Registered number: 11706438

# Futures Finance Limited

# Annual report and financial statements

# Year ended 31 March 2026

## Contents

**Futures Finance Limited**
**Year Ended 31 March 2026**

## Executive officers and advisors

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

| Name | Position | Appointed | Resigned |
|---|---|---|---|
| John Stephen Jackson | Chair | 12 March 2025 | |
| Ian Skipp | Director and Company Secretary | 30 November 2018 | |
| Timothy Slater | Director | 30 November 2018 | 19 July 2026 |
| Timothy Mulvenna | Director | 15 July 2024 | |
| John Stephen Jackson | Director | 12 March 2025 | |
| Gary Middleton | Director | 2 June 2026 | |

### Executive officers

The company had no employees during the year except directors. The executive officers and employees of the parent company, Futures Housing Group Limited (FHG), provide services to the company through a service agreement. The executive officers of FHG are listed in their financial statements.

### Advisors

**Independent auditors**

BDO LLP
Two Snowhill
Birmingham
B4 6GA

**Principal solicitors**

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

**Registered office**

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

## Strategic report

The directors present their strategic report on Futures Finance Limited (FFL) for the year ended 31 March 2026.

### Review of the business

FFL is a private limited company set up in November 2018 as a wholly owned subsidiary of Futures Housing Group Limited (FHG) to provide funding to registered providers in the Group. FFL has loan agreements in place with funders and draws down funds to on-lend to qualifying subsidiaries. These subsidiaries have entered into an intra-group agreement with FFL which sets out the basis of the loan charges and any conditions attached to them. There is a cross guarantee structure and loans are secured on properties held by the registered providers which are charged to a security trustee.

Financial performance for the year is a profit of £43k (2025: £31k). The charge made to FFL's borrower is set at an arm's length level and is sufficient to generate a margin after charging interest payable, commitment fees, administration fees and amortisation fees.

### Treasury policy

FHG provides treasury services to FFL and charges FFL for this service. All treasury activities are governed by FHG's treasury policy and procedures which are reviewed and updated regularly. The main principle governing FFL's treasury activities is to only draw loans as and when they are required and to keep cash balances to a minimum. This is made possible through the funding structure and as at 31 March 2026, FFL had £71m undrawn from its revolving credit facility (RCF) (2025: £75m).

Post year end, FFL increased its revolving credit facility to £115m and entered into an additional £25m Social Housing loan facility. The new loan is designated to fund the development of new homes.

There are no interest rate swaps or other complex derivatives in place.

Further details of FHG's over-arching treasury framework can be found in FHG's financial statements which are published on FHG's website at www.futureshg.co.uk.

### Principal risks and uncertainties

FFL's principal risk is the inability to meet its obligations in respect of the loan and counterparty risk in respect of other Group members and the parent company. The key risks identified are:

- Loan covenant breach.
- Registered providers do not perform in line with the business plan.
- Registered providers being affected by other economic factors such as government policy or other regulatory changes which affects either the future income stream or cost base.

## Strategic report (continued)

### Principal risks and uncertainties (continued)

FFL is governed by FHG's approach to risk management that is embedded across the Group. Arrangements are in place that robustly manage the operational and strategic risks that threaten business plans, financial performance, solvency, liquidity and loan covenants. The Audit & Risk Committee continually monitors financial risk, supplemented by a quarterly treasury report. The Group also has key rules for effective financial management in place which are set by the Group Board and which apply certain parameters to ensure the business plan is robust and can withstand a multitude of stress tests. Standard & Poors (S&P) provides a credit rating based on these plans.

### Financial risk management

Financial risks are inherent in the operations of FFL. FHG has a comprehensive treasury management policy that mitigates key financial risks that FFL may be exposed to. The key risks are:

- Interest rate risk: this is mitigated as currently FFL's drawn debt is 93% fixed as at 31 March 2026. Drawdown of the RCF will increase the variable rate debt which has been factored into the business plan and has been stress tested.
- Credit risk: FFL's debt facilities are secured by a legal charge over the homes owned by both Futures Homescape Limited (FHL) and Futures Homeway Limited (FHW). These registered providers have entered into a guarantee with FFL over future interest payments and property security.

### Key performance indicators

FFL's performance is monitored through the quarterly treasury report presented to the Audit & Risk Committee, which includes loan covenant and liquidity monitoring. Performance is also monitored by the Board through the quarterly management accounts.

### Section 172 statement

The company is required to disclose how it has fulfilled its duties as set out in section 172 of the *Companies Act 2006*. As FFL is solely a treasury company with no employees of its own, it does not have its own governance framework for decision making and setting of strategy. It is governed by the group-wide governance framework, set by the Board. Separate section 172 disclosures are therefore not relevant for FFL, the disclosures are included in the Group financial statements.

Approved by the Board of Directors on 8 September 2026 and signed by the order of the Board:

Ian Skipp

Ian Skipp

Company Secretary

8 September 2026

## Directors' report

The directors present their annual report on the affairs of FFL and the audited financial statements for the year ended 31 March 2026.

### Results

The operating profit for the financial year was £43k (2025: £31k). FFL is limited by guarantee and therefore cannot declare a dividend.

### Charitable donations

Gift Aid was made during the year of £43k (2025: £31k). There were no political donations in the year ended 31 March 2026.

### Directors

The directors who served during the year and up to the date of signing the financial statements are shown on page 1. The directors benefit from a qualifying third-party indemnity provision indemnifying them against legal claims from third parties. This was in place throughout the financial year up to and including the date the financial statements were signed. FFL is a wholly owned subsidiary of FHG.

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 directors are 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*. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Directors' report (continued)

### Statement of directors' responsibilities (continued)

Financial statements are published on Futures Housing Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware; there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the *Companies Act 2006*.

### Emissions and energy consumption

The company is not required to disclose emissions and energy consumption information as does not meet the definition of a large company, as defined by the Companies Act 2006. Emissions and energy disclosures have been disclosed in the Group financial statements.

### Going concern

The financial statements are prepared on a going concern basis.

FFL is a funding vehicle for the Group. It holds bank and equivalent funders debt and on-lends to the registered providers in the Group. An intra-group loan agreement has been entered into by all of the operating registered providers which commits them to pay interest on intra-group loans. The loans are secured by way of fixed charge over housing properties owned by FHL and FHW. The Group's financial plan and cash flow forecasts demonstrate that there are sufficient committed facilities to meet forecast expenditure for the foreseeable future.

The Group's cash flow forecasting demonstrates the ability to continue operating as a going concern without any reliance on sales income or grant income and with extra contingency funds ring-fenced to create additional strength to deal with adverse economic conditions. The Group has stress tested these cash flows to ensure that the risk of non-compliance with loan covenants is effectively managed. Using current financial forecasting, there is sufficient headroom on loan covenants to mitigate the risk of non-compliance over the next five years.

On this basis, the Board has a reasonable expectation that FFL 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.

## Directors' report (continued)

### Independent auditor

BDO LLP were appointed as FFL's auditor for the year ended 31 March 2026.

A resolution to re-appoint the auditors for external audit services was proposed and approved at the Group Board meeting on 8 September 2026.

Approved by the Board of Directors and signed by order of the Board:

Ian Skipp

Ian Skipp
Company Secretary
8 September 2026

## Independent auditor's report to the members of Futures Finance Limited (Continued)

### Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Futures Finance Limited ("the Company") for the year ended 31 March 2026 which comprise of the following:

| |
|---|
| Statement of Comprehensive Income |
| Statement of Changes in Reserves |
| Statement of Financial Position |
| Notes 1 to 16 to the financial statements including a summary of significant accounting policies |

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

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

*Independence*

We are independent of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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

## Independent auditor's report to the members of Futures Finance Limited (Continued)

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent auditor’s report to the members of Futures Finance Limited (Continued)

## Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing 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 Directors either intend to liquidate 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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

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

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

*Non-compliance with laws and regulations*
Based on:

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

we considered the significant laws and regulations to be Companies Act 2006, Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice), and UK tax legislation.

The Company 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 the Bribery Act 2010 and data protection.

## Independent auditor's report to the members of Futures Finance Limited (Continued)

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 Company'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; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

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

Our procedures in respect of the above included:

- Testing all journal entries that met defined risk criteria, as well as a random sample from the non-risky population, by agreeing to supporting documentation; and
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members 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: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## Independent auditor’s report to the members of Futures Finance Limited (Continued)

### 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.

DocuSigned by:
Samantha Lifford
FC86A145C4F04E5...

Samantha Lifford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK
Date: 09 September 2026

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

## Statement of Comprehensive Income for the year ended 31 March 2026

| | Note | 2026 £'000 | 2025 £'000 |
|---|---|---|---|
| **Turnover** | 4 | 3,142 | 2,450 |
| Cost of sales | 5 | (3,099) | (2,419) |
| **Operating Profit** | | **43** | **31** |
| Interest receivable and similar income | | - | - |
| Interest payable and similar charges | | - | - |
| **Profit before taxation** | | **43** | **31** |
| Tax on profit | 7 | - | - |
| **Profit for the financial year** | | **43** | **31** |
| Other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | **43** | **31** |

All activities derive from continuing operations.

The notes on pages 15 to 23 form part of these financial statements

## Statement of Changes in Reserves for the year ended 31 March 2026

| | 2026 Revenue reserve £000 | 2025 Revenue reserve £000 |
|---|---|---|
| 1 April | - | - |
| Total comprehensive income for the year | 43 | 31 |
| Gift Aid Distribution | (43) | (31) |
| Balance as at 31 March | **-** | **-** |

The notes on pages 15 to 23 form part of these financial statements

## Statement of Financial Position as at 31 March 2026

| | Note | 2026 £'000 | 2025 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Debtors: amounts falling due after more than one year | 8 | 52,945 | 22,949 |
| Liquidity reserve (restricted funds) | 9 | 810 | - |
| | | 53,755 | 22,949 |
| **Current assets** | | | |
| Debtors | 8 | 4,739 | 151 |
| Cash at bank and in hand | 10 | - | - |
| | | 4,739 | 151 |
| **Creditors: Amounts falling due within one year** | 11 | (4,627) | (460) |
| **Net current assets/(liabilities)** | | 112 | (309) |
| **Total assets less current liabilities** | | 53,867 | 22,640 |
| **Creditors: Amounts falling due after more than one year** | 12 | (53,867) | (22,640) |
| **Net assets** | | - | - |
| **Reserves** | | | |
| Revenue reserve | | - | - |
| **Total reserves** | | - | - |

The notes on pages 15 to 23 form part of these financial statements

These financial statements were approved by the Board and authorised for issue on 8 September 2026 and signed on its behalf by:

John Stephen Jackson
Director

Ian Skipp
Ian Skipp
Director

## Notes to the financial statements

### 1. Company information

Futures Finance Limited is a private company limited by guarantee without share capital.

### 2. Accounting policies

### Basis of accounting

The financial statements of the company are prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP) including *Financial Reporting Standard 102 (FRS102)*.

The financial statements have been prepared under the historical cost convention. The Board is satisfied that the current accounting policies are the most appropriate for the company.

The financial statements are presented in sterling (£) which is also the functional currency. The company has adopted the following disclosure exemptions available to it under FRS 102:

- the requirements of Section 11; Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e),11.41(f),11.42, 11.44, 11.45, 11.47, 11.4B(a)(iii), 11.4B(a)(iv), 11.4B(b) and 11.48(c);
- the requirements of Section 33; Related Party Disclosures paragraph 33.7; and
- the requirements of Section 7; Statement of Cash Flows.

These financial statements present information about the individual company. Results are consolidated into the accounts of FHG.

### Going concern

FFL is a funding vehicle for the Group. It holds bank debt and on-lends to the registered providers in the Group. An intra-Group loan agreement has been entered into by all of the operating registered providers which commits FFL to pay interest on intra-Group loans. The loans are secured by way of fixed charge over housing properties owned by FHL and FHW.

FFL has a robust cash flow forecast, based on the strength of the registered providers, so is expected to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

The Board has reviewed a number of key areas to determine that FFL is a going concern, as set out below.

Multi year financial forecasts have been prepared for each entity that relies on funding from FFL, capturing all operating and capital cash flows as well as the associated FFL funding cash flows. These cash flows eliminate the ‘high risk’ cash flows such as grant income and sales income and each of these demonstrate to the Board that cash remains positive over the period, being at least 12 months from the date these accounts have been signed, without the need to secure any further funding than what is already in place and secured.

## Notes to the financial statements (continued)

## 2. Accounting policies (continued)

### Going concern (continued)

The Board has approved the 2026-27 budget and business plans and is satisfied that the assumptions used are reflective of current and forecast business operations.

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 FFL 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 of signing these accounts. The Board is comfortable that the stress testing mitigation plan contains sufficient mitigation strategies to ensure the viability of FFL whilst 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 FFL towards compliance with its key rules for financial management. The plan demonstrates the mitigation methods that would provide sufficient immediate cash savings to allow the Group to continue in operation over the period under review.

For the reasons mentioned above, the Board considers that FFL is a going concern. While risks exist, these do not cast doubt on FFL's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing these accounts.

### 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.

### Restricted cash

Restricted cash comprises cash balances that are subject to contractual, legal or regulatory restrictions and are therefore not available for general operating purposes.

Restricted cash is recognised when the Company has a right to the cash but its use is restricted by specific terms or conditions. Such balances are measured at amortised cost, which approximates their carrying value due to their short-term nature.

Restricted cash is presented separately from unrestricted cash where the amount is material. Balances are classified as current or non-current depending on the period over which the restriction is expected to apply.

Currently the amount held by FHG is the equivalent of 6 months interest payments for the Affordable Homes Guarantee Scheme loan, which are held by Bank of New York Mellon as part of the terms of the loan agreement.

## Notes to the financial statements (continued)

## 2. Accounting policies (continued)

### Revenue recognition

Revenue comprises interest and other charges to members of FHG to cover the cost of securing and managing the loan portfolio and audit fees, recognised at the point service is supplied.

### Cost of sales

Costs of sales includes interest payable and similar charges on the bank and other loans on-lent to members of FHG and administrative costs including legal costs, treasury fees and management costs.

### Taxation

The charge for taxation is based on the surpluses arising on activities which are liable to tax.

### Deferred tax

Taxable members of the Group have adopted the standard for deferred tax (FRS 102 Section 36). Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### Estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date.

### Debt instruments (loan portfolio)

External loans need to be categorised either as basic or other. The basic approach results in a requirement to report interest costs using the effective interest rate method. This necessitates modelling on a loan-by-loan basis averaging, via the effective interest rate calculation, all elements of income and expenditure relating to the loan (including the margin and arrangement fees).

The effective interest rate for fixed rate instruments will be calculated as the rate which exactly discounts the instrument's future cash flows to the carrying amount (FRS102 section 11.15). Arrangement fee amortisation will be calculated separately and netted off against the carrying value of the debt liability.

Due to the short term of our floating rate instruments the carrying amount will be set equal to the nominal loan amount less unamortised fee.

### 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 loan agreements and has deemed them to be basic financial instruments.

**Futures Finance Limited**
**Year ended 31 March 2026**

## Notes to the financial statements (continued)

### 3. Expenses and auditor's remuneration

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Audit of these financial statements (excluding VAT) | 15 | 14 |

### 4. Turnover

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Interest receivable from Group undertakings | 3,125 | 2,434 |
| Management fees | 17 | 16 |
| | 3,142 | 2,450 |

### 5. Cost of sales

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Loan Interest payable | 3,082 | 2,403 |
| Management costs | 17 | 16 |
| | 3,099 | 2,419 |

### 6. Directors' and executive officers' emoluments

During the year the company had no employees. The Board of Directors are employed by the parent company, Futures Housing Group Limited. Their payments are disclosed in the consolidated financial statements of Futures Housing Group Limited.

**Futures Finance Limited**
**Year ended 31 March 2026**

## Notes to the financial statements (continued)

### 7. Tax on profit

| | 2026 £000 | 2025 £000 |
|---|---|---|
| **Current tax** | | |
| UK corporation tax on profit for the year | - | - |
| Current tax | - | - |
| **Total tax charge** | **-** | **-** |
| **Current tax reconciliation** | | |
| Profit | 43 | 31 |
| Qualifying charitable donation | (43) | (31) |
| **Profit subject to Corporation Tax** | **-** | **-** |
| Theoretical tax at UK Corporation Tax rate 19% | 8 | 6 |
| Amounts relating to other comprehensive income or otherwise transferred at 19% | (8) | (6) |
| **Total tax charge** | **-** | **-** |

On the basis that total taxable profit is £nil (2025: £nil), a corporation tax rate of 19% has been used (2025: 19%).

## Notes to the financial statements (continued)

### 8. Debtors

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Amounts due from group undertakings | 52,945 | 22,949 |
| **Total due after more than one year** | **52,945** | **22,949** |
| Amounts due from group undertakings within one year | 4,739 | 151 |
| **Total due in less than one year** | **4,739** | **151** |

### 9. Liquidity Reserve (restricted fund)

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Liquidity reserve balance | 810 | - |
| | **810** | **-** |

### 10. Cash and cash equivalents

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Cash at bank and in hand | **-** | **-** |

### 11. Creditors: amounts falling due within one year

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Bank loans and overdrafts | 4,000 | - |
| Amounts owed to group undertakings | 167 | 123 |
| Accruals and deferred income | 460 | 337 |
| **Total** | **4,627** | **460** |

The £4m bank loan is a drawdown from the NatWest revolving credit facility which has a rate of SONIA + 1.05%. This is a secured loan and further details around this security is included within Note 13.

## Notes to the financial statements (continued)

### 12. Creditors: amounts falling due after more than one year

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Bank loans and overdrafts | 54,949 | 22,949 |
| Less: amortised loan costs | (366) | (309) |
| Less issue price discount | (716) | - |
| | **53,867** | **22,640** |

Bank loans are shown gross of loan arrangement fees.

The amount of capitalised loan costs in 2018-19 were £449k - the capitalisation rate for these is over seven years. In 2023-24 the bank renegotiated the loan agreement, capitalised loan costs associated with this were £387k - the capitalisation rate for these is five years. Fees for these are amortised over the life of the loan.

**The debt is repayable as follows:**

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| **In one year or less, on demand** | **4,000** | **-** |
| **Repayable by instalments:** | | |
| More than one year but not more than two years | - | - |
| In more than two years but not more than five years | 7,949 | 7,949 |
| In more than five years | 47,000 | 15,000 |
| | **54,949** | **22,949** |
| **Net debt** | **58,949** | **22,949** |

The final instalments fall to be repaid in the period 2028 to 2033. The WACC is 5.43%.

During the year a secured loan was obtained under the Affordable Homes Guarantee Scheme. This loan is available for the building of new homes and existing asset investment. £32m was borrowed at a rate of 4.815% with the final repayment being in November 2036.

**Notes to the financial statements (continued)**

## 13. Interest bearing loans and borrowings

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings, which are measured at amortised cost. Secured bank loans are secured by way of a first fixed charge over housing properties and include an asset cover test based on the ratio on the value of properties secured to the carrying value of the loan. These secured bank loans include interest cover and gearing covenants each of which is tested on an annual basis, gearing is tested against the group consolidated financial statements and interest cover is tested against Futures Homescape Limited and Futures Homeway Limited financial statements. The unsecured debt is covered by payment of a semi-annual Asset Cover fee, which is better VFM than placing additional homes under security.

| | 2026<br>£'000 | 2025<br>£'000 |
|---|---|---|
| **Creditors falling due within one year** | | |
| Bank loans and overdrafts | 4,000 | - |

| | 2026<br>£'000 | 2025<br>£'000 |
|---|---|---|
| **Creditors falling due more than one year** | | |
| Bank loans and overdrafts | 54,949 | 22,949 |
| | | |
| **Total loans due** | | |
| Secured bank loans | 24,434 | 22,949 |
| Unsecured bank and other loans | 2,373 | - |
| Less: capitalised issue cash | 2,084 | (309) |
| Less: issue price discount | (716) | - |
| | **28,175** | **22,640** |

## 14. Related parties

As a member of Futures Housing Group, the company has taken advantage of the exemption under FRS 102 from the requirements to disclose transactions with other wholly owned members of the Group.

The Group Executive Directors are considered to be the key management personnel of the Company, who are remunerated by Futures Housing Group Limited.

## 15. Controlling party

FFL is a wholly owned subsidiary of Futures Housing Group Limited, a company incorporated in England and Wales, which is the smallest and largest group into which the company's financial statements are consolidated. The consolidated financial statements can be obtained from the Group's registered office:

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

## 16. Events after the end of the reporting period

The directors of the entity consider there to be no post balance sheet events that require the amounts in the accounts to be adjusted.

Post year end, FFL increased its revolving credit facility to £115m and entered into an additional £25m Social Housing loan facility. The new loan is designated to fund the development of new homes.