Futures Housing Group

2026-27 Performance to September 2026

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Key messages and highlights

- G1/V1 Regulator of Social Housing grading reaffirmed in December 2025.
- A (negative outlook) Standard & Poor's credit rating reaffirmed in October 2026.
- All financial covenants have been met with sufficient headroom for future risks.
- Sufficient cash reserves and undrawn facilities.
- Additional Social Housing loan funding was received during the quarter – this adds a further £25m of funding to our business plans. This contributes to our development programme and investment into existing properties.
- Our RCF (Rolling Credit Facility) was extended during the quarter – this extends the facility from £75m to £115m and for a further two years.

Financial highlights for the period: April to September 2026 (unaudited)

- Turnover for the period is £40.9m (2025: £39.2m)
- Social housing contributed to 92% of total turnover (2025: 90%)
- Operating surplus for the period was £14.5m (2025: £11.8m)
- Operating margin on social housing lettings was 38% (2025: 31%)
- Overall operating margin was 35% (2025: 30%)
- Overall operating margin (excluding asset sales) was 37% (2025: 31%)
- Funders' EDITDA to interest cover forecast for 2026-27 is 2.44 (covenant 1.40) (2025-26: 2.64)
- Gearing forecast for 2026-27 is 57% (covenant 75%) (2025-26: 62%)

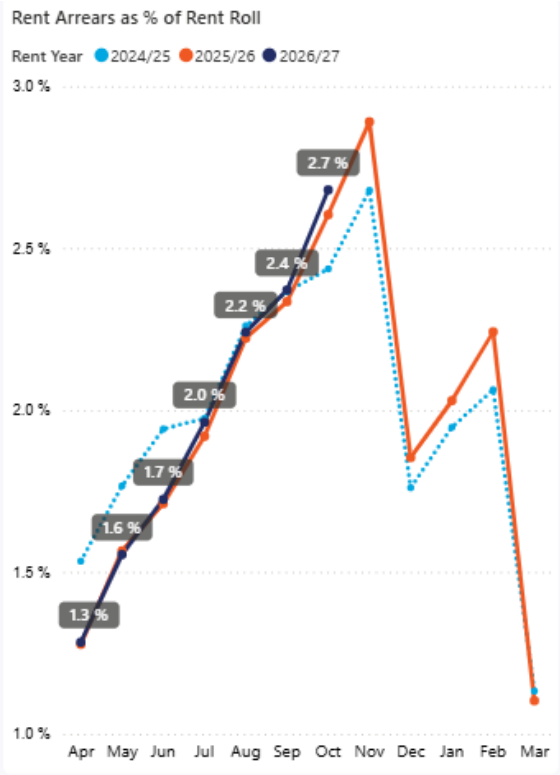
Financial performance: April to September 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Apr - Sept Budget	Apr - Sept Actual	Variance
	£000's	£000's	£000's
Income			
Social housing lettings	37,763	37,590	(173)
Other social housing activities	3,972	1,838	(2,134)
Non social housing activities	1,330	1,429	99
	43,065	40,857	(2,208)
Expenditure			
Social housing lettings	(25,406)	(23,450)	1,956
Other social housing activity	(4,549)	(2,064)	2,485
Non-social housing activity	(825)	(865)	(40)
	(30,781)	(26,380)	4,401
Operating Profit	**12,284**	**14,477**	**2,193**
Operating profit %	29%	35%	7%
EBITDA MRI as % Revenue	20%	24%	5%
Gain or (loss) on disposals	544	1,712	1,168
Net interest (payable)/receivable	(6,203)	(6,264)	(61)
Tax	0	0	0
Actuarial Gain/(Loss) in respect of Pension Schemes	0	200	200
Total comprehensive income for the year	**6,624**	**10,125**	**3,501**

Financial performance April to September 2026: variance to budget

Operating profit of £14.5m is £2.2m higher than budget and the operating margin is higher at 35%, compared to budget of 29%. Overall, total comprehensive income of £10.1m is £3.5m higher than budget.

Arrears: social and affordable homes



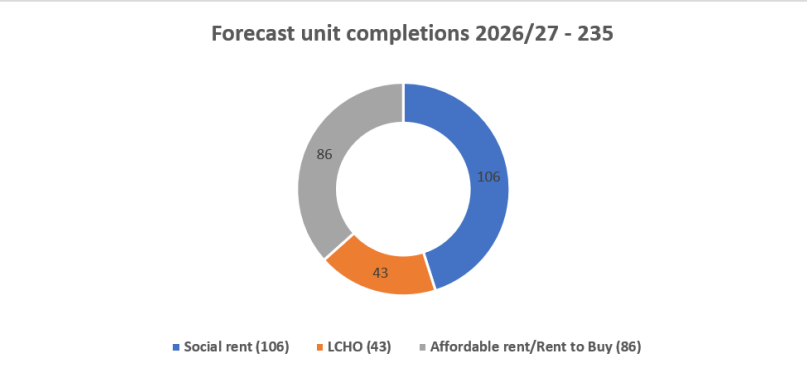


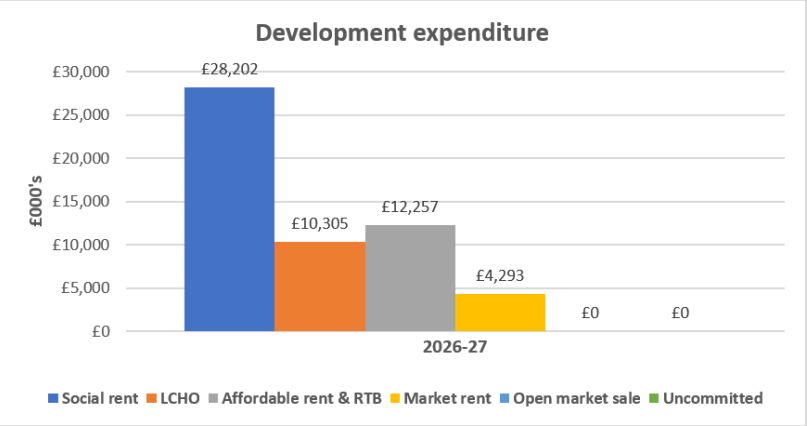
September 2026 arrears position

Rent arrears as a percentage of rent roll in September was 2.4%. This is similar to the previous two financial years. The year is forecast to end on trend with that in previous years.

Total rent arrears was £1.73m, on trend with the previous two financial years.

Development performance





Development forecast performance to September 2026

Total forecast spend in 2026-27 of £55.1m is higher than budget (£49.1m) mainly due to:
- reprofiled spend from 2025/26 at Brascote Lane and Standard Hill,
- accelerated Station Court costs, and
- two new schemes at Roman Road and Gilliam Butts. This is partly offset by lower spend at Angell Drive, with the balance relating to smaller variances across the programme.

235 homes are forecast to be handed over during the year to March 2027 – this is higher than budget of 226 due to the following:
- properties on Peasehill and Bennett Street schemes being handed over in 2026-27 instead of 2025-26 as expected during budget setting, and
- property handovers on Standard Hill and Brascote Lane have been accelerated from 2027-28 into current year.

Year to date shared ownership first tranche sales income of £2.2m is lower than the year-to-date budget £0.9m. This is mainly due to sales completing earlier than anticipated at Bennett Street, Central Avenue and Stanley Street in 25/26 which were expected not to complete until 26/27 at the time the budget was set.

As at the 30 September, 585 units have been secured and committed, with a further 127 units in the development pipeline. Of the approved development expenditure, 15% has been committed, 5% is awaiting approval and the remaining 80% has been allocated to future schemes within the Development Programme.

Business plans are built with prudent assumptions to effectively manage risks associated with new development such as falling property values, rent values and sales risk.

Homes England grant funding has now been confirmed for our new development programme. Our business plan assumes current grant rates to continue as part of the extended programme.

No reliance on sales income and/or grant income to meet financial covenants so business plans can operate effectively within their funding facilities.