



Annual report and financial statements

Year ended 31 March 2025





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Board members, executive directors and advisors

Board		Appointed	Resigned
Chair	Pauline Davis	1 October 2024	
	Michael Stevenson	21 May 2019	30 September 2024
Vice Chair	Pauline Davis	1 April 2024	30 September 2024
	Gary Middleton	1 October 2024	
Other members	Lindsey Williams	23 July 2013	14 July 2024
	Raymond Harding	26 January 2016	26 January 2025
	Michael Stevenson	26 January 2016	26 January 2025
	David Brooks	19 July 2017	18 July 2024
	Timothy Slater	19 July 2017	
	Mary Daunt	22 May 2018	15 May 2024
	Ciara McMillan	6 November 2018	2 April 2025
	Peter Burke	10 August 2020	
	Samantha Veal	8 December 2021	
	Laurice Ponting	1 March 2023	
	Pauline Davis	19 June 2023	
	Jackie Perry	19 June 2023	
	Timothy Mulvenna	15 July 2024	
	Gary Middleton	31 July 2024	
	Patrick Duffy	31 July 2024	
	John Stephen Jackson	26 January 2025	
	Ian Skipp	20 May 2025	
Company secretary			
Ian Skipp			
Executive directors			
Chief Executive		Lindsey Williams (leave date 14 Sept 2024) Tim Mulvenna (start date 15 July 2024)	
Group Director, Finance & Growth		Ian Skipp	
Group Director of Strategic Partnerships & Growth		Ceri Theobald (leave date 31 August 2024)	
Group Director, People & Change		Nicola Hope	
Group Director, Homes & Communities		Sarah Wyke (start date 1 March 2025)	
Group Director, Customer Experience		Helena Thompson (start date 1 March 2025)	
Registered office		Registration numbers	
Futures House, Building 435, Argosy Road Castle Donington, DE74 2SA		Registered under the <i>Companies Act</i> 2006, No. 06293737 Regulator of Social Housing, number L4502	
External auditor		Principal solicitors	
BDO LLP, Two Snowhill, Birmingham, B4 6GA		Anthony Collins Solicitors LLP 134 Edmund Street, Birmingham, B3 2ES	

Strategic report

The Board of Futures Housing Group Limited presents its report together with the audited financial statements for the year ended 31 March 2025.

Legal status

Futures Housing Group Limited ('the company' or FHG) is a company limited by guarantee (number 06293737) and is registered as a housing provider with the Regulator of Social Housing (RSH) (number L4502). It is the parent entity of Futures Housing Group ('the Group'). The company was incorporated on 26 June 2007 and began trading on 5 November 2007.

FHG provides back office services to its subsidiaries. These include finance, human resources, information technology and procurement. It also provides services in respect of strategic asset management and development.

Subsidiaries

Other members of the Group are:

Futures Homescape Limited (FHL) formed in 2002. Registered provider with the RSH. At 31 March 2025 FHL owned 7,195 homes (2024: 6,999) for social or affordable rent, shared ownership and market rent. 2,224 of these are supported housing which include a lifeline service (2024: 2,228). It also manages 112 properties on behalf of others (2024: 83).

Futures Homeway Limited (FHW) formed in 2006. Registered provider with the RSH. At 31 March 2024 FHW owned 3,450 homes (2024: 3,456) for social or affordable rent, shared ownership and market rent. 860 of these are supported housing which include a lifeline service (2024: 886). It also manages 85 properties on behalf of others (2024: 83).

Five Doorways Homes Limited (5D) formed in 2004. Not a registered provider. At 31 March 2025 5D owned 86 homes (2024: 85). Ten of these are supported housing which include a lifeline service. 5D is a subsidiary of FHL.

Futures Finance Limited (FFL) formed in 2018 and acts as a funding vehicle to on-lend bank loans and other bank credit facilities across the Group.

Futures Treasury Plc (FTP) formed in 2018 and also acts as a funding vehicle to on-lend monies to the housing subsidiaries. The funding within this company is a public bond.

Working in partnership allows the Group to provide the benefits, economies of scale and capacity that a large organisation brings, while allowing each company to retain a strong focus on local delivery.

Employees

The Group's strength lies in the quality and commitment of its employees. In particular, our ability to meet objectives and commitments to customers efficiently and effectively depends on their contribution. The Group provides information on its objectives, progress and activities through regular briefings and team meetings. The Group is committed to equal opportunities for all its employees.

Customer involvement

The Group actively encourages customer involvement in decision-making by promoting more formal engagement mechanisms. The Boards of the principal operating companies within the Group have established effective reporting arrangements between customers' representative bodies and the Boards which include an Insight Committee.

Value for money statement

1. Introduction

Value for money (VFM) is defined by the Regulator of Social Housing (RSH) and this statement details achievements throughout the year and shows how embedded VFM is throughout the Group and the positive outcomes made as a result.

Our vision:

Providing quality homes and services for better futures

This corporate plan was published at the beginning of the year following consultation with customers, partner organisations, team members and other stakeholders.

To achieve this vision there are seven key areas of focus.

- Customer experience
- Homes
- Development
- Business development & influence
- People & culture
- Digital, data & change
- Sustainability

Underpinning these areas are our values:



VFM outcome-based targets are set and agreed by the Board each year to underpin the four corporate objectives in the corporate strategy. The outcomes are aimed at increasing one or more of economy, efficiency and effectiveness of each service line across the business and back office functions. The overarching aim of the VFM strategy is to have:

Upper quartile performance with costs at no more than median level.

VFM is embedded throughout our culture and is considered for all decisions. The Group has a clear track record of driving cost reduction and improving performance while generating savings for re-investment in both existing stock and towards building new homes.

The performance management framework ensures that internal VFM measures and external performance metrics are monitored and reported regularly to enable the Board to oversee delivery of the corporate objectives and to implement corrective actions where necessary.

- The new Customer Experience and Homes & Growth Groups meet monthly to discuss detailed performance.
- The Executive Team receives quarterly performance and budget monitoring reports.
- The Board sets and oversees the Group's strategic direction.
- The Audit & Risk Committee, which acts as VFM champion for the Board, sets the annual VFM strategy that includes targets. The committee also monitors actual performance against measurable targets.

Customers are also part of the scrutiny framework. The Group has an Insight Committee, consisting of Board members and customer representatives. It is consulted for key decisions relating to the service provided to customers and also provides a forum for customers to feed back on what works and any desired improvements they seek. These inform Board decisions on areas for investment to help improve effectiveness and shape the Group's strategic direction.

- **Sections 2-8** show the results from the VFM targets set at the beginning of the year and these are in addition to the mandatory RSH VFM metrics. The results have been graded to show whether the target has been met or not.
- **Section 9** shows the 2023-24 external benchmarking to compare performance against 15 similarly-sized housing providers ranging from 8,800 to 15,000 homes.
- **Section 10** shows RSH VFM metrics, analysing how the Group compares to the sector.
- **Section 11** provides a summary of overall financial performance alongside a forward looking view of the key financial metrics.
- **Section 12** reviews potential future VFM gains achievable through alternative commercial, organisational and delivery structures.
- **Section 13** analyses non-social activity performance.



2. Customer strategy VFM targets



To have a customer offer which is transparent, inclusive and delivered through effortless customer experiences.

▶ Achieved
 ▶ Not achieved

Aim	VFM targets and outcomes	Full year results	
Use our resources and develop and maintain effective partnerships to promote and support tenancy sustainment and maximise opportunities for employability, health and training and homelessness.	Economy: Manage customers' tenancies to ensure bad debt write-offs are no more than 1.5%.	▶	Bad debt write-offs were 0.6% of rental income received, due to robust income management and support provided to customers.
	Effectiveness: 95% of customers who have engaged with a detailed tenancy support plan through tenancy support, money advice and employment advice programmes have achieved a positive outcome.	▶	521 customers received high level intensive support from the Tenancy Support team during 2024-25 with 100% of these achieving a positive outcome. In total the team engaged with 1,092 customers offering support tailored to their requirements.
Evaluate the impact of our performance using customer focused metrics to ensure that the whole organisation operates in a customer focused way; ensuring that the voice of the customer is heard throughout the organisation.	Effectiveness: Overall customer satisfaction in the upper quartile.	▶	Overall satisfaction is 75%, which is in the second quartile compared to benchmarks. Upper quartile target is 76%-100%. Areas of improvement include handling of complaints.
	Effectiveness: In the quarterly survey, customer satisfaction with 'How easy or difficult was it to get your recent issue or query resolved?' over 80% of customers finding it 'easy'.	▶	83% of customers said it was easy 'to get [their] recent issue or query resolved' (source: 2024-25 transactional survey for the customer contact centre).
	Effectiveness: 100% of team members trained to deliver effortless customer experiences.	▶	Effortless customer service training pilot was held in Feb 2025 but this was not adequate for our needs. We have used feedback to plan an alternative that better meets our needs.
	Effectiveness: 100% compliance with the new regulatory Consumer Standards.	▶	Gap analysis work completed and an action plan developed and delivered.

3. Homes strategy VFM targets



To provide well maintained, safe and secure homes and communities for our customers to live in.

▶ Achieved
 ▶ Not achieved

Aim	VFM targets and outcomes	Full year results	
Continued investment to ensure existing stock is maintained at Decent Homes plus standard. Ensure legal and statutory compliance.	Economy, efficiency, effectiveness: Repairs team expansion plan to increase in-house delivery to 50%.	▶	As at 31 March 2025, based on total asset spend (excluding sustainability and fire improvement works), 41% of all work was delivered by the in-house Repairs team. This is higher than the previous year (40%) but below target due to the extra spending on voids (largely delivered by contractors) and due to recruitment challenges in the West Northants area.
	Efficiency, effectiveness: Homes remain 100% compliant with all statutory and regulatory standards.	▶	As at 31 March 2025 all homes are 100% compliant with the Decent Homes and Regulatory Standards.
	Effectiveness: Satisfaction with the safety and quality of our homes in the upper quartile.	▶	Satisfaction with safety of homes increased by 2% on last year to 83%. Satisfaction with how well the home is maintained is 79%, a 6% increase on last year. Overall repair satisfaction is 86%. Satisfaction of finished quality of work 95%.
Optimise investment decisions for existing stock type, geography and future sustainability.	Economy: Clearly aligned and implemented stock data investment requirements within the 30-year business plan.	▶	Latest 30-year business plan aligns with stock investment (audited by Savills in 2023 and subject to KPMG audit in Q4 2024-25) as part of budget process. The budget provides for all component replacements to ensure Decent Homes standard is maintained. In addition funds have been set aside for EPC works and towards net carbon zero.
	Effectiveness: Number of homes benefitting from an adaptation we have made or given permission to undertake.	N/A	571 self-funded adaptations completed and 121 permissions granted. Twenty five undertaken as part of planned works. A target was not set for this metric.
	Economy, effectiveness: Number of properties identified for void option appraisal and number disposed of.	N/A	Thirty six appraisals and five disposals. A target was not set for this metric.
	Effectiveness: Number of properties with severe or moderate damp, mould and compensation (DMC) reported monthly.	N/A	Number of homes with severe DMC as at the end of March 2024 was zero. A target was not set for this metric.

Return on assets

The Asset Maximisation team has used this financial data as well as qualitative measures such as the examples shown below, to highlight homes for further review when they become void. Options can include conversion, remodelling or disposal. Asset management is overseen by the Asset Investment Committee.

Sustainability area	Qualitative measures
Income	Rent arrears, SAP (standard assessment procedure) rating and heating type (as an indicator of fuel poverty).
Housing management	Antisocial behaviour (ASB) levels, data from indices of multiple deprivation on levels of crime and distance from managing office.
Demand	Resident satisfaction, turnover rates, access to local facilities and amenities, waiting list and demand, garage availability, open space, development potential and community feeling.

4. Business development and influence strategy VFM targets



To identify and facilitate organic and inorganic geographic and service offer growth opportunities that support or grow our customer offer, ensuring Futures has external presence with key stakeholders in the region advocating the role of housing.

➤ Achieved
 ➤ Not achieved

Aim	VFM targets and outcomes	Full year results	
Partnerships and strong voice.	Effectiveness: Under the 'LIFE' model, have a lead role with two organisations, including three meetings a year.	➤	Regular monthly strategic meetings with West Northants Council and Amber Valley Borough Council are held. In addition FHG is a core member at the newly formed Housing Needs Board in West Northamptonshire.
LIFE (leading, influencing, following, exiting).	Effectiveness: Show an improvement in our stakeholders' impression from the perceptions audit to be run by the PR & Communications team.	➤	The Executive Team decided not to carry out a stakeholder perceptions audit during the year but we have no evidence that perceptions have become more negative. As a proxy indicator, both our number of followers on LinkedIn (the leading online B2B social channel where we interact with stakeholders) and engagement score have doubled over the last four years suggesting that other professionals are positively interested in the organisation.

5. Development strategy VFM targets



To identify and facilitate new homes to meet our customer needs.

▶ Achieved
 ▶ Not achieved

Aim	VFM targets and outcomes	Full year results	
Maximise delivery of new homes across all tenures within a core East Midlands geography with an increased focus on social and affordable tenures.	Efficiency, effectiveness: All new homes at minimum EPC (energy performance certificate) B, 250 homes.	▶	Homes delivered in 2024-25 were EPC A (67) and EPC B (199). Thirty one are completely off gas.
	Effectiveness: Satisfaction with moving into a new home to be ≥ 90% (Effectiveness).	▶	Overall satisfaction with 'new' homes was 90%. Tenants were satisfied with the energy efficiency of the home, communication during the moving in process, and the sign-up process.
	Economy: Reduction in external consultants in the business-as-usual team and an increase in full time permanent team members.	▶	The transition from consultants to permanent staff is continuing. Total 2024-25 spend was c. £1m which is forecast to reduce to £0.5m for 2025-26.
	Economy: Development appraisal parameters, rental yields and sales profits are met.	▶	Parameters are met and there is a streamlined process to agree increases by directors (up to 3% of TSC) to improve the customer offer, or implement learnings from legacy projects.

6. Digital, data & change strategy VFM targets



To enable Futures to deliver effortless customer experiences by using the most effective and efficient processes and technologies

▶ Achieved
 ▶ Not achieved

Aim	VFM targets and outcomes	Full year results	
Efficiency gains.	Effectiveness: Measurable increase in surveyed customers' perception of first point of contact resolution.	▶	Measure to demonstrate increased perception of first point of contact resolution not set up. Work is underway between Digital and Insight teams to implement for 2025-26.
More customers choosing to use our digital services rather than other contact routes.	Efficiency, effectiveness: Increase in the number of customers self-serving their repairs journey digitally.	▶	Activity focused on improving digital repairs journey put on hold awaiting an options appraisal to recommend alternative solutions. Now scheduled for 2025-26.

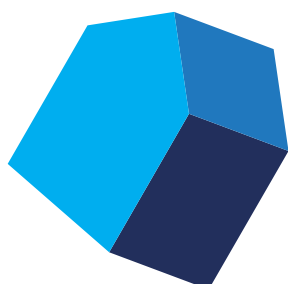
7. People & culture strategy VFM targets



To embed an agile, inclusive, and values-based culture to engage and empower our people to help us better meet the needs of our customers and the organisation.

➤ Achieved
 ➤ Not achieved

Aim	VFM targets and outcomes	Full year results	
Deliver the transformation plan and embed the principles of systems thinking and continuous improvement.	Effectiveness: All managers have attended or are scheduled to attend the Leadership Academy.	➤	All eligible or new-to-company managers have attended or are scheduled to attend the Leadership Academy.
Develop a culture of trust, empowerment, agility, authenticity and accountability.	Efficiency, effectiveness: Maintain 100% compliance with all mandatory training.	➤	The training plan is being delivered to time and budget with 100% of required mandatory training delivered and completed.
Grow and nurture talent to support a fit for the future agile workforce.	Effectiveness: eNPS of at least +58 based on colleague feedback.	➤	Survey to generate eNPS was replaced with a culture survey. Decision will be made whether to run the eNPS survey later this year.
	Effectiveness: Through the delivery of the EDI plan, achieve an 18% increase at the next EDI diagnostic assessment.	➤	Achieved a 14% increase from the most recent EDI diagnostic assessment.
	Effectiveness: Maintain the Investors in People Platinum Standard.	➤	Platinum award has been retained.
	Effectiveness, economy: 3% of workforce in apprentice, graduate or trainee positions.	➤	4.4% of the workforce are in apprentice, graduate or trainee positions.



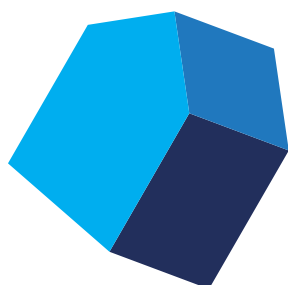
8. Sustainability strategy VFM targetss



To improve the thermal comfort of our customers' homes, reduce our carbon footprint, understand climate change risk and support nature recovery.

➤ Achieved ➤ Not achieved

Aim	VFM targets and outcomes	Full year results	
Create and grow a culture of sustainable practices and decision making across the business.	Effectiveness: 90% of staff have received Carbon Heroes training.	➤	50% of staff had completed Carbon Heroes training by the end of 2024-25.
Ensure our homes provide affordable warmth to our customers.	Effectiveness, economy: All properties receiving energy improvement investment continue to meet customer need as evidenced by internal stakeholders and the SHAPE data and will remain a long-term asset for the organisation.	➤	All properties on planned energy improvement programmes have been reviewed. Fifty properties identified for disposal as continued investment not deemed VFM.
Maximise grant funding opportunities.	Economy: Successfully apply for and deliver SHDF Wave 3 funding to maximise existing investment budgets.	➤	Warm Homes: Social Housing Fund Wave 3 grant of £575k secured.
Ensure all land-led new build homes are delivered in line with the emerging requirements of the Futures Homes Standard 2025.	Economy: New build land-led homes are insulated to at least the nominal Future Homes Standard 2025 requirements and use low-carbon heating sources before this becomes a mandatory requirement.	➤	Station Court now on site and will deliver our first homes at the emerging Future Homes Standard 2025 Building Regulations (low-carbon homes).
	Economy: Sustainability Reporting Standard adopter status retained.	➤	Sustainability Reporting Standard adopter status retained and will be renewed again in 2025-26.



9. External benchmarking to compare internal VFM targets performance with peers

The benchmarking provider is i4H which has provided data on 15 similarly-sized peers. Customer service effectiveness measures have an aim for the upper quartile and cost measures are aimed to be either quartile 1 or 2. Due to the timing of when data is available, the data relates to 2023-24.

Performance indicator	2023-24	Peer median	Quartile
Rent collected, current and former tenants (including arrears b/f)	97.60%	96.75%	1
Current tenant arrears (excluding voids)	1.30%	2.50%	1
Former tenant arrears (excluding voids)	1.10%	1.60%	1
Rent loss due to voids	0.55%	0.57%	1
Average time to complete repairs (days)	10.9	22.35	1
Satisfaction with the last repair (transactional)	85.00%	88.61%	4
Percentage of repairs completed at the first visit	84.58%	86.00%	4
Average relet time (days)	36.39	26.84	3
Gas safety certificate percentage	100.00%	100.00%	1
SAP rating	68.79%	71.88	3

Satisfaction with the last repair

Customers are contacted after a completed repair to survey performance. Suggestions and feedback are fed back through the Complaints team to improve the service.

Average relet time

This is higher due to the fact that FHG takes the opportunity to complete significant capital works due in the future when a home becomes void. This is to minimise disruption to the customers at a later date and customer feedback is that they prefer this approach. A review to reduce the time taken to turn a void around is in progress so a reduction is expected during 2025-26.

SAP (Standard Assessment Procedure) rating

Progress is continuing in improving the efficiency of homes.



10. Regulator of Social Housing VFM metrics

The table below shows the Group's performance on the VFM metrics specified by the RSH. The Group's 2024-25 results have been graded as green (\geq median), or red ($<$ median) when compared to the 2023-24 global accounts of other housing associations.

Gearing is above the sector median because our net book value of fixed asset values are below the sector average (average £40k per unit, being the initial transfer price plus subsequent major improvement works and after depreciation). A more relevant measure of gearing for the Group is net debt per unit which is significantly lower than the sector average.

The EBITDA MRI metric is lower than average due to the Group accelerating void and sustainability works, however the median is reducing across the sector overall.

	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2023-24	Target 2025-26	Target 2026-27	Target 2027-28	Target 2028-29	Global accounts 2022-23 (median)
Reinvestment % Efficiency measure	9.0%	11.5%	15.2%	15.6%	13.5%	12.3%	11.2%	12.3%	7.7%
New supply delivered % (Social housing) Effectiveness measure	1.7%	1.4%	2.2%	2.3%	2.5%	2.2%	1.9%	1.9%	1.4%
New supply delivered % (Non-social housing) Effectiveness measure	0.07%	0.04%	0.01%	0.03%	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing % Efficiency measure	78.8%	81.2%	73.9%	68.7%	73.3%	69.8%	68.7%	67.5%	45.6%
EBITDA MRI interest cover Efficiency measure	145%	110.4%	123.4%	129.4%	112.3%	116.8%	130.2%	138.1%	122%
Headline social housing CPU* Economy measure	£3,700	£4,286	£4,830	£5,303	£5,282	£5,166	£5,229	£5,210	£5,136
Operating margin % Social housing lettings Efficiency measure	32.7%	27.2%	28.7%	31.0%	26.3%	29.3%	29.8%	31.0%	20.4%
Operating margin Overall Efficiency measure	28.8%	26.1%	28.0%	28.7%	23.5%	26.4%	27.8%	28.7%	18.5%
Return on capital employed	3.93%	3.66%	3.86%	4.67%	3.53%	3.68%	3.81%	3.81%	2.80%

CPU = cost per unit

*inflation adjusted April 2023

A further analysis of headline social housing cost per unit is shown in the table below.

Global accounts 2024	Upper quartile CPU £'000's	Median CPU £'000's	Lower quartile CPU £'000's	Actual 2022-23 £'000's	Actual 2023-24 £'000's	Actual 2024-25 £'000's	Target 2025-26 £'000's
Headline social housing CPU	6.52	5.27	4.61	4.29	4.82	5.31	4.86
Broken down into:							
Management CPU	1.60	1.31	0.99	1.34	1.27	1.49	1.37
Service charge CPU	0.96	0.61	0.39	0.28	0.30	0.28	0.26
Maintenance CPU	2.03	1.51	1.15	0.84	0.63	0.67	0.61
Major repairs CPU	1.78	1.27	0.81	1.54	2.27	2.57	2.35
Other social housing CPU	0.53	0.19	0.08	0.29	0.23	0.18	0.17
CEO CPU					0.02	0.02	0.01
Executive Team CPU					0.10	0.10	0.09



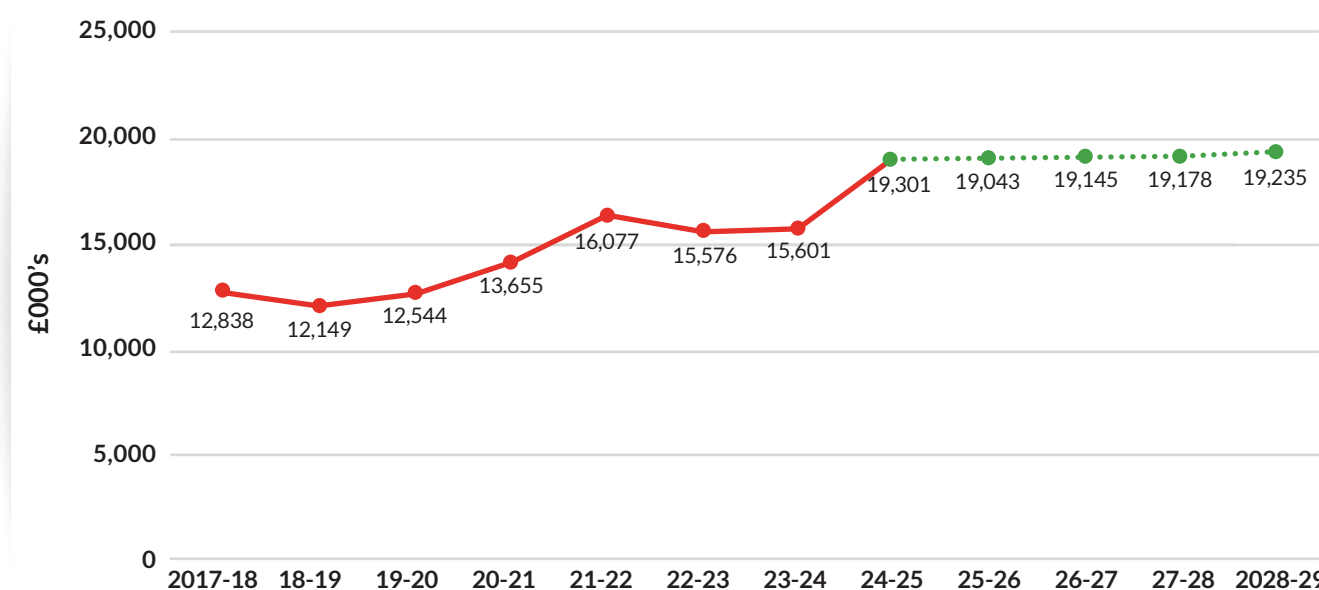
11. Historical financial performance

As shown in the table below, the Group has had significant financial strength over the past five years. Operating profit has been healthy and the Group's asset base has also strengthened, due to diversified activities and an enlarged development programme. All of these factors have helped to generate additional capacity to build new homes and invest into existing homes.

Statement of comprehensive income	31 Mar 2021 £'000	31 Mar 2022 £'000	31 Mar 2023 £'000	31 Mar 2024 £'000	31 Mar 2025 £'000
Total turnover	62,254	59,687	59,388	64,681	76,251
Operating costs (including cost of sales)	(43,304)	(42,559)	(44,385)	(47,385)	(55,046)
Revaluation of investment properties	1,035	2,368	684	(2,024)	(1,209)
Surplus on sale of housing properties and other fixed assets	859	1,538	1,661	263	1,338
Operating surplus	20,844	21,034	17,348	15,535	21,334
Operating profit %	33%	35%	29%	24%	28%
Total comprehensive income for the year	3,448	18,982	15,588	7,069	11,808

Statement of financial position	31 Mar 2021 £'000	31 Mar 2022 £'000	31 Mar 2023 £'000	31 Mar 2024 £'000	31 Mar 2025 £'000
Fixed assets	314,352	343,126	372,742	418,394	475,979
Net current assets	70,201	131,973	82,531	36,475	7,599
Creditors over one year	(333,462)	396,684	(369,612)	(362,039)	(379,040)
Total net assets	51,091	78,415	85,661	92,730	104,538

Forward looking financial performance: core operating costs



Core operating costs are defined as: total operating costs excluding sale of property costs as these are controlled within the Group's appraisal parameters framework, increase in bad debt provision as this is non cash, depreciation as this is non cash, services costs as these are recoverable and repairs costs as these fluctuate with volume.



The graph shows that over this period, operating costs are increasing as the Group invests into key strategic projects. Forecast operating costs are expected to ultimately flatline and align with the sector median. This is before accounting for inflation.

Forward looking financial performance:

	31 March 2025 Actual	31 March 2026 Forecast	31 March 2027 Forecast	31 March 2028 Forecast
EBITDA (£'000) *	31,842	26,952	31,457	34,523
EBITDA as % of interest payable *	357%	249%	255%	260%
Average interest rate % on debt *	3.82%	3.53%	3.72%	3.79%
Groupwide net debt per unit (£'000)	26.5	29.8	31.6	32.8

* Funders' calculation

The Group's EBITDA is stable over the coming years while still being able to continue investing in and developing new homes. The EBITDA as a percentage of interest payable reduces as the revolving credit facility is being used. All aspects of the financials are effectively managed in line with the treasury policy. Business plans are robust and financially viable with mitigations available to overcome a large number of stress tests.

Loan covenant compliance

Covenant forecasts		2024-25 Actual	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Gearing forecast: Group	NW	55%	57%	53%	51%	51%
Gearing covenant - group \leq		75%	75%	75%	75%	70%
Internal limit		65%	70%	70%	70%	65%
EBITDA interest cover	NW	357%	249%	255%	260%	259%
EBITDA interest cover covenant \geq		140%	140%	140%	140%	140%
Internal limit		185%	185%	185%	185%	185%

As shown in the table above, the Group's bank loan covenant performance is forecast to comply over the next five years, with significant headroom. This demonstrates the strength of the organisation. The Group has stress tested its business plans and headroom remains strong under a variety of scenarios. The Bond has an asset cover covenant which is comfortably above the maximum permitted debt and is not a limiting factor.

12. Potential future VFM gains achievable through alternative commercial, organisational and delivery structure

The Board has reviewed a number of alternative delivery structures to consider potential VFM gains.

Mergers and partnerships

The Board is open to discussions on potential mergers and partnerships if these would benefit FHG, however it is not currently in talks with any other providers as at 31 March 2025.

Treasury management

A new intercompany agreement was approved to enable the movement of surplus cash between the two registered providers. This reduces the need to draw on external loans, thereby lowering the Group's new interest costs.

Repairs Academy

The Repairs Academy has continued to train apprentices alongside the Group's in-house repairs team. It is expected that a higher proportion of work can be completed in-house as the apprentices become qualified and experienced, saving VAT on labour costs and providing the Group with more control to ensure the highest quality of service being provided.

Restructure of governance

The Board has agreed that the overall focus should be on customers and people. To this end the corporate plan priorities have changed and two new management groups have been created: Customer Experience and Homes & Growth, which will drive value throughout the organisation.



13. Analysis of non-social housing activity performance

The Board has guided the Group to diversify its activities to generate gains that support further social housing delivery. These gains come mainly from increased shared ownership sales and market rent properties. The Group has moved away from outright sales, with none built since 2021–22 and none planned. Sales of other social housing occur only in cases of low demand, poor value for money on repairs or energy efficiency improvements, or remote, hard-to-manage locations. The table below summarises past gains and provides a five-year forecast.

Past and future gains	2024-25 £'000's	2025-26 £'000's	2026-27 £'000's	2027-28 £'000's	2028-29 £'000's	2029-30 £'000's
Profit from property sales						
RTB/RTA	1,137	630	108	110	112	114
Shared ownership	988	197	84	532	895	818
Other social housing	192	500	517	532	547	561
	2,317	1,327	709	1,174	1,554	1,493
Profit from diversified activity*						
Outright sales	-	-	-	-	-	-
Market rent	1,110	1,206	1,248	1,248	1,248	1,248
	1,110	1,206	1,248	1,248	1,248	1,248

* profit before loan interest

As the table shows, diversified activities and property sales are contributing to the Group's overall capacity to deliver further social housing.

The Board, Audit & Risk Committee and Asset Investment Committee regularly review the risk of diversified activity. The business plans are built in line with the Group's key rules for financial management. This ensures that business plans do not depend on sales receipts to meet existing and future liabilities or to meet loan covenants.

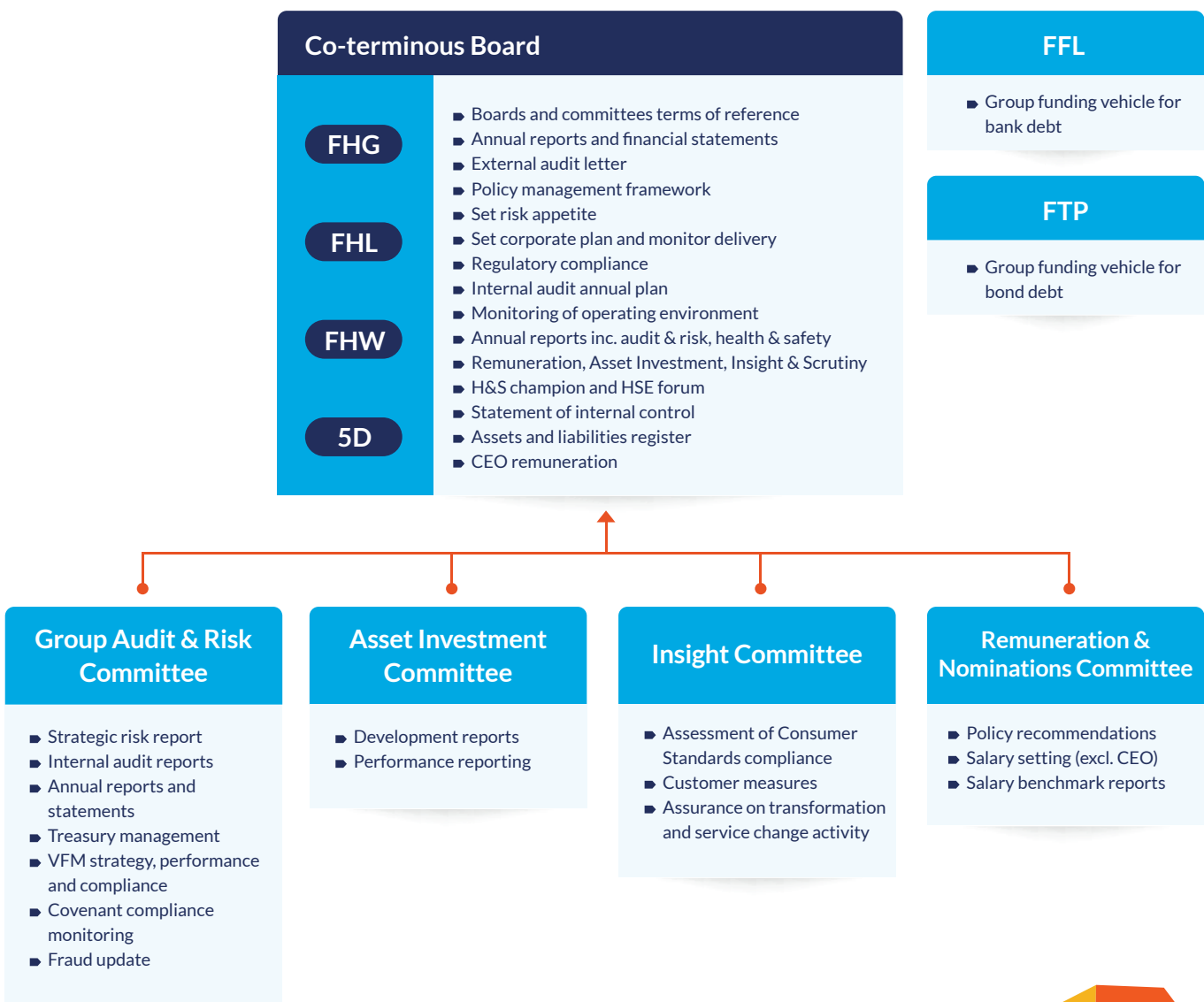
The refinance risks within the Group's business plans are maintained to be at least 24 months in the future and sufficient unencumbered stock exists to raise new debt as required by the business plans.

In addition to these controls, the Group has a £7.5m outright sales exposure cap and sales income should be no more than 25% of total turnover to reduce the risks associated with property market declines. The Board regularly reviews these limits to ensure they are appropriate.



Governance

The Group has a Co-terminous Board, consisting of the boards of FHL, FHW, FHG and 5D. The diagram below shows the governance structure and assurance map.



The Customer Experience and Homes & Growth groups have been set up to replace the Co-Executive team. They support the Executive Team and the Board by scrutinising and driving positive operational performance.



External environment

Regulator of Social Housing

The RSH is a Government body set up to regulate registered providers of social housing to promote a viable, efficient and well governed social housing sector able to deliver homes that meet a range of needs.

New RSH Consumer Standards 2024 came into force in April 2024 to ensure customers receive quality services and are treated fairly. An external review we commissioned confirmed that FHG is compliant and actions are being undertaken to further bolster adherence to these requirements. Compliance includes ensuring homes are well maintained, communicating effectively with customers and allowing them to influence decision making and ensuring fair tenancy management. Collation and submission of Tenant Satisfaction Measures has started.

Currently all homes are at Decent Homes plus standard and FHG is awaiting details for updates expected for the new Safety & Quality standard.

Regulatory framework

The regulatory framework for social housing is made up of regulatory standards that are classified as either economic or consumer. In addition there are codes of practice that registered providers need to comply with.

The Group continues to operate to the highest standards and its Boards can demonstrate that they manage the Group under the principles of co-regulation underpinned by a robust governance framework. The Group has continued to maintain the highest G1/V1 regulatory rating.

Government legislation

The Government budget in October 2024 reaffirmed its commitment to the building of 1.5m new homes over the next Parliament and setting aside £2bn of grant funding towards this. FHG has seen an increase in Right to Buy requests following changes to the discount rates and it is expected volumes will reduce in future years.

An increase on employers' National Insurance contributions did have an adverse impact on FHG however this has been factored into the latest budget, with stress tests for unknown future impacts to ensure the business plan remains strong in light of these and unknown future challenges.

The Income team will work to support customers who may be negatively affected by changes to Universal Credit and Personal Independence Payments qualification criteria to help them during the cost of living crisis in supporting themselves and their family while maintaining their tenancy.

'Awaab's Law' will come into force in October 2025 and FHG is working to the timescales expected when advised of damp and mould hazards and emergency repairs required. There is a risk that increased media coverage will increase the number of customer enquiries and stress tests have been performed if additional funding is required to comply.

The Group is compliant with the updated Housing Ombudsman Complaint Handling Code that went live in April 2024. Any maladministration complaints are immediately referred to the Board.

The Group does not own any higher risk buildings, being properties over 18m in height, as defined in the *Building Safety Act*. In addition, we have not found any examples of reinforced autoclaved aerated concrete (RAAC) used within its homes with flat roofs as all have been built outside of the date range when this form of concrete was used (1950s to 1980s) and any taller buildings were built after 2000 so this is not seen as a risk. We have prioritised other fire safety measures such as accelerating works to improve fire compartmentalisation for adjoining homes and installing new fire doors. All new developments comply with the new requirements with a three phase 'gateway' approach to ensure that at the end of each key development stage (planning, construction and handover), all building safety aims are achieved before starting the next stage.

There are no known direct risks or opportunities with President Trump's policies in America or the recent UK-EU cooperation deal.

Other health and safety

The Group has a comprehensive framework to ensure compliance with statutory responsibilities for fire safety, gas safety, lift safety, Legionella, asbestos and electrical safety, whether stock is owned, managed or leased. The Board oversees the health and safety compliance, as well as there being a health and safety forum and a Repairs & Assets Group.

Future Homes Standard

This new legislation is expected to be introduced later in 2025 and we expect that there will be a requirement that all new build homes should be future proofed with low carbon heating and leading levels of energy efficiency. Building regulations are likely to be changed to ensure that this can be enforced. The Group has sufficient capacity in its business plans to ensure that all of the new build programme complies with the new regulations and all new properties are built to at least EPC B standard, with some schemes meeting EPC A.

Affordable Homes Programme

£171m of grant was awarded to the strategic partnership between FHG, Midland Heart and East Midlands Housing under the previous Affordable Homes Programme which provided the Group with an additional £21.8m in funding that is being used towards delivering 500 new homes to local and surrounding areas. The Group is awaiting details of how to apply for grant under the £2bn that the Government has set aside. The new shared ownership model (allowing customers to buy a minimum of 10% equity in their home with Futures being responsible for repairs for the first ten years (up to £500 per annum)) is in place and there are no adverse financial implications to the business plan for these changes.

ESG (environmental, social, governance)

The Group complied with the Streamlined Energy and Carbon Reporting (SECR) regulations, which is reported in these accounts. As well as complying with the SECR regulations, the Group has adopted the Sustainability Reporting Standard for Social Housing.

Rent policy

The government rent formula has been applied from 1 April 2025. Under the regulations rents are permitted to increase by CPI plus 1%. FHG also applies the permitted rent tolerance to the calculation of social rents, being 5% for social rents and 10% for supported housing. This tolerance supports numerous initiatives including money advice, employment and training, digital services, lifelines, tenancy sustainment support services and increased housebuilding and its use was reviewed and approved by the Insight Committee.

Any customers who were not already at full target rent plus tolerance had their rents increased in line with the rent guidelines. A review of affordability to our customers is undertaken each year before any rent increases are proposed to Board.

The Group continues to help customers with a focus on debt prevention and has delivered exceptional bad debt performance by working closely with affected customers before they get into financial difficulties to help them main their tenancies.

Risk and uncertainties

The Board considers the main risks that may prevent the Group achieving its objectives annually as part of the corporate planning process. They are also monitored during the year by the Audit & Risk Committee. The risks are assessed in terms of their impact and probability. Major risks, presenting the greatest threats to the Group, are included in a corporate risk map, while other risks are included in operational based risk maps. The Group's approach to risk is not intended to eliminate risk but to identify, prioritise and manage key risks to support corporate objectives.

Corporate risks

The key corporate risks are outlined in the following table.

Risk	Current controls and sources of assurance
<p>Increasing arrears/reducing cash receipts.</p> <ul style="list-style-type: none"> Loss of income through non-payment of rent and failure of controls to collect rent and support customers. Leading to reduced funds and increased stress for the customer. Resulting in potential limitations on the Group's ability to deliver strategic objectives as detailed in the corporate plan and negative customer experience. 	<ul style="list-style-type: none"> The Board reviewed the Group's rent and service charge policy in November 2024. The Customer Experience group provides tactical oversight through reports to group directors. The Board monitors arrears performance quarterly. The Finance team conducts stress-testing and monitors daily cashflow with quarterly review by the Board and Group Audit & Risk Committee. Bad debt provision is reviewed through annual budgeting and reflected in the Group's business plan. Group business plans reflect government policy. The 2024-25 internal audit programme included review of rent arrears management, outcome '<i>significant assurance</i>'. Universal Credit (UC) arrears are forecasted using a risk-based approach. All UC customers are risk assessed (high/medium/low). The Executive Team monitors developments in the Government's welfare reform agenda and reports key issues to Board. The housing management system (Orchard) includes capacity to record UC-related information and transactions, record UC direct payments (applicable from eight weeks' arrears) and use balance trends, enabling the Group to profile its income collection. Rent increases have been managed by lifting the charges directly in Orchard therefore reducing the risk of error. Due to a more concise process the risk of new tenancies, voids and terminations being missed is also reduced. <p>Customer</p> <ul style="list-style-type: none"> The Group's money advice model focuses on financial inclusion and capability. Digital self-serve and the ability to talk to tenancy sustainment officers provides instant solutions, while an intensive support element is available for customers identified as needing longer term support. Proactive contact for all customers making a UC claim supports a preventative approach to changes in customers' circumstances, a key driver for rent arrears. Strong networking and partnerships with the Department for Work and Pensions (DWP) and Job Centres across the Group where UC is live. The Income team liaises with DWP and uses its 'landlord portal' to maintain visibility around UC payments. Customers who can seek employment are referred to the Tenancy Sustainment team. The income app enables real-time data capture in the field, reducing preparation time and time engaging with customers. Rent Sense system continues to be used to identify customers who may be at risk of financial hardship to allow for early tailored support to be provided.

Risk	Current controls and sources of assurance
<p>Supply chains, materials and resource uncertainties arising from geo-political and economic uncertainty.</p> <ul style="list-style-type: none"> Failure of supply chains for skills, materials and resources due to global political and economic uncertainties. Leading to increased delivery and maintenance costs and delays to acquisition of materials, resources and skilled workers. Resulting in delays to delivery of the growth strategy and development programme, and a general increase to overall costs. 	<ul style="list-style-type: none"> The Group Directors monitors supply chain exposure. Key developments are reported to the Board and Group Audit & Risk Committee. Contract review meetings are held with key suppliers and stakeholders. Frequency is based on risk and value. Dun & Bradstreet (D&B) alerts are in place to notify of changes to the financial standing of suppliers. An escalation process is in place. Annual supplier audit checks are carried out and include: actual expenditure, company detail check, VAT number check, insurances update, modern slavery statement, SSIP registration, health & safety breaches and notices, D&B status, conflict of interest statement, confidentiality agreement, GDPR compliance statement, sustainability approach and statutory certificates. The Group operates a supply chain framework for materials with annual price increases linked to CPI. Other supplier price increases can be mitigated using other framework contractors. Risks regarding development supply chains have been highlighted to the Asset Investment Committee. Exchange rate is recorded each quarter and as rate increases are received by suppliers, this is compared against CPI. Materials used in elemental works and planned maintenance are provided by the Group through its materials supply chain. Travis Perkins provides more than 90% of materials and imports c. 20% of its materials and supplies from the EU. The Group does not currently operate an official materials store. Contingency and major incident plans are in place. In the event of shortages FHG would reduce services to maintain statutory and regulatory compliance and use available properties to house customers safely. Standing orders and financial regulations regulate build costs and outright sales prices. Group Directors and the Asset Investment Committee monitor schemes where parameters on costs rise or sales prices will not be met. Stress testing of business plans has included modelling the impact of economic change. Stress testing forms part of the annual budget setting exercise and a quarterly review of stress tests is conducted and published to the Board.
<p>Cyber threat</p> <ul style="list-style-type: none"> Lack of digital protection for the Group's information systems. Leading to data being unprotected against theft, loss and corruption because of cyber-attack. Resulting in interruption to services and critical operations, financial costs associated with recovery as well as potential regulatory fines, legal challenge and reputational damage. 	<p>Governance and education</p> <ul style="list-style-type: none"> Compliance with the Payment Card Industry Data Security Standard (PCI DSS) and Information Security Management system (ISMS). ICT acceptable use policy and ICT security policy are in place. Mandatory annual (and additional optional) online cyber-security training for all employees. Regular awareness campaigns and phishing simulations are carried out throughout the year to support staff to identify potential cyber risks. <p>Email protection</p> <ul style="list-style-type: none"> Mail server (MS Exchange Online and Mimecast) protection. Features include spam filtering, sandboxing, Ironscales, URL protect, OnDMARC, MxToolbox. Email protection arrangements are reviewed quarterly by the ICT team. <p>Device protection</p> <ul style="list-style-type: none"> Sophos Central Intercept X defence programs using AI to identify and prevent attacks. Always-on VPN provides secure remote connection to internal network. Mobile devices use MS EndPoint Manager to apply security measures. All devices are encrypted at 'disk level' and are capable of being located, locked, and wiped remotely. <p>Server protection</p> <ul style="list-style-type: none"> Sophos MDR threat response (24/7-365 system monitoring). All network servers (physical and virtual) are backed up routinely. Backups are encrypted and replicated to more than one location. Tape backup used to provide offline backup. In the event of ransomware (or similar) infecting network, CryptoGuard can roll-back the server data to its unencrypted state.

Risk	Current controls and sources of assurance
	<ul style="list-style-type: none"> Antivirus software is in place to identify any malicious software or infection using both signature-based identification of known malware and artificial intelligence (AI) identification based on suspicious activity. <p>External threats</p> <ul style="list-style-type: none"> NextGen firewall technology checks for malicious content and blocks in real-time, Sophos Unified Threat Management (public facing application) and HSO Network has its own firewall. Segregated wifi for staff and visitors. <p>Security information and event management</p> <ul style="list-style-type: none"> ICT generated information consolidated into a single system (AlienVault) which analyses the information. Signature matching is used to check activities against known threats. Every internal data packet is inspected by AlienVault on our network.
<p>Economic climate</p> <ul style="list-style-type: none"> The macro and micro economic climate may increase pressure on the Group's existing services. Inability to deliver the Group's strategic objectives detailed in the new corporate plan. Increases in homelessness resulting in increased reliance on services. 	<ul style="list-style-type: none"> The Board and Audit & Risk Committee monitor a range of key economic metrics quarterly. Business plans are prepared using 'key rules for effective financial management', as detailed in the budget report approved by the Board. These include having spare facility headroom to cope with potential adverse economic conditions with no dependency on sales income to meet loan covenants and business plan assumptions. Quarterly stress testing of business plans assesses the impact of adverse economic conditions on loan covenants and ongoing viability. Contractor financial resilience is assessed for all new suppliers. Budget and business plan and stress testing resilience plan was approved by the Board on 12 March 2025. Stress testing forms part of the annual budget setting exercise and a quarterly review of stress tests is conducted and published to the Board.
<p>Major incident</p> <ul style="list-style-type: none"> Lack of adequate business continuity and resilience plans to support response and recovery from a crisis or major incident. Leading to loss of ability to deliver functions critical to the Group and customers. Resulting in loss of income, damage to reputation or potential harm to customers. 	<ul style="list-style-type: none"> Regular testing and annual review of business continuity plans (BCP) with each team having its own. The annual review is conducted by an external provider as a third line of defence. The Group operates a business continuity policy with a suite of documents which includes scenario specific response plans, ie cyber attack, pandemic, and generic response plans for a range of different scenarios including loss of power or access to sites, etc. The Group has clear links with local authority emergency disaster plans. The internal audit programme covers business continuity arrangements on a cyclical basis. An assurance rating of 'significant assurance' was provided following the last review in 2024-25. The business continuity tactical team leads on incident responses and conducts lessons learned exercises after significant major incidents, with external provider support if appropriate. BCP workshops over the past 12 months include flood response, cyber and ransomware workshops. Battery power banks and 4G dongles have been supplied for identified critical services and team members. Business Continuity Manager recruited and now in role. Futures House now has a number of generators to provide a source of power for the Customer Services team to enable continued delivery of services to customers.

Risk	Current controls and sources of assurance
<p>Government policy</p> <ul style="list-style-type: none"> ■ Lack of capacity within the Group to exploit and adapt to changes in Government policy. ■ Leading to negative impact on the Group's operations and finance. ■ Resulting in missed strategic opportunities and inability to deliver the Group's strategic objectives as detailed in the corporate plan. 	<ul style="list-style-type: none"> ■ The Group directors monitor developments in government policy, including bidding rounds and Chancellor statements and reports key developments or actions to the Board. ■ Known and anticipated changes to government policy are incorporated into budgets and business plans which are stress tested, reviewed, and approved by the Board. ■ Regular reporting to the Board and Group Audit & Risk Committee on actual and expected policy changes, including mitigating actions. ■ 2024-25 internal audit of budget setting and approval processes – general ledger and budgetary control was given 'significant assurance'.
<p>Resource planning</p> <ul style="list-style-type: none"> ■ Lack and loss of skilled and experienced team members and failure to identify skills required to run departments and deliver projects. ■ Leading to inability of the Group to deliver and maintain homes and strategic and business plan objectives. ■ Resulting in negative impact upon Governance and Viability ratings, negative customer ratings and reputational damage. 	<ul style="list-style-type: none"> ■ Resource planning is reviewed and discussed regularly with the group directors. Approval for additional resource is sought by submitting a business case to the group directors in line with the financial regulations. ■ The Group's planning approach focuses on planning for specific key business scenarios, such as business growth, impact from the external environment and other internal reviews, to deliver the corporate objectives (eg transformation output). ■ The annual budget setting process is informed by the resource plan which assesses current and future resource requirements necessary to deliver services, projects and strategies. As workstreams are progressed, implications for staff resource levels are monitored. ■ Internal audit reviews comment on resourcing and succession planning matters, where appropriate. Internal audit of HR and recruitment took place in April 2023 – 'significant assurance with minor improvements'. ■ Reward and recognition is reviewed as part of a triennial benchmarking review. This helps to ensure that the employee offer remains competitive and key employees are retained. The group directors consider report outcomes at meetings before making decisions in accordance with delegated authorities. ■ The development of a high-level skills matrix sets out the core skills and capabilities for each role and underpins future resource planning. This also ensures that team members have the right skills, and that suitable training and development arrangements are in place. The people services transformation project and ongoing resource planning work will further develop this. ■ The Group's resource plan has been reviewed to address any additional skills or headcount requirements to subsequently inform the annual budget setting exercise on forecasted resources. Board approved the 2025-26 budget at their meeting on 12 March 2025. ■ The Group retained Investors in People Platinum award in April 2024.



Risk	Current controls and sources of assurance
<p>Failure to achieve environmental and sustainability targets</p> <p><i>Leading to:</i></p> <ul style="list-style-type: none"> Non-compliance with targets. The inability to maximise funding opportunities. The inability to maximise grant funding due to resource and data. Tensions between appetite to develop over maximising assets. Inaccurate short- and long-term financial forecasting and business plan stress testing. <p><i>Resulting in:</i></p> <ul style="list-style-type: none"> Regulatory oversight and censure. Increased borrowing costs and the inability to secure future, additional borrowing and resourcing. Capacity issues within the business creating increased risk of corporate plan failure. Negative impact on other business activities. 	<ul style="list-style-type: none"> Group business plan includes assumptions around sustainability and energy efficiency. Annual Streamlined Emission Carbon Reporting (SECR) reporting to AIC. <p>Assets</p> <ul style="list-style-type: none"> Targeting EPC C by 2030: Savills have undertaken a review of FHG asset data and set out options to achieve EPC C by 2030, and net zero carbon by 2050. Full business plan provision has been made for EPC C and substantial provision made for net zero carbon. Development of disposal programme for poor performing properties and consideration of alternative tenancies such as shared ownership to help in raising capital. Business plan for assets includes budget for energy improvements. <p>Asset maximisation</p> <ul style="list-style-type: none"> An asset maximisation strategy is in place and identified a suite of short term opportunities for disposal reviewed by the Asset Investment Committee. Compliance with disposal related law and regulation are included on the annual Anthony Collins Solicitors legal checklist. An internal audit of asset maximisation 'advisory' report was considered by the Audit & Risk Committee in April 2023.
<p>Development</p> <p>Inappropriate planning and implementation of staffing and financial resources in relation to development results in:</p> <ul style="list-style-type: none"> Failure to deliver key objectives set in the Group's corporate plan. Failure to develop and effectively implement an appropriate control framework to ensure: <ul style="list-style-type: none"> Robust scheme delivery through effective scrutiny during appraisal processes and programme delivery. Effective scheme project management to prevent, where possible, increased costs, extended programme timescales and adverse impact on quality of homes. There is no adverse impact on: <ul style="list-style-type: none"> Customer satisfaction. Reputational risk to the Group. Value for money. Strategic budgetary issues. Regulatory interest. 	<ul style="list-style-type: none"> The Asset Investment Committee has delegated responsibility for oversight of the Group's development programme and monitoring of delivery and performance across the Group. This includes approving investment and divestment opportunities, considering and approving development scheme proposals, development programme monitoring and risk management and asset management. Development parameters are set in the Group's standing orders and financial regulations. Development controls are in place including scheme risk assessments and development scheme reporting to the AIC. Detailed scheme risk registers in place. Three-tiered approach in place. <ul style="list-style-type: none"> Land only – FHG can build to new 2025 building regulations. Package deals – FHG can influence developers. Section 106 (50% of our new houses) Development team restructure implemented with appropriate skills and experience. Development procedure manual in place. Development managers team meetings provide a forum for scheme issues to be raised and discussed. Development improvement group managed legacy issues, supported by the Transformation team.

Risk	Current controls and sources of assurance
<p>Data returns</p> <ul style="list-style-type: none"> Failure to provide the Regulator with accurate or complete data. Leading to late submissions and increased scrutiny by the Regulator. Resulting in potential revision or decrease in Governance and Viability ratings, damage to reputation. 	<ul style="list-style-type: none"> The Group uses experienced staff to complete data returns and these are also externally validated. Data returns are reviewed and signed off by relevant line managers or group directors. Specific checks and controls actioned by the staff above include: <ul style="list-style-type: none"> Reading guidance notes and definitions that accompany data returns. Detailed working papers are maintained to support data submissions. Reconciliations between data sources are undertaken and documented. Returns are sense-checked against previous quarters/years. Logic checks are undertaken on system extracted data. Mathematical calculations are checked for accuracy. Seeking legal advice on interpretation of law, regulation or technical application as a third line of defence. The Group Finance & Resources Director undertakes a final review of data returns before submission. The process for collating and validating data returns (SDR) is documented and completion reported to Board. Rent increases are automated using data direct from Orchard. A sample test of rents automatically uplifted by Orchard is carried out. A reconciliation takes place between the annual data return and the master rents spreadsheet for data quality and accuracy purposes and Orchard to ensure that no inconsistencies are present. Refresher training to Customer Services team members on data and data quality. Data quality training in place for team members who have a high degree of exposure to personal and sensitive data and information. RSH fire safety remediation survey completed in January 2025.
<p>Failure to deliver the corporate plan.</p> <p>Failure to deliver the corporate plan leading to strategies and objectives not being delivered and targets relating to business growth, digital engagement and sustainability being missed:</p> <ul style="list-style-type: none"> Customer experience strategy: Not meeting the needs of our customers. Homes strategy: Poor asset management for new and existing homes. Development strategy: Failure to maximise delivery of new homes. Growth strategy: Missed opportunities to grow. Digital strategy: Inability to provide choice as to how customers get in touch. Business change strategy: The Group fails to adapt and make the best use of resources. Value for money strategy: Failure to work in the most efficient and effective way. Sustainability strategy: Maximising assets, development and customers to achieve goals. 	<ul style="list-style-type: none"> Strategy & Projects Working Group is in place to: <ul style="list-style-type: none"> Monitor strategic delivery of the corporate plan's key elements including strategies, and projects. Ensure that overall risks to each element of the programme(s) are managed. Champion the programme(s) to internal and external stakeholders and communicate progress. Authorise financial commitments within the existing financial procedures. Establish scopes and recommend business cases for strategic projects in advance of budget setting. Regular strategy reports and updates to Board underpinned by a suite of performance measures. New corporate plan launched in March 2024 which was streamlined to three core priorities: customers, homes and growth.

Risk

Effective governance framework and regulatory compliance.

- Lack of effective governance framework within the Group including composition, skills and delegation arrangements of boards, committees and team members.
- Leading to poor decision making and lack of compliance with the Regulator's economic and consumer standards.
- Resulting in inability to deliver corporate plan and increased risk of negative impact to governance and viability ratings.

Current controls and sources of assurance

- Board and all committees have documented terms of reference and are minuted.
- Board recruitment and succession policy in place and appointments are made on a skills basis.
- The corporate structure is regularly reviewed and legal advice is obtained on consequences of proposed changes.
- There is a periodic review of the Group's standing orders and financial regulations, including delegations.
- The Group undertakes annual self-assessments against each of the Regulatory Standards.
- Economic Standard compliance is reported to the Audit & Risk Committee and Board.
- Consumer Standard compliance is reported to the Insight Committee and Board.
- The Governance & Assurance team issues self-assessment templates to relevant officers which require them to record and retain supporting evidence and to sign the self-assessments as reviewed and confirmed. The team also undertakes assurance checks by sampling and reviewing evidence.
- The Group Audit & Risk Committee annually reviews the VFM strategy and self-assessment against the VFM standard. Comments are recorded in the minutes.
- The Group operates a regulatory standards compliance plan, which is reviewed annually. This plan documents the assurance provided to the Board and includes reporting timelines.
- The Group has a robust approach to stress-testing, considering aspects such as the key rules of financial management, external environment risks, corporate risk map and customer health and safety. Both financial and non-financial customer impacts have been assessed as part of the mitigating actions and core principles have been followed around legal and regulatory compliance, protection of customers' health and safety and essential services and retention of community investment where possible. The tests and mitigating actions are repeated quarterly and shared with the Board.
- A separate stress test resilience paper detailing the trigger limits for Board intervention is used to ensure mitigation against future risks.
- Regulatory standards internal audit delivered in 2020-21 – '**significant assurance**'.
- In October 2024 S&P downgraded the Group's credit rating from A+ (negative outlook) to A (stable outlook). The key reason is due to weakening financial performance caused by increasing costs. There is no impact on existing loans for this new rating.
- Internal audit review of governance 2022-23 – '**significant assurance**'.
- Internal audit review of risk management 2023-24 – '**significant assurance with minor improvements**' noted.
- Full IDA review in 2023 – retention of the Group's G1/V1 rating.

Risk	Current controls and sources of assurance
<p>Health and safety (H&S)</p> <ul style="list-style-type: none"> Failure to identify, monitor and control H&S risks (fire, Legionella, electrical, gas, asbestos, and lifting equipment) and workplace related risks such as the HASAWA 1974. Leading to injury or death of customers and/or team members. Resulting in regulatory non-compliance, reputational damage, legal challenge, monetary fines, negative impact on governance and viability ratings. 	<ul style="list-style-type: none"> The Group's health, safety & environment policy which is underpinned by procedures which include statements of intent for specific areas (eg gas, fire, Legionella, asbestos, lone working and other workplace risks). Health and safety training is mandatory during new starter induction with selected elements subject to periodic training updates. Records of training are maintained through the HR system and SharePoint. The staff appraisal system is used to identify H&S training needs. The Board receives a written report at each meeting detailing RIDDORS reportable to the Health and Safety Executive (HSE) and related actions; HSE data on incidents and near misses; data and associated actions in relation to fire, Legionella, electrical, gas, asbestos and lift equipment and incidences of damp, mould and condensation in homes and key findings from other sources of assurance. The internal audit programme included gas safety which had significant assurance in 2024-25. Quarterly health and safety forums are held with representatives from across the business, with key messages disseminated to staff. Board members are invited to attend and observe the forum. Health and safety incidents are reviewed, assessed and actions are taken to mitigate the risk of repeat failures. These are reported to the Group's health and safety forum along with enhanced FLEGAL reporting. The Group has maintained ISO 45001 (initial award Oct 2022, surveillance audit Oct 2024) accreditation which relates to meeting the international standard for an occupational health and safety (OHS) management system. These include desk top audits, site visits and interviews. The occupational health, safety, wellbeing and environment (OHSWE) strategy has been in place since 2022. A strategy steering group (SSG) coordinates and monitors activities. The Asset Investment Committee oversees building improvement works for buildings of multiple occupancy. Completion of a best practice five-star occupational health and safety audit, conducted by the British Safety Council, in which the Group achieved the highest rating of five stars in October 2023.
<p>Information governance</p> <ul style="list-style-type: none"> Failure to have robust information governance arrangements. Leading to the inability to efficiently access and use data and information, compromised information, non-compliance with our legal and regulatory obligations. Including GDPR and Data Protection Act 2018, PCI DSS, CCTV Code of Practice 2020, Cyber Essentials+. Resulting in regulatory interest inefficient processes, data quality issues and working arrangements, financial penalty, reputational damage and business interruption. 	<ul style="list-style-type: none"> The Group has a lead data protection officer to ensure continued compliance with GDPR across the Group and an information and security manger to lead in developing appropriate information and security data management. All staff receive mandatory GDPR awareness training as part of their induction and every two years during their employment. Data protection impact assessments (DPIA) are carried out for all new and amended systems or processes with high privacy risks. The Group works with external solicitors and advisors who provide legal advice and support. GDPR risk and progress updates are reported quarterly to the information governance forum (IGF). The IGF meets regularly to discuss relevant risks and controls around information and data.

Capital structure and treasury policy

The Group's long term funding requirements are forecast through business plans. The business model assumes that debt will increase in the early years to fund the purchase or development of stock and the continued investment in existing stock, after which it will gradually be repaid.

The Group has in place two funding vehicles, FFL to hold bank funding facility of £107m and FTP to hold a £270m public bond. Both FFL and FTP have secured their funding on homes owned by FHL and FHW. These two main funding sources are permitted to be on-lent to FHL and FHW for the purposes of new development. In addition, up to £20m of the loan facility in FFL is permitted to be on-lent to any non RP subsidiary of the Group for commercial activity.

As at 31 March 2025, FFL had a £75m undrawn revolving credit facility (2024: £75m). FTP has fully drawn its facility.

Intercompany agreements have been set up to allow surplus cash to be transferred within the Group to further its charitable aims. This provides value for money as it reduces the need to draw on external loans, thereby lowering the Group's new interest cost. Currently 5D can lend its surplus cash to the registered providers (FHL, FHW & FHG) and FHL and FHW can lend surplus cash to one another, primarily to fund development programmes.

The total available liquidity of the Group as of 31 March 2025 is £91.8m (£16.8m cash and investments plus undrawn facility of £75m). The Group's treasury management policy states that the Group should manage its liquidity risk, (the risk of the Group becoming unable to meet its financial obligations when they fall due), through ensuring that sufficient sources of funding are available. The Group holds liquid funds, short term funds and medium-term funds for rolling periods of three months, 12 months and 18 months respectively that can be accessed within appropriate timescales.

Liquidity risk is effectively managed as the Group's cash and cash investments can be accessed within seven days and all committed debt facilities can be accessed within two working days. The policy also states that the Group should ensure it will not require additional financing to meet its contractually committed obligations within a period of less than 24 months. The Group complies with this requirement in its annual budget business plans and monthly outturn plans. The Group is subject to refinance risk when the existing borrowing facilities expire based on the current development pipeline, but this extends beyond 24 months.

The Group's current fixed to variable debt ratio ensures protection against interest rate increases and complies with the treasury policy which states that a minimum of 70% of debt should be fixed at any time. As at 31 March 2025, 100% of the debt was at a fixed rate.

All of the Group's debt facilities are secured by fixed charges. The Group currently has 3,374 unencumbered properties available to secure new debt as required.

Accounting policies

The Group's principal accounting policies are set out in the notes to the financial statements. There were no significant changes to accounting policies in the current year.

Key estimates and judgements

The significant judgements and estimates made by the Group in preparing the financial statements are set out in the notes to the financial statements. There were no significant changes to key estimates and judgements in the current year.

Payment of creditors

In line with government guidance, the Group's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Complaints

All companies within the Group have a clear and simple complaints policy. The Group has robust procedures to ensure that unresolved complaints are actively monitored and appropriate action taken to address the relevant issues.

Events after the end of the reporting period

We consider that there are no events since the financial year-end that have a significant effect on the Group's financial position.

Health & safety and environmental policy

The Board is aware of its responsibilities on all matters relating to health and safety. Taking into account the needs of its customers and society at large, FHG will aim to eliminate or reduce to a level as low as reasonably practicable, the health, safety and environmental impacts of its activities; protect the environment and prevent pollution by using a structured risk management approach and implement sustainable procurement practices, targeted carbon emission reduction and a reduction of waste to landfill.

Statement of compliance


In preparing this strategic report, the Board has followed the principles set out in the Housing SORP 2018 (Statement of Recommended Practice for Social Housing Providers).

Futures Housing Group Limited and its subsidiary companies which are registered providers of social housing are required to comply with the Regulatory Standards included in the Regulatory Framework and to certify compliance annually with the Governance and Financial Viability Standard.

During the year the Board has overseen an assessment of compliance with each of the Regulatory Standards. The outcome of the annual assessment was reported through an annual statement of internal control approved by the Board. As a consequence the Board can certify that the Group fully complied with the Governance and Financial Viability Standard for 2024-25 throughout the course of the year and up to the date of signing of the accounts.

Section 172 statement

The directors have had regard to their duties as set out in section 172 of the *Companies Act 2006*. The duty of directors is to act in good faith and to exercise powers diligently so as to promote the success of the company for the benefit its stakeholders. Below are key factors which demonstrate these duties:

 Decision making is fully supported by financial and non-financial information. For those decisions likely to have a significant material impact on the short, medium and long term financial plan of the Group, the potential impact is assessed through financial modelling using robust financial assumptions and subject to stress testing.

Key decisions in this area during the year include:

- ▶ Approving the CP24+ corporate plan at the beginning of the year which used feedback from more than 400 customers. This was streamlined to focus on the priorities of customers, homes and growth.
- ▶ Approval of the 2025-26 budget, business plans, key rules of financial management and stress tests to enable delivery of the corporate priorities while maintaining sufficient headroom to allow the Group to withstand a multitude of economic pressures.
- ▶ Approved negotiations with Venn Partners to appraise using the Affordable Homes Guarantee Scheme to borrow future funding on the basis that this is the cheapest form of funding currently within the market.

ii Interests of the Group's employees are protected in several ways including salary benchmarking, pension scheme arrangements and proactive benefit programmes such as health cash plans and private medical insurance. The Group works with external bodies to ensure ongoing compliance with employment legislation and best practice. Employees are consulted regularly and given information through employment working groups. The Group invests significantly in training and skills development for all staff across the business. A robust policy framework is also in place, including policies for conduct and health and safety. A survey was sent to staff in November 2024 to capture valuable thoughts on Futures' culture and engagement across the organisation. The overall culture pulse score of 76% shows a generally positive perception of the culture at Futures. The Group's health and wellbeing strategic plan will continue to focus on both physical and mental wellbeing and currently 81 staff members are Mental Health First Aid trained. Also all line managers have undergone neurodiversity training.

Key decisions in this area during the year include:

- ▶ Ensuring that the organisation's values (FACTS) have been fully embedded throughout the organisation.
- ▶ The Executive Team presented and explained the new corporate plan to all employees in person.
- ▶ Approved a salary increase of 5% for all staff from April 2024.
- ▶ Promoting the salary sacrifice schemes for new cars and defined contribution pension contributions to help staff save money through the ongoing cost of living crisis.
- ▶ Continued investment in health and wellbeing initiatives for staff that helped retain the Investors in People Platinum standard.

iii Relationships with suppliers are maintained across all departments through contract management processes led by the relevant contract manager and supported by the Procurement team. Relationships with customers are managed through a variety of ways that are set out in the corporate plan.

Key decisions in this area include:

- ▶ Exploring new income revenue areas such as rebates from larger contracts, income from excess solar power generation, recycling of scrap metal and refunds for when excess stock is being held at depots.
- ▶ Following a fair three step process of considering, checking and challenging supplier price increase requests.
- ▶ Having a detailed list of alternative suppliers for all higher value or higher risk contracts with which the Group has a direct relationship as a contingency. This was successfully used when FHG's gas servicing contractor unexpectedly went into liquidation and resulted in no homes going over their 12-month anniversary date.
- ▶ Approval of the increased financial due diligence completed for development contractors alongside the regular meetings, site visits and updated risk matrix with a suite of early warning triggers.

iv The impact of the Group's operations on the community are managed effectively through providing mixed tenure housing, estates management services, support services and grounds maintenance services. In addition, the Group's health & safety and environmental policy creates a framework for operating within to ensure that the Group complies with regulation in these areas.

Key decisions in this area include:

- ▶ Investment in additional surveyors within the Assets team to allow FHG to increase the number of home surveys in line with the consumer standards.
- ▶ Ensuring compliance with 'Awaab's Law' by prioritising damp and mould complaints and emergency repairs alongside continued scrutiny of health and safety by the Board and Asset Investment Committee with trigger limits for intervention.
- ▶ Continued investment into new development programmes to increase housing supply with a view to enhancing the quality of homes delivered to comply with the Future Homes Standard.
- ▶ Continued funding for employability initiatives and delivery of apprenticeships.

- Implemented the full suite of Tenant Satisfaction Measures and investing to understand our customers fully.
- Starting all Board meetings with a customer story to ensure that the customer is at the heart at all levels within the organisation.
- Commissioning a review into later living to better understand our homes and customer needs to provide support throughout their lives. This includes ensuring homes are fit for purpose, any adaptations that may be required or helping customers move to more suitable accommodation as their needs change.

v The Group strives to maintain a reputation for high standards of business conduct. It carries out an annual assessment of compliance with regulatory standards and has achieved top gradings for governance (G1) and viability (V1) from the regulator year-on-year. In addition the Group assesses compliance with the National Housing Federation's Code of Governance and with all relevant law annually. The Group also has a probity policy, code of conduct for board directors, standing orders and financial regulations, a fraud and financial crimes policy and a whistleblowing policy. All of these ensure that board directors and other staff have a clearly defined framework for conducting company business. Regular internal audits take place to also provide assurance to the Board, through the Audit & Risk Committee, that policies are being complied with.

Key decisions in this area include:

- Recruiting new Board members, including promoting an existing member to Board Chair and recruiting a new Chair of Audit & Risk Committee with equity, diversity inclusion (EDI) forming part of the decision making process to maintain the diversity of opinions.
- Restructuring the Governance team to enhance delivery of the operating model that serves the needs for high standards of business conduct and for demonstrating how the Group acts fairly between all corporate entities and Boards.
- Reviewing and approving Board skills, competencies, risk appetite and guiding principles.
- Continued training of the trainee Board member.

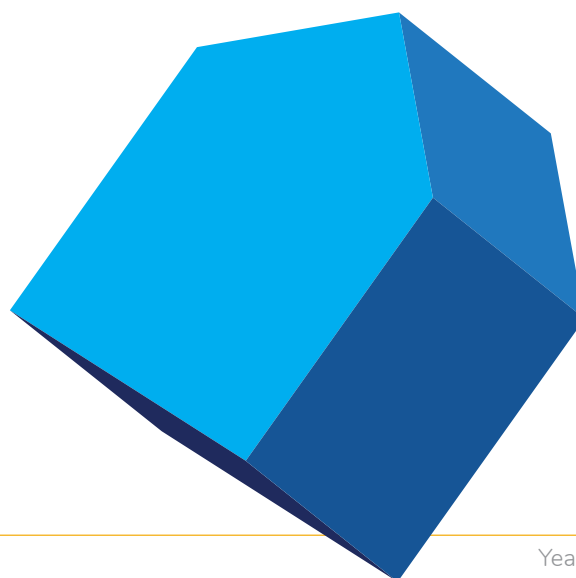
vi The Group's corporate structure has terms of reference for all corporate entities and Boards to demonstrate the need to act fairly between members of the company. These terms of reference, coupled with the code of governance, ensure that board directors act in the best interest of the companies they serve.

vii As well as complying with the SECR regulations, the Group has enhanced its approach to ESG reporting by adopting the Sustainability Reporting Standard for Social Housing. The Board approved the sustainability strategy and roadmap to net carbon zero.

Approved by the Board of Directors on 15 September 2025 and signed on its behalf by:

Pauline Davis

Pauline Davis, Chair of the Board



Report of the Board



Board members and executive directors

The Group's board directors and executive directors and those who served during 2024-25 are set out on page 3. The board directors are drawn from a wide range of backgrounds, bringing together professional, commercial and local experience.

Pauline Davis was promoted to Group Chair and has over 30 years' experience in housing, health, regeneration and education.

John Stephen Jackson was recruited as the chair of the Audit & Risk Committee and has significant financial and commercial experience across some large public companies and within the education sector.

Other Board members have also been recruited during the year and a procurement exercise has started to recruit a partner agency to help bolster the succession plan over the medium term.

Tim Mulvenna became the Chief Executive during 2024-25 and brought with him significant housing experience. He was previously the Chief Executive for The Barnet Group, which manages Barnet Council's housing stock, and before that was Group Director of Customer Services at L&Q, London's largest housing association.

Helena Thompson and Sarah Wyke were promoted to Executive Directors of Customer Services and Housing & Communities respectively to reflect the priorities of the Board. Both have worked at FHG for a number of years so have significant corporate knowledge and have worked within housing generally for most of their careers.

The Group's executive directors hold no interest in the company's shares or those of the Group's members and act as executives within the authority delegated by the Boards.

The company has insurance policies that indemnify its board directors and executive directors against liability when acting for the company.

Service contracts

The Chief Executive and other executive directors are appointed on permanent contracts. The current Chief Executive's notice period is twelve months and other executive directors' notice periods are six months.

Pensions

The Group's executive directors are members of either the Derbyshire County Council defined benefit pension fund or the Group's defined contribution pension scheme. The company contributes to the schemes on behalf of its employees. The Group's executive directors are entitled to other benefits such as the payment of a car allowance and private medical insurance.

Details of the Group's executive directors' emoluments are included in note 11 to the audited financial statements.

Employment of disabled and/or neurodiverse people

Our policies provide that full and fair consideration will be given to disabled applicants for employment and that existing employees who become disabled will have the opportunity to re- train and continue in employment.

No unnecessary limitations are placed on the type of work which disabled people can perform and the policies ensure that in appropriate cases, consideration is given to modifications to equipment or premises and to adjustments in working practices. All line managers have received neurodiversity training.

Donations

Futures Housing Group Limited made £500 in charitable donations during in the year (2023: £3.4k). The Group made no political donations.

Financial instruments

The Group's treasury policy has rules to effectively manage credit risk, liquidity risk and cash flow risk which has been complied with. These rules include ensuring that during 2024-25 no more than £10m can be held on deposit with a single counterparty and that a minimum of 50% of financial instruments should be instantly accessible should this be required in an emergency. Treasury performance is reported quarterly to the Group Audit & Risk Committee, including analysis of the credit rating of counterparties and the forward looking funding profile. As at the 31 March 2025, 100% of drawn loans are fixed rate to allow the Group to mitigate adverse interest rate movements rather than using derivatives to hedge this risk. (Note the clearing bank does not have a limit in the treasury policy as it is linked to the current account and higher funds are required for development expenditure).

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the strategic report of the Board. The Group has long-term debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with day-to-day operations. The Group also has a long-term business plan which shows that it can service these debt facilities while continuing to comply with lenders' covenants.

The Board is satisfied that the stress testing, which includes single variant stress testing, multi-variant stress testing and determination of tolerance levels alongside mitigating actions, demonstrates sufficient financial strength to conclude that the Group is a going concern. In reaching this decision, the Board has noted that the new business plans meet the key rules for effective financial management, do not rely on sales income to meet loan covenants and can tolerate sufficient cost pressures/income without creating a covenant breach or needing to secure extra funding over the period under review.

The Board is comfortable that the stress testing mitigation plan contains sufficient mitigation strategies to ensure the viability of the Group while minimising any adverse impact for customers. The Board has considered this plan in reaching its going concern conclusions. It sets out the point at which the Board would intervene to instigate corrective action that would steer the Group towards compliance with its key rules for financial management. The plan demonstrates the mitigation methods that would provide sufficient immediate cash savings.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Legal compliance

The Board recognises FHG's responsibility to ensure ongoing legal compliance as a result of the law constantly being updated. It also recognises the RSH's Governance and Financial Viability Standard and the importance of effective governance arrangements to ensure that all of the Group's registered providers of social housing adhere to all relevant law.

To ensure compliance, the Group works with Anthony Collins LLP, to help assess the extent to which it complies with relevant English law. This process involves using a legal compliance checklist, designed to highlight any potential legal non-compliance in relation to the Group's core business. This review is overseen by the Group Audit & Risk Committee and reported to the Board. The review concluded that no significant issues had been identified requiring immediate or significant action to ensure legal compliance.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This responsibility applies to all organisations within the Group.

The systems of internal control are designed to manage, rather than to eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing, and has been in place throughout the period beginning 1 April 2024 up to the date of approval of the annual report and financial statements.

The Board and Group Audit & Risk Committee receive and consider reports from management on these risk management and control arrangements at meetings throughout the year.

Key elements of the control framework include:

- ▶ Board approved terms of reference and delegated authorities for the Group Audit & Risk Committee, Remuneration Committee, Insight Committee and Asset Investment Committee.
- ▶ Clearly defined management responsibilities for identifying, evaluating and controlling significant risks.
- ▶ Robust strategic and business planning processes.
- ▶ Quarterly review of the risk map by the Group Audit & Risk Committee.
- ▶ Detailed financial budgets and forecasts for subsequent years.
- ▶ Formal recruitment, retention, training and development policies.
- ▶ Established authorisation and appraisal procedures for all significant new initiatives and commitments.
- ▶ A sophisticated approach to treasury management which is subject to external review.
- ▶ An ongoing framework of reviews across the Group to ensure quality and best practice is maintained.
- ▶ Regular reporting to senior management and to the appropriate committees of key business objectives, targets and outcomes.
- ▶ A fraud policy (including whistle blowing and corruption).
- ▶ Detailed policies and procedures in each area of the Group's work.

The Board cannot delegate ultimate responsibility for the systems of internal control, but it has delegated authority to the Group Audit & Risk Committee to regularly review the effectiveness of the systems of internal control. The Board receives regular reports from the Group Audit & Risk Committee together with minutes of the Committee's meetings.

The means by which the Group Audit & Risk Committee reviews the effectiveness of the systems of internal control include considering risk reports, internal audit reports, management assurances, the external audit management letter and specialist reviews on areas such as treasury, health and safety and efficiency. The Group Audit & Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Group and subsidiaries, together with the annual report of the internal auditor, and has reported its findings to the Board. The Board has in turn conducted its own annual review of the effectiveness of the systems of internal control. The Board concluded that the Group has maintained an effective system of internal control for the year ending 31 March 2025 and up to the date of signing the financial statements.

NHF Code of Governance

The Group has adopted and complies with the NHF Code 2020 as the code of governance for the Group's registered providers in compliance with the requirements of the regulatory Governance and Financial Viability Standard. The Board has determined that Futures Treasury plc, Futures Finance Limited and Futures Living Limited are not required to comply with the Code's provisions on Board size and composition.

Streamlined energy and carbon reporting

The Group is required to comply with the Streamlined Energy and Carbon Reporting (SECR) regulations and the following table and chart show the past two year trend in emissions and energy consumption.

The comparison between SECR year 1 (2023-24) and SECR year 2 (2024-25) shows an increase in scope 1 and 2 emissions. During the year solar panels were fitted to the Ropewalk and Ocean House touchdown points. Applications are in progress for three other offices for completion over the coming year. These will result in lower emissions for these sites.

For customers, FHG upgraded the EPC rating on 141 properties of which 122 were under Wave 2 of the Social Housing Decarbonisation Fund. This is in addition to works completed as part of the asset investments in upgrading 1,928 windows and works on 222 roofs. As at 31 March 2025, 70% of the homes that FHG is responsible to upgrade are at least EPC C standard.



ESG (environmental, social, governance)

Carbon emissions table

Emission source	Units	SERC year 2 2024-25	SERC year 1 2023-24	Movement (%)	Guide note:
Energy consumption for which the organisation is responsible used to calculate emissions:					
Scope 1					
Natural gas used	kWh	1,394,947	456,985	205%	1
Vehicle operations	litres	213,634	187,531	14%	2
Biomass boiler	kWh	267,504	244,367	9%	3
Scope 2					
Electricity (supplied from National Grid)	kWh	1,488,857	1,191,084	25%	4
Corresponding emissions from activities for which the company is responsible:					
Scope 1					
Natural gas	tCO ₂ e	255	84	204%	5
Vehicle operations	tCO ₂ e	531	464	14%	6
Biomass boiler	tCO ₂ e	4	3	33%	7
Scope 2					
Electricity (supplied from National Grid)	tCO ₂ e	378	247	53%	8
Total gross Scope 1 and Scope 2 emissions	tCO₂e	1,168	798	46%	9
Emissions intensity ratio:					
Annual turnover (corresponding reporting year)		£76,251,000	£64,681,000	18%	10
Intensity ration: tCO ₂ e (gross Scope 1 + 2) / £100,000 revenue	tCO ₂ e/ £100,000	1.53	1.23	24%	11
Energy consumption for which the organisation has no direct operational control:					
Scope 3					
Emissions from purchase of electricity T&D losses	tCO ₂ e	33	21	57%	12
Emissions from leased assets	tCO ₂ e	30,772	27,685	11%	13
Emissions from vehicles (not owned or controlled by the organisation)	tCO ₂ e	126	85	48%	14
Total gross Scope 3 emissions	tCO₂e	30,931	27,791	11%	15
Total gross Scope 1, Scope 2 and Scope 3 emissions	tCO₂e	32,099	28,589	12%	16
Carbon offset / tCO ₂ e	tCO ₂ e	0	0		17
Total annual net emissions reported tCO₂e	tCO₂e	32,099	28,589	12%	18

Notes to emissions table:

- 1 Scope 1 natural gas used = kWh gas consumption used to deliver services and carry out business.
- 2 Scope 1 vehicle operations = fuel used in FHG owned, operated and controlled vehicles for company business activity. The increase in fuel consumption is due to an expanded van fleet as more repairs are completed internally.
- 3 Biomass boiler = fuel used by the biomass boiler situated at Stephenson Court.
- 4 Scope 2 electricity = kWh electricity from the National Grid used to deliver service and carry out business.
- 5 Scope 1 natural gas carbon emissions based on kWh energy used (item 1).
- 6 Scope 1 vehicle carbon emissions based on vehicle fuel used (item 2).
- 7 Scope 1 biomass boiler emissions based on kWh energy used (item 3).
- 8 Scope 2 electricity carbon emission based on kWh energy used (item 4).
- 9 Total scope 1 and 2 emissions.
- 10 Annual financial turn-over corresponding to reporting year.
- 11 Intensity ratio = ratio of financial turnover (item 9) to total scope 1 and 2 emissions (item 7), giving indication of the Group's impact on total carbon emissions.
- 12 Scope 3 electricity carbon emission.
- 13 Emissions from leased assets, franchises and outsourced activities.
- 14 Scope 3 vehicle carbon emissions based on vehicle fuel used.
- 15 Total scope 3 emissions.
- 16 Total all scope emissions.
- 17 Carbon off-sets that have been formally verified.
- 18 Resultant total carbon emissions reported.

As well as complying with the SECR regulations, the Group has enhanced its approach to ESG reporting by adopting the Sustainability Reporting Standard for Social Housing. Sustainability reporting is relevant to the Group's investors and is a key tool to demonstrate the Group's delivery on the *Social Housing (Regulation) Act* expectations, Future Homes Standard and *Energy White Paper*.

The Group is working through its sustainability strategy and sufficient funds have been allocated for all homes to be EPC C by 2030 where this is value for money to do so. In addition £100m (pre inflation) has been included within the business plan towards becoming carbon neutral by 2050. All new builds are at least EPC A or B.

For the supply chain, the Group has an enhanced procurement approach which builds in ESG metrics to the tender process. This allows the Group to ensure that it can measure the wider impact of contractors and suppliers on delivery of ESG objectives.

The Group continues to seek to implement educational and behavioural change programmes that support both carbon reduction and support sustainable tenancies. Training is being rolled out to employees within the business and additional electric vehicle charging points have been installed at offices and touchdown points.

Statement of the responsibilities of the Board

The Board is responsible for preparing the strategic report, the report of the board and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable laws) including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Group and company for that period.

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

- ▶ Select suitable accounting policies and apply them consistently.
- ▶ Make judgements and estimates that are reasonable and prudent.
- ▶ State whether applicable *United Kingdom Accounting Standards and the Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers 2018*, have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ▶ Prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position and enable them to ensure that the financial statements comply with the *Companies Act 2006* the *Housing Regeneration Act 2008*, the *Housing Statement of Recommended Practice (2018)* and the *Accounting Direction for Private Registered Providers and Social Housing (April 2022)*. They are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for preventing and detecting fraud and other irregularities.

The Board confirms that:

- ▶ So far as each of the Board members are aware there is no relevant audit information of which the company's auditor is unaware, and
- ▶ The Board members have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- ▶ The Board is responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is committed to maintaining high standards of corporate governance and transparency, in line with the requirements of the *Economic Crime and Corporate Transparency Act 2023* and confirms that procedures are in place to prevent fraud and economic crime within the organisation and among associated persons. This includes anti-fraud policies, whistleblowing procedures and enhanced staff training for staff and management on fraud risk awareness and reporting obligations.

Information set out in the strategic report

In accordance with S414C(11) of the *Companies Act*, FHG has chosen to include information in respect of its financial risk management objectives and policies, exposure to risk and likely future developments in the business of the company in the strategic report. This information would otherwise be required by Schedule 7 of the *Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008* to be contained in the report of the Board.

External auditor

BDO LLP were re-appointed as auditor at the Board meeting on 30 July 2025.

The report of the Board was approved by the Board on 15 September 2025 and signed on its behalf by:

Pauline Davis

Pauline Davis,
Chair of the Board

Independent auditor's report to members of Futures Housing Group Limited

Opinion on the financial statements

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's and the Company's surplus for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ▶ have been properly prepared in accordance with the requirements of the *Companies Act 2006*, the *Housing and Regeneration Act 2008* and the *Accounting Direction for Private Registered Providers of Social Housing 2022*.

We have audited the financial statements of Futures Housing Group Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Consolidated and company statement of changes in reserves, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the Group Audit & Risk Committee, we were appointed by the Group Board to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is seven years, covering the years ending 31 March 2019 to 31 March 2025.

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- ▶ We obtained management's assessment that supports the Director's conclusions with respect to the disclosures provided around going concern;
- ▶ We considered the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management, assessing historical forecasting accuracy and considered the reasonableness of the range of scenarios included in management's consideration of downside sensitivity analysis;
- ▶ We challenged management on the suitability of the mitigating actions identified in their assessment and the quantum and period ascribed to these mitigating actions;
- ▶ We obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions;
- ▶ We assessed the facility and covenant headroom calculations; and
- ▶ We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenarios.

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 Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Overview

Key audit matters	The recoverable amount of property developed for sale	2025 ✓	2024 ✓
Materiality	Group financial statements as a whole £7,500,000 (2024: £7,300,000) based on 1.5% of total assets (2024: 1.5% total assets)		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework, country of operation and the Group’s system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements, including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by management that may have represented a risk of material misstatement.

Components in scope

There are seven entities within the Group, including the Parent Company. The nature of the entities in the Group are as follows:

- One Parent entity, which provides the back office services to the subsidiary entities;
- Two of these entities are Charitable Registered providers of social housing and are the two main operating entities within the Group;
- One entity is a Charitable provider of social housing that is not a registered provider;
- Two entities are financing vehicles, of which one has listed debts. They borrow externally and on lend to Group members;
- One entity is dormant and has no financial impact on the financial statements.

We performed risk assessment procedures to identify areas in the Group’s financial statements that may be at risk of material misstatement. We used both qualitative and quantitative factors to perform this assessment including evaluating the size, complexity, and nature of each entity’s activities, reviewing significant transactions or estimates and any changes in the business environment. The Group is centrally managed, with the Group Finance team controlling the processes and controls for all entities within the Group.

We identified the specific areas that could lead to a material misstatement at Group level. As part of our Group audit, we assessed each component against the risks of material misstatement identified.

The dormant entity, which has limited financial impact on the consolidated financial statements, has not been considered as a component.

Procedures performed at the component level

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence to support the Group opinion. We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component name	Entity	Group audit scope
1	Parent	Futures Housing Group (FHG)	Statutory audit and procedures on the entire financial information of the component.
3	Social housing	Futures Homescape Limited (FHL)	Statutory audit and procedures on the entire financial information of the component.
		Futures Homeway Limited (FHW)	Statutory audit and procedures on the entire financial information of the component.
		Five Doorways Homes Limited (5D)	Statutory audit and procedures on the entire financial information of the component.
3	Financing vehicle	Futures Treasury Plc (FTP)	Procedures on one or more classes of transactions, account balances or disclosures.
		Futures Finance Limited (FFL)	Procedures on one or more classes of transactions, account balances or disclosures.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls as well as similarity of the group's activities in relation to:

- impairment of housing assets;
- recoverable amount of property developed for sale;
- consolidation, financial statement preparation and cash flow statement;
- going concern; and
- laws and regulations.

We therefore designed and performed procedures centrally in these areas.

The group operates a centralised IT function that supports IT processes for certain components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

The Group engagement team has performed all procedures and had not involved component auditors in the Group audit. FHL, FHW and FHG parent entity were considered significant components in the prior year, but due to the change in ISA 600 (UK) Revised, we no longer consider these entities to be significant components in the current year.

Key audit matters

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

Key audit matter	How the scope of our audit addressed the key audit matter
<p>The recoverable amount of property developed for sale</p> <p>This relates to items included in note 18 of the financial statements.</p> <p>This area also represents a key judgement made by management as described in Note 3.</p> <p>Properties developed for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £5.74m (2024: £7.55m).</p> <p>Based on inquiries with management and historical issues associated with the scheme in prior years, we identified that the Bennett Street scheme development faced substantial delays following the termination of the original contractor on 22 September 2022.</p> <p>For the scheme identified, there is estimation uncertainty for the costs to complete and we considered there is a significant risk that the carrying amount of these properties developed for sale is misstated. We therefore considered this to be a key audit matter.</p>	<p>Our response included the following:</p> <p>We obtained management's assessment of the recoverable amount of properties held for sale and critically assessed the data, judgements and estimates included within this assessment, including corroboration to source documents.</p> <p>For the Bennett Street scheme, we performed the following:</p> <p>1. For forecast sales price:</p> <ul style="list-style-type: none"> Completed and in progress units not sold after date and work in progress – we obtained: third party formal valuation of the property and sales prices achieved for comparable properties in the year. <p>2. For costs to complete we performed one or a combination of the following:</p> <ul style="list-style-type: none"> Obtained the latest cost consultant report or build contractor's invoice and compared construction costs with total contract value taking into account latest contract variations. Obtained details of the expected costs to complete from the scheme budget and agreed the budgeted contract costs of the development to the latest contract documentation and considered the appropriateness of any estimates used. We reviewed invoices and valuation certificates booked after the year end in order to assess completeness of expenditure and reasonableness compared to spend forecast. Assessed the accuracy of cost forecasting by looking at the outturn of costs compared to budget on schemes completed in the year. <p>3. For costs to sell – we reviewed computations of selling costs and compared with known selling costs that have been incurred in the year.</p> <p>Key observations:</p> <p>We noted no material exceptions through performing these procedures.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent association financial statements	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial statement materiality				
Materiality	7,500	7,300	500	380
Basis for determining materiality	1.5% of total assets	1.5% of total assets	1.5% of total assets	1.5% of total assets
Performance materiality	5,250	5,110	350	263
Basis for determining performance materiality	70% of materiality	70% of materiality	70% of materiality	70% of materiality
Specific materiality				
Specific materiality	1,520	1,300	N/A	N/A
Basis for determining specific materiality	2% of revenue	2% of revenue	N/A	N/A
Specific performance materiality	1,064	910	N/A	N/A
Basis for determining specific performance materiality	70% of materiality	70% of materiality	N/A	N/A

Rationale for the benchmark applied

A registered provider of social housing's key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for those classes of transactions within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas, such as property for sale and rent arrears, that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using revenue as the benchmark to these balances and transactions.

We have determined that 70% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified, partially offset by some areas of the financial statements being subject to significant estimation uncertainty. We increased performance materiality to reflect our updated assessment of risk, and the limited errors identified in the prior year and expected in the current year.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 2% and 80% (2024: 1% and 91%) of Group performance materiality dependent on a number of factors including our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £119,000 to £4,200,000 (2024: £46,000 to £4,627,000).

Reporting threshold

We agreed with the Group Audit & Risk Committee that we would report to them all individual audit differences in excess of £150,000 (2024: £146,000) in relation to financial statement materiality and £30,400 in relation to specific materiality (2026: 26,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.



Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the *Companies Act 2006* and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none">▶ <i>the information given in the Strategic report and the Directors' report (Report of the board) for the financial year for which the financial statements are prepared is consistent with the financial statements; and</i>▶ <i>the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</i> <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.</p>
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the <i>Companies Act 2006</i> requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none">▶ <i>adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or</i>▶ <i>the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or</i>▶ <i>certain disclosures of Directors' remuneration specified by law are not made; or</i>▶ <i>we have not received all the information and explanations we require for our audit.</i>

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

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

We considered the significant laws and regulations to be *Companies Act 2006*, the *Housing and Regeneration Act 2008* and the *Accounting Direction for Private Registered Providers of Social Housing 2022*.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, Financial Conduct Authority (FCA) regulations, the Regulator of Social Housing's Regulatory Standards, data protection, taxation and health and safety legislation.

Our procedures in respect of the above included:

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



Fraud

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

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

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

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Testing a sample of property sales one month either side of year-end to ensure that they are recognised in the correct period; and
- Reviewing bank statements to identify property sale transactions and ensuring that they are appropriately recorded in the correct accounting period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were all deemed to have appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the *Companies Act 2006*. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Lifford

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

Date: 18 September 2025

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



Consolidated statement of comprehensive income

For the year ended 31 March 2025

	Note	2025 £'000's	2024 £'000's
Turnover: continuing activities:	4	76,251	64,681
Cost of sales	4	(7,638)	(3,527)
Operating cost	4	(47,408)	(43,858)
Revaluation of investment properties	15	(1,209)	(2,024)
Surplus on sale of housing properties	6	1,329	237
Surplus on sale of other fixed assets		9	26
Operating surplus	5	21,334	15,535
Interest receivable and other income	8	1,765	3,063
Interest payable and similar charges	9	(10,554)	(10,787)
Other financing costs/(income)	10	17	13
Surplus before taxation		12,562	7,824
Taxation	12	(15)	(112)
Surplus for the year		12,547	7,712
Actuarial (loss) relating to the pension scheme	10	(739)	(643)
Total comprehensive income for the year		11,808	7,069

The notes on pages 59 to 97 form part of these financial statements

Company statement of comprehensive income

For the year ended 31 March 2025

	Note	2025 £'000's	2024 £'000's
Turnover: continuing activities:	4	21,181	18,928
Operating costs	4	(21,123)	(18,644)
Operating surplus: continuing activities	5	58	284
Interest receivable and other income	8	6	10
Interest payable and similar charges	9	(8)	(7)
Surplus before taxation		56	287
Tax on surplus	12	(15)	(112)
Surplus/(deficit) for the financial year		41	175

The notes on pages 59 to 97 form part of these financial statements



Consolidated and company statement of changes in reserves

For the year ended 31 March 2025

	Group 2025 £'000's	Group 2024 £'000's	Company 2025 £'000's	Company 2024 £'000's
Balance as at 31 March	92,730	85,661	203	28

Surplus/(deficit) for the year	12,547	7,712	54	175
Other comprehensive income for the year Actuarial gain (note10)	(739)	(643)	-	-

Balance as at 31 March	104,538	92,730	257	203
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The notes on pages 59 to 97 form part of these financial statements

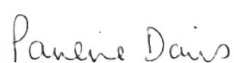


Consolidated statement of financial position

As at 31 March 2025

	Note	2025 £'000's	2024 £'000's
Tangible fixed assets			
Housing properties	13	432,009	373,814
Other tangible fixed assets	14	7,355	7,738
Investment properties	15	36,615	36,842
Investment in associate	16	-	-
		475,979	418,394
Current assets			
Stock	17	311	276
Properties held for sale	18	5,743	7,551
Debtors	19	5,321	11,374
Cash and cash equivalents		16,779	47,190
		28,154	66,391
Creditors: amounts falling due within one year	20	(20,555)	(29,916)
Net current assets		7,599	36,475
Total assets less current liabilities		483,578	454,869
Creditors: amounts falling due after more than one year	21	(378,925)	(362,039)
Net pension liability	10	-	-
Deferred tax provision		(115)	(100)
Total net assets		104,538	92,730
Capital and reserves			
Revenue reserve		104,538	92,730
Total reserves		104,538	92,730

The notes on pages 59 to 97 form part of these financial statements. These financial statements were approved and authorised for issue by the Board on the 15 September 2025 and signed on its behalf by:



Pauline Davis
(Chair)



John Stephen Jackson
(Board member)

Company number: 06293737

Company statement of financial position

As at 31 March 2025

	Note	2025 £'000's	2024 £'000's
Tangible fixed assets			
Other tangible fixed assets	14	917	1,123
Investment in associates	16	-	-
Investment		50	50
		967	1,173
Current assets			
Debtors	19	3,936	2,106
Cash at bank and in hand		21	40
		3,957	2,146
Creditors: amounts falling due within one year	20	(4,565)	(3,015)
Net current assets		(608)	870
Deferred tax provision		(115)	(100)
Total assets less current liabilities		244	203
Capital and reserves (non-equity)			
Revenue reserve		244	203
Total reserves		244	203

The notes on pages 59 to 97 form part of these financial statements. These financial statements were approved and authorised for issue by the Board on the 15 September 2025 and signed on its behalf by:

Pauline Davis

Pauline Davis
(Chair)

John Stephen Jackson

John Stephen Jackson
(Board member)

Company number: 06293737

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	2025 £'000's	2024 £'000's
Net cash generated from operating activities	29	33,979	24,101
Cash flow from investing activities			
Purchase of tangible fixed assets		(74,189)	(53,404)
Proceeds from sale of tangible fixed assets		2,289	1,227
Short term investment		-	17,000
Grants received		26,177	2,307
Interest received		1,910	3,143
		(43,813)	(29,727)
Total cashflow used in financing activities			
Interest paid		(11,577)	(11,516)
Loan arrangement fees		-	(387)
Repayment of borrowings		(9,000)	(15,876)
Total cashflow from financing activities		(20,577)	(27,779)
Decrease in cash			
Cash and cash equivalents at beginning of the year		47,190	80,595
Cash and cash equivalents at end of the year		16,779	47,190

The notes on pages 59 to 97 form part of these financial statements.

Notes to the financial statements



1. Legal status

The company is registered under the *Companies Act 2006* and is a registered housing provider. The registered office is Futures House, Building 435 Argosy Road, East Midlands Airport, Castle Donington, Derbyshire, DE74 2SA.

2. Accounting policies

Basis of accounting

The financial statements of the Group and company are prepared in accordance with *UK Generally Accepted Accounting Practice (UK GAAP)*, including *Financial Reporting Standard 102 (FRS 102)* and the *Statement of Recommended Practice: Accounting for Registered Social Housing Providers 2018*, and comply with the *Accounting Direction for Private Registered Providers of Social Housing 2022*.

Going concern

The financial statements have been prepared on a going concern basis. The Board has reviewed a number of key areas to determine that the Group is a going concern, as set out below:

- Multi-year financial forecasts have been prepared to March 2027 at subsidiary level and at Group level, capturing all operating and capital cashflows of each entity and associated funding cashflows. These cashflows eliminate the 'high risk' cashflows such as grant income and sales income and each of these demonstrate to the Board that cash remains positive over the period under review, being at least 12 months from the date that these accounts are signed, without the need to secure any further funding than what is already in place and secured.
- The Board is satisfied that the stress testing, which includes single variant stress testing, multi-variant stress testing and determination of tolerance levels alongside mitigating actions, demonstrates sufficient financial strength to conclude that the Group is a going concern. In reaching this decision, the Board has noted that the new business plans meet the key rules for effective financial management, are not reliant on sales income to meet loan covenants and can tolerate sufficient cost pressures/income without creating a covenant breach or needing to secure extra funding over the period under review, being at least 12 months from the date that these accounts are signed. The Board is comfortable that the stress testing mitigation plan contains sufficient mitigation strategies to ensure the viability of the Group while minimising any adverse impact for customers.
- The stress testing resilience plan has also been considered by the Board in reaching its going concern conclusions. The plan sets out the point at which the Board would intervene to instigate corrective action that would steer the Group towards compliance with its key rules for financial management. The plan demonstrates the mitigation methods that would provide sufficient immediate cash savings.
- The Board has considered the forecast cash and covenant positions for the Group and its subsidiaries in forming its going concern conclusions. The cash positions are considered to be both the forecast cash at bank positions plus the unused secured and in place loan facilities.

- The covenant positions for the Group have been considered and there are no covenant non-compliance forecast in the latest business plans for at least 12 months from these accounts being signed and beyond. In addition, cash break-even point assessments have been reviewed by the Board, at subsidiary level, to obtain comfort that the cash positive cashflows have sufficient robustness within them. This review has highlighted that each subsidiary has a highly robust cash break even position that allows all operating costs to increase by significant amounts before cash turns negative.
- For the reasons mentioned above, the Board considers that FHG is a going concern for the foreseeable future, being a period of at least 12 months from the date of signing these accounts.

Basis of consolidation

The Group accounts consolidate the accounts of the company and all of its subsidiaries at 31 March 2025 in accordance with the principles of accounting as set out in FRS 102.

The company has adopted the following disclosure exemptions available under FRS102:

- The requirement to present a statement of cashflows and related notes.

Public benefit entity

Futures Housing Group Limited is a public benefit entity in accordance with FRS102. The financial statements are presented in sterling (£) which is also the functional currency.

Turnover and revenue recognition

Turnover comprises:

- Rental income receivable in the year
- Service charges receivable in the year
- Income from shared ownership first tranche sales
- Sales of properties built for sale
- Revenue grants, and
- Other services.

Rental and service charge income is recognised from the date that the property becomes available for letting. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Income from shared ownership and other sales is recognised at the point of legal completion of the sale. Other income is recognised on delivery of the services provided at the invoiced value (excluding VAT).

Taxation

The Group is exempt from Corporation Tax on income and gains to the extent that these are derived from the Group's charitable objectives.

The tax expense in the year relates to Group companies that are subject to UK taxation in addition to the non-exempt tax for the parent company.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the comprehensive income statement, except for any changes attributable:

- To items of income or expense recognised as other comprehensive income
- To an item recognised directly in equity, and
- Directly in equity.

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits:

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred Income Tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Value Added Tax

The Group charged Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Interest payable is charged to the statement of comprehensive income in the year. No interest payable is capitalised.

Interest receivable

Interest receivable is credited to the statement of comprehensive income in the year.

Pensions

The Group participates in the Derbyshire County Council Pension Fund, a defined benefit pension scheme managed by Derbyshire County Council, the Northamptonshire County Council Pension Fund, a defined benefit pension scheme managed in partnership by West Northamptonshire County Council and Cambridgeshire County Council, and a defined contribution scheme provided by Scottish Widows.

In relation to the defined benefit schemes, the current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs and income. Actuarial gains and losses are reported in other comprehensive income.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality bond rates. The net deficit, adjusted for deferred tax, is presented separately from other assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Group.

In relation to the defined contribution scheme, the charges for the year represent the employer contributions payable to the scheme for the accounting period.

Housing managed on behalf of other landlords

The treatment of income and expenditure in respect of housing projects managed on behalf of other agencies depends on whether the Group carries the financial risk.

Where the Group carries the financial risk, all the project's income and expenditure is included in the Group's statement of comprehensive income.

Where the other landlord carries the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Group

Housing properties

Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are homes available for rent and are subject to shared ownership leases.

Properties are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Depreciation of housing properties

Freehold land is not depreciated. The Group separately identifies the major components which comprise its housing properties and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties over the following number of years:

	Life in years		Life in years
Structure	100	Windows	30
Fire safety measures	50	Damp proofing	25
Roof	50	Heating distribution system	25
Bathroom	30	Solar PV	25
Doors	30	Kitchen	20
Electrical rewires	30	Biomass system	20
External wall insulation	30	Disabled adaptations	18
Fascia	30	Boiler	12
Soffit	30		

Internal wall insulation is depreciated over the remaining life of the structure.

Government grants

Government grants include grants receivable from the RSH, local authorities, and other government organisations. Government grants received for housing properties are initially credited to the deferred grant account within long term creditors on the statement of financial position. They are then amortised over the useful life of the housing property structure and, where applicable its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in the statement of comprehensive income over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the RSH. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a recycled capital grant fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in statement of comprehensive income.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the statement of comprehensive income. Upon disposal of the associated property, the Group is required to recycle these proceeds and recognise them as a liability.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Impairment

Housing properties are assessed annually for impairment triggers. Where triggers are identified an assessment for impairment is undertaken comparing the cash generating unit's (CGU) carrying amount to its recoverable amount. Where the carrying amount of an CGU is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount in line with the SORP guidelines.

Other tangible fixed assets

Assets are held at historic cost less accumulated depreciation. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal estimated useful economic lives used for other assets are:

	Life in years
Computers and office equipment	3
Tools and equipment	3
Motor vehicles	3
Furniture, fixtures and fittings:	
- general	5
- solar panels	15
Lifeline equipment	5



Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value (or if lower the present value of the lease payments) at the inception of the lease. The corresponding liability is included in the statement of financial position as a lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated in the same way as owned assets.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Investment properties

Investment properties consist of properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value at the year-end date, with changes in fair value recognised in the statement of comprehensive income. Fair value is determined annually by appropriately qualified external valuers and is derived from current market rents and investment property yields for comparable properties, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided on investment properties.

Properties for sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. Management has reviewed the Group's loan agreements and has deemed them to be basic financial instruments.

Financial assets

Financial assets comprise cash at bank and in hand, trade and other debtors and amounts owed by group undertakings. These are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and amounts owed by group undertakings, and any subsequent impairment is recognised in the statement of comprehensive income.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets are impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise trade creditors, accruals and amounts due to group undertakings. These are initially recorded at cost on the date they originate and are subsequently carried at amortised cost under the effective interest method.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured at amortised cost.

Bad debt provision on rental income is calculated according to the following policy:

Customer balance (current arrears)	Provision policy
Below £250	0%
£251 to £500	10%
£501 to £1,000	25%
£1,001 to £1,500	50%
Over £1,500	75%
Former customer arrears	100%



Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at cost, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Liquid resources: cash and cash equivalents

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

Short term investments

Short term Investments comprise of cash held in deposit accounts with notice periods ranging in excess of three months.

Segment reporting

Reporting of revenue and profit by segment is a requirement of FRS102 and SORP 2018. Management has determined that the Group's segments are housing management and property sales. The segment information is however disclosed in note 4 and therefore no additional segment reporting has been prepared.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

1 Impairment

As part of the Group's continuous review of the performance of their assets, management identify any homes or schemes that have indicators of impairment, such as if there are increasing void losses, are affected by policy changes or where the decision has been made to dispose of the properties. When an indicator is identified, analysis is undertaken to compare the carrying value and recoverable amount of the homes and any impairment losses are charged to operating surpluses.

The estimated depreciated replacement cost (DRC), calculated using appropriate construction costs and land prices is compared to the carry value of the asset and where the DRC is lower than the carrying cost an impairment charge is made against the social housing properties.

A review has been carried out on shared ownership homes that are held for sale on the Statement of financial position. As at 31 March 2025, there were 12 unsold homes. One exceeded six months old at the year-end and ten were sold subject to contract at values exceeding holding costs. Therefore, we consider no impairment is required.

2 Capitalisation of property development costs

The Group capitalises development expenditure when a scheme is likely to proceed including having adequate budgetary provision. After capitalisation, management monitors the asset and considers whether changes indicate that impairment is required.

3 Cost apportionment of development schemes

Management's estimate of the apportioned cost of individual properties for all tenures is done on a square metre basis.

4 Recoverable amounts on property held for sale

The forecast sale percentage is considered for the stock held for sale and the cost allocated accordingly. A review of the expected sales price, taking into account costs to completion in respect of assets under construction, is also performed and impairment considered. A number of properties held at the year-end have since been sold at expected selling prices which further supports the view that there is no indication of impairment.

5 Staff seconded to FHG

Management believe that a constructive obligation exists in FHG for pension costs for staff seconded from FHL and FHW, who are in the local government pension schemes. As such the cost of pension contributions relating to those staff in year are included in the company statement of comprehensive income. As FHL and FHW remain responsible for their pension obligations the related scheme's assets and liabilities are only included in the consolidated statement of financial position, the details are disclosed in the notes to the accounts.

6 Recognition of defined benefit surplus

Management's estimate of the Defined Benefit Obligation (DBO) is determined using actuarial valuations using a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. A review has been undertaken of the of the valuation report for 31 March 2025 which calculated a net surplus for both defined benefit schemes that the group participates in. Management has concluded that, in line with FRS102 and the accounting policy, as the Group does not have an unconditional right to recover the asset either in the form of reduced contributions or a refund, the surplus should be capped at £nil.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

1 Useful economic lives of assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to Decent Home standards which may require more frequent replacement of key components.

2 Investment property valuation

Investment properties are valued annually on 31 March at fair value, which is subject to uncertainty as these are affected by market conditions. The valuation is determined by an independent, professionally qualified valuation by Rupert David & Co Chartered Surveyors and were undertaken in accordance with the Royal Institution of Chartered Surveyors' guidelines.

3 Defined benefit obligation (DBO)

Management's estimate of the DBO is determined using actuarial valuations using a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty and variation in these assumptions may significantly affect the DBO amount and the annual defined benefit expenses (as analysed in Note 10).

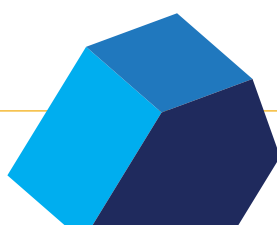
4a. Particulars of turnover, cost of sales, operating costs and operating surplus

Group: continuing activities For the year ended 31 March 2025	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating costs 2025 £'000	Operating surplus 2025 £'000
Social housing lettings (see note 4b)	62,947	-	(44,149)	18,798
Other social housing activities				
Management and agency services	108	-	(18)	90
First tranche shared ownership sales	10,235	(7,638)	(1,609)	988
Other	112	-	(18)	94
	10,455	(7,638)	(1,645)	1,170
Non-social housing activities				
Charges for support services	469	-	(557)	(88)
Market rents	2,141	-	(1,031)	1,110
Other	239	-	(26)	213
	2,849	-	(1,614)	1,235
Total	76,251	(7,638)	(47,408)	21,205
Revaluation of investment properties				(1,209)
Surplus on sale of housing properties				1,329
Surplus on sale of other fixed assets				9
				21,334

Company	Turnover 2025 £'000	Cost of sales 2025 £'000	Operating costs 2025 £'000	Operating surplus 2025 £'000
Other social housing activities				
Management services	21,181	-	(21,123)	58

Group: continuing activities For the year ended 31 March 2024	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Operating surplus 2024 £'000
Social housing lettings (see note 4b)	56,077	-	(40,795)	15,282
Other social housing activities				
Management and agency services	44	-	(6)	38
First tranche shared ownership sales	5,649	(3,527)	(1,490)	632
Other	70	-	(2)	68
	5,763	(3,527)	(1,498)	738
Non-social housing activities				
Charges for support services	522	-	(559)	(37)
Market rents	2,075	-	(978)	1,097
Other	244	-	(28)	216
	2,841	-	(1,565)	1,276
Total	64,681	(3,527)	(43,858)	17,296
Revaluation of investment properties				(2,024)
Surplus on sale of housing properties				237
Surplus on sale of other fixed assets				26
				15,535

Company	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Operating surplus 2024 £'000
Other social housing activities				
Management services	18,928	-	(18,644)	284



4b. Particulars of turnover, cost of sales, operating costs and operating surplus

Group: continuing activities For the year ended 31 March 2025	General housing 2025 £'000	Sheltered housing 2025 £'000	Shared ownership 2025 £'000	Total 2025 £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	39,804	18,200	2,164	60,168
Service income	1,498	681	-	2,179
Amortisation of government grants	600	-	-	600
Turnover from social housing lettings	41,902	18,881	2,164	62,947
Expenditure on social housing lettings				
Management	(10,915)	(4,927)	(1,037)	(16,879)
Services	(1,262)	(1,703)	-	(2,965)
Routine maintenance	(3,597)	(1,607)	-	(5,204)
Planned maintenance	(1,251)	(564)	-	(1,815)
Major repairs expenditure	(4,299)	(2,007)	-	(6,306)
Bad debts	(278)	(131)	-	(409)
Depreciation of housing properties	(5,215)	(2,396)	(417)	(8,028)
Depreciation of other fixed assets	(1,042)	(503)	(59)	(1,604)
Accelerated depreciation	(467)	(215)	-	(682)
Other	(175)	(82)	-	(257)
Total expenditure on social housing lettings	(28,501)	(14,135)	(1,513)	(44,149)
Operating surplus on social housing lettings	13,401	4,746	651	18,798
Void losses	(732)	(331)	-	(1,063)



Group: continuing activities For the year ended 31 March 2024	General housing 2024 £'000	Sheltered housing 2024 £'000	Shared ownership 2024 £'000	Total 2024 £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	35,273	16,624	1,632	53,529
Service income	1,415	666	-	2,081
Amortisation of government grants	467	-	-	467
Turnover from social housing lettings	37,155	17,290	1,632	56,077
Expenditure on social housing lettings				
Management	(8,696)	(4,668)	(724)	(14,088)
Services	(1,230)	(1,889)	-	(3,119)
Routine maintenance	(3,005)	(1,402)	-	(4,407)
Planned maintenance	(1,396)	(625)	-	(2,021)
Major repairs expenditure	(4,452)	(2,238)	-	(6,690)
Bad debts	(31)	(5)	-	(36)
Depreciation of housing properties	(4,542)	(2,155)	(315)	(7,012)
Depreciation of other fixed assets	(1,908)	(399)	(111)	(2,418)
Accelerated depreciation	(547)	(268)	-	(815)
Other	(128)	(61)	-	(189)
Total expenditure on social housing lettings	(25,935)	(13,710)	(1,150)	(40,795)
Operating surplus on social housing lettings	11,220	3,580	482	15,282
Void losses	(580)	(260)	-	(840)

5. Operating surplus

This is arrived at after charging	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Depreciation of housing properties (note 13)	8,904	-	7,811	-
Impairment of housing properties (note 13)	(194)	-	16	-
Depreciation of other tangible fixed assets (note 14)	1,604	951	2,257	1,229
Operating lease rentals				
Buildings	59	-	59	-
Auditors' remuneration (excluding irrecoverable VAT)				
Audit of Group financial statements	202	167	197	164
For other assurance services	3	3	3	3

Audit costs are borne by FHG for all entities with the Group with the exception of FTP and FFL.

6. Surplus on sale of fixed assets: housing properties

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Disposal proceeds	2,368	-	1,227	-
Carrying value of fixed assets	(1,039)	-	(990)	-
	1,329	-	237	-
The above numbers include the following for shared ownership staircasing:				
Disposal proceeds	514	-	190	-
Carrying value of fixed assets	(291)	-	(196)	-
	223	-	(6)	-

7. Accommodation in management (For the year ended 31 March 2024)

	Social units	Affordable units	Shared ownership units	Supported sheltered units	Market rent units	Rent to Buy units	Total owned and managed by FHG
Opening stock	5,602	866	550	3,124	269	124	10,535
Additions	74	70	90	-	-	11	245
Properties transferred from other group companies	(2)	-	2	-	-	-	-
Reclassification	(13)	18	(2)	(5)	-	2	-
Disposals	(22)	-	(5)	(25)	-	(1)	(53)
Closing stock	5,639	954	635	3,094	269	136	10,727

	Owned or managed by others units	Managed not owned units	Total owned and managed units
Opening stock	5	166	10,706
Additions	-	31	276
Disposals	(1)	-	(54)
Closing stock	4	197	10,928

8. Interest receivable and other income

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Interest receivable	1,765	6	3,063	10

9. Interest and financing costs: Group

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Loans and bank overdraft	10,554	8	10,787	7

10. Employees

Average monthly number of employees expressed in full time equivalents (calculated based on a standard working week of 37 hrs)

FTEs	Group 2025	Company 2025	Group 2024	Company 2024
Administration	188	188	175	175
Development	24	24	22	22
Housing, support and care	225	45	208	42
	437	257	405	239

Employee costs	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Wages and salaries	18,147	11,462	16,110	10,277
Social security costs	1,771	1,154	1,616	1,083
Pension costs*	1,493	1,536	1,433	1,441
	21,411	14,152	19,159	12,801

All employees of Futures Homescape Limited are members of Derbyshire County Council Pension Fund (DCCPF) and employees of Futures Homeway Limited are members of Northamptonshire County Council Pension Fund (NCCPF). These schemes were closed to new entrants from 1 July 2011; from that date the Group also participates in a scheme administered by Scottish Widows. This is a defined contribution scheme. The Group contributes between 3% and 13.8% dependant on the age of, and contribution made by, the individual employee.

A number of employees of Futures Homescape Limited and Futures Homeway Limited are seconded to Futures Housing Group Limited. On the basis that the constructive obligation rests with Futures Housing Group these costs are separately analysed above. As FHW and FHL remain responsible for their pension obligations no separate analysis of the related schemes' assets or liabilities is reported in the company accounts.

* Pension costs for the Group in 2025 included a credit of £722k (2024: £630k credit) as a result of the annual FRS102 current service costs being lower than actual contributions in the year. Current service costs for employees seconded to Future Housing Group are recharged in the year.

Derbyshire County Council Pension Fund

	%p.a.
Investment return	2.3%
Salary increases	3.7%
Pension increases/CARE revaluation	2.7%

Contributions

The company paid contributions at the rate of 33.4% during the year. The cost to the company, of contributions to the scheme in the period, amounted to £1,028,000 (2024: £1,047,000). Members' contributions vary between 5.5% and 11.4% of pensionable pay until 31 March 2025, depending on the circumstances of the employee. Employers' contributions to the DCCPF during the accounting period commencing 1 April 2025 are at a rate of 33.4% and are estimated to be £1,053,700.

Major categories of plan assets as a total of plan assets

	2025 %	2024 %
Equities	62	68
Bonds	27	22
Property	7	7
Cash	4	3

Assumptions

The main financial assumptions used by the actuary were as follows	2025 %	2024 %
Rate of increase in salaries	3.75	3.75
Rate of increase in pensions	2.75	2.75
Discounted rate	5.80	4.85

Mortality assumptions

The post retirement mortality assumptions were based on the fund's VitaCurves with improvements in-line with the CMI 2020 model and these are used to value the benefit obligation at 31 March as determined by the actuary, for non-pensioners and pensioners.

	2025 number of years	2024 number of years
Current pensioners:		
Males	20.8	20.8
Females	23.8	23.8
Future pensioners:		
Males	21.5	21.6
Females	25.3	25.3

Amounts recognised in the statement of financial position

	2025 £'000	2024 £'000
Present value of funded obligations	(31,113)	(35,613)
Fair value of plan assets	51,185	49,053
Surplus restriction	(20,072)	(13,440)
	-	-
Present value of unfunded obligations	-	-
Net liability	-	-

Amounts recognised in other comprehensive income

	2025 £'000	2024 £'000
Actuarial (loss)/gain in other comprehensive income	(480)	(426)

Analysis of the amount charged to operating surplus

	2025 £'000	2024 £'000
Current service cost	559	629
Past service losses	-	-
Total operating charge	559	629

Finance costs

	2025 £'000	2024 £'000
Expected return on pension scheme assets	2,384	2,127
Interest on pension scheme liabilities	(1,721)	(1,688)
Interest on pension scheme liabilities	(652)	(430)
Net interest charge	11	9

Movement in deficit during the year

	2025 £'000	2024 £'000
Company share of net liabilities at start of period	-	(6,657)
<i>Movement in year:</i>		
Current service cost	(559)	(629)
Past service cost	-	-
Employer contributions	1,028	1,046
Other finance costs	11	9
Actuarial gain	(480)	(426)
Company share of net scheme assets at year-end	-	-

Changes in present value of define benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation (including unfunded obligations)	(35,613)	(35,658)
Current service cost	(559)	(629)
Past service cost	-	-
Interest cost	(1,721)	(1,688)
Contributions by members	(205)	(208)
Actuarial gain	6,032	1,486
Benefits paid	953	1,084
Closing defined benefit obligation (including unfunded obligations)	(31,113)	(35,613)

Changes in fair value of plan assets

	2025 £'000	2024 £'000
Opening fair value of plan assets	49,053	44,702
Expected return on assets	2,384	2,127
Contributions by members	205	208
Contributions by employer	1,028	1,047
Actuarial gain/(loss)	(533)	2,053
Benefits paid	(952)	(1,084)
Fair value of assets at year-end	51,185	49,053

Northamptonshire County Council Pension Fund

The Northamptonshire County Council Pension Fund (NCCPF) is a multi-employer defined benefit scheme, which is administered in partnership by West Northamptonshire County Council and Cambridgeshire County Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme.

Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit method. The most recent formal actuarial valuation was completed as at 31 March 2022.

The market value of the scheme's assets at that date was £10.0 million and the level of funding was 95%. The main actuarial assumptions used in the valuation were:

	%p.a.
Investment return	3.0%
Salary increases	3.2%
Benefit increases and CARE revaluation (CPI)	2.7%

Contributions

The company paid contributions at the rate of 43.2% during the year. The cost to the company of contributions to the scheme in the period amounted to £337,000 (2024: £303,000). Members' contributions vary between 5.5% and 11.4% of pensionable pay until 31 March 2025, depending on the circumstances of the employee. Employers' contributions to the NCCPF during the accounting period beginning 1 April 2024 are at a rate of 43.2% and are estimated to be £345,000.

Major categories of plan assets as a total of plan assets

	2025 %	2024 %
Equities	56	56
Bonds	28	28
Property	13	13
Cash	3	3

Assumptions

The main financial assumptions used by the actuary were as follows:	2025 %	2024 %
Rate of increase in salaries	3.25	3.25
Rate of increase in pensions	2.75	2.75
Discounted rate	5.80	4.85

Mortality assumptions

The post retirement mortality assumptions used to value the benefit obligation at 31 March are:

	2025 number of years	2024 number of years
Current pensioners:		
Males	19.9	20.0
Females	24.0	24.1
Future pensioners:		
Males	22.3	22.4
Females	25.9	26.0

Amounts recognised in the statement of financial position

	2025 £'000	2024 £'000
Present value of funded obligations	(6,555)	(7,735)
Fair value of plan assets	11,143	10,814
Surplus restriction	(4,588)	(3,079)
	-	-
Present value of unfunded obligations	-	-
Net liability	-	-

Amounts recognised in other comprehensive income

	2025 £'000	2024 £'000
Actuarial (loss)/gain in other comprehensive income	(259)	(217)

Analysis of the amount charged to operating surplus

	2025 £'000	2024 £'000
Current service cost/total operating charge	84	90

Analysis of the amount charged to other finance costs

	2025 £'000	2024 £'000
Expected return on pension scheme assets	527	463
Interest on pension scheme liabilities	(372)	(366)
Effect of asset ceiling	(93)	(93)
Net finance cost	62	4

Movement in deficit during the year

	2025 £'000	2024 £'000
Company share of net liabilities at start of period	-	(1,685)
<i>Movement in year:</i>		
Current service cost	(84)	(90)
Employer contributions	337	303
Other finance costs	6	4
Actuarial (loss)	(259)	(217)
Company share of net scheme assets at year-end	-	-



Changes in present value of defined benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation (including unfunded obligations)	(7,735)	(7,752)
Current service cost	(84)	(90)
Past service cost	-	-
Interest cost	(372)	(366)
Contributions by members	(31)	(29)
Actuarial gains	1,437	285
Past service gain	-	-
Benefits paid	230	217
Closing defined benefit obligation (including unfunded obligations)	(6,555)	(7,735)

Changes in fair value of plan assets

	2025 £'000	2024 £'000
Opening fair value of plan assets	10,814	9,700
Expected return on assets	527	463
Actuarial gain/(loss)	(336)	536
Contributions by employer	337	303
Contributions by members	31	29
Benefits paid	(230)	(217)
Fair value of assets at year-end	11,143	10,814

The Local Government Pension Schemes (LGPS) were closed to new entrants from 1 July 2011. From this date the company also participated in a scheme administered by Scottish Widows. This is a defined contribution scheme.

11. Board members, executive directors and key management personnel

The Group's executive directors are considered to be the key management personnel of the group and company.

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Basic salary	712	712	716	716
Benefits in kind	80	80	60	60
Employer's NIC	96	96	98	98
Pension and pension equivalent contributions	131	131	154	154
	1,019	1,019	1,028	1,028

The emoluments of the highest paid executive director is £211,026 (2024: £228,763) - excludes pension and pension equivalent

The full time equivalent number of staff (including directors) who received emoluments, including pension contributions, in the following ranges:

	2025 £'000	2024 £'000		2025 £'000	2024 £'000
£60,000 to £70,000	20.0	18.0	£210,001 to £220,000	-	-
£70,001 to £80,000	16.0	8.0	£220,001 to £230,000	-	-
£80,001 to £90,000	3.0	5.0	£230,001 to £240,000	-	-
£90,001 to £100,000	5.0	4.0	£240,001 to £250,000	-	1.0
£100,001 to £110,000	2.0	2.0	£250,001 to £260,000	0.7	-
£110,001 to £120,000	1.0	1.0	£260,001 to £270,000	-	-
£120,001 to £130,000	2.8	2.0	£270,001 to £280,000	1.0	-
£130,001 to £140,000	1.0	1.0	£280,001 to £290,000	-	-
£140,001 to £150,000	1.0	-	£290,001 to £300,000	-	-
£150,001 to £160,000	0.4	-	£300,001 to £310,000	-	-
£160,001 to £170,000	-	1.0	£310,001 to £320,000	-	-
£170,001 to £180,000	-	1.0	£320,001 to £330,000	-	1.0
£180,001 to £190,000	-	-	£330,001 to £340,000	-	-
£190,000 to £200,000	-	-	£340,001 to £350,000	0.5	-
£200,001 to £210,000	-	-		54.4	45.0

Board members' emoluments	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
P Davis	19	19	7	7
M Stevenson	15	15	23	23
C McMillan	14	14	14	14
S Veal	14	14	14	14
R Harding	12	12	14	14
P Burke	9	9	9	9
L Ponting	9	9	9	9
T Slater	9	9	9	9
J Perry	9	9	9	9
G Middleton	9	9	-	-
J Imuere	6	6	4	4
P Duffy	6	6	-	-
S Bagshaw	4	4	4	4
D Hook	4	4	4	4
M Goodison	4	4	1	1
G Roberts	4	4	1	1
K Wooding	4	4	4	4
J Bemrose	4	4	4	4
D Cribbin	4	4	4	4
E Lock	4	4	4	4
D Brooks	3	3	9	9
C Clarke	3	3	-	-
S Jackson	3	3	-	-
M Daunt	1	1	14	14
	173	173	161	161

Emoluments paid to FHG Chair:	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
M Stevenson 1 April 2024 to 30 September 2024	15	15	23	23
P Davis 1 October 2024 to 31 March 2025	10	10	-	-

12. Tax on surplus

Group and company	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Current tax				
UK Corporation Tax on surplus for the year	-	-	-	-
Adjustments in respect of prior period	-	-	-	-
Current tax	-	-	-	-
Deferred tax				
Net origination and reversal of timing differences	14	14	111	111
Adjustments in respect of prior period	1	1	1	1
Effect of rate change on opening balance	-	-	-	-
Total tax charge	15	15	112	112

Tax reconciliation	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Surplus on ordinary activities before tax	12,562	56	7,824	287
Charitable activities				
Qualifying charitable donation	(300)	-	(305)	-
Surplus subject to Corporation Tax	12,262	56	7,519	287
Theoretical tax at UK Corporation Tax rate 19% rate (2023: 19%)	2,330	-	1,432	-
Theoretical tax at UK Corporation Tax rate 25% (2023: 19%)	14	14	72	72
Income not taxable for tax purposes	(2,330)	-	(1,432)	-
Expenses not deductible for tax purposes	-	-	(1)	(1)
Adjustment in respect of prior periods – deferred tax	1	1	1	1
Fixed asset differences	-	-	40	40
Total tax charge	15	15	112	112

All of the subsidiaries within the group, except for FHG, reported surplus' below the marginal Corporation Tax threshold. As a result, these entities are subject to a corporation tax rate of 19% (2024: 19%).

FHG is the only company within the group that achieved a surplus exceeding the marginal tax threshold. FHG has been subjected to a higher Corporation Tax rate of 25% (2023: 19%).

13. Tangible fixed assets: properties

Group	Completed housing properties: shared ownership £'000	Shared ownership properties under construction £'000	Social housing properties held for letting £'000	Social housing properties under construction £'000	Total £'000
Cost					
At 1 April 2024	45,450	12,063	357,036	26,840	441,389
Additions	237	9,646	2,245	35,071	47,199
Capitalised improvements	-	-	20,608	-	20,608
Schemes completed	10,837	(10,837)	31,657	(31,718)	-
Disposals	(315)	-	(3,915)	-	(4,230)
At 31 March 2025	56,209	10,872	407,631	30,193	504,966
Depreciation and impairment					
At 1 April 2024	1,970	-	65,411	-	67,381
Charged in year	417	-	8,487	-	8,904
Released on disposal	(24)	-	(3,304)	-	(3,328)
At 31 March 2025	2,363	-	70,594	-	72,957
Impairment					
At 1 April 2024	-	-	-	194	194
Charged in year	-	-	-	(194)	(194)
At 31 March 2025	-	-	-	-	-
Net book value					
At 31 March 2025	53,826	10,872	337,098	30,193	432,009
At 31 March 2024	43,480	12,063	291,625	26,646	373,814

Expenditure on works to existing properties: Group	2025 £'000	2024 £'000
Components capitalised	20,608	16,669
Amounts charged to statement of comprehensive income	6,306	6,690
	26,914	23,359

Social housing grant: Group	2025 £'000	2024 £'000
Total accumulated grant	74,113	55,078
Recognised in comprehensive income	7,795	7,195
Held as deferred capital grant	66,318	47,883
	74,113	55,078

Housing properties book value, net of depreciation and grants, and depot net book value (notes 13&14) comprises:

Group	2025 £'000	2024 £'000
Freehold land and buildings	433,120	374,750

Housing properties comprise of only freehold land and buildings.

14. Other tangible fixed assets

Group	Freehold depot £'000	Tools and equipment £'000	Furniture, fixtures and fittings £'000	Lifeline equipment £'000	IT and office equipment £'000	Other land and buildings £'000	Vehicles £'000	Salary Sacrifice vehicles £'000	Total £'000
Cost									
At 1 April 2024	1,111	428	1,523	1,373	7,010	4,855	3,121	186	19,607
Additions	211	79	137	95	633	-	6	109	1,270
Disposals	-	-	-	-	(2)	-	(37)	(65)	(104)
At 31 March 2025	1,322	507	1,660	1,468	7,641	4,855	3,090	230	20,773
Depreciation									
At 1 April 2024	175	335	1,026	1,212	6,077	139	2,879	26	11,869
Charged in year	26	89	236	81	878	41	195	58	1,604
Released on disposal	-	-	-	-	(2)	-	(37)	(16)	(55)
At 31 March 2025	201	424	1,262	1,293	6,953	180	3,037	68	13,418
Net book value									
At 31 March 2025	1,121	83	398	175	688	4,675	53	162	7,355
At 31 March 2024	936	93	497	161	933	4,716	242	160	7,738

The net book value of other tangible assets for the group includes an amount of £161,000 (2024 - £160,000) in respect of assets held under finance leases. Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Other tangible fixed assets

Company	Furniture, fixtures and fittings £'000	IT and office equipment £'000	Tools and equipment £'000	Salary sacrifice vehicles £'000	Total £'000
Cost					
At 1 April 2024	188	5,930	3	186	6,307
Additions	52	633	-	109	794
Disposals	-	(2)	-	(65)	(67)
At 31 March 2025	240	6,561	3	230	7,034
Depreciation					
At 1 April 2024	152	5,004	2	26	5,184
Charged in year	21	871	1	58	951
Disposals	-	(2)	-	(16)	(18)
At 31 March 2025	173	5,873	3	68	6,117
Net book value					
At 31 March 2025	67	688	-	162	917
At 31 March 2024	36	926	1	160	1,123

15. Investment properties

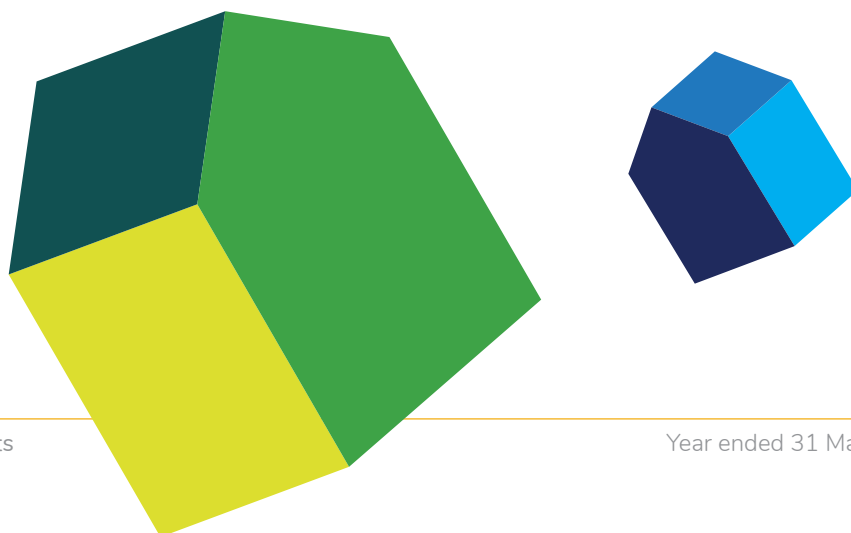
	Completed investment properties £'000	Investment properties under construction £'000	Total £'000
Cost			
At 1 April 2024	31,979	-	31,979
Additions	982	-	982
Cost at 31 March 2025	32,961	-	32,961
Revaluation/(impairment)			
At 1 April 2024	4,863	-	4,863
In year revaluation	(1,209)	-	(1,209)
Cost at 31 March 2025	3,654	-	3,654
Carrying value			
At 31 March 2025	36,615	-	36,615
At 1 April 2024	36,842	-	36,842

A scheme has been transferred to housing properties during the year to maximise available grant.

Investment properties were valued as at 31 March 2025 at their open market value based on an independent valuation by Rupert David & Co Chartered Surveyors. The valuation was carried out in accordance with the RICS valuation - global standards 2017 and the UK national supplement (the red book). No allowance has been made for the liability of taxation that may arise on disposal as the activity is undertaken in a charitable entity and no alteration has been made to reflect the costs of selling. All valuation figures are exclusive of VAT.

If investment properties had been accounted for under historical cost accounting rules, the property would have been measured as follows:

	FHG 2025 £'000	FHG 2024 £'000
Historic cost	31,750	30,768
Accumulated depreciation and impairment	(3,188)	(2,843)
	28,562	27,925



16. Group and company

Investment in joint ventures

Cost and net book value	2025 £'000	2024 £'000
At 1 April	-	151
Additions	-	(151)
At 31 March	-	-

The Group has the following aggregate interests in associated undertakings:

	2025 £'000	2024 £'000
Share of fixed assets	21	17
Share of current assets	745	531
Share of current liabilities	(224)	(99)
Share of net assets	542	449
Impairment - to show movement in the year	(542)	(298)
Impairment charge in year	-	(151)
Investment	-	-

The Group owns 50% of the issued share capital of Three Together Limited, a company incorporated in England and Wales. Its wholly owned subsidiary, Access Training Limited, is a training and apprenticeship provider. The investment has been fully impaired as the company is being subsidised with governance support and the right to interest is also being waived.

17. Stock

Group	2025 £'000	2024 £'000
Raw materials and consumables	311	276

18. Properties held for sale

Group	2025 Completed properties £'000	2025 Land and properties under construction £'000	2025 Total £'000	2024 Completed properties £'000	2024 Land and properties under construction £'000	2024 Total £'000
Shared ownership properties	1,083	4,660	5,743	2,352	5,199	7,551
	1,083	4,660	5,743	2,352	5,199	7,551

19. Debtors

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Due within one year				
Rent and service charges receivable	1,215	-	1,535	-
Less: provision for bad and doubtful debts - rents	(492)	-	(417)	-
	723	-	1,118	-
Trade debtors	277	42	227	97
Other debtors	295	43	278	88
Grant prepayments	-	-	7,599	-
Prepayments and accrued income	4,026	3,509	2,152	1,621
Amounts due from group undertakings	-	342	-	300
Deferred tax (note 24)	-	-	-	-
	5,321	3,936	11,374	2,106

20. Creditors: amounts falling due within one year

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Trade creditors	3,263	639	831	262
Rent and service charges received in advance	2,975	-	2,875	-
Corporation Tax	-	-	-	-
Other taxation and social security	654	474	432	289
Other creditors	1,275	185	1,259	361
Accruals and deferred income	10,911	1,214	14,081	803
Amounts owed to group undertakings	-	2,053	-	1,301
Deferred capital grant (note 22)	829	-	687	-
Right to Buy creditor	648	-	751	-
Bank loans (note 25)	-	-	9,000	-
	20,555	4,565	29,916	3,016

21. Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Bank loans and bond finance (note 25)	313,398	314,298
Deferred capital grant (note 22)	65,489	47,197
Recycled capital grant fund (note 23)	38	544
	378,925	362,039

Total of group future minimum lease payments under finance leases:

	2025 £'000	2024 £'000
In one year or less, or on demand	78	39
In more than one year but not more than five years	80	150
	158	189

The obligation under finance leases are repayable by equal installments in less than five years. Finance leases relate to vehicles used by the association provided for as part a salary sacrifice arrangement.

22. Deferred capital grant

Group	31 March 2025 £'000	31 March 2024 £'000
At 1 April	47,884	45,569
Grant received in the year	18,505	3,111
Grant transferred to the RCGF (note 23)	(39)	(329)
Grant transferred from the RCGF (note 23)	568	-
Released to income in the year	(600)	(467)
	66,318	47,884
Social housing grant to be released within one year	829	687
Social housing grant to be released in more than one year	65,423	47,131
Other capital grant to be released in more than one year	66	66
	66,318	47,884

23. Recycled capital grant fund

	31 March 2025 £'000	31 March 2024 £'000
At 1 April	544	197
Inputs to RCGF:		
Grant recycled from property disposals	39	329
Recycling of grant: new build	(568)	-
Interest accrued	23	18
Balance at 31 March	38	544

24. Provisions for liabilities and charges

Deferred tax	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
At 1 April	(100)	(100)	12	12
Amount (charged) to the statement of comprehensive income	(15)	(15)	(112)	(112)
At 31 March	(115)	(115)	(100)	(100)
Comprising:				
Fixed asset timing differences	(135)	(135)	(174)	(174)
Losses and other deductions	20	20	74	74
Deferred tax (liability)/asset	(115)	(115)	(100)	(100)

25. Debt analysis

Group	31 March 2025 £'000	31 March 2024 £'000
Due within one year		
Bank loans	-	9,000
Due after more than one year		
Bank loans	22,949	22,950
Bond finance	292,311	293,364
Less: capitalised issue costs	(1,862)	(2,016)
	313,398	314,298

Based on the lenders' earliest repayment date, borrowings are repayable as follows:

	31 March 2025 £'000	31 March 2024 £'000
Within one year	-	9,000
Between one and two years	-	-
Between two and five years	7,949	5,949
After five years	307,312	310,365
	315,261	325,314

The Group fixes the interest rate on a proportion of its borrowings for a specific period of time. The maturity of these arrangements does not lead to a requirement to repay the debt.

The bank loans are secured by a floating charge over the assets of the Group and by fixed charges on individual properties.

Overdraft interest is payable quarterly in arrears at the usual charging dates in March, June, September and December at a rate of 1% above base rate.

On all committed floating rate borrowings interest is payable quarterly at the maturity of the relevant fixture period of one, three or six months and semi-annually if the fixture period is 12 months.

On all fixed rate borrowings interest is payable quarterly or semi-annually in arrears, calculated from the semi-annual fixed rate cost of funds.

The bank and other loans are repaid in instalments at fixed and variable rates of interest ranging from 3.38% to 6.79%. The final instalments fall to be repaid in the period 2028 to 2044.

All loans are in Sterling. The majority of loans in the Group are routed through two separate treasury vehicles:

- **Futures Treasury Plc** was set up during 2018-19 as a funding vehicle for the issue of a £200m bond, of which £150m has been drawn on 8 February 2019 via a 25 year 3.375% coupon bond issue at a discount of 0.037%. Monies are lent to associations within the Group.

On 24 June 2020 FTP sold £50m of the retained bond at a coupon of 3.375%. The retained bond was sold at a premium of £16m with a spread of £1.15% above the yield of 0.591%, resulting in an overall rate of 1.741%.

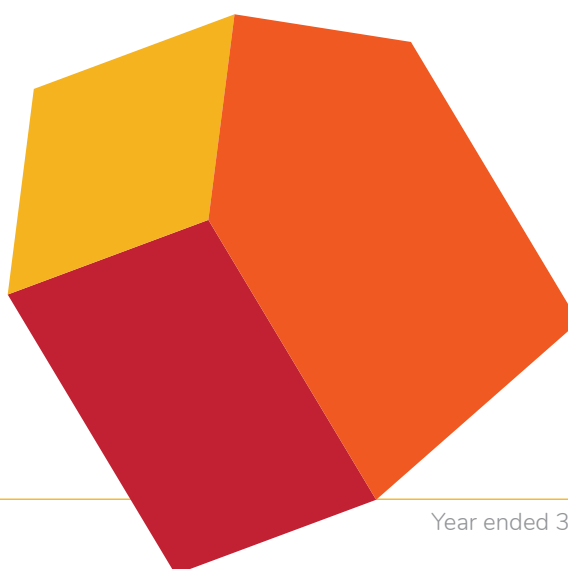
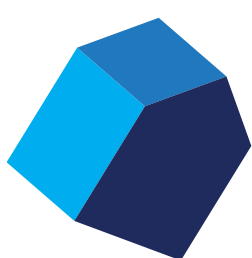
On 24 January 2022 FTP tapped into the existing bond and sold a further £70m at a coupon of 3.375%. The bond was sold at a premium of £12.8m with a spread of 0.956% above the yield of 1.360%, resulting in an overall rate of 2.310%. FTP incurred loan fees of £557k.

The market value of the bond as at 31 March 2025 was £109.9m, derived by an external Bloomberg valuation.

- **Futures Finance Ltd** was also set up during 2018-19 and borrows money on behalf of the Group and on-lends to the individual associations as required. Futures Homescape and Futures Homeway have entered into a fully cross-collateralised structure.

The benefits of setting up the treasury vehicles include streamlined and efficient treasury procedures and strategy.

At 31 March 2025 the Group had undrawn committed loan facilities of £75m (2024: £75m). The Group's weighted average cost of capital is 3.59%.



26. Financial commitments

	Approved and contracted for		Approved and not contracted	
	2025 £'000	2024 £'000	2025 £'000	2025 £'000
		<i>Restated</i>		<i>Restated</i>
Expenditure on the acquisition or construction of housing properties	63,470	53,619	49,331	32,082
Repairs partnering contracts	-	-	16,627	15,681
Acquisition of other fixed assets	-	-	2,941	2,735
Total	63,470	53,619	68,899	50,498
Financed by:				
Borrowings	55,181	33,558	35,263	21,051
Committed grant	8,289	20,061	14,068	11,031
Operating surpluses	-	-	19,568	18,416
	63,470	53,619	68,899	50,498

The prior year comparatives have been restated to separately disclose committed grant funding within the analysis of how capital commitments are financed. In the prior year, committed grant financing totalling £31,092k was included within the borrowings line in error and the amended analysis is a more accurate representation of how the commitments will be financed.

27. Contingent liabilities

FHL has in place a guarantee related to the highways and performance aspects of the development scheme at Welford Road of £532k (2024:£532k). This amount may be retained by West Northamptonshire Council and Anglian Water Services Limited if the works under instruction are not completed to the required standard.

FHL anticipates completing the works satisfactorily, which would result in the expiration of these guarantees.



28. Operating leases

The payments which the Group is committed to make in future years under operating leases are as follows:

Group	2025 £'000	2024 £'000
Land and buildings		
Due to expire: within one year	89	59
Due to expire: one to five years	356	59
Due to expire: more than five years	178	-
	623	118
Equipment		
Due to expire: within one year	-	-
Due to expire: one to five years	-	-
	-	-

29. Reconciliation of surplus to net cash inflow from operating activities

	2025 £'000	2024 £'000
Surplus for the year	12,547	7,712
Adjustments for non cash and non operating items:		
Depreciation and impairment of tangible fixed assets	10,314	10,245
Pensions cost less contributions payable	(739)	(643)
(Increase) in trade and other debtors	(1,759)	(430)
(Decrease)/increase in trade and other creditors	3,783	(1,183)
(Increase) in stock and stock of housing	1,773	(618)
Surplus on sale of tangible fixed assets	(1,338)	(263)
Amortisation of government grants	(600)	(467)
Revaluation of investment properties	1,209	2,024
Interest receivable	(1,765)	(3,063)
Interest payable	10,554	10,787
Cash inflow from operating activities	33,979	24,101
Taxation paid	-	-
Net cash inflow from operating activities	33,979	24,101

30. Financial assets and liabilities

The Board policy on financial instruments is explained in the board report as are references to financial risks.

Categories of financial assets and financial liabilities	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Financial assets that are debt instruments measured at amortised cost:				
Rental debtors	723	-	1,118	-
Other debtors	191	8	227	97
Amounts due from group undertakings	-	342	-	300
	914	350	1,345	397
Financial liabilities measured at amortised cost:				
Trade and other creditors	3,063	605	831	262
Accruals	10,911	1,214	14,081	803
Right to Buy creditor	648	-	751	-
Loans	315,261	-	325,314	-
Amounts owed to group undertakings	-	2,167	-	1,301
	329,883	3,986	340,977	2,366

Financial assets

Other than short-term debtors the Group had financial assets consisting of short-term money market and cash deposits held in special interest bearing accounts. They are sterling denominated and the interest rate profile at 31 March was:

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Short-term money market deposits	-	-	-	-
Special interest bearing accounts	16,779	33	47,190	45
	16,779	33	47,190	45

The interest rate profile of the Group's loan liabilities at the 31 March 2024 was:

	2025 £'000	2024 £'000
Floating rate	-	-
Fixed rate	315,261	325,314
Total (note 25)	315,261	325,314

The financial liabilities have a weighted average interest rate of 3.59% (2024: 3.68%).

The fixed rate sums are fixed for between one and 20 years.

The debt maturity profile is shown in note 25.

31. Net debt reconciliation

	1 April 2024 £'000	Cashflows £'000	Other non- cash changes £'000	31 March 2025 £'000
Bank loans				
Within one year	(9,000)	9,000	-	-
Between one and two years	-	-	-	-
Between two and five years	(5,949)	-	(2,000)	(7,949)
After five years	(16,627)	-	1,627	(15,000)
Bond				
After five years	(291,722)	-	1,272	(290,450)
	(323,298)	9,000	899	(313,399)
Cash at bank and in hand	47,190	(30,411)	-	16,779
Total	(276,108)	(21,411)	899	(296,620)

32. Related parties

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with its wholly owned subsidiaries.

During the year the company paid £25,200 (2024: £nil) to Access Training Limited, a company with whom the Group has a beneficial interest, in respect of training.

Transactions with non regulated Group members

During the year the company received £183k (2024: £151k), from Five Doorways Homes Limited. This is allocated on the basis of units managed. This income is from a non regulated Group member for the provision of central services, such as finance and HR.

In addition **intra-group transactions** occurred between other regulated and non regulated Group members during the year:

- Futures Homescape Limited has loans in place from Futures Finance Limited of £7.9m and from Futures Treasury PLC of £180.4m. Futures Homeway Limited has loans in place from Futures Finance Limited of £15.0m and Futures Treasury PLC of £88.9m.
- Futures Finance Limited has received loan interest from Futures Homescape Limited of £1,447k and from Futures Homeway Limited of £987k. Futures Treasury PLC has received loan interest from Futures Homescape Limited of £6,316k and Futures Homeway Limited of £3,159k.

The Group executive directors are considered to be the key management personnel of the company. Disclosures in relation to their remuneration is included in note 11.

33. Interest in subsidiaries

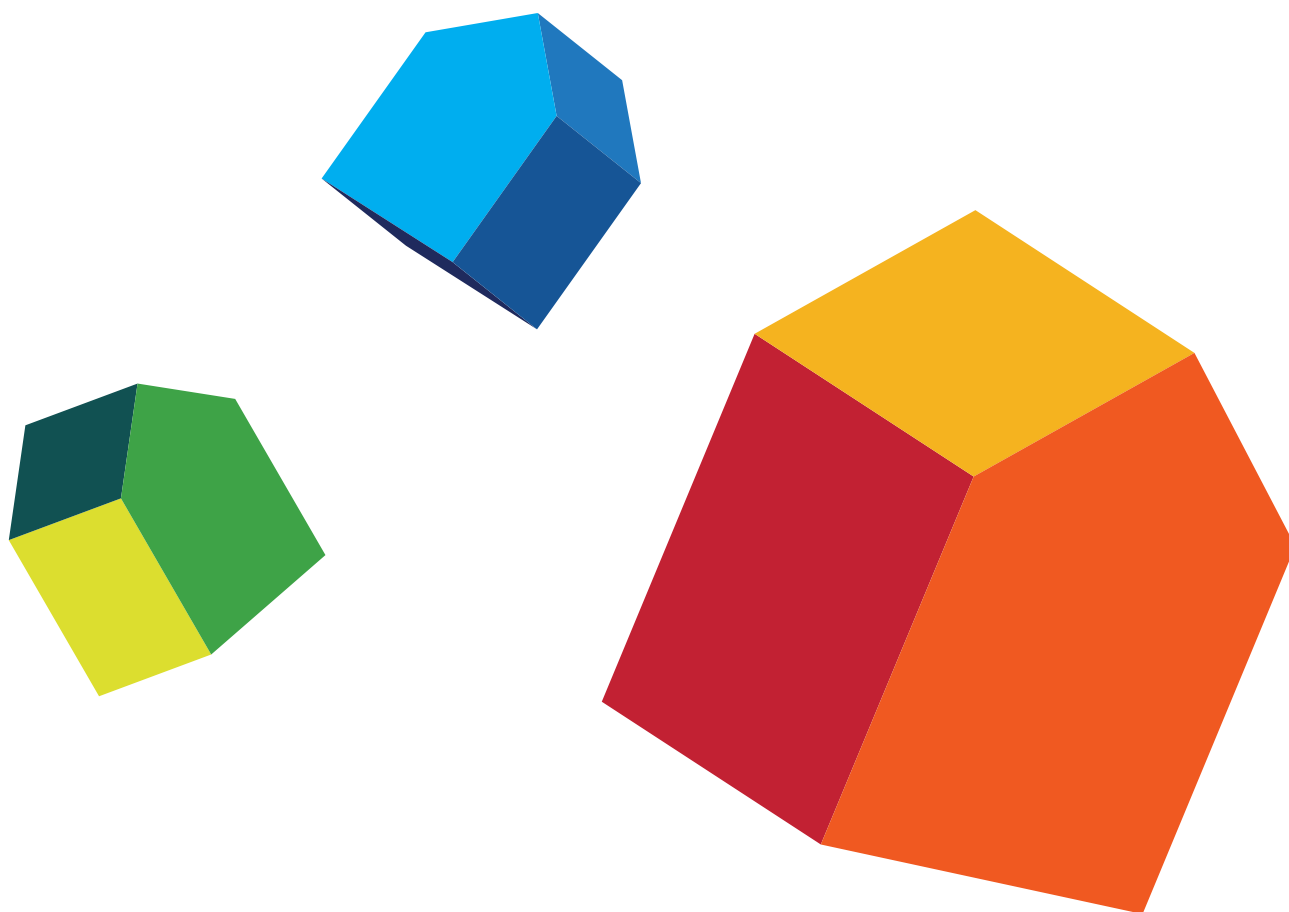
The financial statements consolidate the results of Futures Housing Group Limited with its subsidiaries, (on the basis of control): Futures Homescape Limited, Futures Homeway Limited, Five Doorways Homes Limited, Futures Living Limited (formerly Limehouse Developments Limited), Futures Finance Limited and Futures Treasury PLC. Futures Housing Group Limited is the ultimate parent undertaking. Futures Homescape, Futures Homeway Limited and Five Doorways Homes Limited's primary activity is the letting and development of social housing properties. Futures Greenscape Limited's primary activity was the provision of landscape maintenance services, these services were transferred to FHL and FHW from 31 March 2021 and the company is not trading. Futures Living Limited's primary activity was the development of homes for outright sale, the cash reserves were transferred to FHL 28 March 2024 and from 31 March 2024 the company is not trading. Futures Finance Limited and Futures Treasury PLC's primary activity is to act as onward lenders of funds raised from loan financing and debt capital markets.

The registered address of all entities in the Group is as follows:

Futures House, Building 435, Argosy Road, Castle Donington, Derbyshire, DE74 2SA

34. Post statement of financial position events

It is considered that there are no post balance sheet events that require the amounts in the accounts to be adjusted.





Thank you