whose cash income can be separately identified. The Association has assessed that no trigger for an impairment review has occurred.

d. Lease of properties from Applegarth Homes
The Association considers this an operating lease.

Other key sources of estimation and assumptions:

a. Tangible fixed assets
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

b. Shared ownership properties
Shared ownership properties are split between fixed assets and current assets with the split determined by the % of the property to be sold under a first tranche disposal. The carrying value of shared ownership properties held within current assets is judged to be the lower of cost and net realisable value.

c. Pension and other post-employment benefits.
The Association participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT'). The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. 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 10.

2. Principal accounting policies (continued)

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership properties, management income and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accruals basis.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

Taxation

The Association has charitable status and is therefore exempt from UK corporation tax on charitable activities.

The Association is not registered for VAT and therefore expenditure is stated inclusive of VAT.

Tangible fixed assets and depreciation

Housing properties

Housing properties are stated at cost less accumulated depreciation.

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

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred. The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

2. Principal accounting policies (continued)

The Association capitalises expenditure on housing properties that increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

UELs for identified components are as follows:

Structure	80 years
Windows and doors	30 years
Kitchens	20 years
Bathrooms	30 years
Boilers/heat exchangers/pumps	15 years
Plumbing	30 years
Electrics	40 years
Roofs	70 years
External wall insulation	Over remaining life of structure

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

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

Office furniture	10% on cost
Computer equipment	20% on cost
White goods for properties	12.5% on cost
Property held for own use	Between 15 and 80 years (see above UEL's)

The useful economic lives of all tangible fixed assets are reviewed annually.

Shared ownership properties

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

Capitalisation of interest and administration costs

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.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into its intended use.

2. Principal accounting policies (continued)

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 3 months which are not accessible on demand.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

Social Housing and other government grants

Where developments have been financed wholly or partly by Social Housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grant received for items of cost written off in the statement of comprehensive income is included as part of turnover.

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

Social Housing Grant must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the Social Housing Grant can be used for projects approved by Homes England. However, Social Housing Grant may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, Social Housing Grant may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which appears as a creditor until used to fund the acquisition of new properties or remodelling existing ones, where recycled grant is known to be repayable it is shown as a creditor due within one year.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services. The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the Association has a participating interest.

2. Principal accounting policies (continued)

Provisions

The Association only provides for contractual liabilities.

Operating leases

All costs are written off to the Statement of Comprehensive Income as they are incurred.

The acquisition of the Applegarth Homes properties on a 125 year full insuring and repairing lease has been treated as an operating lease as no premium was paid on acquisition and no rent is due under the lease. Component replacements/additions to the properties will be treated as per the housing properties accounting policy.

Financial Instruments

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments, where a financing transaction, are initially recognised at fair value including any premium or discount on issue and subsequently measured at amortised cost using the effective interest method.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

3a. Particulars of turnover, operating expenditure and operating surplus

	2026		
	Turnover	**Operating Expenditure**	**Operating Surplus**
	£	**£**	**£**
Social housing lettings (see note 4)	2,096,634	(1,129,083)	967,551
Other social housing activities			
First tranche low cost home ownership sales	-	-	-
Management income	50,127	(46,000)	4,127
Other	13,828	(15,680)	(1,852)
Total	2,160,589	(1,190,763)	969,826

	2025		
	Turnover	**Operating Expenditure**	**Operating Surplus**
	£	**£**	**£**
Social housing lettings (see note 4)	1,980,479	(1,092,298)	888,181
Other social housing activities			
First tranche low cost home ownership sales	-	-	-
Management income	49,302	(46,834)	2,468
Other	11,281	(8,831)	2,450
Total	2,041,062	(1,147,963)	893,099

3b. Profit on disposal of Fixed Assets

	2026	**2025**
	£	**£**
Disposal Proceeds	153,700	230,000
Carrying value of Fixed Assets	(47,096)	(61,448)
Other costs of sales	(1,046)	(972)
Total	105,558	167,580

The above represents a shared ownership full staircasing (2025: Right to acquire disposal).

4. Particulars of turnover and operating expenditure from social housing lettings

	General needs housing	Supported housing	Shared ownership	Total 2026	Total 2025
	£	£	£	£	£
Income					
Rent receivable net of identifiable service charges and net of voids	1,814,160	67,730	99,108	1,980,998	1,883,773
Service charge income	43,265	1,806	9,026	54,097	35,167
Amortised government grants	49,262	10,626	1,651	61,539	61,539
Total turnover from social housing lettings	1,906,687	80,162	109,785	2,096,634	1,980,479
Operating expenditure					
Management	401,208	16,727	36,940	454,875	422,427
Service charge costs	40,915	1,822	8,244	50,981	29,503
Routine maintenance	191,889	3,443	-	195,332	195,732
Planned maintenance	42,995	792	-	43,787	53,700
Major repairs expenditure	74,927	-	-	74,927	96,234
Bad debts	74	-	-	74	2,447
Depreciation of housing properties	273,969	16,962	11,648	302,579	285,727
Lease costs	6,528	-	-	6,528	6,528
Total operating expenditure on social housing lettings	1,032,505	39,746	56,832	1,129,083	1,092,298
Operating surplus on social housing lettings	874,182	40,416	52,953	967,551	888,181
Voids losses (being rental and service charge income lost as a result of property not being let, although it is available for letting)	4,466	-	-	4,466	4,820

5. Interest receivable and similar income

	2026 £	2025 £
Bank interest received	96,682	128,108
Other interest	326	937
	97,008	129,045

Other interest represents the non-utilisation fees and interest on the loan to Harrogate Flower Fund Homes (see note 15).

6. Interest and financing costs

	2026 £	2025 £
Loan interest	491,531	465,872
Costs associated with financing and refinancing	45,767	71,321
Amortisation of bond premium	(67,874)	(65,756)
Interest on pension scheme deficit	6,000	6,000
Less: interest capitalised/prepaid	(33,043)	(9,147)
	442,381	468,290

The average cost of borrowing used to capitalise interest was 3.41% (2025 – 3.03%).

7. Surplus for the year

	2026 £	2025 £
Surplus for the year is stated after charging/(crediting):		
Auditor’s remuneration (excluding VAT):		
In their capacity as auditors	15,650	13,150
In respect of other services	350	350
Operating lease rentals	768	768
Depreciation of housing properties	302,579	285,727
Depreciation of office fixtures and fittings	9,082	7,222
Amortisation of government grants	(61,539)	(61,539)

8. Employee information

The average weekly number of persons employed during the year (full time equivalents, i.e. 37 hours per week) was:

	2026 No	2025 No
Housing management and administration	8	7

	2026 £	2025 £
Staff costs (for the above persons):		
Wages and salaries	335,767	313,907
Social security costs	32,864	21,625
Other pension costs	54,855	55,741
	423,486	391,273

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the year	2026 No	2025 No
£100,000 - £110,000	1	1

9. Key management personnel emoluments

Key management personnel are defined as Members of the Board of Management and the Chief Executive.

No members of the Board of Management received any remuneration in the year (2025 – none).

The remuneration paid to the Chief Executive was:

	2026 £	2025 £
Emoluments and total key management personnel remuneration: (Including pension contributions and benefits in kind)	106,561	108,276
Emoluments: paid to the highest paid employee (the Chief Executive) (Excluding pension contributions)	101,371	99,069

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the scheme, and no enhanced or special terms apply. The Association did not make any further contribution to individual pension arrangements for the Chief Executive.

10. Pension obligations

Social Housing Pension Scheme
The Association participates in 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 most recent formal valuation was completed on 30 September 2023, and rolled forward allowing for the different financial assumptions required under FRS102, to 31 March 2026, by a qualified independent actuary.

The major assumptions used by the actuary in assessing scheme liabilities were:

	2026 % per annum	2025 % per annum
Discount rate	5.95	5.73
Inflation (RPI)	3.34	3.13
Inflation (CPI)	3.02	2.76
Salary growth	4.02	3.76
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Mortality Assumptions
The post retirement mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	2026 No. of years	2025 No. of years
Male retiring in 2026	20.9	20.5
Female retiring in 2026	23.2	23.0
Male retiring in 2046	22.2	21.7
Female retiring in 2046	24.6	24.5

10. Pension obligations (continued)

Amount recognised in the Statement of Financial Position

	2026	2025
	£	£
Fair value of plan assets	647,000	595,000
Present value of defined benefit obligation	(729,000)	(707,000)
Net liability to be recognised	(82,000)	(112,000)

Analysis of amount charged to operating expenditure in the Statement of Comprehensive Income

	£	£
Current service cost	15,000	2,000
Expenses	3,000	3,000
Total operating charge	18,000	5,000

Analysis of pension finance (income) / expenses

	2026	2025
	£	£
Interest expense	41,000	35,000
Interest income	(35,000)	(29,000)
Amounts charged to financing costs	6,000	6,000

Amount of gains and losses recognised in the Statement of Comprehensive Income

	2026	2025
	£	£
Actuarial losses on pension scheme assets	(16,000)	(58,000)
Actuarial gains on pension scheme liabilities	25,000	47,000
Actuarial gain/(loss) recognised	9,000	(11,000)

Movement in deficit during year

	2026	2025
	£	£
Deficit in scheme at 1 April	112,000	138,000
Current service cost	15,000	2,000
Expenses	3,000	3,000
Employer contributions	(45,000)	(48,000)
Net interest expense	6,000	6,000
Actuarial (loss)/gain	(9,000)	11,000
Deficit in scheme at 31 March	82,000	112,000

10. Pension obligations (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026	2025
	£	£
Defined benefit obligation as at 1 April	707,000	710,000
Current service cost	15,000	2,000
Expenses	3,000	3,000
Interest expense	41,000	35,000
Contributions by plan participants	12,000	27,000
Actuarial (gains)/losses due to scheme experience	(24,000)	24,000
Actuarial losses due to changes in demographic assumptions	6,000	-
Actuarial (gains) due to changes in financial assumptions	(7,000)	(71,000)
Benefits paid and expenses	(24,000)	(23,000)
Defined benefit obligations as at 31 March	729,000	707,000

Reconciliation of opening and closing balances of the fair value of plan assets

	2026	2025
	£	£
Fair value of plan assets as at 1 April	595,000	572,000
Interest income	35,000	29,000
Experience on plan assets (excluding interest income)	(16,000)	(58,000)
Contributions by the employer	45,000	48,000
Contributions by plan participants	12,000	27,000
Benefits paid and expenses	(24,000)	(23,000)
Fair value of plan assets as at 31 March	647,000	595,000

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2026 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

11. Taxation

The Association has Charitable Status and is therefore exempt from UK corporation tax on its charitable activities.

12. Tangible fixed assets – housing properties

	Social housing properties for letting completed £	Social housing properties for letting under construction £	Shared ownership properties completed £	Shared ownership properties under construction £	Housing properties total £
Cost					
At 1 April 2025	19,908,374	451,181	1,482,592	-	21,842,147
Property additions	-	2,261,077	-	-	2,261,077
Schemes completed	1,528,691	(1,528,691)	-	-	-
Component additions	139,675	-	-	-	139,675
Component disposals	(43,302)	-	-	-	(43,302)
Property disposal	-	-	(48,553)	-	(48,553)
At 31 March 2026	21,533,438	1,183,567	1,434,039	-	24,151,044
Depreciation					
At 1 April 2025	3,347,475	-	83,796	-	3,431,271
Charge for the year	290,931	-	11,648	-	302,579
Eliminated on component disposals	(43,302)	-	-	-	(43,302)
Eliminated on property disposals	-	-	(1,457)	-	(1,457)
At 31 March 2026	3,595,104	-	93,987	-	3,689,091
Net book value					
At 31 March 2026	17,938,334	1,183,567	1,340,052	-	20,461,953
At 31 March 2025	16,560,899	451,181	1,398,796	-	18,410,876

Housing properties comprise:	**2026** £	**2025** £
Freeholds	19,387,840	17,331,077
Long leaseholds	1,074,113	1,079,799
	20,461,953	18,410,876

The following amounts have been capitalised during the year:

	2026 £	**2025** £
Interest	33,043	9,147
Management and surveyor costs	33,942	29,659
	66,985	38,806

12. Tangible fixed assets – housing properties (continued)

Works to existing properties in the year:	**2026** £	**2025** £
Components capitalised	139,675	65,088
Amounts charged to expenditure	74,927	96,234
	214,602	161,322

13. Tangible fixed assets – other

	Freehold offices £	**Office furniture and equipment** £	**Computer equipment** £	**Other fixed assets total** £
Cost				
At 1 April 2025	214,584	21,610	50,567	286,761
Additions	1,895	25,334	4,818	32,047
Disposals	(578)	-	(2,617)	(3,195)
At 31 March 2026	215,901	46,944	52,768	315,613
Depreciation				
At 1 April 2024	44,115	16,286	43,473	103,874
Charge for the year	3,194	2,285	3,603	9,082
Disposals	(577)	-	(2,617)	(3,194)
At 31 March 2026	46,732	18,571	44,459	109,762
Net book value				
At 31 March 2026	169,169	28,373	8,309	205,851
At 31 March 2025	170,469	5,324	7,094	182,887

14. Stock

	2026	2025
	£	£
Shared ownership properties completed	-	-
Shared ownership properties under construction	-	-
	-	-

15. Debtors

	2026	2025
	£	£
Due within one year		
Loan to Harrogate Flower Fund Homes	-	-
		-
Rental debtors	22,106	25,284
Less: Provision for bad debts	(4,056)	(4,688)
	18,050	20,596
Prepayments	168,637	185,872
Other debtors	26,974	18,540
Total due within one year	213,661	225,008

The loan to Harrogate Flower Fund Homes was a variable rate loan facility on normal commercial terms repayable on or before 23 March 2026. There were no drawdowns in the year and the loan was cancelled by the Harrogate Flower Fund Homes Board on 5 August 2025.

The Association has submitted a planning application to redevelop the Applegarth Homes scheme. Costs incurred pending receipt of planning approval of £74,971 (2025 £72,488) have been prepaid.

16. Current asset investments

	2026	2025
	£	£
THFC sinking fund	287,000	287,000

The THFC sinking fund is a designated interest-bearing account charged in respect of The Housing Finance Corporation £3.5m facility (2025: £3.5m) to cover 12 months interest. It also includes £105,000 to replace the asset security on a right to acquire sale which occurred in late March 2021. The Association is not able to access the fund.

17. Cash and cash equivalents

	2026	2025
	£	£
Cash at bank	1,634,046	3,074,616

18. Creditors: Amounts falling due within one year

	2026 £	2025 £
Trade creditors	83,540	56,606
Rents paid in advance	64,516	55,319
Accruals	98,660	105,131
Other taxation and social security	-	-
Other creditors	12,246	15,415
Premium on issue of bonds	70,063	67,874
Unamortised government grants (Note 20)	61,539	61,539
	390,564	361,884

19. Creditors: Amounts falling due after more than one year

	2026 £	2025 £
Loan balances – secured	7,856,309	7,856,309
Premium on issue of bonds	1,172,907	1,242,970
Loan issue costs	(206,066)	(216,684)
Total housing finance	8,823,150	8,882,595
Unamortised government grants (Note 20)	3,454,220	3,515,759
Recycled capital grant fund (Note 21)	19,695	19,452
Applegarth Homes major repairs fund	292,373	287,202
Total	12,589,438	12,705,008

Loans have been advanced by GB Social Housing and The Housing Finance Corporation Limited, and are secured on properties owned by the Association. The loans are all at fixed rates. At the year end the interest rates on the portfolio ranged from 3.5% to 5.1%.

The Association also has access to a £15m facility with Triodos Bank UK Limited which was undrawn at the year end.

Applegarth Homes (the charity) has given the Association its cash reserves on the condition that the money is invested in the leased assets. The money is returnable at the end of the lease if it remains unutilised. As a result it is shown as a creditor until it is used.

19. Creditors: Amounts falling due after more than one year (continued)

Loan balances can be analysed as follows:-	2026 £	2025 £
Within one year	-	-
Between one and two years	-	-
Between two and five years	-	-
In more than five years	7,856,309	7,856,309
Total loans repayable	7,856,309	7,856,309
Premium on issue of bonds	1,242,970	1,310,844
Loan issue costs	(206,066)	(216,684)
	8,893,213	8,950,469

20. Deferred income

The amount of unamortised government grants at the year-end relate to social housing grant which is amortised in accordance with the stated accounting policy.

Unamortised government grant	2026 £	2025 £
At start of year	3,577,298	3,590,770
Grants received in the year	-	-
Grants recycled in the year	-	(18,864)
RCGF utilised within the year	-	61,034
Released to income in the year	(61,539)	(61,539)
Grants related to disposals		
Repaid to provider	-	-
Released to profit on disposal of fixed assets	-	5,897
	3,515,759	3,577,298
Amounts due to be released < 1 year	61,539	61,539
Amounts due to be released > 1 year	3,454,220	3,515,759
	3,515,759	3,577,298

21. Recycled capital grant fund

		2026 Homes England £
Opening balance		19,452
Inputs to RCGF:	Grants recycled	-
	Interest accrued	243
	Transfers from other PRPs	-
		19,695
Recycling of grant:	New build	-
	Major works and works to existing stock	-
	Transfers from other PRPs	-
	Other – Shared ownership re-purchase	-
Repayment of grant to Homes England		-
Closing balance		19,695
Amount three years or older where repayment may be required		-

22. Non-equity share capital

	2026 £	2025 £
Allotted, issued and fully paid:		
At 1 April	22	21
Issued during the year	3	3
Surrendered during the year	-	(2)
At 31 March	25	22

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding up, and are not redeemable. Each share has full voting rights.

23. Reserves

Income and expenditure reserve
The income and expenditure reserve represents the cumulative surplus and deficits net of other adjustments.

24. Capital commitments

	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for in the accounts:	4,247,648	3,281,034
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for:	11,575,000	7,571,286
	15,822,648	10,852,320

The contracted for commitments will be met from existing cash balances and secured loan facilities.

25. Accommodation in management

	2026 No	2025 No
Under development at end of year:		
General needs housing – affordable rent	62	42
Shared ownership	-	-
	62	42
Under management at end of year:		
General needs housing – social rent	80	84
General needs housing – affordable rent	159	141
Intermediate rent	11	11
Housing for older people	-	-
Shared ownership	26	27
Total number of properties owned and managed	276	263
General needs housing managed on behalf of others	33	33
Total number of properties managed	309	296

The Association owns property managed by other bodies:

	2026 No	2025 No
General needs housing – affordable rent	2	2
Supported housing	10	10
	12	12

25. Accommodation in management (continued)

Accommodation in management for each class of accommodation during the year was as follows:

	At 31 March 2025	Additions	Disposals	Other	At 31 March 2026
	No	No	No	No	No
Social housing					
General housing					
- social rent	84	-	-	(4)	80
- affordable rent	141	14	-	4	159
- shared ownership	27	-	(1)	-	26
- intermediate rent	11	-	-	-	11
Managed on behalf of others	33	-	-	-	33
Total owned and managed	296	14	(1)	-	309

26. Contingent liabilities

At the balance sheet date there were no contingent liabilities (2025 - £Nil).

27. Commitments under operating lease commitments

The Association holds office equipment under non-cancellable operating leases. At the end of the year the Association had commitments of future minimum lease payments as follows:

	Other Commitments 2026	2025
	£	£
Leases expiring:		
Not later than one year	768	576
Later than one year and not later than five years	1,344	-
Later than five years	-	-
	2,112	576

There are no payments due under the Applegarth Homes property lease.

28. Social Housing and Other Grants

	2026	2025
	£	£
The total accumulated government grant and financial assistance received or receivable at 31 March	4,890,590	4,890,590
Held as deferred capital grants	3,515,759	3,577,298
Recognised as income in the Statement of Comprehensive Income	1,374,831	1,313,292
	4,890,590	4,890,590

29. Related party transactions

Under FRS 102 related parties consist of the Board of Management and Harrogate Flower Fund Homes Limited for which Harrogate Housing Association Limited acts as managing agent.

Board members received expenses in the year totalling £213 (2025 - £256).

During the year there was one tenant member of the Board. Their tenancy was on normal commercial terms and they were not able to use their position to their advantage. During the year ended 31 March 2026, they were charged rent totalling £6,443 (2025 - £6,394). There were no arrears on their tenancy at the reporting period end (2025 – none).

During the year the Association sold services to Harrogate Flower Fund Homes Limited totalling £52,996 (2025 – £52,458). At the balance sheet date £Nil (2025 – £Nil) was due from Harrogate Flower Fund Homes Limited.

The Association made available to Harrogate Flower Fund Homes a £75,000 loan facility. The loan facility was at normal commercial terms, carried a non-utilisation fee and was repayable on or before 23 March 2026. During the year the Association charged £326 (2025 - £937) non-utilisation fees and £Nil (2025 - £Nil) in interest. The loan was cancelled by the Harrogate Flower Fund Homes Board on 5 August 2025.

30. Subsidiary undertakings

The results of Applegarth Homes for the year are as follows:

	£
Income	-
Surplus for the period	-

Following the receipt of legal advice Applegarth Homes entered into a long, full insuring and repairing lease for the freehold property with the Association (its Trustee) on 1 July 2021. No rent is due on the lease but it contains a number of obligations in relation to the management of the property and the beneficiaries. It also commits the Association to maintaining the ethos of the scheme as established by its benefactor.

At the end of March 2026 the Charity Commission raised a number of concerns with the Association as Trustee in respect of the legality of the lease and the current arrangements. The Trustee is cooperating with the Commission but no resolution has been determined as at the date of signing of the accounts. The Trustee has sought additional legal advice and is confident the matter can be resolved.

31. Analysis of changes in net debt

	At 31 March 2025	Cash flows	Other non-cash changes	At 31 March 2026
Cash at bank	3,074,616	(1,440,570)	-	1,634,046
Loans Due in One Year	-	-	-	-
Loans Due After One Year	(7,856,309)	-	-	(7,856,309)
	(4,781,693)	(1,440,570)	-	(6,222,263)