

Co-operative and Community Benefit Society No: 12664R

Registered by the Regulator of Social Housing No: L2424



# WILLOW TREE

HOUSING PARTNERSHIP



**WILLOW TREE HOUSING PARTNERSHIP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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*Front cover shows properties at Creech St. Michael*

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**Legal and Administrative details**

**Directors, Executive Officers, Advisors and Bankers and Lenders**

**Board of Directors**

Chair	Sarah O'Neill (resigned 15 April 2025) Craig Sullivan (Acting Chair 16 April 2025; Appointed Chair 24 April 2025)
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Directors	Devereux Biddlecombe Christopher Brown (appointed 19 September 2024) Stephen Burtchaell Simon Haskell Steven Hayes (appointed Vice Chair 24 April 2025) Susan Lane Wendy Lewis Craig Sullivan (Vice Chair to 15 April 2025) Jennifer Vernon (Board member from 27 March 2025. To be formally appointed at the 2025 AGM) Brian Whittaker
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<b>Company Secretary</b>	Donna Johnson
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**Executive officers**

Chief Executive	Donna Johnson
Finance Director	Catherine Davies-Gallagher
Operations Director	Heather Rigg (resigned 2 August 2024)
Head of Corporate Services	Sue Sparks

**Other Key Management Personnel**

Housing Service Operations Lead	Emily Shuttleworth (enhanced duties since August 2024)
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<b>Registered office</b>	Eastbridge House Pill Road Rooksbridge Somerset BS26 2TN
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<b>Registered numbers</b>	Co-operative and Community Benefit Society No:12664R Registered by Regulator of Social Housing Organisation No: L2424
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<b>External auditor</b>	Beever and Struthers 150 Minorities London EC3N 1LS
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**Principal solicitors**

Tozers LLP  
Broadwalk House  
Southernhay West  
Exeter  
Devon  
EX1 1UA

Anthony Collins LLP  
134 Edmund Street  
Birmingham B3 2ES

**Bankers and Lenders**

National Westminster Bank PLC  
10th Floor  
250 Bishopsgate  
London EC2M 4AA

Triodos Bank UK  
Deanery Road  
Bristol BS1 5AS

The Housing Finance Corporation Limited  
3rd Floor  
17 St. Swithin's Lane  
London EC4N 8AL

Lloyds TSB Bank plc  
3<sup>rd</sup> Floor  
25 Gresham Street  
London EC2V 7HN

Orchardbrook  
BCM Global  
Crown House  
Crown Street  
Ipswich IP1 3HS

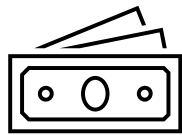
## Highlights of 2024/25



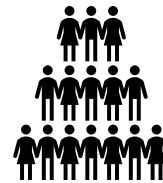
1,488 properties owned and managed.



Achieved overall tenant satisfaction rate of 64% (2024/25 Tenant Satisfaction Measures Survey).



£6M revolving credit facility available to undertake new property development projects



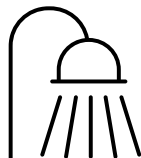
Great Places to Work accreditation received.



5 new homes developed, with more in the pipeline. Poorer performing homes disposed of.



Over 4,000 home repairs undertaken during the year.



Over £1M invested in housing stock improvements during the year (kitchens, bathrooms, heating and similar).



Achieved 'G2' and 'V2' regulatory gradings, with Regulator approved plan in place to improve Consumer standard grading.

## **Chair's Statement**

2024/25 has proved to be another challenging year, for Willow Tree Housing Partnership Limited ('WTHP'), its tenants and the wider community, as the UK economy has weathered the impacts of armed conflicts in Ukraine and the Middle East, news of rising costs of employment from April 2025 and stagnating growth.

Against this backdrop, WTHP has never lost sight of its vision to 'Deliver and Grow' or its mission to build and manage safe and comfortable homes that are truly affordable for people who are not in a position to access the housing market.

As an over-1,000 unit social housing landlord, WTHP is subject to a higher level of scrutiny by the Regulator of Social Housing ('RSH') and having referred itself to the Regulator regarding compliance with some areas of the Rent Standard (in date), WTHP is happy to report that its compliance position is much improved.

In July 2024, WTHP was subject to its first Regulatory inspection, which assesses compliance against Regulatory Standards. The Regulator was already aware of the position regarding the Rent Standard. The result of the inspection showed that WTHP was compliant regarding governance and financial viability matters ('G2' and 'V2' judgements), but fell short on matters regarding the newly introduced Consumer Standards ('C3' judgement). This was a disappointing result for WTHP, but steps were quickly taken to engage specialist help in producing a Regulatory Engagement Plan which is focused on identifying and closing all gaps in compliance. Significant progress has been made on planned actions and oversight has been maintained by a small group of Board members and Executives, (supported by third party consultants) who meet on a regular basis with the Regulator.

Whilst the Regulatory Engagement Plan is a key focus, WTHP has continued to develop new homes across the year, as this still remains a priority for the Board. One scheme at Creech St Michael was delivered in the 2024/25 financial year (4 rental and 1 shared ownership properties), and more developments are in the pipeline. This ongoing programme has been secured for the foreseeable future by financing arrangements in place with lending partners.

WTHP continues to ensure that it balances its strategic objective to develop new properties against the requirement to maintain investment in existing housing stock. This investment will be targeted to ensure WTHP actively works towards meeting the need to reduce its carbon impact on the environment and ensures that it provides good homes for its tenants. To this end, the organisation is continually reviewing the performance of its stock and some poorer quality properties have been disposed of during the year, but these have been replaced with newer, 'one-off' homes. In addition, WTHP has commissioned an extensive stock survey programme which will provide comprehensive information regarding the state of properties.

2024/25 has seen internal change. The Operations Director (Heather Rigg) resigned in August 2024 and this resulted in some re-organisation of roles within the service delivery arm of the business. A restructuring process was completed and supported by recruitment. All customer facing roles are now filled.

As always, tenants remain at the heart of what we do and this year has seen the further development of the work of our Resident Scrutiny Panel, as well as other measures to enhance our tenant engagement. Some of this was prompted by our 2024 Tenant Satisfaction Survey results which highlighted some very specific areas for improvement. Complaints handling processes have continued to improve and these have been supported by the appointment of a Board Member 'champion' regarding complaints. This role aims to ensure that the organisation listens to, responds and learns from the complaints it received.

Employee wellbeing has remained an important consideration for both the Board and the Executive team, who monitor this regularly. Staff continue to work in a hybrid way and the organisation has seen the benefit of this approach.

Good governance, risk and the management of it is a fundamental part of the Board's remit and the Board regularly scrutinises the strategic risk register. Special situational risks such as the war in Ukraine are monitored on a routine basis. WTHP has considered the likely potential impacts of such issues and has concluded that both its risk map and its management processes cover such situations appropriately.

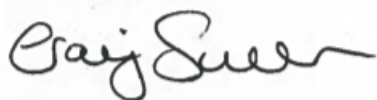
Total turnover for the year amounted to £9.8M (2024: £9.7M), an increase of £0.1M on the prior year. This increase was affected by a change in first tranche shared ownership sales compared to the prior year (down £0.4M) and general rent increases. Some new properties also completed development in the year and there were some minor disposals of existing properties.

WTHP reports a surplus in the 2024/25 financial year, with total comprehensive income closing at £0.7M (2024: £0.3M), £0.4M up on last year, reflecting changes in revenue noted above, sales of housing assets and operating and financing cost changes.

The Board continues to meet at least four times per year and is ably supported by the Audit and Risk, Development and Remunerations committees. The Board keeps up to date with the opportunities and challenges WTHP faces from the operating environment in which the housing sector operates at the two away days it holds annually. Members also receive ongoing training and information on the challenges and risks to the ongoing business of WTHP.

There were no board resignations during the 2024/25 financial year. Our Chair (Sarah O'Neill) stepped down from her role in April 2025. The Board would like to thank Sarah for her contribution to WTHP. It is important to maintain an appropriate and diverse skill set amongst Board members and I am happy to welcome Chris Brown and Jenny Vernon to our number. Both bring a wealth of relevant experience to our Board.

Finally, I would like to thank all my fellow Board Members, the Executive Team and staff for their incredible commitment, enthusiasm and determination. I look forward to WTHP rising to meet future challenges and continuing to provide high quality services to our tenants.



Craig Sullivan  
**Chair of the Board**

# Strategic Report

## **A Overview**

The WTHP Board is pleased to present the 2024/25 Strategic Report (including the Report of the Board) and audited Financial Statements.

### **A.1 Our Business Model**

As at 31 March 2025, WTHP owned and managed a total of 1,488 properties and operates two main business streams:

- Homes for rent, primarily by families who are unable to buy or rent at open market rates. These properties are let on affordable, social and intermediate rents and includes WTHP owned, leasehold and managed housing stock. There are 1,385 homes in this group.
- Low cost home ownership i.e. shared ownership properties whereby residents purchase a share of the equity in their homes and pay rent to WTHP on the remainder. Some of these are able to staircase to 100% ownership. There are 103 properties in this category.

The focus for new development remains new homes for rent and low cost home ownership. The Board has agreed its risk appetite and takes all decisions within the agreed risk parameters.

### **A.2 Group Structure**

WTHP is not part of a group but has a 100% owned dormant subsidiary, SWHNC Limited. WTHP owns its registered office in Rooksbridge, Somerset and rents additional office space in Plymouth.

Willow Tree Housing Partnership Limited was formed on 31 March 2023, following the transfer of engagements of Tamar Housing Society ('THS' or 'Tamar') into South Western Housing Society ('SWHS'). South Western Housing Society immediately changed its name to Willow Tree Housing Partnership Limited on the same day. Tamar Housing Society ceased all activity as at 31 March 2023. Tamar Housing Society was cancelled as a society by the Financial Conduct Authority on 20 February 2025.

### **A.3 Our Market**

WTHP provides homes in a variety of settings from small market towns and rural areas through to densely populated urban areas such as Plymouth, where it has a significant stockholding. WTHP operates throughout the South West, but the majority of its owned and managed properties are based in Somerset and Devon.

The focus for new development is new homes for rent and low cost home ownership in Somerset and Devon. WTHP is a member of the Wayfarer Partnership, which assists with providing access to grant funding under the Homes England Affordable Housing Programmes (AHP).

### **A.4 Our Vision, Mission and Values**

WTHP has adopted the following vision, mission and values:

Vision: Deliver and grow.

Mission: To build and manage safe and comfortable homes that are truly affordable for people who are not in a position to access the housing market.

Values:

1. Supporting collaboration. Enabling staff and tenants to work together to achieve shared goals.
2. Trust and honesty. Being willing to listen and learn and be open when we need to improve.
3. Respect and understanding. All colleagues and residents can expect mutual courtesy and empathy when times are challenging.
4. Integrity and professionalism. Ensuring, at all times, that we conduct ourselves in a way that reflects the importance of the service we provide.
5. Versatile and innovative. By embracing opportunities and new ways of thinking that will enhance how we deliver.
6. Equal and inclusive. By celebrating difference and ensuring that we do not operate in a way that excludes anyone.

### **A.5 Business Strategy**

The principal activity of the organisation is the provision of affordable rented housing in the South West region of England, in accordance with its rules. At the end of the financial year, WTHP owned and managed 1,488 properties, of which 1,385 were for rent and 103 were for shared ownership and leasehold. WTHP has taken advantage of government grant, sales of property and private finance to grow its rental base via a net increase in its core property base.

WTHP takes its commitments to ensuring that tenants have a voice in its work, very seriously and there are plans in place to continue to develop in this important area of focus.

WTHP continues to re-assess its development and asset management policy and strategy and (in the light of Government emphasis on home ownership and net zero carbon targets) remains optimistic that there will be some grant available in the future. During the year, work has continued on Asset Management plans, informed by the latest thinking on how the social housing sector should be addressing the UK's target of bringing all its greenhouse gas emissions to net zero by 2050.

WTHP is positioned financially to continue a strategy of appropriate, sustainable growth, having sufficient financial capacity to develop in areas where affordable housing is in great demand. It currently has unutilised funds available for appropriate development opportunities. Growth will be balanced with need to ensure that tenants' homes are safe and well maintained and that there are programmes and mechanisms in place to ensure that tenants' voices are heard and acted upon.

The impact of economic policy in the United Kingdom ('UK') and the impact of other issues such as war in Ukraine (and elsewhere) has been monitored closely across the financial year.

Notwithstanding the recent, general economic challenges for the UK, WTHP continues to be in a position to ensure that existing tenants live in quality homes and it will invest appropriately to maintain its existing housing stock in good condition for its customers.

### **A.6 Business Strategy and Risk Management**

The 2025/26 financial Business Plan (a 30 year plan) demonstrates that development aspirations, net zero carbon responsibilities, the desire to invest in maintaining existing housing stock to a high standard, and sustainability are affordable into the future. The 2025/26 Business Plan recognises that the WTHP needs to carefully balance these investment needs to ensure its long term financial viability. The Plan is stress tested, to ensure that it can withstand a variety of external threats such as:

- Delays, sales price reductions affecting developments where there are first tranche shared ownership sales expected;
- High and continued inflationary scenarios;
- Higher interest rates;
- Events which result in a single, one-off explosion of operating costs;
- The impact of significant increases to the costs of implementing net zero carbon plans;
- The impact of changes in the general economy; and
- Tenants' ability to pay their rent.
- 

The stress tests are constructed by reference to risks identified on the risk map and from scenario tests and variables provided by the organisation's treasury management advisors and other strategy and risk management partners.

As a result, WTHP maintains an appetite for developing homes for outright sale and shared ownership alongside building homes for rent.

Whilst this brings new challenges and skill requirements and changes the risk profile of the organisation, WTHP can point to successes with these kinds of development: mixed tenure developments consisting of rental and shared ownership units have been pursued for some time. WTHP has also undertaken limited (but successful) outright sales development projects in the past.

The consequent risks that this type of development poses have been recognised and encapsulated in the property sale risk on the risk map (Failure to sell properties developed for sale (shared ownership and outright sale)). Additionally, the Business Plan has been rigorously tested to show that WTHP's financials can withstand combinations of large reductions in sales prices, delays in receipts, combined with other changes in economic factors, which could occur.

Development and property sale risk are encapsulated on the risk map under the following risk headings:

- Failure to manage property development risk.
- Failure to sell properties developed for sale (Shared ownership and Outright sale).
- Changes in UK economic outlook adversely impact WTHP financial viability.
- Failure of suppliers of key WTHP services (excluding Rent plus).
- WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.
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The 2025/26 Business Plan was approved by the Board in June 2025 and this included further enhancements to commitments around Net Zero Carbon ('NZC') works, post 2030.

The Board approved an increase in rents in accordance with regulatory requirements early in 2024.

The rental uplift was able to increase WTHP's capacity to develop new homes to some extent, but this change was primarily re-focussed on boosting the effectiveness of its customer engagement, absorption of inflationary pressures on its cost base as well as address upcoming changes in legislation such as the implementation of 'Awaab's Law'.

WTHP is not complacent about its operating costs and continues to seek ways to reduce these and enhance its service delivery to tenants. Loan financing, raised on the security provided by its property portfolio remains the main source of funding for new development. WTHP currently has access to £6M of undrawn funding to support this objective.

The Coronavirus pandemic was instrumental in producing a number of changes in WTHP's operating model. During the pandemic, staff were quickly equipped to work remotely allowing agile working to be adopted. This has been a considerable success and WTHP has fully embraced the 'hybrid' working model, allowing staff freedom to work at home and in the office. There are no plans to move away from this model in the foreseeable future and this approach has had other unforeseen benefits in terms of business continuity planning, which is now heavily focussed on cyber-issues, rather than office accessibility.

The organisation recognises that meeting the government's 2050 net zero carbon targets will be a challenge and work has been underway to plan the organisational response for some time. The impact of replacing gas boilers with electric replacements, as well as the costs of getting all properties up to EPC 'C' standard was included in the 2024/25 Business Plan. The 2025/26 Business Plan builds on this by including some changes to the switch out date for gas boilers, additional net zero carbon related investment post-2030 and assumptions about the possible utilisation of mitigating carbon offsetting services for properties where NZC cannot be fully achieved.

WTHP will continue to develop a response to climate related issues as this situation evolves. Failure to achieve an EPC 'C' rating on all properties by 2030 and net zero carbon by 2050, leading to climate change impact on residents is incorporated into the 'Failure to deliver high quality services to tenants' on the risk map.

WTHP continues to monitor developments across the sector and notes the work of the ESG Social Housing Working Group, which launched the Sustainability Reporting Standard for Social Housing (SRS) in November 2020. WTHP continues to maintain a focus on this area, as it is anticipated that compliance reporting could become a regulatory requirement in the near future.

## **A.7 Regulatory Engagement**

### **A.7.1 Introduction**

During the year, WTHP identified some issues relating to its compliance with the Regulator of Social Housing's ('RSH') Rent Standard and as a result of this WTHP referred itself to the Regulator on this matter. A corrective programme of work was put in place and, as at 31 March 2025, this is substantially complete. Some final tasks remain around a limited number of fair rent tenancies and the identification of former tenants for the purpose of refunds.

As expected, WTHP undertook its first Regulatory Inspection, as a new 'over one thousand unit' social housing landlord in the summer of 2024. This meant that WTHP was one of the earliest entities to be inspected for compliance with the newly introduced RSH Consumer Standards, which came into force in April 2024.

The final regulatory judgement from this process was as follows:

Area of assessment	Regulatory Grading	Compliance
Governance	G2	Meets the standard
Financial Viability	V2	Meets the standard
Consumer Standards	C3	Below standard

This information is available on the RSH website.

### **A.7.2 Focus of the organisation, post-Regulatory Judgement**

Following the publication of the Regulatory Gradings, WTHP took active steps to:

- Engage positively with the Regulator.
- Engage third party expertise to assist in the development and project management of a Regulatory Engagement Plan.
- Engage other expert third parties, where required, to support agreed corrective action.

This process is expected to continue into 2025/26, when it is hoped that the Regulator will issue an updated judgement based on the outcomes arising from the Regulatory Engagement Plan.

**B Actual Performance for the 2024/25 Financial Year**

**B.1 CEO's statement**

2024/25 has been another busy year. Absolute focus remains on the need to close the gaps identified by the regulatory engagement action plan and complete final tasks on rents impacted Rent Standard compliance – all whilst continuing to operate 'business as usual'.

The remaining actions from the Social Housing Act continue to be rolled out. Decisions on STAIRS (social tenants access to information requirements) and competency and conduct are yet to be made. The Awaab's Law element has been confirmed and the next milestone for related activities will be in October 2025. Preparations are in hand for this key date.

Elsewhere, WTHP contracted with Rapleys (surveyors) to provide third party stock condition surveys, where WTHP did not have current survey data and this arrangement has been progressing well.

Internally, within the Operations function, it has been another year of change, as appointees in to new roles took time to settle in. Overall, there is more focus on front line services for tenants. Processes and procedures to handle complaints have proved effective and WTHP now has a nominated Board Member responsible for complaints. The organisation is building on its learning culture to equip all staff to be confident in the performance of their duties with a view to embedding the improvement work being completed on gaps in consumer related concerns.

However, whilst the year brought challenges, it has also produced progress. We continue to divest of underperforming properties and bring better quality homes onboard; we have taken ownership of new homes.

Respecting internal matters, the Corporate Services function continues to manage and maintain all office services from office building maintenance and IT services through to marketing and managing the organisation's online presence. A new Governance Officer role has been added to the team to help support the Board and a wide range of governance activities.

The Finance team continue to provide a wide variety of financial services and information to the staff, management, the Board, lenders and the Regulator of Social Housing.

All staff remain deeply committed to delivering a great service to our tenants.



**Chief Executive Officer**  
Donna Johnson

## **B.2 Our Service Delivery**

The WTHP service delivery model is a 'mixed' model, with delivery of key services undertaken by various external third parties, but managed overall by WTHP. Home repair services, component replacement works and planned maintenance works are carried out by third party contractors, but post works inspections are carried out by in-house staff, for example. Housing management and income collection tasks are undertaken by WTHP staff. Where necessary, specialist third party organisations support activities across the organisation, to undertake tenders, provide legal advice on disrepair cases and where expertise in subject matter is required but not available in house. WTHP recognises that informed, professional third party advice is essential to ensure that services are delivered correctly, in line with its values and ultimately, for the benefit of its tenants.

### **B.2.1 Objectives and Strategy**

Objectives and strategy are set out in the Corporate Strategy and Business Plan. The 2025/26 Business Plan was approved by the Board in June 2025. The Corporate Strategy will be reviewed later in 2025/26 which will allow for the internal and external environment changes that have taken place both within the sector and the wider macro environment, since its publication in 2024. The financial plan is built around the strategic direction and again is subject to approval each year by the Board.

In 2023/24, WTHP adopted the objectives shown in the table below. These have remained in place for 2024/25:

<b>Objectives</b>	<b>Description</b>
People	We will invest in and listen to all voices and seek learning to improve outcomes for all
Property	We will maintain and manage property that we and our tenants are proud of
Place	We will ensure that a positive connection to home as a safe and sustainable place is central to our work
Planet	We will create homes and services that protect the future

### **B.2.2 Achievements**

An overview of the headline achievements against the 2024/25 objectives is shown below with more detail outlined elsewhere in the report:

<b>Objectives 2025</b>	<b>Headline Outcomes 2025</b>
People	<ul style="list-style-type: none"> <li>▪ Tenant engagement continues to move forward positively, with the further development of the role of the Resident Scrutiny Panel.</li> <li>▪ The WTHP website has been updated and this actively promotes tenant engagement.</li> <li>▪ The WTHP promotes accountability to tenants by providing increased information about complaints performance and tenant satisfaction survey results.</li> <li>▪ A fixed term Business Improvement Officer was appointed to extend and enhance internal information collection and recording of matters such as Anti-Social Behaviour on corporate systems.</li> <li>▪ Utilisation of WTHP's Hardship and Community funds to support tenants in financial need and local communities.</li> <li>▪ Other actions relating to improved tenant engagement related matters arising from the Regulatory Engagement Plan</li> <li>▪ Active listening and learning reviews conducted to improve how complaints are managed and concerns are resolved.</li> </ul>
Property	<ul style="list-style-type: none"> <li>▪ Completed a significant number of Stock Condition Surveys, as part of a programme to ensure that WTHP has full and up to date information about its housing stock.</li> <li>▪ Provided new components for homes: <ul style="list-style-type: none"> <li>▪ 10 kitchens.</li> <li>▪ 54 bathrooms.</li> <li>▪ 1 set of doors and windows.</li> <li>▪ 32 electric heaters.</li> <li>▪ 160 gas boilers.</li> <li>▪ 3 renewable heating systems.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Fire alarm programme (£5K).</li> <li>▪ Fire doors programme (£8K)</li> <li>▪ Door entry system programme (£18K).</li> <li>▪ Undertook significant investment in planned works programmes.</li> <li>▪ Approval of aids and adaptations and Disabled Facility Grant works to support tenants to live comfortably in their homes.</li> </ul>
Place	<ul style="list-style-type: none"> <li>▪ Completed 4 rental and 1 shared ownership properties at Coronation Way, Creech St Michael.</li> <li>▪ Onsite at a scheme in Ilton (3 rental and 2 shared ownership properties).</li> <li>▪ Onsite at a scheme in Morchard Bishop (4 rental and 2 shared ownership properties).</li> <li>▪ Disposed of 3 poorer performing properties, with funds to be re-invested in better quality homes.</li> <li>▪ A pipeline of development schemes continues to progress.</li> </ul>
Planet	<ul style="list-style-type: none"> <li>▪ WTHP continues to monitor and carefully balance the competing needs of property development, property maintenance and the requirement to move forward on its net zero carbon journey, by regular reviews of its financial position and future plans.</li> <li>▪ Actively promote limiting carbon impact on workplace activity, promoting car sharing, sustainable travel, reduction in waste generation and the ability to work from home.</li> </ul>

WTHP operates across a broad geographic area and monitors its service provision quality and outcomes on a routine basis. The Board is aware of the need to maintain high standards of health and safety and full compliance with regulatory standards. The Board receives updates on areas which are of key concern to tenants at its Board Meetings.

An overview of the services provided during 2024/25 and the resources required to meet its objectives are set out in the following sections:

### **B.2.3 Tenant Voice**

WTHP is committed to ensuring that the tenant voice is heard, and that feedback and learnings from tenants are actioned. The WTHP Regulatory Engagement Plan sets out actions in this area that will continue into 2025/26, but good progress has been made across a wide scope of activities.

#### **B.2.3.1 Tenant Satisfaction**

Tenant satisfaction with the services they receive, the homes they live in and the interactions they have with the organisation and its contractors is a vital part of being a good landlord and WTHP takes this responsibility seriously. WTHP supports transparency in these matters and uses its website, newsletter and social media platforms to provide information to tenants about its performance.

As at June 2025, the WTHP website provides detailed information about:

- Tenant Satisfaction Measures Results 2024/25.
- Tenant Satisfaction Measures – Summary of Approach 2024/25.

#### **Tenant Satisfaction Survey 2024**

WTHP works with Acuity (a housing sector market research organisation) to undertake a suite of satisfaction surveys including those required by the Regulator of Social Housing.

In line with regulation, the first Tenant Satisfaction Measures ('TSM') survey was carried out in 2023/24 with results shared with the Regulator for Social Housing (RSH) ahead of the June 2024 deadline.

The second TSM survey was carried out across June and July 2024, with a full presentation of findings and recommendations presented to the Board by Acuity at the Board's September 2024 away day.

The overall picture from tenants in rented properties showed some areas of decline on the prior year:

	2023/24	2024/25
Overall Satisfaction	70%	64%
Well Maintained Home	66%	59%
Safe Home	75%	74%
Communal Areas	54%	66%
Repairs Last 12 Months	64%	57%
Time Taken Repairs	63%	56%
Neighbourhood Contribution	46%	56%
Approach to ASB	43%	56%
Listens & Acts	52%	54%
Fairly & with Respect	73%	74%
Kept Informed	66%	68%
Complaints Handling	34%	26%

Data source: Acuity.

The 2024/25 results were benchmarked by Acuity and showed that all results were in either the 3<sup>rd</sup> or 4<sup>th</sup> quartile.

For the Low Cost Home Ownership (LCHO) residents, the changes are even more marked with all going down, apart from the overall satisfaction, which moves up for 2024/25 by 2% on the prior year to 52%. However, it should be noted that only 20 LCHO residents responded to this survey in 2024/25 compared with 48 in the prior year, and some questions answered by fewer than ten residents. Benchmarking for this group showed scores as all bottom quartile apart from overall satisfaction (2nd quartile – 2% above median).

As part of the survey results process, Acuity also undertook a key driver analysis which informed three key recommendations as to how WTHP could most effectively improve its performance positively for the benefit of tenants. These were:

- Improving consistency of repairs service.
- Understanding complaints.
- Customer service / Resident engagement.
- 

These key findings have been adopted as key strands of a TSM improvement plan which is being actively pursued, together with a plan to improve scores from shared ownership tenants.

WTHP takes engagement with its tenants and ensuring that their voice is heard very seriously, in line with consumer regulation and the need to ensure as a landlord, tenants needs are considered in every decision made. The TSM Action Plan focuses on improvements in areas which our tenants have highlighted and this is underpinned by the themes from our complaints.

#### **Tenant satisfaction with new homes**

This year has seen the completion of 5 homes at Creech St Michael (with more to follow). WTHP actively encourages attendance at its site open days. Feedback on new homes is always sought.

#### **B.2.3.2 Complaints**

The Social Housing (Regulation) Act 2023 placed a duty on the Housing Ombudsman to monitor compliance with the statutory Complaint Handling Code. The Housing Ombudsman is required to ensure that all landlords meet the standards set out in the Code for complaint handling.

WTHP has a Board Member who has been appointed as a 'champion' for complaints. This Board Member reviews a random selection of complaints and the associated WTHP responses, with the CEO. The purpose of this review is to support, promote and drive ongoing organisational learning from this

important interaction with our tenants. A WTHP complaints co-ordinator is responsible for tracking and monitoring the complaints and resolution processes on a day to day basis (this also covers tenant communication about progress on issues raised). The complaints co-ordinator provides detailed reports on progress to the Executive Team on a monthly basis.

As at 24 March 2025, a total of 90, initial stage one complaints had been received by WTHP (2023/24: 64). 71 of these had been resolved and cleared, leaving 15 to move on to a second stage review, leaving 4 outstanding.

Performance on repairs is a key theme respecting complaints.

WTHP supports transparency in these matters and uses its website, newsletter and social media platforms to provide information to tenants about its performance.

As at April 2025, the WTHP website provides detailed information about:

- WTHP Annual Complaints Performance and Service Improvement Report (1 April 2023 – 31 March 2024);
- Complaints Handling Code Self Assessment 2024.

#### **B.2.3.3 Disrepair Management**

As at March 2025, there were 8 (May 2024: 5) active disrepair cases in progress. These are monitored by the Executive Team on a monthly basis. Reporting is also provided to the Board for consideration. Current cases are being managed by WTHP property maintenance staff with support from solicitors.

#### **B.2.3.4 Anti-Social Behaviour, Safeguarding and Domestic Abuse**

Information regarding cases of Anti-Social Behaviour ('ASB'), safeguarding and domestic abuse are reported to the Executive Team on a monthly basis. The Board also receive this information at their meetings. A total of 34 ASB cases have been reported across the year and at the close of March 2025, there were just 9 open cases. Noise and harassment were the two biggest drivers of ASB cases during the year. A small number of safeguarding and domestic abuse cases were also dealt with.

#### **B.2.3.5 Hate Crime**

The approach to the collation and collection of information about hate crime incidents is currently in development.

#### **B.2.3.6 Tenant Engagement**

Tenant engagement activities feed into aspects of the current TSM Improvement Plan.

### **Tenant and Community Support**

Understanding the place, nature and size of the communities WTHP serves is important, ensuring that the organisation not only provides quality homes but also helps to invest in community led initiatives.

#### **Community Engagement**

WTHP seeks to support tenants that live in its schemes by managing Anti-Social Behaviour ('ASB') cases effectively and by engaging in other ways such offering an open invitation to all residents to join their Housing Officer on an inspection of their neighbourhood every three months.

#### **Community initiatives**

WTHP sets funds aside for community initiatives. The donations this year were limited, but meaningful to the communities in receipt of them. This year the community fund went to support a variety of local community groups including:

- Little Steps Pre-School (North Newton).
- Creech St. Michael Pre-School (Creech St. Michael).
- Four Greens Community Trust.

Total donations for the year amounted to just over £1k (2024: £2k).

### **Financial support for tenants**

Other one off donations were made from funds to tenants experiencing financial difficulties or other complications which resulted in hardship. The fund has once again proven invaluable to those in need and WTHP has helped tenants with the provision of flooring, new locks, garden clearance and work, removal costs and more.

Overall, donations from the hardship fund amounted to just over £8k (2024: £10k).

### **B.2.3.7 Resident Scrutiny Panel**

A Resident Scrutiny Panel with tenant membership was set up during the 2023/24 financial year and held its inaugural virtual meeting on 5 September 2023.

WTHP joined the Tenant Participation Advisory Service ('TPAS') in June 2023. TPAS have been able to provide support and guidance on scrutiny and provide independent support and guidance to residents to help shape landlord services and communities. The organisation will support tenants and build capacity to enable them to feel confident and effective in their role.

This joint tenant and staff scrutiny panel have looked at a range of specific tenant related matters including the results of the 2024 TSM survey.

The last meeting during the financial year took place in February 2025 and the Panel completed a review on two stage 2 complaints and a review of various policies and strategy documents including the Hate Crime Policy.

Work plans for the Panel have been developed and tenant membership is actively encouraged.

### **B.2.3.8 Cross sector engagement**

As well as proactively engaging with its tenants, WTHP routinely engages with a diverse range of organisations across the housing sector including local authorities and the National Housing Federation. WTHP actively participates in Rural Housing Week.

## **B.3 Key Performance Indicators**

### **B.3.1 Overview**

WTHP routinely reports on a wide spectrum of key performance indicators across all areas of the business. These metrics are reported to the Executive Team on a monthly basis and to the relevant Board and Committee meetings. A selection of key indicators is illustrated below:

<b>Indicator</b>	<b>Year End 2025</b>	<b>Target 2025</b>	<b>Year End 2024</b>
Current tenant arrears			
- Owned rental properties	4.72%	4.00%	4.26%
- Shared ownership	1.01%	2.50%	2.22%
- Rentplus managed properties	3.48%	3.00%	2.28%
Lettings end to end time for voids (Average days)	36.6	14	22.3
Repairs end to end time (days)	19.8	7	17.1
Number of repairs undertaken	4,207		3,299

<sup>1</sup> Target values shown are maximum values.

The year saw an increase in arrears levels compared with the previous year. Shared ownership arrears showed an improvement on prior year and target.

WTHP re-let 45 properties during the year (2024: 52). The void performance for year exceeds turnaround target of 14 days for routine standard voids. Generally, lengthened re-let times arise due to challenging voids where there may be extensive works to be undertaken.

There were 14 Rentplus voids (2024: 6) during the year 2024/25 with the void turnaround times varying from 2 – 109 days (2024: 3 – 21 days).

Responsive repair volumes saw a substantial increase on the prior year. The responsive repair contracts were re-tendered (with tenant involvement) during 2023, but contractual pricing clauses effective from September 2024, have helped to push up the costs of repair work.

### **B.3.2 Landlord Health and Safety Responsibilities**

The Board take Health and Safety matters very seriously and receive regular updates at Board meetings. As at 31 March 2025, performance on key landlord health and safety compliance was as follows:

Indicator	Year End 2025*	Target 2025	Year End 2024
Gas Safety	100%	100%	99.9%
Electrical Safety – 5 Year Programme	93.5%	100%	92.73%
Electrical Safety – 10 Year Programme	99.9%	100%	100%
Fire Risk Assessments	98.3%		

\*Data as at 31 March 2025.

Gas safety compliance is monitored at a variety of levels across the organisation on a routine basis. If compliance is expected to fall below 100%, this is escalated and corrective or preventative action is undertaken, all of which is scrupulously evidenced to ensure no adverse risk to tenants and residents. As of 31 March 2025, gas safety compliance was at 100% with no properties being capped.

The position regarding the five-year electrical safety has improved compared to the prior year. In 2019, the decision was taken that WTHP would embark on a five year programme to move all properties to a position where no certificate was older than five years. The programme is due to complete in 2025.

WTHP policy states that Fire Risk Assessments are undertaken every two years. Remedial actions are undertaken as required by the assessments.

Other areas of Landlord Health and Safety activity (e.g. fire safety remedials, water hygiene, asbestos, disrepair, estate inspections, key remedial works, notifiable incidents, damp and mould cases and lift inspections etc.), are routinely monitored and reported to the Exec team and Board on a regular basis.

## **B.4 Existing Housing Stock**

### **B.4.1 Understanding Our Housing Stock**

The housing stock is made up of both owned and managed properties. Development remains a priority for the Board and WTHP manages a pipeline of upcoming development opportunities.

The performance of the existing owned units is reviewed regularly and poorer performing stock is targeted for eventual disposal and replacement.

WTHP manages 200 properties on a rent to buy basis through Rentplus. This portfolio will decline as the properties are either purchased or handed back, with the final property expected to end the arrangement in 2041/42.

Understanding the condition of its housing stock is a priority for the Board. Existing plans for externally sourced stock condition surveys were accelerated during 2024/25 and it is expected that all properties will have an up to date survey in place very early in 2025/26. Thereafter, stock condition surveys will be undertaken on a rolling basis of 20% per annum from 2026/27.

### **B.4.2 Asset Management – component replacement and planned maintenance**

2025 has seen a significant housing stock investment, over the prior year.

WTHP undertook a range of planned component replacement works for items such as kitchens, heating, windows and doors, roofing etc. at a cost of £1,128k (2024: £877k). The table below gives an analysis of the amounts:

Component	2025 Number Replaced	2025 Expenditure £000
<b>Components</b>		
Kitchens	10	87
Bathrooms	54	275

Doors and Windows	1	8
Electric heating	32	188
Gas boilers	160	538
Renewable heating systems	3	31
<b>Total Component Expenditure</b>		<b>1,128</b>
<b>Communal Assets</b>		
Fire Alarms		5
Door Entry Systems		18
Fire Doors		8
<b>Total Communal Assets</b>		<b>31</b>
<b>Total Component and Communal Assets</b>		<b>1,159</b>

A further £31K was invested in 'communal assets' such as fire alarms (2024: £81K).

Including the costs of the stock condition surveys, ongoing cyclical serving works, external decoration works, fencing and much more, WTHP has invested a further £1,228k (2024: £984k) during 2024 in planned works on its properties.

During the year, WTHP also updated a number of void properties in preparation for new tenancies at a cost of £168k (2024: £174k) (including mutual exchange costs and decoration vouchers). This includes all the statutory certifications required when re-letting a property.

#### **B.4.3 Damp and Mould**

Any issues relating to damp and mould receive additional scrutiny. WTHP introduced a Damp and Mould Policy in May 2023 to give a clear direction for tenants and staff on how WTHP will approach and deal with reports of damp and mould.

The position on damp and mould is regularly reviewed and monitored with monthly reporting being included with the monthly Executive and Leadership Health and Safety reports to provide overview, scrutiny, and assurance. In addition, this information is reported to the Board along with key metrics regarding the management of cases. The information reported includes:

- Reports received (number).
- Inspected (number).
- Average days to inspect (days).
- Work ordered (number).
- Work completed (number).
- Average days to complete work (days).
- 8 week follow up complete (number).
- Average days to follow up (days).

There were 71 reports of damp and mould between 1 April 2024 and 30 March 2025 (51 resolved and completed in the year), including 14 which came through the 2024 Tenant Satisfaction Measures surveys. There were an additional 16 cases from 2023-24, the final four of which are being tracked through to completion by the Property Maintenance Team.

#### **B.4.4 Housing Stock Impairment**

WTHP conducts an annual impairment assessment of its housing stock. There were no indications of impairment across the stock, except at 19 and 20 Bridgewater Gardens, Totnes which were extensively damaged as a result of a fire which occurred on 28 October 2024. The repair and re-instatement of these properties is the subject of an insurance claim and this work is proceeding.

As at 31 March 2025, 19 Bridgewater Gardens has been written down to its land value only and 20 Bridgewater Gardens has been subjected to a partial write down based on information provided by the insurer appointed loss adjustor.

#### **B.5 Development**

The 2024/25 financial year saw properties at the Creech St Michael development complete. WTHP is 'onsite' at two other schemes in Ilton and Morchard Bishop.

Development and property sale related risk is covered on the organisation's strategic risk register by the following risks:

- Failure to manage property development risk.
- Failure to sell properties developed for sale (Shared ownership and Outright sale).
- Financial viability dependency on disposal proceeds from social housing property sales.

#### **B.5.1 Creech St Michael**

The Creech St Michael scheme is based in Somerset and consists of 4 rental properties and 1 shared ownership. Practical completion took place on 16 January 2025 and tenancies for affordable rent commenced on 20 January 2025. The shared ownership home completed on 31 January 2025. The homes have proved to be of excellent quality, with only three minor defects reported since completion.



Fig. 1. Creech St Michael interior

#### **B.5.2 Ilton**

The Ilton site, near Ilminster in Somerset is another small development. Currently on site, this scheme will add 3 rental and 2 shared ownership properties to WTHP's housing portfolio.



Fig. 2. Ilton (WTHP properties in the top right of the photograph).

#### **B.5.3 Morchard Bishop**

Morchard Bishop near Cridton in Devon is currently under construction. This scheme is part of a larger development of 20 homes and will provide WTHP with 4 rental and 2 shared ownership properties. Units are expected to have an EPC 'A' rating. The scheme is not due to complete until later in 2025/26.



Fig. 3. Morchard Bishop properties under construction.

Development opportunities are considered by the Development Committee as they come up. The Committee makes recommendations to Board as to whether proposals should be progressed.

Going forward, the investment in new homes will lead to the generation of more income that will, in turn support the development of further new homes and improvements to services.

#### **B.6 Property Acquisitions**

WTHP did not acquire any 'one off' properties during 2024/25 (2023/24: 6).

#### **B.7 Property Disposals**

The following WTHP owned properties were disposed of during the year (2023/24: 2):

Completed Property Disposals (Number)	Rental	Shared Ownership	Leasehold	Date
62 College Road, Plymouth	(1)	-	-	April 2024
13 Swaddon Street, Calne	(1)	-	-	May 2024
22 Baydon Grove, Calne	(1)	-	-	January 2025
<b>Total</b>	<b>(3)</b>	-	-	

As at 31 March 2025, three additional disposals are being pursued.

#### **B.8 Rentplus Properties**

The Rentplus model allows WTHP to deliver affordable rent-to-buy housing that offers working households the support they need to move into home ownership. It is funded through pension funds and socially responsible investors, without any public grant.

Rentplus homes are leased to WTHP who in turn let the homes to local applicants who have the opportunity to purchase their homes at a future date with a gifted 10% deposit. Tenants are offered a series of fixed term five year tenancies at affordable rents (within the local housing allowance) up to a maximum period of 20 years.

The intention is for the existing tenant to purchase their current home. If this is not possible, arrangements (but not homes) can be swapped with another tenant on the same scheme, if that tenant is able to purchase earlier.

After the expiry of the rental period allocated to the tenant, if they are not in a position to purchase the property it will be handed back to Rentplus (in a specified, saleable condition) unless there are other tenants able to buy. Once handed back to Rentplus, the property will be sold on the open market.

WTHP has provisions set aside to complete the handback work. Once the property is handed back to Rentplus there are no further associated risks to the organisation.

Rent is collected by WTHP who hold a full repairing and insuring lease with Rentplus. Additionally, WTHP pays over a percentage of the rents to Rentplus as part of the leasing arrangements.

During the year, no new properties were leased from Rentplus (2024: nil) and 13 properties (2024: 18) were purchased or handed back, taking the closing balance of Rentplus managed properties down to 200 (2024: 213) for the 2024/25 financial year.

Assuming that properties are sold at the expiry of the lease, and that no new Rentplus properties were to be taken into the portfolio, then the current Rentplus managed stock of 200 properties is expected to decline to zero by approximately 2041/42.

The Rentplus properties are in Devon, Dorset and Somerset.

Rentplus related risk is noted on the WTHP strategic risk register by the following risk:

- Failure or winding down of Rentplus.

## **B.9 Organisation Culture and People**

### **B.9.1 People**

Aside from the obvious need for appropriate resourcing, the Board believes that the health of the organisation is also a function of five other factors:

- Culture.
- Values.
- Staff wellbeing.
- Health and Safety.
- Equality, Diversity and Inclusion (EDI).

### **B.9.2 Culture**

A professional, constructive and collaborative culture remains key to the success of the business and underpins its ability to deliver its vision to 'Deliver and Grow', supported by a common set of values.

The staff are routinely surveyed about working and cultural matters. In January 2025, WTHP gained certification under the 'Great Place to Work' scheme.

There is a rolling programme of training and staff days which allow teams to meet face to face. These events are valued and of considerable use to staff team who work across the whole of the South West of England.

### **B.9.3 Values**

The staff have played an active part in the process to develop the values adopted by the organisation. These values are seen as a mechanism by which WTHP maintains its professional standing in the world and ensures that employees can feel valued and respected as individuals. The six values chosen are set out at the beginning of this Strategic Report.

### **B.9.4 Staff wellbeing**

Staff wellbeing is important at all times and across recent years, it has been a dominant theme. Staff have had to respond flexibly and quickly to considerable changes in their work and home lives. Management are always looking for ways to promote wellbeing. 2025/26 will see the launch of a new fund for employees to support individual plans and programmes in this important area.

WTHP operates a healthcare scheme, which is able to provide support for staff in a wide variety of ways.

**B.9.5 Health and safety**

Matters relating to employee health and safety are reported regularly to the Executive Team and to the Board. During 2024/25 there were two minor accidents recorded involving employees.

**B.9.6 Equality, Diversity and Inclusion (EDI)**

WTHP fully supports EDI through its Equality and Diversity Policy. Additionally, WTHP has accreditation under the ‘Disability Confident’ scheme.

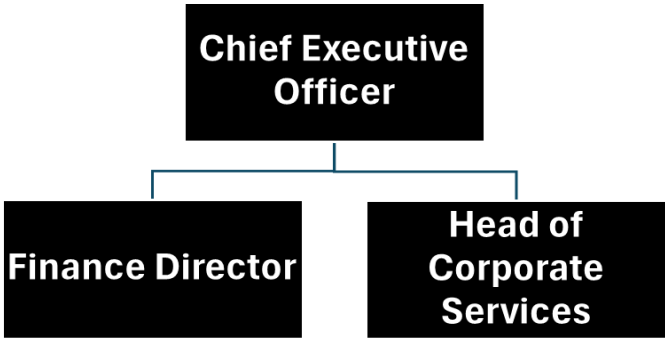
Service delivery is centred on ensuring needs are met for the individual and all staff receive regular training on new and emerging themes such as neurodiversity.

WTHP has undertaken a full review of the recruitment process, delivering a reviewed and inclusive Policy and Procedure that is fit for the future of the organisation.

All Board papers consider EDI issues as part of the reporting process and WTHP uses the NHF EDI tool with the aim of identifying and closing gaps that would support a greater Board diversity.

**B.9.7 Resourcing**

All permanent staff are employed by WTHP. The Executive Team structure, as at 31 March 2025, is shown below:



The Executive Team are all full time members of staff and are based at the head office in Rooksbridge.

All of the Executive team manage staff based across the South West of England.

The Executive Team formerly included an Operations Director role. This post has been vacant since August 2024, when the last incumbent left WTHP. The Housing Service Operations Lead has been undertaking aspects of the Operations Director’s role, with support from the Chief Executive Officer. As per the definition of key management personnel in FRS 102, payroll and related information regarding the Housing Service Operations Lead has been consolidated with that of other key management personnel in the Notes to the Accounts.

WTHP ended the year with a total headcount of 33 staff (2024: 31 staff), based on the March payroll position. The full-time equivalent number was 31.06 (2024: 29.37). This represents an increase of 2 heads on the prior year’s closing position, with recruitment overtaking departures. The current staff complement includes one person who is employed on an interim basis (2024: Nil).

Absences due to sickness, for the year to 31 March 2025, was reported at 1.73%, compared to 4.17% for the same period in the prior year.

Staff and Board member pay is externally benchmarked by an independent HR consultancy every three years. In the intervening years, the Board may increase remuneration, at their discretion, usually via a general percentage increase.

The most recent staff and Board pay benchmarking exercise was completed in the later months of 2023. Salaries and Board remuneration were revised in line with the recommended medians from this process. The next review will impact pay from April 2026.

Staff have the option to buy and sell annual leave (subject to certain restrictions). This option has been taken up at differing times.

Going forward, resourcing decisions will be considered with reference to the stated objectives of the organisation and will need to demonstrate that any investment generates benefits for tenants through more efficient, effective and economic working or other quality improvements.

The importance of ensuring that the organisation has good staff to provide excellent services to tenants is highlighted in the following risk on WTHP's strategic risk map:

- Failure to recruit and retain knowledgeable and skilled staff.

#### **B.10 Knowledge and Data Management**

During the year, WTHP undertook a review of its approach to data management. The result of this was a Data Governance Framework which sought to bring together existing policies regarding a wide range of matters from business continuity through to GDPR compliance, with new data related policies which sought to manage and control data quality, usage of open source data and more.

WTHP recognises that its decision making should be made on the basis of data which is appropriate and maintained to high standards of integrity. Any failings in this area could lead to poor outcomes for the organisation and its tenants alike. Consequently, WTHP recognises the importance of this in two risks on its strategic risk map:

- Failure to ensure that data integrity is maintained to a high standard.
- Failure to defend against data and cyber security risks.

#### **B.11 ESG / Climate related issues**

##### **B.11.1 Climate and Sustainability -Planning to meet decarbonisation targets**

The government has made a commitment that the UK will achieve net zero carbon by 2050 and this is backed by legislation.

The policy framework for decarbonising homes is emerging, along with details of the funding available to support it.

In October 2021, the National Housing Federation (NHF) published *Decarbonisation: a guide for housing associations*.

This document set out guiding principles for decarbonising housing association homes. It considered how homes could be retrofit so that they are more comfortable, cheaper to live in and emit no carbon. The guide also looked at:

- The requirement for funding, from government;
- Technical and practical information about materials and clean heat;
- Policy and funding timeline up to 2030; and
- A suggested timeline of activity to assist housing associations to plan for the coming changes.

WTHP's Asset Management function have considered these issues and how WTHP should respond. Two key projects support this, currently:

- Funds have been put aside in the latest Business Plan to cover the costs of bringing all properties up to a minimum EPC 'C' standard.
- Continue with plans to replace gas boilers, with electrical products.

The cost of these programmes is significant and the 2025/26 Business Plan (inclusive of the above and further post-2030 investment) has been stress tested to greater understand how the net zero carbon agenda could impact the long term financial position.

Risks to WTHP, arising from the requirement to achieve EPC 'C' standards by 2030 and net zero carbon by 2050 are listed as a risk on the risk map as follows:

- Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments.
- Failure to meet Net Zero Carbon targets for both 2030 and 2050.

### **B.11.2 Sustainability Reporting Standard for Social Housing ('The ESG Standard')**

WTHP supports the principles set out in the ESG Standard and recognises that its requirements will become an increasing focus for the future. Some work has been done to review and assess readiness to report on the performance metrics set out by the standard, although this is currently voluntary.

On 14 November 2024, HM Treasury (HMT) released its response to a consultation on the proposed regulation of ESG ratings providers. This showed strong industry support for the move; ESG ratings may inform investment and lending decision. HMT are proposing that the provision of ESG ratings becomes a specified activity regulated by the FCA.

Consequently, WTHP will continue to maintain a focus on this issue.

## **B.12 Financial Review**

WTHP ends the 2024/25 financial year with increases in reported turnover and total comprehensive income levels versus the prior year.

### **B.12.1 Statement of Comprehensive Income**

#### **Turnover**

Turnover for 2025 increased by 0.6% (just under £0.1M) on 2024 (£9.7M) to close the financial year at £9.8M. This increase was affected by a change in first tranche shared ownership sales compared to the prior year (down £0.4M) and general rent increases. Some new properties also completed development in the year and there were some minor disposals of existing properties.

#### **Rental Income**

Property rental revenue is WTHP's main income stream. This funds both the services that WTHP provides to tenants on a day to day basis and contributes to supporting inward investment in new homes and the management and maintenance of existing properties.

In setting rent levels, the organisation must act within the scope of existing legislation whilst seeking to:

- Balance its requirement for funds to ensure its long term financial viability and growth;
- Ensure that it is maintaining its properties appropriately and planning for Net Zero Carbon requirements; and
- Meeting its social purpose of providing affordable homes.

WTHP therefore, grows this primary income stream via rental increases on existing tenancies and by the development of new properties which are then tenanted. This growth is carefully monitored as the portfolio of managed properties will gradually decline over time (Rentplus properties are either purchased by tenants at the end of their leases, purchased by WTHP or are handed back to Rentplus).

#### **Existing tenancies**

The standard formula for setting and increasing social rents is set out in the regulatory Rent Standard and associated guidance issued by the Regulator of Social Housing (RSH). Typically, general needs property rents will increase by CPI + 1% and WTHP's shared ownership rents by RPI + 0.5%.

#### **Impact of new development and property acquisitions**

WTHP completed a development of 5 new properties (2024: 17) during the year: 4 rental and 1 shared ownership (2024: 13 rental units and 4 shared ownerships). The shared ownership sale completed in the financial year.

Shared ownership homes (once sold) also generate rental income.

No 'one off' rental property purchases were completed during the year (2024: six properties)

### **Surplus on the sale of housing properties**

WTHP disposed of three (2024: 2) poorer performing 'street front' properties during the year:

- 62 College Road.
- 13 Swaddon Street.
- 22 Baydon Grove.

Overall, the surpluses on the sale of housing properties for the year amounted to £0.4M (2024: £0.2M).

### **Operating Costs**

Social housing operating costs amounted to just over £7.8M for the year (2024: £7.7M) a growth of £0.1M, reflecting a wide range of cost pressures such as higher property insurance costs, staff costs, the costs of providing communal services to tenants and the impairment of two properties impacted by a catastrophic fire in Totnes.

### **Operating Surplus**

WTHP is pleased to report an operating surplus for the year, which amounted to £2.1M (2024: £1.9M), a small increase on the prior year.

The operating surplus for social housing lettings as a percentage of social housing letting turnover was 18.5% (2024: 18.0%).

WTHP revised its provisioning for bad and doubtful debts at the year end, and in determining the requirement for the closing March 2025 position, reviewed all rent arrears and any other potentially recoverable monies in detail. The net effect of these reviews resulted in an overall increase in the bad debt provision balance from £83k at the close of 2024 to £123k for 2025. £16k of bad debts were written off this year (2024: £31k).

Provisioning for outstanding Rent Standard related issues amounts to £20k (2024: £133k).

### **Interest and Financing**

Interest and financing charges of £1.56M showed a fall on the prior year (2024: £1.57M). WTHP has not drawn any new debt across 2024/25 and a £6.0M revolving credit facility provided by Nat West, remains un-utilised.

WTHP holds both fixed and variable rate debt in its loan portfolio, with facilities held on both repayment and bullet basis. Debt has continued to be paid down during the year.

Efforts have been made across the year to make a declining cash balance generate interest receivable returns and this has been successful.

### **Surplus for the financial year and total comprehensive income**

After interest and other financing costs, the surplus for the financial year was £0.6M (2024: £0.4M).

Total comprehensive income for the year (after minor comprehensive income items relating to the SHPS pension scheme) moved up on the prior year (+£0.4M), to close at £0.7M for the 2025 financial year.

### **B.12.2 Statement of Financial Position**

WTHP is pleased to report that it closes the 2025 financial year with cash balances amounting to £1.3M (2024: £2.7M), undrawn debt facilities amounting to £6.0M and net assets of £39.1M (2024: £38.4M). The historic cost of its completed housing property stock has also grown moving up from £109.1M at the end of 2024, to close the current financial year at £110.6M.

### **B.12.3 Financial performance over the last four years**

WTHP has plans in place to continue the growth of its business, albeit at a modest pace over the near term. Rental income is the primary source of revenue and this will come under increasing pressure as the Rentplus managed properties exit the housing stock as leases end and properties are purchased or handed back to Rentplus by tenants.

Consequently, WTHP is keen to progress on its property development plans which seeks to add more units into the owned housing stock portfolio. In turn, this aspiration needs to be developed in a responsible manner with due regard to other competing requirements for resources, from Net Carbon Zero works through to the management and maintenance of the existing housing stock.

Growth in property development helps to ensure that WTHP improves its operating profits as it looks towards growing its critical mass of units for rent to help to facilitate operational economies of scale. A selection of key financial figures over the last three years is given overleaf:

#### **Accounts highlights, three year summary**

<b>For the year ended 31 March</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Statement of Comprehensive Income</b>				
Total turnover	9,797	9,737	8,871	9,347
Income from lettings	9,673	9,242	8,756	8,374
Operating surplus	2,108	1,910	1,942	1,989
Surplus/(deficit) for the year transferred to reserves	655	290	(706)	1,448
<b>Statement of Financial Position</b>				
Housing properties net of depreciation (inc. assets under construction)	91,904	90,739	88,671	88,074
Other tangible fixed assets	706	726	717	802
Intangible fixed assets	34	59	91	27
Investments	268	260	260	260
Net current assets	(634)	725	2,426	3,536
<hr/>				
Total Assets less current liabilities	92,278	92,509	92,165	92,699
<hr/>				
Creditors (amounts due in more than one year), provisions and Pension Liability	(53,173)	(54,059)	(54,005)	(53,833)
<hr/>				
Net Assets	39,105	38,450	38,160	38,866
<hr/>				
Revenue reserves	39,105	38,450	30,792	31,498
<hr/>				
<b>Social Housing properties at year end:</b>				
Owned	1,288	1,287	1,268	1,271
Managed (Rentplus properties)	200	213	231	237
Total	1,488	1,500	1,499	1,508

### **B.13 Treasury and Lenders**

WTHP ends 2024/25 with financing from five lenders (Nat West, Triodos, Lloyds Bank, THFC and Orchardbrook). Nat West is the most significant debt provider within this group.

As at 31 March 2025, all facilities with all lenders are fully drawn with the exception of the single undrawn revolving credit facility amounting to £6M, provided by Nat West.

There were no other changes to debt facilities (which comprise a mixture of fixed and variable rate debt) during the financial year, which continued to be serviced and re-paid in line with the relevant financing agreements.

The only valuation completed during the year was the routine, triennial re-valuation associated with the Triodos charged stock. There were no issues arising from this.

WTHP remains committed to maintaining a flexible portfolio of financing which includes fixed and variable rate debt, with repayment dates sensibly staggered. Currently, facilities have varied end dates with the latest being 2044.

The debt portfolio is scrutinised regularly by the Board and WTHP employs professional treasury managers to advise in this area. The Board is kept informed about interest rate risk.

WTHP has a Treasury Policy and a Treasury Strategy, which are reviewed routinely and in conjunction with the Business Plan, stress testing and recovery planning.

#### **B.13.1 Financial Covenants**

As at the 31 March 2025, the Board is happy to report that WTHP is fully compliant with all its financial covenant obligations, as in the prior year.

### **B.14 Value for Money Statement and Metrics**

Value for money ('VFM') is embedded in everything WTHP does. This approach is enshrined in the Value For Money Policy which commits WTHP to the full adoption of the Value for Money Standard and Code of Practice issued by the Regulator of Social Housing.

WTHP's general approach to value for money is to:

- Consider value for money as part of the decision making process.
- Understand the return on assets.
- Have a performance management and scrutiny function in place that drive and deliver improved value for money performance.
- Understand the costs and outcomes of delivering specific services.
- Consider wider benefits provided from any decision e.g. social, environmental, quality etc. Assessing the outcomes will help refine decision making processes in the future.
- WTHP reviews all its expenditure to ensure that scarce resources are being used to best effect. Savings are generally re-invested.

#### **B.14.1 Corporate objectives**

The objectives of the organisation are as follows:

Objectives	Description
People	We will invest in and listen to all voices and seek learning to improve outcomes for all
Property	We will maintain and manage property that we and our tenants are proud of
Place	We will ensure that a positive connection to home as a safe and sustainable place is central to our work
Planet	We will create homes and services that protect the future

These objectives are set out in the Corporate Strategy and underpinned by a framework of sub-strategies which are robustly evaluated and feed into the organisation's Business Plan. Functional operating plans then support individual elements of the strategies, at a more tactical level, and feed into the yearly Budget process. Planned VFM metrics are produced and included in the Budget and Business Plans reviewed and approved by the Board on an annual basis.

The 2024/25 position has been impacted by the immediate requirement to focus on elements of the Regulatory Engagement Plan as set out in section (A.7) of this report.

#### **B.14.2 Key strategies**

WTHP has a framework of complementary strategies and plans, which link to the corporate objectives. The key strategies and their links to the objectives are set out in the table overleaf:

Strategy	Corporate Objective			
	People	Property	Place	Planet
Corporate strategy	✓	✓	✓	✓
<u>Supporting sub-strategies:</u>				
Resident involvement strategy	✓			
Development strategy	✓	✓	✓	✓
Asset management strategy	✓	✓	✓	✓
IT strategy	✓			
Marketing strategy	✓			
Treasury strategy		✓	✓	✓

#### **B.14.2 Performance Monitoring**

Collective performance across all these planned activities is monitored at an organisational level by the publication of the actual and planned VFM metrics, which are reported to the Executive Team and the Board across the financial year. Additionally, the actual results are also benchmarked against the results from other similar organisations.

The metrics are reported in the table below:

Value for Money Metrics	Year End 2025	Target 2025	Year End 2024	Benchmark (Acuity SWBM)	Benchmark (RSH Peers)
Reinvestment %	3.11%	2.83%	2.86%	3.13%	7.10%
New supply delivered % (Social housing units)	0.34%	0.34%	1.13%	0.59%	1.30%
New supply delivered % (Non-social housing units)	0.00%	0.00%	0.00%		
Gearing %	34.7%	34.2%	34.6%	29.8%	35.5%
Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover %	118%	82%	123%	167%	159%
Headline social housing cost per unit £	£5.10K	£5.48K	£4.79K	£3.94K	£4.17K
Operating margin %					
▪ Social housing lettings only	18.5%	14.1%	18.0%	26.0%	23.2%
▪ Overall	17.1%	14.5%	17.5%	25.8%	20.7%
Return on capital employed (ROCE) %	2.28%	1.49%	2.06%	2.39%	2.35%

Note that these metrics are prepared in line with the definitions required by the Regulator for Social Housing, for this purpose.

The data shown in the table, under the heading 'Benchmark (Acuity SWBM)', is the latest available median benchmarking data from Acuity for the 2023/24 financial year and it represents the median for smaller housing associations who submit data to Acuity Benchmarking.

The data shown under the heading 'Benchmark (RSH Peers)', is the median data derived from the RSH Global Accounts for 2023/24 respecting WTHP's two most closely matched social housing providers (Cornerstone Housing Limited and English Rural Housing Association Limited).

### **B.14.3 Key points**

The Value for Money metrics for the 2024/25 financial year, report an improved position against the planned budget for 2024/25, in all categories. Against prior year, there are a mixture of ups and downs. Compared to the sector, as a whole (2023/24 data), WTHP again reports a mixed picture.

#### **Reinvestment**

Reinvestment closed the year above the budgeted level of 2.83% (actual 3.11%). Reinvestment was driven by the investment in component replacements (£1.2M) and on new development schemes. The Creech St Michael scheme which comprised of 5 properties (4 Affordable Rented units and 1 Shared Ownership unit) completed in January 2025. Spend began to increase on other development schemes such as Morchard Bishop which is due to complete in 2025-26. The year-end position of 3.11% is an improvement on prior year's 2.86% but is below the benchmark figures (Acuity peer group: 3.13% and selected Global Accounts group: 7.10%).

Compared to the social housing sector as a whole, WTHP's performance was below the lower quartile.

#### **New Supply Delivered**

New supply delivered was as budgeted at the financial year end (0.34% actual vs 0.34% budget). This is a decrease on prior years actual position of 1.13%. The prior year saw 17 properties reach practical completion and enter into stock, while only 5 units are completed in this financial year. The year end position of 1.30% is below the benchmarks reported (Acuity peer group: 0.59% and selected Global Accounts group: 0.40%). WTHP will see a significant increase in this metric in 2025-26 where 19 properties are budgeted to reach completion.

Against the social housing sector, WTHP's performance in this area was just below the lower quartile.

#### **Gearing**

As of March 2025, Gearing is 34.7%, which is 0.5% above the budgeted position of 34.2%. Gearing remains in a strong position, remaining below the global accounts benchmark comparison (Acuity peer group: 29.8% and selected Global Accounts group: 35.5%).

Compared to the rest of the social housing sector, WTHP reports low gearing and at 34.7% is below the median in this area.

#### **EBITDA-MRI**

EBITDA-MRI ended the financial year at 118%, 5% lower than the prior year's actual of 123%. The year position is significantly greater than the budgeted year end position of 88%. The driving forces were underspends on overheads, operating costs and component replacements. The year end position remains lower than benchmark comparisons (Acuity peer group: 167% and selected Global Accounts group 159%).

At 118%, WTHP is close the median for the social housing sector as a whole.

#### **Headline Social Housing Cost Per Unit**

Headline Social Housing Cost Per Unit finished the year below budget at £5.10K (Budget £5.48K). The driving forces for EBITDA-MRI above also apply here as operating costs and component replacements were lower than budget. The year-end position is greater than prior years actual of £4.79K per unit and greater than benchmark comparisons (Acuity peer group: £3.94K and selected Global Accounts group £4.17K). It's worth noting that WTHP has a declining stock number (24/25: 1,488 units v 23/24: 1,500 units) due to the handbacks of R+ stock at lease end dates.

WTHP reports a cost per unit for 2024/25 which is only just above the median for the sector as a whole.

## **Operating Margins**

### Operating Margin (Social Housing Lettings)

Operating Margin (Social Housing Lettings) as a percentage of turnover closed the year above budget (18.5% actual vs 14.1% budget). Total operating costs were below budget, partially due to savings in overheads and other operating cost areas such as planned maintenance. This is a marginal improvement on last year position of 18% but falls below the benchmarks (Acuity peer group: 26.0% and selected Global Accounts group: 23.2%).

Respecting the social housing sector as a whole, WTHP's margin is above the lower quartile but below the median.

### Operating Margin (Overall)

Operating Margin as a percentage of turnover is also significantly greater than budget YTD (17.1% actual vs 14.5% budget). The formula for Operating Margin (Overall) closely aligns to the formula for Operating Margin (Social Housing Lettings) bar some exclusions. The factors affecting performance listed above also apply here. This is a slight decrease on last year position of 17.5% and falls below the benchmarks (Acuity peer group: 25.8% and selected Global Accounts group: 20.7%).

Similarly to the Social Housing lettings margin, WTHP's operating margin lies between the lower quartile and the median for the sector.

## **Return on Capital Employed**

Return on Capital Employed was recorded at 2.28% at the close of the financial year. This was greater than the budgeted position of 1.46%. The performance of this metric follows the same factors listed within Operating Margin section. The year-end position is only just below the benchmarks (Acuity peer group: 2.39% and selected Global Accounts group: 2.35%).

At 2.28%, WTHP is reporting a Return on Capital Employed which is above the lower quartile for the sector, but below the median.

### **B.14.4 Benchmarking**

WTHP is a member of the South West Benchmarking (SWBM) group, facilitated by Acuity, and regularly takes part in related benchmarking exercises. The South West Benchmarking group meets regularly to discuss best practice, to understand cost drivers and where practical to share services. It should be noted that the majority of SWBM member organisations are smaller providers and the group's membership is now starting to include providers outside of the South West.

It is a requirement of the Regulator of Social Housing Value for Money Standard that WTHP assesses Value for Money in line with its strategic objectives. This is achieved by ensuring that key strategies are aligned with its corporate objectives and that performance respecting the VFM metrics is routinely assessed.

# Risk Management and Principal Risks

**C Risk Management and Principal Risks**

**C.1 Risk Management**

The Board considers risk management a priority and has approved a well-rounded risk management framework. It takes the lead in defining the organisation's approach to risk and in agreeing its risk appetites; For WTHP, managing risk is as much about taking advantage of opportunities as it is about managing threats. At each meeting the Board allocates time to consider its key risks and to horizon scan for potential opportunities as well as threats to the organisation and its future viability. The Audit and Risk Committee reviews the risk map, in detail, at its meetings throughout the year and advises the Board of its observations.

The Executive team carries out regular risk reviews which can include a root and branch consideration of each and every risk on the existing risk map, as well as material collated from external sources, which feed into the risk management regime. The process to manage and mitigate risks and update the risk map is undertaken on a routine basis by the whole Executive team, who have individual responsibility for the management of specific risks. This process is undertaken on a hosted risk management system (Cammsrisk). The latest risk map is then presented to the next Audit and Risk Committee and Board for discussion and approval.

Risk is also considered by the rest of the management community and from time to time, by the staff, who discuss either the whole risk map, or specific risks at their regular team brief sessions.

The risks arising from war in Ukraine (and elsewhere) and other special situation risks have been considered by the Board (see 'Special Situation Triggers' section of this report).

The individual risks (as at 31 March 2025) are listed overleaf:

Risk Code	Risk Issue
WT01	Changes in UK Economic Outlook adversely impact WTHP financial viability
WT02	Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments
WT03	Fall in regulatory gradings below '1' or '2' across any or all of the three regulatory categories.
WT04	Failure of suppliers of key WTHP services (excluding Rent plus)
WT05	Failure or winding down of Rentplus.
WT06	WTHP fails in its Health and Safety obligations
WT07	Failure to ensure all homes are maintained at a decent standard at all times and housing issues are responded to promptly
WT08	Failure to deliver high quality services to tenants
WT09	Failure to ensure that data integrity is maintained to a high standard.
WT10	WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.
WT11	Failure to set rents appropriately.
WT12	Failure to collect rent from tenants
WT13	Failure to defend against data and cyber security risks
WT14	Failure to recruit and retain knowledgeable and skilled staff.
WT15	Failure to sell properties developed for sale (Shared ownership and Outright sale)
WT16	Financial viability dependency on disposal proceeds from social housing property sales
WT17	Failure to manage property development risk
WT18	Failure to manage lender relationships and risk of covenant breach.
WT19	Failure to successfully acquire new debt from new or existing lending partners, at an acceptable cost and risk profile.
WT20	Failure to plan for changes in long term funding of the SHPS pension scheme.
WT21	Failure to operate controls to mitigate the risk of fraud
WT22	Failure to meet Net Zero Carbon targets for both 2030 and 2050

## **C.2 Principal Risks**

### **C.2.1 Health and Safety**

The Board take their Health and Safety responsibilities very seriously and this sets the tone for the whole organisation on this important issue.

The Housing Services Operations Lead reports monthly to the Chief Executive and the Executive team on the status of key landlord related deliverables which includes, fire risk assessments, electrical safety, gas certification, damp and mould incidents etc., and the status on any relevant corrective action plans. This information is also reported to the Board at their scheduled Board Meetings. Highlights regarding the 2024/25 year end position on landlord health and safety have been included in earlier sections of this report.

WTHP also has health and safety related responsibilities to its staff. In common with landlord reporting, matters relating to employee health and safety are collated by the Head of Corporate Services and reported on a monthly basis, in the same way.

Employees are regularly asked about health and safety matters during scheduled one to one meetings with line management but staff can raise concerns at any time through this route, or via the staff forum which meets regularly to discuss these types of issue.

Health and safety risk assessments are also completed by all staff (tailored to their role) on an annual basis and these measures are also backed up by a mandatory training regime for staff, on health and safety guidance.

Health and safety risks are recorded on the risk map, as the following risks:

- WTHP fails in its Health and Safety obligations.
- Failure to ensure all homes are maintained at a decent standard at all times and housing issues are responded to promptly.
- Failure to deliver high quality services to tenants.
- Failure to recruit and retain knowledgeable and skilled staff.

### **C.2.2 Pension Scheme Membership**

WTHP is a member of the Social Housing Pension Scheme (SHPS). The scheme is accounted for on a defined benefit basis. For 2025 the deficit amounts to £(477)k (2024: £(626)k).

WTHP contributes to a deficit reduction plan on a monthly basis. Information about the pension scheme is given to the Board and the scheme is subject to actuarial review every three years by the scheme's trustees, which allows the Board to make further judgements about continued membership of the scheme.

Pension related risk is held as a specific and individual risk on the risk register, as follows:

- Failure to plan for changes in long term funding of the SHPS pension scheme.

However, the Board is aware of pension related risk and mindful of this, routinely commissions a detailed independent review of WTHP's membership of SHPS, by a specialist actuarial firm, who reported to the Board on this matter.

WTHP was notified in 2021 by the Trustee of the SHPS Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. WTHP notes that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

WTHP has disclosed a contingent liability in respect of this.

### **C.3 Special Situation Triggers**

WTHP expects that there will be continued economic turbulence for the foreseeable future, as the consequences of:

- The spread and extent of armed conflicts in Eastern Europe and in the Middle East.
- Economic challenges for the UK:
  - Imposition of global trade tariffs by the United States.
  - The impact of increases to UK employer National Insurance from April 2025, are applied.
  - Weak growth.
  - Changes to government spending priorities and a pivot towards increases in defence expenditure.
  - High energy prices.
  - Inflation increases / bank rate increases,
- The costs of achieving Net Carbon Zero by 2050.

WTHP has considered these events and has concluded that its risk map sufficiently covers the issues and that separate risks regarding the above are not required.

#### **C.3.1 Economic Challenges for the UK**

UK businesses and employers face multiple changes: high energy prices, increased employer National Insurance costs, ongoing fallout from Brexit and the imposition of trade tariffs (export manufacturers). The UK government is also grappling with the current economic position and its commitment to manage the public finances in line with its 'golden rules'.

For WTHP, the most likely impacts will be:

- General changes in the UK economy leading to movements in inflation, impacting tenants' ability to pay their rent.
- Further adverse changes to UK interest rates to hold down inflation.
- Potential changes to housing prices and secured stock valuation (where not secured on an EUV-SH basis) if the general economic picture deteriorates.
- Job cuts.

These items are encapsulated in risks on the risk map as follows:

- Changes in UK Economic Outlook adversely impact WTHP financial viability.
- Failure to manage lender relationships and risk of covenant breach.
- WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.
- Failure to collect rent from tenants.
- Failure to sell properties developed for sale (Shared ownership and Outright sale).

#### **C.3.2 Costs of Implementing Net Zero Carbon**

WTHP has chosen to break down its approach to implementing carbon net zero policy into two key phases:

- Actions required to meet the 2030 target of all its properties having an Energy Performance Certificate rating of 'C' or above; and
- Actions required post-2030, to meet full compliance with net zero carbon legislation by 2050.

The Asset Management Team continue to monitor and plan regarding these key activities and the results are including in WTHP's financial plans.

The risks associated with WTHP's approach to net zero carbon is included on the strategic risk map under the following risk:

- Failure to meet Net Carbon Zero targets for both 2030 and 2050.
- Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments.

#### **C.4 Insurance**

WTHP considers insurance cover to be an effective means mitigating risk by transferring it to an insurer. WTHP works with a well-known insurance broker to gain access to a panel of insurance providers and to ensure that cover is comprehensive, appropriate and in place at all times. Insurance covers include:

- Property Stock.
- Terrorism.
- Office & Computer Combined (including public and employers liability insurance cover).
- Excess Liability.
- Engineering.
- Crime.
- Cyber Liability.
- Directors and Officers.

# Corporate Governance Report

## **D.1 Governance Structure**

### **D.1.1 Governance Bodies**

WTHP's governance structure comprises the following governance bodies:

<b>Governance body</b>	<b>Responsibilities</b>
The Board	Responsible for the overall direction of the organisation, formulating strategies and plans, exercising oversight over the work of the Committees and monitoring the performance of the Executive Team. Ensuring that resources are appropriately allocated and that the organisation operates in accordance with its rules, policies, regulations, laws and statutory requirements etc., The Board (or a nominated sub-Committee or working group) review and approve internal policies.
<b>Board Sub-Committees</b>	
Audit and Risk Committee	Oversees the appointment of internal and external auditors, receives internal audit reports, monitors the WTHP risk management position and framework. Reviews external audit reports and accounts. Assurance.
Remuneration and Nominations Committee	Responsible for matters relating to pay and benefits for staff and board members, as well as related matters such as pensions. Oversees Board recruitment and succession planning.
Development Committee	Reviews progress of current developments; Assesses new and proposed development schemes. Makes recommendations to Board respecting the approval of new developments.
<b>Others</b>	
Director(s) of SWHNC Limited	SWHNC Limited is a 100% owned dormant subsidiary of Willow Tree Housing Partnership Limited. The Chair is currently the only director of this entity.
Executive Team	Executive Directors responsible for the day to day running of Willow Tree Housing Partnership Limited and its subsidiary.

Each of the governance bodies has terms of reference which are reviewed and approved on a regular basis. Mechanisms are in place to manage conflicts of interest.

#### **D.1.2 The Board**

The Board is responsible for:

- the leadership of WTHP and for setting the strategic direction of the organisation.
- ensuring that the organisation operates with appropriate and well managed governance arrangements.

The Board ensures that these duties are carried out via their own programme of meetings, training and away days, via the work of sub-committees (which report direct to the Board) and the oversight of day to day activities of the Executive Team. Board meetings have specific agendas with papers and reports issued in advance to Board Members for consideration. The Board are also supported by regular presentations from subject experts working with WTHP in fields such as treasury management, pensions, internal and external audit.

Board members undertake the work of the sub-committees.

During 2024/25, Sarah O'Neill was a Board Member and Chair of the Board. The Board met 5 times during the 2024/25 year, undertook 3 Board Away Days as well as attending the Annual General Meeting.

### **D.1.3 The Board Sub-Committees**

The Board are currently supported by three sub-Committees. Board Members are allocated to each of these Committees based on professional experience and interests.

As at **31 March 2025**, the membership of the Committees was as follows:

<b>Board Members</b>	<b>Audit and Risk Committee</b>	<b>Remuneration and Nominations Committee</b>	<b>Development Committee</b>
Sarah O'Neill			
Craig Sullivan	✓		
Devereux Biddlecombe	✓		
Chris Brown			
Stephen Burtchaell		✓	✓
Simon Haskell	Chair		
Steve Hayes	✓		✓
Susan Lane	✓	Chair	
Wendy Lewis			Chair
Jenny Vernon			
Brian Whittaker		✓	

See s. D.2.2 for post year end Board Member changes.

### **D.1.4 Audit and Risk Committee**

During the 2024/25 financial year, the Committee met 3 times and considered a wide variety of topics including: Risk management, internal audit planning and results, external audit and statutory accounting matters, committee work plans, terms of reference and self assessment, fraud risk assessments and more.

### **D.1.5 Remuneration and Nominations Committee**

The Committee considered a wide range of topics during the year including Board recruitment, effectiveness, training and succession planning, contracts of employment, policies, pension matters, staff survey results and work plans. The Committee met twice during 2024/25.

### **D.1.6 Development Committee**

The Committee met three times during 2024/25, to monitor the general progress of developments and to consider (and recommend Board approval where appropriate) new schemes for development.

### **D.1.7 Executive Team**

The Executive Team, led by the Chief Executive Officer manage the day to day affairs of the organisation. The team meets on a monthly basis to consider all aspects of WTHP's activities including housing management performance, risk, financial matters, resourcing and business planning. Other managers attend these meetings as required. The individual Executive Team members are also responsible for their own areas of responsibility and delivery, as well as work in support of other parts of the organisation.

## **D.2 Report of the Board**

The Board of Willow Tree Housing Partnership Limited are pleased to present their report for the financial year to 31 March 2025.

### **D.2.1 Board members' responsibilities**

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: 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 financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

#### **D.2.1 Board of directors and Executive Team**

The Board Members and Executive Officers who have served office in the last financial year are set out on page 1.

#### **D.2.2 Board Members**

The Board Members are drawn from a wide background, bringing together professional, commercial and local experience. A list of changes which occurred to the Willow Tree Housing Partnership Limited Board, in the 2024/25 financial year, is given in the table below:

Board Member	Change in 2024/25	
	Appointed	Resigned
Devereux Biddlecombe	21 September 2023	-
Chris Brown	19 September 2024	-
Stephen Burtchaell	31 March 2023	-
Simon Haskell	31 March 2023	-
Steve Hayes	31 March 2023	-
Susan Lane	31 March 2023	-
Wendy Lewis	31 March 2023	-
Sarah O'Neill (Chair)	21 September 2023	-
Craig Sullivan (Vice Chair)	31 March 2023	-
Jenny Vernon	Board member from 27 March 2025. To be formally appointed at the 2025 AGM	-
Brian Whittaker	31 March 2023	-

Note that many of the above Board members had previously been either co-terminous Board Members of both the pre-merger partners (South Western Housing Society and Tamar Housing Society) or of just one pre-merger partner. The above table recognises the Board Members formal appointment to the merged entity, Willow Tree Housing Partnership Limited.

A number of changes to Board positions took place in April 2025, following the resignation of Mrs. Sarah O'Neill. See section D.2.3 for details. Mr. Steven Hayes was appointed Vice Chair at a Board meeting on 24 April 2025.

### **D.2.3 Chairs**

Mrs. Sarah O'Neill was appointed as a Board Member and Chair on 21 September 2023. Mrs. O'Neill subsequently resigned as both Board Member and Chair on 15 April 2025. Mr. Craig Sullivan (Vice Chair) was appointed as Acting Chair on 16 April 2025 and then Chair on 24 April 2025.

### **D.2.4 Executive Team**

The Executive Team consisted of Chief Executive (Donna Johnson), Finance Director (Catherine Davies-Gallagher) and Head of Corporate Services (Sue Sparks). An Operations Director role was occupied for part of 2024/25 (Heather Rigg, appointed 26 February 2023; Resigned 2 August 2024).

The Executive Officers hold no interest in WTHP's shares and act as officers within the authority delegated by the Board. The Chief Executive is the Company Secretary.

WTHP has insurance policies that indemnify Board Members and Executive Officers against liability when acting for the organisation.

## **D.3 Compliance with the Regulator of Social Housing Standards**

As expected, WTHP was underwent a Regulatory inspection in the summer of 2024.

The final regulatory judgement from this process was issued in October 2024, as follows:

Area of assessment	Regulatory Grading	Compliance
Governance	G2	Meets the standard
Financial Viability	V2	Meets the standard
Consumer Standards	C3	Below standard

This information is available on the RSH website.

WTHP has a Regulatory Engagement Plan to support improvement in its C3 judgement and continues to work constructively with the Regulator on this matter. Work is not expected to include until 2025/26.

### **D.3.1 Governance and Financial Viability Standard and Code of Practice**

WTHP complies with the Regulator for Social Housing's ('RSH') Governance and Financial Viability Standard and Code of Practice in the following ways:

- Adopted the NHF Code of Governance (2020) from 1 April 2024. WTHP has tested its compliance against this Code during the financial year and was found to be compliant in all areas except respecting the means of Board assurance on how WTHP is meeting its objectives regarding equality of opportunity, diversity and inclusion and the annual publication of related information. WTHP is seeking guidance on the best way to respond to these points.
- A balanced board of management with regular appraisal.
- Adopted the NHF 2015 model rules.
- Standing Orders are in place that set out roles and responsibilities which are reviewed annually by the Board.
- A risk management framework in place with an agreed risk appetite and detailed risk map.
- A long term financial plan in place which has been stress tested.
- Compliance with lenders covenants which the Board monitoring compliance on a quarterly basis.
- Corporate objectives in place which protect housing assets.
- Sufficient liquidity to meet contractual commitments.
- Sufficient headroom to meet development plans.
- An effective system of internal controls is in place which are tested by internal audit.
- An assets and liabilities register is in place.
- A fraud register reviewed by the Audit and Risk Committee.

- Regular assessment of WTHP's membership of the SHPS pension scheme undertaken by external experts.
- A treasury management policy and strategy with regular reporting to board on key business objectives, targets and outcomes.
- Board approved whistle blowing, anti-fraud and corruption policies; and
- Regular monitoring of loan covenants and requirements for new loan facilities.

As noted above, the Audit and Risk Committee maintains a fraud register for review at all their meetings. During 2024/25, no fraud attempts were identified.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives the minutes of Audit and Risk Committee meetings. The Audit and Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for WTHP, and the annual report of the internal auditor, and has reported its findings to the Board.

In addition to this WTHP:

- Has complied with all relevant law.
- Continues to engage with the Regulator of Social Housing regarding the outcome of its regulatory inspection (which took place during 2024/25) and the resulting Regulatory Engagement Plan.
- Acted within its rules.

#### **D.3.2 Rent Standard and Guidance**

During the 2023/24 financial year, WTHP commissioned an independent review of its compliance with the Rent Standard. This review highlighted some shortfalls and prompt action was taken to rectify matters, including the reporting of this issue to the Regulator of Social Housing. A judgement on this matter is awaited from the Regulator. Refunds were made to affected tenants and former tenants (where identifiable) across 2024/25. The 2024/25 financial statements include a small provision (£20K) to resolve any outstanding issues from this incident.

#### **D.3.3 Value for Money Standard and Code of Practice**

WTHP complies with its obligations under the Value for Money Standard ('VFM') by regular reporting of the VFM metrics, forecasting and budgeting VFM metrics, implementing a range of strategies which support business objectives and which tie in to the metrics and by publication of the year end metrics in the audited accounts. In addition, the published metrics are benchmarked against other similar providers. WTHP also has a Value for Money Strategy and Action Plan.

#### **D.3.4 The Consumer Standards**

The Regulator of Social Housing's Consumer Standards came into force on 1 April 2024. The Standards are listed below:

- Safety and Quality Standard.
- Transparency, Influence and Accountability Standard.
- Neighbourhood and Community Standard.
- Tenancy Standard.
- 

As noted in the introduction to section D.3, WTHP continues to work with the Regulator respecting plans and actions to improve its 'C3' grading in this area.

#### **D.4 Assessment of the effectiveness of Internal Controls**

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing annually its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by WTHP is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit and Risk Committee;
- clearly defined management responsibilities for the identification, evaluation and control of significant risk;
- multiple level review of financial data on a monthly basis.
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training and development policies for all staff;
- establishment of authorisation and appraisal procedures for all significant new initiatives and commitments;
- a treasury management policy and strategy with regular reporting to board on key business objectives, targets and outcomes;
- Board approved whistle blowing, anti-fraud and corruption policies; and
- Regular monitoring of loan covenants and requirements for new loan facilities.

The Audit and Risk Committee maintains a fraud register for review at all their meetings. During 2024/25, no fraud attempts were identified.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives the minutes of Audit and Risk Committee meetings. The Audit and Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for WTHP, and the annual report of the internal auditor, and has reported its findings to the Board.

#### **D.5 Going concern**

WTHP's business activities, its current financial position, and factors likely to affect its future development are set out within the different sections of the Strategic Report.

WTHP has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the required day to day operations. WTHP also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. As at 31 March 2025 WTHP had available cash balances of £1.3M (2024: £2.7M) and a further £6.0M of secured but undrawn loan facilities that could be drawn at short notice.

The Board's assessment of going concern involves a number of subjective judgements which have been made regarding assumptions feeding into WTHP's financial planning processes which in turn are used to assess going concern. These include, but are not limited to, assumptions about future levels of inflation, interest rates, proceeds from housing property disposals, timing and pricing of first tranche shared ownerships, the future cost of maintaining its homes and the costs of implementing and achieving required energy efficiency standards in its housing stock.

In making its assessment, the Board has considered the strategic risks identified on the strategic risk map and have used these and inputs from external advisors to devise wide-ranging multivariate stress tests to apply to the business plan. Amongst other things, the stress tests have considered the impacts of persistent and higher inflation, higher interest rates and lower house prices. These are all relevant to the organisation, as it operates largely through the buying in of materials, labour and services from third party contractors. The debt portfolio contains a mixture of fixed and variable rate debt, which leaves it with some exposure to interest rate increases. The current Plan assumes that WTHP will

gradually dispose of poorer performing stock, so falls in house prices would impact this programme. The sale of planned shared ownership sales could also be affected either through price falls or delays.

The results of the stress tests have been reported to, and reviewed by, the Board.

Recovery planning outlining mitigating actions to allow WTHP to recover from the conditions set out in a range of stress tests was also reported to the Board. Additionally, the Board also received confirmation that all mitigating actions had been tested to ensure that the recovery planning was sufficient to restore WTHP to covenant compliance and a satisfactory financially viable position.

As part of the going concern assessment and conclusion, the Board were satisfied that the stress testing scenarios had incorporated the impact of the special situation risks. Consequently, the Board were able to conclude that the Business Plan was robust and that WTHP would be able to meet its ongoing obligations.

The Board has a reasonable expectation that WTHP has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board has considered the foreseeable future for their going concern assessment to cover the period to 30 September 2026.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

#### **D.6 Events after the end of the reporting period**

There are no events after the end of the reporting period.

#### **D.7 Auditor**

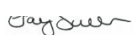
All of the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Beever and Struthers have expressed their willingness to continue to act in their capacity as external auditors.

#### **D.8 Annual General Meeting**

The Annual General Meeting will be held on 4 September 2025. The location will be published nearer the time of the meeting.

The Report of the Board of Directors was approved by the Board on 4 September 2025 and signed on its behalf by:



**Craig Sullivan**  
Chair



**Donna Johnson**  
Company Secretary



**Steven Hayes**  
Vice Chair

# Financial Statements

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLOW TREE HOUSING PARTNERSHIP LIMITED**

**Opinion**

We have audited the financial statements of Willow Tree Housing Partnership Limited (the "society") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, and the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLOW TREE HOUSING PARTNERSHIP LIMITED (continued)**

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

**Responsibilities of the Board**

As explained more fully in the Statement of Board's responsibilities set out on pages 39-40, the Board 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 they 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 society'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 society 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.

**Auditor's responsibilities for the audit of the financial statements (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud**

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

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

- We obtained an understanding of laws and regulations that affect the Society, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLOW TREE HOUSING PARTNERSHIP LIMITED (continued)**

- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the society's activities and the regulated nature of the society's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

**Use of our report**

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

**Beever and Struthers**  
**Chartered Accountants**  
**Statutory Auditor**

150 Minories  
London  
EC3N 1LS

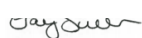
Date: 17 September 2025

**Statement of Comprehensive Income**  
**For the year ended 31 March 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Turnover</b>	5	9,797	9,737
Cost of sales	5	(90)	(335)
Operating costs	5	(8,036)	(7,702)
Surplus on the sale of housing properties	6	437	210
<b>Operating surplus</b>	8	2,108	1,910
Interest receivable	11	70	73
Interest and financing charges	12	(1,555)	(1,570)
<b>Surplus for the financial year</b>		623	413
<b>Other comprehensive income</b>			
Actuarial gain/(loss)	28	32	(123)
<b>Total comprehensive income for the year</b>		655	290

Willow Tree Housing Partnership Limited's results relate wholly to continuing activities.

The financial statements were approved and authorised for issue by the Board on 4 September 2025 and are signed on behalf of the Board by:



**Craig Sullivan**  
Chair



**Donna Johnson**  
Company Secretary



**Steven Hayes**  
Vice Chair

The accompanying notes on pages 54 to 97 form part of these financial statements.

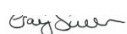
**Statement of Financial Position**  
**As at 31 March 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Fixed Assets</b>			
Intangible assets	14	34	59
Tangible fixed assets - housing properties	15	91,904	90,739
Tangible fixed assets - other	16	706	726
Investments	17	268	260
		<hr/>	<hr/>
		92,912	91,784
<b>Current Assets</b>			
Properties for sale	18	-	38
Stock	19	86	-
Debtors – due in one year	20	750	762
Cash at bank and in hand		1,346	2,718
		<hr/>	<hr/>
		2,182	3,518
<b>Creditors</b>			
Amounts falling due within one year	21	(2,816)	(2,793)
		<hr/>	<hr/>
<b>Net current assets</b>		(634)	725
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		92,278	92,509
<b>Creditors:</b>			
Amounts falling due after one year	22	(52,127)	(52,822)
<b>Provisions</b>	25	(569)	(611)
		<hr/>	<hr/>
<b>Net assets excluding pension liability</b>		39,582	39,076
Defined benefit pension liability	28	(477)	(626)
		<hr/>	<hr/>
<b>Net assets</b>		39,105	38,450
		<hr/> <hr/>	<hr/> <hr/>

**Statement of Financial Position (continued)**  
**As at 31 March 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Capital and Reserves</b>			
Share capital	29	-	-
Income and expenditure reserve	30	31,737	31,082
Revaluation reserve	30	7,368	7,368
		<hr/>	<hr/>
<b>WTHP's Funds</b>		<b>39,105</b>	<b>38,450</b>
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved and authorised for issue by the Board on 4 September 2025 and are signed on behalf of the Board by:



**Craig Sullivan**  
Chair



**Donna Johnson**  
Company Secretary



**Steven Hayes**  
Vice Chair

The accompanying notes on pages 54 to 97 form part of these financial statements.

**Statement of Changes in Reserves**  
**For the year ended 31 March 2025**

	Share capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total Reserves £000
As at 1 April 2024	-	7,368	31,082	38,450
Surplus for the year	-	-	623	623
<i>Other comprehensive income:</i>				
Actuarial (losses) / gains in respect of pension scheme	-	-	32	32
<b>As at 31 March 2025</b>	-	7,368	31,737	39,105

**Statement of Changes in Reserves**  
**For the year ended 31 March 2024**

	Share capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total Reserves £000
As at 1 April 2023	-	7,368	30,792	38,160
Deficit for the year	-	-	413	413
<i>Other comprehensive income:</i>				
Actuarial (losses) / gains in respect of pension scheme	-	-	(123)	(123)
<b>As at 31 March 2024</b>	-	7,368	31,082	38,450

The accompanying notes on pages 54 to 97 form part of these financial statements.

**Statement of Cash Flows**  
**For the year ended 31 March 2025**

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>£000</b>	<b>£000</b>
<b>Net cash inflow from operating activities</b>			
<b>Surplus for the year</b>		623	413
Adjustments for:			
Depreciation and impairment of assets - housing properties	15	1,506	1,413
Component write off	15	18	51
Depreciation of other tangible fixed assets	16	30	27
Amortisation of intangibles	14	25	32
Decrease in properties held for sale	18	38	(38)
Amortised grant	5	(269)	(264)
Interest payable and finance costs	12	1,555	1,570
Interest receivable	11	(70)	(73)
Surplus on sale of houses		(455)	(210)
Movement in debtors		12	50
Movement in creditors		477	(190)
Movement in provision		(42)	62
Movement in stock		(86)	177
Difference between net pension expenses and cash contribution		(117)	(112)
<b>Net cash generated from operating activities</b>		<b>3,245</b>	<b>2,908</b>
<b>Investing activities</b>			
Proceeds from sale of fixed assets – housing properties		561	335
Purchase of fixed assets - housing properties	15	(2,788)	(3,657)
Purchase of fixed assets - other	16	(10)	(36)
Interest received	11	70	73
<b>Net cash used in investing activities</b>		<b>(2,167)</b>	<b>(3,285)</b>
<b>Financing activities</b>			
Interest paid		(1,555)	(1,448)
Other loans repaid		(14)	(4)
New loans and drawdowns - bank		-	1,000
Repayment of loans - bank		(881)	(620)
<b>Net cash generated from financing activities</b>		<b>(2,450)</b>	<b>(1,072)</b>
<b>Net (decrease) / increase in cash</b>		<b>(1,372)</b>	<b>(1,449)</b>
<b>Cash at beginning of year</b>		<b>2,718</b>	<b>4,167</b>
<b>Cash at end of year</b>		<b>1,346</b>	<b>2,718</b>

The accompanying notes on pages 54 to 97 form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Legal Status**

Willow Tree Housing Partnership Limited is registered with the Financial Conduct Authority in England and Wales under the Co-operative and Community Benefits Societies Act 2014 and is registered with The Regulator of Social Housing as a social housing provider. The registered office is given on page 1 and the principal activities can be found in the Strategic Report.

WTHP is a public benefit entity.

### **2. Accounting policies**

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for WTHP includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared in pounds sterling (£) and are rounded to the nearest thousand pounds.

The following principal accounting policies have been applied:

#### **2.1 Basis of consolidation**

Willow tree Housing Partnership Limited has one subsidiary (SWHNC Limited) which is registered under the Companies Act. This company is 100% owned by WTHP and is dormant. The exemption from producing consolidated financial statements per paragraph 9.9A of FRS 102 has been taken on the basis that the subsidiary is not material for the purpose of giving a true and fair view.

#### **2.2 Going concern**

WTHP’s business activities, its current financial position, and factors likely to affect its future development are set out within the Report of the Board.

WTHP has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with WTHP’s day to day operations.

WTHP also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders’ covenants.

As at 31 March 2025 WTHP had available cash balances of £1.3M (2024: £2.7M) and a further £6.0M (2024: £6.0M) of secured but undrawn loan facilities that could be drawn at short notice.

The Board’s assessment of going concern involves a number of subjective judgements which have been made regarding assumptions feeding into WTHP’s financial planning processes which in turn are used to assess going concern. These include, but are not limited to, assumptions about future levels of inflation, interest rates, proceeds from housing property disposals, timing and pricing of first tranche shared ownerships, the future cost of maintaining its homes and the costs of implementing and achieving required energy efficiency standards in its housing stock.

#### **2.2 Going concern**

In making their assessment, the Board have considered the strategic risks identified on WTHP’s risk map and have used these and inputs from external advisors to devise wide-ranging multivariate stress tests to apply to the business plan. Amongst other things, the stress tests have considered the impacts of persistent and higher inflation, higher interest rates and lower house prices. These are all relevant to WTHP, as it operates largely through the buying in of materials, labour and services from third party contractors. WTHP’s debt portfolio contains a mixture of fixed and variable rate debt, which leaves it with some exposure to interest rate increases. The current Plan assumes that WTHP will gradually dispose of poorer performing stock, so falls in house prices would impact this programme. The sale of planned shared ownership sales could also be affected either through price falls or delays.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. Accounting policies (continued)**

The results of the stress tests have been reported to, and reviewed by, the Board.

A detailed recovery plan outlining mitigating actions to allow WTHP to recover from the conditions set out in the harshest stress test was also reported to the Board. Additionally, the Board also received confirmation that all mitigating actions had been tested to ensure that the recovery plan was sufficient to restore WTHP to covenant compliance and a satisfactory financially viable position.

As part of the going concern assessment and conclusion, the Board were satisfied that the stress testing scenarios had incorporated the impact of the special situation risks. Consequently, the Board were able to conclude that the Business Plan was robust and that WTHP would be able to meet its ongoing obligations.

The Board has a reasonable expectation that WTHP has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board have considered the foreseeable future for their going concern assessment to cover the period to 30 September 2025.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

#### **2.3 Turnover and revenue recognition**

Turnover comprises property and garage rental income receivable in the year, service charge income, income from shared ownership first tranche sales, other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year, incomes from the electricity feed in tariff, occasional insurance claim receipts, car park lease income and amortisation of grants, receivable in the year.

Rental and service charge incomes (where applicable) are recognised:

- from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids; and
- up to and including the actual closing date for the financial year. As such, this may mean that part of the final, full weekly rent for the financial is deferred to the following financial year.
- 

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Income is measured at the fair value of the consideration received or receivable.

Voids are incurred from the date a property becomes vacant up until the date the new tenancy commences. If a property is to be put on the market for sale once it becomes vacant it will be taken out of management.

#### **2.4 Service charge income**

Service charge income is recognised as it falls due.

#### **2.5 Employee benefits**

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred (charged to the Statement of Comprehensive Income).

WTHP participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit final salary pension scheme managed by TPT Retirement Solutions that is no longer open to new members.

The scheme assets and liabilities have been separately identified for each employer, and WTHP accounts for the scheme as a defined benefit scheme.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

The current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current accounting period. Interest is calculated on the net defined liability. Re-measurements are reported in other comprehensive income.

**2.6 Planned and Responsive Maintenance**

The Asset Management Team maintains a rolling Asset Management Strategy and Plan which sets out priorities for planned maintenance and component replacements in the years ahead.

All component replacements and repairs to property which result in an incremental future benefit (as set out in the components section of Note 2), or result in a significant extension of the useful economic life of the property within the business, are capitalised and depreciated in accordance with the housing property Accounting Policies. All other repair and maintenance costs are charged directly to operating costs within the Statement of Comprehensive Income. Such costs are subdivided into responsive maintenance and planned maintenance categories.

Responsive maintenance activities relate to the day-to-day repairs which need attention to keep the property in good order. Typical examples include the repair of water leaks and emergency tree works.

Planned maintenance works relate to works such as external decoration projects, major fencing works and similar programmes.

**2.7 Taxation**

*Corporation Tax*

WTHP has adopted charitable rules and is not liable for corporation tax on its charitable activities.

*PAYE and National Insurance*

PAYE and National Insurance liabilities are incurred based on tax rates and laws in force at the point when the liability was incurred.

**2.8 Value added tax**

WTHP charges 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 WTHP and is not recoverable from HM Revenue and Customs. The balance of VAT payable or receivable at the year-end is included as a current liability or asset.

**2.9 Interest receivable**

Interest receivable on positive cash holdings is accounted for in the Statement of Comprehensive Income in the attributable financial year.

**2.10 Interest payable and financing charges**

WTHP's loans are classified as basic financial instruments as defined in Section 11 of FRS 102.

Interest payable and financing costs are charged to the Statement of Comprehensive Income over the term of the debt.

Debt issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and debt set up costs and arrangement fees are reported on the Statement of Financial Position. Such costs are amortised over the life of the loan facility and the amortisation is charged to the Statement of Comprehensive Income. Facility non-utilisation costs are charged directly to the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- Interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
- Interest on WTHP's borrowings as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

**2.10 Interest payable and financing charges**

The interest rate used for capitalisation will be the weighted average of rates applicable to WTHP's general borrowings outstanding (excluding any borrowings specifically for obtaining other assets).

For the reporting of results:

- for the 2025 year, the interest rate used for capitalisation was the weighted average of WTHP borrowings.
- for the 2024 year, the interest rate used for capitalisation was the weighted average of former South Western Housing Society borrowings.

Notional interest has been charged to the Statement of Comprehensive Income regarding the balance on the Recycled Capital Grant Fund in line with the guidance set out in the Capital Funding Guide issued by Homes England. Other interest payable is charged to the Statement of Comprehensive Income.

**2.11 Leases**

Leases that do not transfer the risks and rewards of ownership are classified as operating leases.

SORP 2018 considers that standard rental agreements for tenanted social housing properties to be operating leases as defined in section 20 of FRS 102. WTHP is the lessor.

Rentals under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

**2.12 Intangible assets**

Section 18 of FRS 102 states that an intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is identifiable when:

- It is separable.
- It arises from contractual or other legal rights.

FRS 102 also states that the cost of an intangible asset can only be recognised if:

- It is probable that future economic benefits associated with the item will flow into WTHP; and
- The cost of the item can be measured reliably.

Once the intangible asset has been recognised the cost model will be applied which means that the item will be measured at cost less any accumulated amortisation and less any accumulated impairment losses.

**Intangible assets – Computer software**

Computer software is carried at cost less accumulated amortisation and impairment losses. Costs associated with maintaining computer software are recognised as an operating expense in the Statement of Comprehensive Income as incurred.

**2.12 Intangible assets**

**Intangible assets - Computer Software Development Costs**

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria is met:

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and the expenditure attributable to the software during its development can be reliably measured.

Amortisation is charged on a straight-line basis over the expected useful economic life of the software. The expected useful economic life is considered to be five years. The computer software is reviewed for impairment where there are triggers such as technological advancement or changes in market price that indicate that the carrying amount may be impaired.

***Intangible assets – Rentplus Costs***

A number of costs associated with bringing Rentplus developments into service with WTHP have previously been capitalised on the basis that the Rentplus developments will produce benefits over some years, even though these properties are not owned by WTHP. These costs are:

- Upfront legal costs for Rentplus properties.

These costs are carried at cost less accumulated amortisation and (if required) impairment. Costs associated with the maintenance of Rentplus properties and the amortisation of these capitalised intangible costs are charged as operating costs in the Statement of Comprehensive Income. The expected useful economic life is considered to be five years.

**2.13 Tangible fixed assets – housing properties**

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent.

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition, which may include an appropriate amount for staff costs, and other costs of managing development.

Directly attributable costs of acquisition include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

**2.13 Tangible fixed assets – housing properties**

Expenditure on major refurbishment to properties is capitalised where works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within fixed assets and accounted for at cost less depreciation. Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in fixed assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

***Shared Ownership Properties and Staircasing***

Under low-cost home ownership arrangements, WTHP disposes of a long lease on low cost home ownership housing units for a shares generally ranging between 25% and 50% of value. The buyer has the right to purchase further proportions and some up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. Accounting policies (continued)**

Low-cost home ownership properties are split proportionately 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 are included in turnover. The remaining element, the "staircasing element", is classed as a fixed asset and included in completed housing property at cost less any provision for depreciation and impairment (impairment and depreciation are charged to the Statement of Comprehensive Income). Sales of subsequent tranches are treated as a part disposal of a fixed asset. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Income from first tranche shared ownership sales is included in turnover on completion of the sales contract process in line with paragraph 12.6 of the Housing SORP 2018.

#### **2.15 Depreciation of housing properties**

Paragraph 17.16 FRS 102 provides that if the major components of an item of property have sufficiently different patterns of consumption of economic benefits, then each major component must be recognised and depreciated over its individual, economic life (Housing SORP 2018).

Additional consideration may be required by management for any major components as a result of changes in energy efficiency or building and fire safety requirements.

#### ***Owned Properties***

WTHP 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.

#### **2.15 Depreciation of housing properties (continued)**

WTHP depreciates the major components of its housing properties at the following annual rates:

<b>Description</b>	<b>Percentage depreciation</b>	<b>Useful economic life</b>
Structure*	0.80%	125 years
Structure	1.00%	100 years
Roofs	1.67%	60 years
Kitchens	4.00%	25 years
Bathrooms	3.33%	30 years
Windows and doors	2.50%	40 years
Heating systems (Gas)	6.67%	15 years
Heating systems (Oil)	5.00%	20 years
Heating systems (Renewable)	6.67%	15 years
Heating systems (Electric)	4.00%	25 years
Solar and Photovoltaics	5.00%	20 years
External property fittings +	4.00%	25 years
Lifts	4.00%	25 years
Log Walls	4.00%	25 years

\*Certain former South Western Housing Society properties improved via a rain cladding programme are depreciated over 125 years (0.8% per annum).

+Bargeboards, soffits, fascia, guttering and downpipes associated with certain former Tamar Housing Society properties.

Freehold land values are measured at historic cost and are not depreciated on account of indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

***Shared Ownership Properties***

WTHP's retained portion of shared ownership properties is measured as the historic cost of the retained element and charges depreciation, so as to write-down the non-land element to its estimated residual value, on a straight-line basis, over its estimated useful economic life, as follows:

Description	Percentage depreciation	Useful economic life
Shared Ownerships	1.00 %	100 years

The land element is not depreciated.

***Leasehold properties***

SORP 2018 considers that standard rental agreements for tenanted social housing properties to be operating leases as defined in section 20 of FRS 102. WTHP will be the lessor.

Lease agreements for properties leased by WTHP from the owner for a period up to five years will be treated as operating leases as defined in section 20 of FRS 102. WTHP will be the lessee.

***Housing Property Impairment***

The Housing SORP 2018 paragraphs 14.1 to 14.45 deals with the impairment of assets. Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

The housing property portfolio for WTHP is assessed for indicators of impairment at each Statement of Financial Position date.

Where an indicator of impairment exists then an assessment is undertaken as follows:

- The level at which an impairment is to be assessed is determined (i.e. the asset or cash generating unit).
- The recoverable amount of the asset or cash generating unit is identified.
- The carrying amount of the asset or cash generating unit is calculated.
- The carrying amount is compared to the recoverable amount to determine if an impairment loss has occurred.

Where:

▪ **Cash Generating Units**

WTHP defines cash generating units as schemes, except where its schemes are not sufficiently large or where it is geographically sensible to group schemes into larger generating units.

▪ **Recoverable amount**

The recoverable amount of an asset or cash generating unit is the higher of it's:

- Value in use; and
- Fair value less costs to sell.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

The approach taken to the value in use estimate will depend on whether the properties held for service potential can still actually be let. Where service potential remains then WTHP will follow the direction of SORP 2018 paragraph 14.26 and utilise the depreciated replacement cost as an estimate of the value in use.

Where a scheme is currently deemed not to be providing service potential to WTHP, its recoverable amount is its fair value less costs to sell or value in use as set out in SORP 2018 paragraph 14.21.

▪ **Carrying Amount**

The carrying amount of the asset or cash generating unit is calculated as the net book value less any unamortised grant in the Statement of Financial Position relating to the asset or cash generating unit.

▪ **Impairment Losses**

An impairment loss occurs when the carrying amount of the asset or cash generating unit exceeds its recoverable amount. This impairment loss must be charged to the Statement of Comprehensive Income as expenditure and is disclosed as a separate line within operating expenditure if material.

▪ **Reversal of an impairment loss**

An impairment loss for all assets must be reversed in a subsequent period if and only if the reasons for the impairment have ceased to apply (SORP 2018 paragraph 14.38). The reversal of an impairment loss is included in the Statement of Comprehensive Income.

**2.16 Other tangible fixed assets**

Other tangible fixed assets such as offices, office furniture and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

WTHP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to WTHP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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 economic lives. No depreciation is provided on freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is any indication of a significant change since the last reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Accounting policies (continued)

The principal annual depreciation rates used for other assets are:

Description	Percentage depreciation	Economic useful life
Freehold Offices - land	0%	Not applicable
Freehold Offices - buildings	2%	50 years
Office furniture	20%	5 years
Office IT	33%	3 years
Furniture, fixtures and fittings	20%	5 years
Computers & office equipment	33%	3 years
Motor vehicles	33%	3 years
Other Assets	20%	5 years

WTHP capitalises all assets with a historic purchase cost of £500 or more (inclusive of VAT).

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Comprehensive Income.'

#### 2.17 Investments

Investments represent monies held by third parties on WTHP's behalf.

Investments are held on the Statement of Financial Position at fair valuation. A discount may be applied if there is a difference between the actual interest rate received and the risk-free rate. Changes in fair value are recognised in the Statement of Comprehensive Income.

#### 2.18 Properties for Sale

Unsold, but completed shared ownership first tranche sale properties and properties developed for outright sale are valued at the lower of cost and estimated selling price less costs to complete and sell (net realisable value).

Cost comprises materials, interest and direct development overheads.

#### 2.19 Stock

Properties under construction are valued at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Cost comprises materials, interest and direct development overheads.

Other stock is stated at the lower of cost and net realisable value.

#### 2.20 Debtors

Debtors with no stated interest rate and receivable within one year are recorded at the transaction price. Any losses from impairment are recognised in the Statement of Comprehensive Income, in operating costs.

Where deferral of payment terms has been agreed and the potential impact of discounting is material, the balance is shown at the present value, discounted at a market rate.

#### **Recoverable amount of rental and other trade receivables**

WTHP estimates the recoverable value of rental and other receivables and impairs the debtor by the appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt. The impairment is actioned by the creation and review of provisions for bad and doubtful debts.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

***Provisions for liabilities - Bad and Doubtful Debts***

The provisioning for bad and doubtful debts is reviewed in detail, on a regular basis and at the reporting date. A wide variety of information is included as part of the assessment.

In the case of tenant arrears, this will include factors such as the state of the tenancy i.e. current or former, payment history, the arrears balance and any payment plans in place.

For non-tenant arrears, a similar exercise is performed.

Based on the information available, management estimate the required level of provisioning required.

Provisions are charged to the Statement of Comprehensive Income and the provision balance is reported on the Statement of Financial Position. Debtor balances are reported net of the appropriate provision.

The level of bad and doubtful debts provisioning is based on judgements about likely debt repayments and is therefore included in Note 3 of the accounts regarding judgements and estimates.

***Rental and service charge agreements***

WTHP has made arrangements with individuals and households for the payment of rent and service charge arrears. These arrangements are effectively loans granted at nil interest rate.

Where arrangements are made for tenants to repay their arrears beyond normal business terms with no interest rate applied, the liability will be measured at the present value of the future payments discounted at a market rate.

**2.21 Cash and Cash Equivalents**

Cash and cash equivalents in WTHP's Statement of Financial Position consist of cash at bank, cash in hand and any retail vouchers which have been purchased for distribution to tenants through various tenancy support activities.

Cash and deposits which are normally payable within one year are recognised at their undiscounted, transaction value.

**2.22 Creditors**

Short term trade creditors payable within one year with no stated interest rate are measured at the transaction price.

Where deferral of payment terms has been agreed and the impact of discounting is material, the balance is shown at the present value, discounted at a market rate.

**2.23 Provisions**

Provisions are recognised for legal or constructive obligations for which either the timing or the amount of the future expenditure required to settle the obligation is uncertain. The amount recognised is the best estimate of the settlement amount.

***Rentplus Provisions***

WTHP has a number of future obligations arising from its decisions to accept the management of Rentplus housing stock on full repairing leases which contain specific contractual commitments around items such as property handback standards.

As a result of this, provisions are provided for leased Rentplus properties. The provisions are created via a charge to the Statement of Comprehensive Income. The resulting provision is recorded on the Statement of Financial Position within creditors due in more than one year.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. Accounting policies (continued)**

Details of the provisions made annually are shown in Notes to the Accounts. The provisions cover three areas:

- Handback costs.
- Cyclical costs
- Major repair costs relating to kitchens, boilers and renewables.

Note 3 of the accounts regarding judgements and estimates sets out the assumptions made in the creation of these provisions.

#### **Formula Rent Repayment Provision**

WTHP had obligations to repay rent deemed to have been overcharged by reference to the Regulator of Social Housing's Rent Standard. This matter was referred to the Regulator and an amount expected to be returned to tenants was calculated. The overcharge (£133k) was identified in the 2023/24 financial year (2022: nil). Funds were disbursed across 2024/25 and the final provision value is £4k for 2024/25.

#### **2.24 Government Grants**

Government grants include grants receivable from Homes England, local authorities, and other government organisations.

They are recognised in the accounts when there is reasonable assurance that the conditions attached to the grants will be complied with and that they will be received. Grants due from government organisations or received in advance are included as current assets or liabilities on the Statement of Financial Position.

Grants will be recognised using the accrual method, as required by FRS 102 and SORP 2018. Grants received to cover costs already incurred with no future related costs will be recognised as revenue when they become receivable. Grants relating to revenue will be recognised in the period in which the related costs are recognised.

#### **2.24 Government Grants**

Grants relating to assets will be recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the useful life of the property structure which is 100 years. Grant receivable for a specific component will be recognised in income over the useful life of the component (component lives are noted under the 'Depreciation of housing properties' sections).

Where there is a donation or acquisition of land or other asset at below market value, the difference between the fair value of the land or asset will be recognised as a grant and will be treated in the same way as a grant relating to assets noted above.

On disposal of a grant funded asset, where there is no obligation to repay the grant, any unamortised grant will be derecognised as a liability and recognised as income.

Where there is a requirement to recycle or repay the grant on disposal of an asset, a liability will be included in the Statement of Financial Position. The liability will be the amount required to settle the obligation as required by the terms of the grant agreement.

Grants relating to shared ownership property sales when full staircasing has not taken place will be deferred if the net sale proceeds are insufficient to meet the repayment obligations and will not be recognised as a liability. On subsequent staircasing sales a liability will be recognised once the net sale proceeds are sufficient to cover the liability.

#### **2.25 Financial Liabilities and Equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

**2.26 Financial Instruments**

WTHP has chosen to apply FRS 102 Section 11 and Section 12 in full, on the basis that each of its loans meets the criteria of a basic financial instrument as defined in Section 11 of FRS 102.

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 cost model.

WTHP has not adopted hedge accounting for the financial instruments.

**2.27 Contingent Liabilities**

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment that is dependent on the disposal of related property and regarding the SHPS pension ongoing legal case.

**2.28 SHPS ongoing legal proceedings regarding the payment of past pension benefits**

WTHP participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit final salary pension scheme managed by TPT Retirement Solutions that has been closed to new members for some years.

The scheme assets and liabilities have been separately identified for each employer and WTHP accounts for the scheme as a defined benefit scheme.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

The current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current accounting period. Interest is calculated on the net defined liability.

Re-measurements are reported in the Statement of Other Comprehensive Income.

As at the year ended 31 March 2025, the net defined benefit pension deficit liability was £477k (2024: £626k).

Detailed information regarding the pension position is set out in the Notes to the Accounts.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial instruments, key judgements have been made in respect of the following:

*Impairment of Tangible Fixed Assets*

Both FRS 102 and the Housing SORP 2018 (paragraphs 14.1 to 14.45) provide indicators that should be considered by at each reporting date, to assess whether there are any indicators of impairment.

Assessments, recoverable amounts and value in use may therefore be subject to estimates and uncertainties. Factors taken into account in reaching such a decision include economic viability and expected future financial performance of the asset where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. WTHP has considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment a depreciated replacement cost basis.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

Other key sources of estimation uncertainty

▪ *Tangible fixed assets – housing properties*

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

The capitalisation of interest regarding active developments, is based on assumptions regarding the overall pooled interest rate to estimate the amounts.

▪ *Useful lives of depreciable assets*

Management reviews its estimate of the useful economic lives of depreciable assets at each reporting date based on the expected utility of the assets including any components.

Uncertainties in these estimates relate to a variety of issues including but not limited to technological obsolescence that may change the utility of certain software and IT equipment, changes to the Decent Homes Standards and changes to energy efficiency requirements which may require more frequent replacement of key components. Additionally, there may be occasions when it is more cost-effective to replace a component early. For example, housing stock in a given location may have common components that are due to be replaced at differing, but broadly similar points. In such cases, it may be operationally and financially beneficial to replace all the items at the same time.

Accumulated depreciation of intangible assets as at 31 March 2025 was £242k (2024: £217k) and the carrying amount of the intangible assets was £34k (2024: £59k).

Accumulated depreciation of housing properties as at 31 March 2025 was £19,525k (2024: 18,525k) and the carrying amount of the housing properties was £91,904k (2024: £90,739k).

▪ *Bad and doubtful debt provisions*

The provisioning for bad and doubtful debts is reviewed in detail, on a regular basis and at the reporting date. A wide variety of information is included as part of the assessment.

In the case of tenant arrears, this will include factors such as the state of the tenancy i.e. current or former, payment history, the arrears balance and any payment plans in place.

For non-tenant arrears, a similar exercise is performed.

Based on the information available, management estimate the required level of provisioning required.

Provisions are charged to the Statement of Comprehensive Income and the provision balance is reported on the Statement of Financial Position.

At the close of 31 March 2025, the provision for bad and doubtful debts amounted to £123k (2024: £83k).

▪ *Components*

The cost of replacing components is generally a known, as these items are sourced from third party suppliers who subsequently provide invoicing for the items and/or the work package as a whole. Components have agreed useful economic lives and the lifespans dictate the timing of the replacement programme. However, there may be occasions when it is more cost-effective to replace a component early. For example, housing stock in a given location may have common components that are due to be replaced at differing, but broadly similar points, then it may be operationally and financially beneficial to replace all items at the same time.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

▪ *Tenant arrears and payment plans*

There are a number of tenants with agreements to repay arrears over future periods. A calculation has been carried out to assess these agreements under fair value using a discount rate that WTHP has judged to reflect the potential cost to the resident if they had procured the agreement elsewhere. The total cost is not considered to be material and has, therefore, not been included.

▪ *Service Charges*

WTHP operates a 'hybrid' model for service charges, as follows:

*Former South Western Housing Society Properties*

For these properties, WTHP adopts the variable method for calculating and charging service charges to its tenants, on a scheme-by-scheme basis.

Service charges are set on the basis of budgets. The budget will include an allowance for the surplus or deficit from prior years, with a surplus being returned to residents in the form of a reduced charge for the year and a deficit being recovered via a higher service charge.

Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded on the estimated amounts chargeable. Incomes and costs are recognised up to and including the actual closing date for the financial year i.e. 31 March.

*Former Tamar Housing Society Properties*

For these properties, WTHP operates both fixed and variable service charge arrangements:

Shared ownership tenants are charged on a scheme-by-scheme basis on a variable basis.

Other tenure types are charged on a fixed service charge basis (on a scheme-by-scheme basis), whereby tenants are charged the actual costs incurred in the twelve months up to and including the 30 September in the current financial year.

Works carried out on properties that are chargeable through the service charge are charged to residents over periods up to 30 years.

Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded on the basis noted above.

Incomes and costs are recognised up to and including the actual closing date for the financial year i.e. 31 March.

A calculation has been carried out to assess any outstanding charges under fair value using a discount rate that WTHP has judged to reflect the potential cost to the resident if they had procured the works elsewhere.

▪ *Service Charges (continued)*

The total cost is not considered to be material and has, therefore, not been included.

▪ *Allocation of costs for shared ownership*

Costs of the development of mixed tenure schemes may not be easily or directly attributable to specific properties within the scheme. In such cases, WTHP will allocate costs based on a simple basis such as floor area or number of bedrooms.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

When shared ownership properties are sold, the cost of the shared ownership is allocated in line with the proportion of the property purchased.

These are deemed a fair method of cost allocation but is subject to estimates and uncertainties.

▪ *Grants*

Grants received for the development or purchase of properties are amortised over the life of the relevant property, which is equivalent to the life of its structure component. Component lives are set out in Note 2.

As at 31 March 2025, the accumulated value of grants was £24,468k (2024: £24,191k) and the associated amortisation amounted to £4,578k (2024: £4,663k).

▪ *Rent plus provisions*

Provisions are provided for leased Rentplus properties and are set out in Note 2 Accounting Policies.

Details of the provisions made annually are shown in the Notes to the Accounts. The provisions are made using a number of assumptions:

- *Handback costs are based on WTHP's review of the contractual handback standard provided by Rentplus and current experience of costs.*
- *Cyclical costs are based on planned programmes, good property management practises and current experience of costs for these activities. External decoration provisions cover a mixture of exterior washing down or repainting.*
- *Major repair costs. Provisions are made for the replacement of kitchens, boilers and renewables, in line with the agreed asset lives set out in WTHP's Accounting Policies (Note 2).*

Wherever possible, provisioning is calculated at property level.

The provision balances at the close of the current and prior financial years are shown in the table below:

Provision balances	2025	2024
	£000	£000
Handback provisions	136	126
Cyclical provisions	113	96
Major repairs	<u>301</u>	<u>256</u>
<b>Total</b>	<b>550</b>	<b>478</b>

▪ *Pension defined benefit obligation*

*Information regarding pension liabilities is subject to periodic, professional re-assessment.*

WTHP operates defined benefit accounting for the SHPS pension scheme. The financial impact of this has been (and continues to be) provided by the scheme's administrators (TPT Retirement Solutions).

The estimate of the defined benefit obligation is based on a number of critical underlying assumptions made by TPT Retirement Solutions, such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in the Notes to the Accounts).

The impact of any change is recorded through the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Other Comprehensive Income and further information is given in the Notes to the Accounts.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

The calculation of the obligation also incorporates the impact of the various High Court rulings; namely McCloud and GMP. Note 29, specifically, provides a comprehensive overview of WTHP's position with respect to the SHPS pension plan.

▪ *Pension defined benefit obligation*

The net defined benefit pension liability at 31 March 2025 was £477k (2024: £626k). For current employees, WTHP operates a defined contribution scheme.

▪ *Going Concern and the impact of special situational triggers*

WTHP's business activities, its current financial position, and factors likely to affect its future development are set out within the different sections of the Strategic Report.

WTHP has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the required day to day operations. WTHP also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. As at 31 March 2025 WTHP had available cash balances of £1.3M (2024: £2.7M) and a further £6.0M of secured but undrawn loan facilities that could be drawn at short notice.

The Board's assessment of going concern involves a number of subjective judgements which have been made regarding assumptions feeding into WTHP's financial planning processes which in turn are used to assess going concern. These include, but are not limited to, assumptions about future levels of inflation, interest rates, proceeds from housing property disposals, timing and pricing of first tranche shared ownerships, the future cost of maintaining its homes and the costs of implementing and achieving required energy efficiency standards in its housing stock.

In making its assessment, the Board has considered the strategic risks identified on the strategic risk map and have used these and inputs from external advisors to devise wide-ranging multivariate stress tests to apply to the business plan. Amongst other things, the stress tests have considered the impacts of persistent and higher inflation, higher interest rates and lower house prices. These are all relevant to the organisation, as it operates largely through the buying in of materials, labour and services from third party contractors. The debt portfolio contains a mixture of fixed and variable rate debt, which leaves it with some exposure to interest rate increases. The current Plan assumes that WTHP will gradually dispose of poorer performing stock, so falls in house prices would impact this programme. The sale of planned shared ownership sales could also be affected either through price falls or delays.

The results of the stress tests have been reported to, and reviewed by, the Board.

Recovery planning outlining mitigating actions to allow WTHP to recover from the conditions set out in a range of stress tests was also reported to the Board. Additionally, the Board also received confirmation that all mitigating actions had been tested to ensure that the recovery planning was sufficient to restore WTHP to covenant compliance and a satisfactory financially viable position.

As part of the going concern assessment and conclusion, the Board were satisfied that the stress testing scenarios had incorporated the impact of the special situation risks. Consequently, the Board were able to conclude that the Business Plan was robust and that WTHP would be able to meet its ongoing obligations.

The Board has a reasonable expectation that WTHP has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board has considered the foreseeable future for their going concern assessment to cover the period to 30 September 2026.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 4. Particulars of turnover, operating costs, cost of sales and operating surplus/(deficit)

	2025				
	Turnover £000	Cost of sales £000	Operating cost £000	Surplus on disposal of properties £000	Operating surplus/ (deficit) £000
<b>Social housing lettings (note 5)</b>	9,673	-	(7,883)	-	1,790
<b>Other social housing activities</b>					
First tranche low-cost home ownership sales	124	(90)	-	-	34
Development costs not capitalised	-	-	(153)	-	(153)
<b>Non social housing activities</b>					
Provision for pension	-	-	-	-	-
Surplus on the sale of housing properties	-	-	-	437	437
	9,797	(90)	(8,036)	437	2,108
	2024				
	Turnover £000	Cost of Sales £000	Operating Cost £000	Surplus on disposal of properties £000	Operating surplus/ (deficit) £000
<b>Social housing lettings (note 5)</b>	9,242	-	(7,576)	-	1,666
<b>Other social housing activities</b>					
First tranche shared ownership sales	495	(335)	-	-	160
Development costs not capitalized	-	-	(234)	-	(234)
<b>Non social housing activities</b>					
Provision for pension	-	-	108	-	108
Surplus on the sale of housing properties	-	-	-	210	210
	9,737	(335)	(7,702)	210	1,910

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 5. Particulars of Income and Expenditure from social housing lettings

	2025			
	General needs housing £000	Shared ownership £000	Rentplus £000	Total £000
<b>Income from lettings</b>				
Rent	7,090	332	1,617	9,039
Service charge	291	36	-	327
Amortisation of Government grants	269	-	-	269
Other income	37	1	-	38
Total income from lettings	<b>7,687</b>	<b>369</b>	<b>1,617</b>	<b>9,673</b>
<b>Operating costs</b>				
Service charge costs	419	9	1	429
Management	1,325	109	299	1,733
Routine maintenance	1,237	-	119	1,356
Planned maintenance	1,150	-	78	1,228
Bad debts	48	-	9	57
Depreciation of housing properties	1,421	42	-	1,463
Component write off	50	-	-	50
Impairment	20	-	-	20
Lease payments	-	-	1,269	1,269
Social involvement	8	-	-	8
Other costs	254	-	-	254
Fair Rent Provision	16	-	-	16
Total operating costs	<b>5,948</b>	<b>160</b>	<b>1,775</b>	<b>7,883</b>
Operating surplus/(deficit) on lettings	<b>1,739</b>	<b>209</b>	<b>(158)</b>	<b>1,790</b>
Void Losses	26	-	26	52

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 5. Particulars of Income and Expenditure from social housing lettings

	2024			
	General needs housing £000	Shared ownership £000	Rentplus £000	Total £000
<b>Income from lettings</b>				
Rent	6,632	302	1,685	<b>8,619</b>
Service charge	296	33	-	<b>329</b>
Amortisation of Government grants	264	-	-	<b>264</b>
Other income	25	5	-	<b>30</b>
Total income from lettings	<b>7,217</b>	<b>340</b>	<b>1,685</b>	<b>9,242</b>
<b>Operating costs</b>				
Service charge costs	346	30	4	<b>380</b>
Management	1,193	103	228	<b>1,524</b>
Routine maintenance	1,217	-	118	<b>1,335</b>
Planned maintenance	1,239	-	52	<b>1,291</b>
Bad debts	41	-	5	<b>46</b>
Depreciation of housing properties	1,350	39	-	<b>1,389</b>
Component write off	42	-	-	<b>42</b>
Lease payments	-	-	1,282	<b>1,282</b>
Social involvement	12	-	-	<b>12</b>
Other costs	142	-	-	<b>142</b>
Formula rent repayment provision	133	-	-	<b>133</b>
Total operating costs	<b>5,715</b>	<b>172</b>	<b>1,689</b>	<b>7,576</b>
Operating surplus/(deficit) on lettings	<b>1,502</b>	<b>168</b>	<b>(4)</b>	<b>1,666</b>
Void Losses	14	1	1	<b>16</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. Surplus on sale of fixed assets**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Disposal proceeds	561	355
Carrying value of fixed assets	(115)	(112)
	<u>446</u>	<u>243</u>
Deferred capital grant released on disposal	(9)	(33)
	<u>437</u>	<u>210</u>
Total surplus on disposal of fixed assets		

The sales relate to the disposal of three properties (62 College Road, 13 Swaddon Street and 22 Baydon Grove) (2024: two properties).

**7. Units of housing stock**

	<b>2025</b>	<b>2024</b>
	<b>No</b>	<b>No</b>
<b>General needs housing</b>		
- Social	890	896
- Affordable	291	285
Low-cost home ownership / shared ownership	103	102
Leased	4	4
Rentplus managed properties	200	213
	<u>1,488</u>	<u>1,500</u>
Units under construction	<u>6</u>	<u>-</u>

The net movement in property units for the year is made up of:

	<b>2025</b>
<b>New Properties</b>	
Coronation Way, Creech St Michael	
- affordable rent units	4
- low cost home ownership	1
<b>Reclassification of existing units</b>	
- affordable rent units	2
- social rent units	(2)
<b>Disposals</b>	
Rentplus handbacks/sales	(13)
62 College Road	(1)
13 Swaddon Street	(1)
22 Baydon Grove	(1)
<b>Written Off - Fire Damage</b>	
19 Bridgewater Gardens	(1)
<b>Net movement</b>	<u>(12)</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7. Units of housing stock (continued)**

	<b>2025</b>
<b>Units under construction</b>	
Scheme: Morchard Bishop, Devon	6
	<u><u>6</u></u>

As at the 31 March 2025, WTHP leased a total of 200 (2024: 213) properties from RPI 1 Ltd and RPI 2 Ltd on a 20 year lease with a 5 year break clause. No (2024: No) new properties were leased during the year.

	<b>2025</b>	<b>2024</b>
	<b>No</b>	<b>No</b>
<b>General needs housing</b>		
5 years remaining	72	34
4 years remaining	34	19
3 years remaining	21	34
2 years remaining	37	27
At the end of the current year	36	99
	<u><u>200</u></u>	<u><u>213</u></u>

**8. Operating surplus**

The operating surplus is arrived at after charging/(crediting):

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Depreciation		
- housing properties: annual charge	1,486	1,389
- housing properties: accelerated depreciation on replacement components	50	42
-housing properties: impairment	20	-
- other tangible fixed assets	30	27
- amortisation of intangible fixed assets	25	32
Operating lease charges		
- equipment	6	6
- rent of office premises	25	25
- Rentplus lease payments	1,269	1,282
Auditor's remuneration (excluding VAT)		
- Fees payable to the auditor for the audit of the financial statements	27	26
- Fees payable to the auditor for other services	<u>3</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Employees**

The Board recognises that the success of the business depends on the quality of WTHP's managers and staff. A training and development programme is provided for staff as part of their annual appraisal.

The Board is aware of its responsibilities on all matters relating to health and safety. Detailed health and safety policies are in place and staff are provided with training and education on health and safety matters.

Absence from work due to sickness was 1.73% (2024: 4.17%). Our personnel and recruitment policies reflect our commitment to equality, diversity and inclusion.

Staffing costs for the year covering the Executive Team and all other staff, but excluding board members' emoluments were:

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Salaries	1,245	1,184
Non-consolidated performance award	3	-
Redundancy Payments	3	7
National Insurance	132	123
Pension costs - defined contribution	75	77
Pension admin tool	9	8
Defined contribution pension assurance premium	5	4
SHPS pension deficit contribution	6	6
Temporary staff	54	36
Other payroll related costs	5	1
	<u>1,537</u>	<u>1,446</u>

There were no settlement payments made in 2025 (2024: none).

The average number of employees including the Executive Team expressed as full-time equivalents, calculated on a standard working week of 35 hours during the year, was as follows:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Housing Management	7.61	7.44
Asset Management & Maintenance	4.17	4.10
Business Support	6.05	6.08
Corporate Services	2.85	2.58
Finance	4.58	5.00
Development	1.07	1.40
Executive Team	4.00	4.00
	<u>30.33</u>	<u>30.60</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Employees (continued)**

Remuneration (representing the total employment cost incurred by the Society) paid to staff earning over £60,000 upwards were as follows:

	<b>2025 No.</b>	<b>2024 No.</b>
£60,001 - £70,000	-	1
£70,001 - £80,000	2	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
	<b>=====</b>	<b>=====</b>

**10. Key management personnel remuneration**

As set out in the Accounting Direction for private registered providers of social housing, directors should include the Chief Executive Officer and the executive management team as set out on page 1. Therefore, Key Management Personnel are considered to be the Board and the Executive Team.

	<b>2025 £000</b>	<b>2024 £000</b>
Directors' emoluments	344	328
Benefits in kind	1	1
Employer's national insurance contributions	42	40
Employer's pension contributions	26	28
	<b>=====</b>	<b>=====</b>
	<b>413</b>	<b>397</b>

The total amount payable to the highest paid director in respect of emoluments (excluding employer's NIC and pension contributions) was £111,489 (2024: £107,301). As a member of the defined contribution pension scheme, the pension entitlement of the Chief Executive is identical to that of other members, except for two members of staff with different historical employer contribution rates.

There were no payments in relation to loss of office of a director in 2024/25 or in the prior year.

There were 3 directors in WTHP's defined contribution scheme during the year (2024: 4). None of the directors accrued benefits under the defined benefit pension scheme during the year (2024: none).

Members of the Board of Management received aggregate emoluments of £39,718 (2024: £36,951). The Board of Management overall received £453 (2024: £2,289) for board expenses (including mileage) during the year, paid to 5 (2024: 8) individuals.

	<b>2025 £000</b>	<b>2024 £000</b>
Bank interest received	57	59
THFC interest	13	14
	<b>=====</b>	<b>=====</b>
	<b>70</b>	<b>73</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. Interest receivable

The interest receivable from The Housing Finance Corporation Limited (THFC) Interest Service Reserve Fund (ISRF) represents interest receivable from investments held by THFC on WTHP's behalf as part of a long-term funding arrangement which was put in place with THFC in February 2020. As part of this arrangement, WTHP was bound to place monies equivalent to one year's interest payment into an ISRF account with the lender.

### 12. Interest and financing charges

	2025 £000	2024 £000
<b>On loans and borrowings:</b>		
Interest payable on bank loans	1,220	1,207
Interest payable on other loans	334	334
Amortisation of bank loan set up costs	48	48
Amortisation of loan premium	(45)	(43)
Non-utilisation fees	35	35
	<hr/>	<hr/>
	1,592	1,581
<b>Other finance costs</b>		
Net interest expense on defined benefit cost	27	27
Interest capitalised on housing properties under construction	(74)	(74)
Recycled capital grant fund notional interest	10	36
	<hr/>	<hr/>
<b>Interest and financial charges</b>	<u>1,555</u>	<u>1,570</u>

In the 2024/25 financial year, notional interest has been charged to the RCGF on a basis set out in the Capital Funding Guide issued by Homes England.

### 13. Taxation

WTHP has charitable status and its activities during the year did not give rise to a Corporation Tax liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Intangible assets

	RentPlus costs	Computer software	Total
	2025 £000	2025 £000	2025 £000
Cost			
At start of year	157	119	276
Additions	-	-	-
At end of year	157	119	276
Amortisation			
At start of year	152	65	217
Charge	3	22	25
At end of year	155	87	242
Net book value			
At end of year	2	32	34
At start of year	5	54	59

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. Tangible fixed assets – housing properties

	General needs completed £000	General needs under construction £000	Shared ownership completed £000	Shared ownership under construction £000	Total £000
<b>Cost</b>					
As at 1 April 2024	103,773	145	5,346	-	109,264
Additions:					
- construction costs	-	1,366	-	263	1,629
- replaced components	1,159	-	-	-	1,159
Completed schemes	960	(960)	133	(133)	-
Disposals:					
- housing	(117)	-	-	-	(117)
- components	(640)	-	-	-	(640)
As at 31 March 2025	105,135	551	5,479	130	111,295
<b>Depreciation and impairment</b>					
As at 1 April 2024	17,962	-	563	-	18,525
Charge for the year	1,445	-	41	-	1,486
Impairment	20	-	-	-	20
Eliminated on disposal:					
- Housing	(18)	-	-	-	(18)
- Replaced Components	(622)	-	-	-	(622)
As at 31 March 2025	18,787	-	604	-	19,391
<b>Net Book Value</b>					
At 31 March 2025	86,348	551	4,875	130	91,904
At 31 March 2024	85,811	145	4,783	-	90,739

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. Tangible fixed assets – housing properties (continued)**

*The net book value of housing properties may be further analysed as:*

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Freehold	88,359	87,334
Long leasehold	3,545	3,405
	<hr/>	<hr/>
	91,904	90,739
	<hr/>	<hr/>
<b>Expenditure:</b>		
Components capitalised	1,159	986
Charge to income and expenditure	1,228	1,291
<b>Interest capitalisation:</b>		
Interest capitalised in year	74	74
Cumulative interest capitalised	1,251	1,177
	<hr/>	<hr/>
	1,325	1,251
	<hr/>	<hr/>
Rate used for capitalisation	4.84%	4.76%
<b>Total Social Housing Grant received or receivable to date</b>		
Capital Grant - Housing Properties	24,468	24,191
Recycled Capital Grant - Housing Properties	346	682

The Housing SORP allows capitalisation of components and of other improvement works that result in an incremental future benefit of a housing property. All other expenditure is charged to income and expenditure.

**Impairment**

WTHP considers each scheme to represent separate cash generating units when assessing for impairment in accordance with the requirement of FRS 102 and Housing SORP 2018.

During the current year WTHP has recognised an impairment loss of £20k (2024: £Nil).

The impairment has arisen due to a catastrophic fire at 19/20 Bridgewater Gardens in Totnes, during the year.

**Properties held for security**

WTHP had property with a net book value of £49.0M pledged as security as at 31 March 2025 (2024: £51.5M).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 16. Other tangible fixed assets

	Freehold land £000	Freehold Offices £000	Office furniture and Equipment £000	Office IT £000	Other assets £000	Total £000
<b>Cost</b>						
Opening	110	752	95	101	33	1,091
Additions	-	-	-	10	-	10
Closing Balance	110	752	95	111	33	1,101
<b>Accumulated depreciation</b>						
Opening Balance	-	185	88	90	2	365
Charge for the year	-	16	1	8	5	30
Closing Balance	-	201	89	98	7	395
<b>Net Book Value – 2025</b>	110	551	6	13	26	706
<b>Net Book Value – 2024</b>	110	567	7	11	31	726

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**17. Investments**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
THFC – interest service reserve fund	268	260
Investment in SWHNC	-	-
	<u>268</u>	<u>260</u>
	<u><u>268</u></u>	<u><u>260</u></u>

On receipt of new funding from THFC on 1st February 2019, an Interest Service Reserve fund was immediately created from the funding proceeds and retained by THFC. The ISRF fund must have a minimum balance equivalent to one year's interest payable (£260k) on the THFC loan.

WTHP also has a 100% owned subsidiary called SWHNC Limited. This subsidiary has been dormant for a considerable number of years.

SWHNC Limited's financial year ends on 31 March and it reports the following for the year ended 31 March 2025:

**SWHNC Limited Statement of Financial Position**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Called up share capital not paid	1	1
Net assets	<u>1</u>	<u>1</u>
Issued share capital		
1 Ordinary share of £1 each	1	1
Total shareholder funds	<u>1</u>	<u>1</u>

These financials have not been consolidated with those of WTHP, due to their immateriality.

**18. Properties held for sale**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
General needs properties for sale	-	38
Shared ownership properties for sale	-	-
	<u>-</u>	<u>38</u>
	<u><u>-</u></u>	<u><u>38</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**19. Stocks**

	<b>2025 £000</b>	<b>2024 £000</b>
Under construction:		
Shared Ownership First Tranche Sales	86	-
Outright sales	-	-
	<u>86</u>	<u>-</u>

As at 31 March 2025, there was £86k (2024: £0) of Shared Ownership stock under construction. This relates to the following scheme:

Morchart Bishop, Devon

No (2024: £Nil) impairment loss was recognised in the period in respect of inventories.

**20. Debtors**

	<b>2025 £000</b>	<b>2024 £000</b>
Rent and service charges receivable	299	369
Less: Provision for bad and doubtful debts	(123)	(83)
	<u>176</u>	<u>286</u>
Net rent and service charges receivable	176	286
Prepayments and accrued income	398	313
Sundry debtors	176	163
	<u>750</u>	<u>762</u>

All debtors are due within one year.

The aggregate amount of social housing rent arrears as at 31 March 2025 was £299k (2024: £369k). The bad debt provision increased by £40k in the period (2024: £2K increase) and this change was recognised in the Statement of Comprehensive Income. Additionally, £16k of bad debts were written off as irrecoverable during the period (2024: £31K). This resulted in a net charge of £56k (2024: £33k) to the SOCI.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**21. Creditors: amounts falling due within one year**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>CURRENT</b>		
Loans and borrowing (note 26)	806	893
Trade creditors	921	378
Rent and service charges received in advance	213	189
Social security and other taxes	35	-
Retentions	66	130
Accruals	505	572
Recycled capital grant (note 24)	-	367
Deferred capital grant (note 23)	270	264
	<hr/>	<hr/>
	2,816	2,793
	<hr/>	<hr/>

**22. Creditors: amounts falling due after one year**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Deferred capital grant (note 23)	19,343	19,263
Loans and borrowing (note 26)	32,438	33,244
Recycled capital grant (note 24)	346	315
	<hr/>	<hr/>
	52,127	52,822
	<hr/>	<hr/>

**23. Deferred capital grant**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
As at 1 April	19,527	19,827
Amount transferred from Recycled Capital Grant	366	-
Amount released to Recycled Capital Grant Fund	(20)	(69)
Amortisation	(269)	(264)
Reversal of previous amortisation on disposed properties	9	33
	<hr/>	<hr/>
As at 31 March	19,613	19,527
	<hr/>	<hr/>
Amounts can be further analysed as follows:		
Due in one year	270	264
Due in more than one year	19,343	19,263
	<hr/>	<hr/>
	19,613	19,527
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24. Recycled capital grant fund**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
As at 1 April	682	577
Utilised on new schemes in the year	(366)	-
Transferred from deferred capital grants in the year	20	69
Interest	10	36
	<hr/>	<hr/>
As at 31 March	346	682
	<hr/>	<hr/>
Amounts due for repayment as follows:		
Due in one year	-	367
Due in more than one year	346	315
	<hr/>	<hr/>
	346	682
	<hr/>	<hr/>

In the 2024/25 financial year, notional interest has been charged to the RCGF on a basis set out in the Capital Funding Guide issued by Homes England.

**25. Provisions**

	<b>Rentplus</b>	<b>Formula</b>	<b>Fair rent</b>	<b>Total</b>
	<b>£000</b>	<b>rent</b>	<b>provision</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At beginning of year	478	133	-	611
Released in the year	(25)	(130)	-	(155)
Charged in the year	97	-	16	113
	<hr/>	<hr/>	<hr/>	<hr/>
At end of the year	550	3	16	569
	<hr/>	<hr/>	<hr/>	<hr/>

Rentplus provisions

Handback costs will be incurred at the end of the five-year lease of the properties leased under the Rentplus contract. These are provided for throughout the life of the lease together with provisions for cyclical and major works. The amounts provided as at 31 March 2025 amount to £550k (2024: £478k). The Rentplus provisions are reviewed, in detail by a joint team consisting of Asset Management and Finance staff. This ensures that the provisions remain up to date and correctly reflect latest expectations about the trajectory of future spending commitments.

Formula Rent Repayment Provision

WTHP has a future obligation to repay rent deemed to have been overcharged by reference to the Regulator of Social Housing's Rent Standard. This matter has been referred to the Regulator and an amount expected to be returned to tenants has been calculated. The overcharge (£) was identified in the 2023/24 financial year of £133k and funds have been reimbursed during the financial year 2024/25, with £3k remaining as at the 31 March 2025.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Fair Rent Provision

As noted above, WTHP has a future obligation to repay rent deemed to have been overcharged by reference to the Regulator of Social Housing's Rent Standard. During the year, WTHP identified that updated fair rents had not been agreed and registered with the Valuation Office Agency and consequently, rent charging for small number of tenants had not been correctly applied. The overcharge was identified and a provision raised to cover the amounts due (£16K) (2024: nil). It is expected that the affected tenants will be reimbursed during the 2025/26 financial year.

**26. Loans and borrowing**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Within 1 year</b>		
Bank loans	795	881
Other loans	11	14
Bank loan set-up costs	(43)	(44)
Other set up costs	(3)	(3)
THFC premium	46	45
	<hr/> 806	<hr/> 893
	<hr/>	<hr/>
<b>Within 1-2 years</b>		
Bank loans	737	795
Other loans	12	11
Bank loan set-up costs	(42)	(43)
Other set up costs	(4)	(3)
THFC premium	48	46
	<hr/> 751	<hr/> 806
	<hr/>	<hr/>
<b>Within 2-5 years</b>		
Bank loans	2,341	2,275
Other loans	45	41
Bank loan set-up costs	(123)	(125)
Other set up costs	(12)	(11)
THFC premium	154	149
	<hr/> 2,405	<hr/> 2,329
	<hr/>	<hr/>
<b>In more than 5 years</b>		
Bank loans	22,884	23,686
Other loans	5,600	5,617
Bank loan set-up costs	(69)	(109)
Other set up costs	(71)	(75)
THFC premium	938	991
	<hr/> 29,282	<hr/> 30,110
	<hr/>	<hr/>
<b>Total carrying cost</b>	<hr/> 33,244	<hr/> 34,138
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26. Loans and borrowing (continued)

As at 31 March 2025, WTHP has a diverse loan portfolio which includes both fixed and variable rate funding held on both bullet and repayment bases. Maturity dates vary between 2025 and 2044 and interest rates range from 2.66% to 10.83% (2023: 2.66% to 10.83%). Other loans include amounts associated with both THFC and Orchardbrook.

WTHP ends 2025 with financing from five lenders (Nat West, Triodos, Lloyds Bank, THFC and Orchardbrook). Nat West is the most significant debt provider within this group.

All loans are secured against the completed housing properties of the organisation. The only valuation completed during the year was the routine re-valuation associated with the Triodos charged stock. There were no issues arising from this.

WTHP remains committed to maintaining a flexible portfolio of financing which includes fixed and variable rate debt, with dates sensibly staggered. Currently, facilities have varied end dates with the latest being 2044. The debt portfolio is scrutinised regularly by the Board and WTHP employs professional treasury managers to advise in this area. The Board is kept informed about interest rate risk, which has increased across the year, following the Bank of England's changes. WTHP has a Treasury Policy and a Treasury Strategy, which are reviewed routinely and in conjunction with the Business Plan, stress testing and recovery planning.

WTHP's treasury management frameworks seek to:

- Minimise treasury related risks such as that arising from adverse movements in interest rates; and
- Support the development aspirations of WTHP.

There were no covenant compliance issues during the year.

### 27. Financial Instruments

	2025	2024
	£000	£000
<b><u>Financial assets measured at cost</u></b>		
Cash and cash equivalents	1,346	2,718
Investments	268	260
<b><u>Financial assets measured at amortised cost</u></b>		
Debtors (excluding prepayments)	385	449
	<hr/> 1,999	<hr/> 3,427
<b><u>Financial liabilities measured at amortised cost</u></b>		
Loans payable	33,244	34,136
Trade creditors	921	378
Other creditors and accruals	789	572
	<hr/> 34,954	<hr/> 35,086
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**27. Financial Instruments (continued)**

The Board govern the treasury activities of the organisation. WTHP retains the services of professional, third party treasury management specialists (2Tix) who advise the Board, CEO and Finance Director on treasury matters.

A treasury management policy and strategy are in place. These were drafted by 2Tix and approved by the Board. The objectives of the policy document are to facilitate the use of financial instruments within a Board approved risk framework. The policy and strategy are subject to regular updates and scrutiny by the Board. The CEO and Finance Director are tasked with enacting the approved treasury management strategy (with assistance from 2Tix) and reporting progress to the Board. The Finance team report on the status of treasury matters and policy compliance on a regular basis to WTHP's Executive team. The Board also receives this information, as well as treasury reporting from 2Tix, across the financial year.

Ultimately, the main risk facing WTHP is that it could be unable to make interest or principal payments when they fall due. This risk arises through the secured funding agreements that it has in place with five lenders (Natwest Bank, Triodos Bank, Lloyds Bank, The Housing Finance Corporation and Orchardbrook). All of the loan facilities are secured by fixed charges on specific completed housing properties belonging to WTHP.

**Counterparty risk**

The treasury management policy sets out limits on the amount of funds which can be placed in any one institution. Reputable institutions are chosen to hold the organisation's cash balances and the risk of institution failure is deemed low.

**Market risk**

WTHP's financial assets and liabilities do not create any material exposure to price, foreign exchange or other market risks.

**Interest rate risk**

The treasury management policy sets out the optimal balance of fixed versus variable interest rate debt to be held in WTHP's borrowing portfolio. The balance is maintained and managed via the agreed actions in the treasury management strategy. WTHP has fixed rate financing in place (to varying degrees) with its lenders. Loans in place with THFC, Lloyds and Orchardbrook are fixed for the duration of the facilities.

**Liquidity risk**

Liquidity is a key risk which is managed using well established cash forecasting and business planning processes which are regularly stress tested using multi variable scenarios. WTHP's operations are financed through a mixture of generated cashflows, government grants for development activities and loan borrowings. The interest rate strategy is regularly reviewed (as part of the Treasury management policy) and aims to achieve a conservative balance between fixed and variable rate debt at an acceptable level of risk and cost. Covenant compliance and sensitivity analysis of interest rates are monitored on a regular basis.

It is considered that WTHP has sufficient financial resources to make debt repayments and therefore the risk of being unable to meet its financial obligations to its lenders is considered low.

**Credit risk**

Credit risk, in terms of outstanding monies owed to WTHP by its tenants is monitored at various levels across the organisation (including the Board) on a routine basis.

Detailed scenario planning is used to estimate the impact of any government policy changes on existing and future tenancies. The business plan takes account of these changes and the impact of other influencing factors such as increases in the cost of living, in determining the financial impact of future customer indebtedness.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**27. Financial Instruments (continued)**

This risk is mitigated by existing processes to monitor and manage rent arrears. Note 21 sets out the level of bad and doubtful debts provided for at the year end.

**Strategic risk**

Financial instrument related risks map into two key strategic risks which are held on WTHP's risk register, as follows:

- Failure to manage lender relationships and risk of covenant breach
- Failure to successfully acquire new debt from new or existing lending partners, at an acceptable cost and risk profile.

The Risk Register is reviewed regularly by the Audit and Risk Committee and the Board. Additional information about WTHP's risk management framework can be found in the Strategic Report.

**28. Defined benefit pension liability**

WTHP participates in the defined contribution (DC) section of the Scheme, as the defined benefit (DB) part of the scheme has been closed to new members for some years. WTHP continues to have an obligation to contribute to any deficits arising from its DB membership.

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

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

**Scheme benefit review SHPS cost estimates**

WTHP has been advised that the Trustee of the SHPS is going to court to ask for a ruling on whether SHPS has been paying the correct benefits to members. Depending on the decision, this could lead to an increase in liabilities. This potential change in liabilities arises from uncertainty about what pension increases should be applied to benefits earned by members before December 2003 (pre-2003 benefits).

The Trustee of the SHPS has appointed Linklaters LLP to act on its behalf in this matter.

The last update for SHPS employers was issued by the SHPS Employer Committee (EC) in December 2023, when the EC advised that preparation for the case was progressing to schedule and that the Court had confirmed a window for the hearing during February 2025, with the outcome expected during Q2 2025. TPT also confirmed that, as the outcome will not be known before the 2023 valuation is concluded, no allowance for any potential increase in liabilities will be included in the 2023 valuation.

WTHP has disclosed a contingent liability in respect of this, see note 32.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**28. Defined benefit pension liability (continued)**

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

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Present value of obligation</b>		
Fair value of plan assets	2,729	2,795
Present values of defined benefit obligation	3,206	(3,421)
Surplus/(deficit) in plan	(477)	(626)
Pension scheme liability	(477)	(626)
Deferred taxation	-	-
Net pension scheme liability	(477)	(626)
<b>Reconciliation of present value of plan liabilities:</b>		
	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Obligation at start of period	3,421	3,371
Expenses	6	6
Interest expense	164	162
Actuarial losses/(gains)	(259)	(1)
Benefits paid	(126)	(117)
	3,206	3,421
<b>Composition of plan liabilities</b>		
	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Schemes wholly or partly funded	3,206	3,421

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**28. Defined benefit pension liability (continued)**

**Reconciliation of fair value of plan assets**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Plan assets at start of period	2,795	2,755
Interest income	137	135
Experience on plan assets (exc. Amounts in interest income) – (loss)	(227)	(124)
Contributions by employer	150	146
Benefits paid	(126)	(117)
	<hr/>	<hr/>
	2,729	2,795
	<hr/>	<hr/>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £11k (2023: £1,330k).

**Amounts recognised in the Statement of Comprehensive Income (SOCl)**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Operating costs:</b>		
Expenses	6	6
<b>Finance costs:</b>		
Net interest cost	27	27
	<hr/>	<hr/>
	33	33
	<hr/>	<hr/>

**Analysis of (loss) recognised in SOCI**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Experience on plan assets (exc. Amounts in interest) – (loss)	(227)	(124)
Experience gains and losses arising on the plan liabilities – (loss)	(90)	(35)
Effects of changes in demographic assumptions underlying the PV of the DB obligation – gain	-	40
Effects of changes in the financial assumptions underlying the PV of the DB obligation – (loss)/ gain	349	(4)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognizable) – (loss)/gain	-	(123)
	<hr/>	<hr/>
	32	(246)

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Defined benefit pension liability (continued)

Composition of plan assets

	2025	2024
	£000	£000
Global equity	306	279
Absolute return	-	109
Distressed Opportunities	-	99
Credit Relative Value	-	92
Alternative Risk Premia	-	89
Liquid Alternatives	506	-
Emerging Markets debt	-	36
Risk sharing	-	164
Insurance-linked securities	8	14
Property	137	112
Infrastructure	-	282
Private Equity	2	2
Real assets	327	-
Private Debt	-	110
Opportunistic Illiquid Credit	-	109
Private Credit	334	-
Credit	104	-
High yield	-	-
Opportunistic Credit	-	-
Cash	37	55
Corporate bond fund	-	-
Liquid Credit	-	-
Long lease property	1	18
Secured income	46	83
Liability driven investment	827	1,138
Current Hedging	4	(1)
Net current assets	6	5
	<hr/>	<hr/>
	2,729	2,795
	<hr/>	<hr/>

None of the fair values of the assets shown above includes any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**28. Defined benefit pension liability (continued)**

**Principal assumptions**

	<b>2025</b>	<b>2024</b>
	<b>% per</b>	<b>% per</b>
	<b>annum</b>	<b>annum</b>
Discount Rate	5.77	4.89
RPI	3.11	3.17
CPI	2.78	2.77
Salary growth	3.78	3.77
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**Mortality assumptions**

	<b>2025</b>	<b>2024</b>
	<b>Life</b>	<b>Life</b>
	<b>expectancy</b>	<b>expectancy</b>
	<b>at age 65</b>	<b>at age 65</b>
	<b>(years)</b>	<b>(years)</b>
Male retiring in 2025 (2024)	20.5	20.5
Female retiring in 2025 (2024)	23.0	23.0
Male retiring in 2045 (2044)	21.7	21.8
Female retiring in 2045 (2044)	24.5	24.4

**29. Share capital**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
As at 1 April	9	9
Shares issued in the year	1	2
Shares redeemed in the year	-	(2)
As at 31 March	<u>10</u>	<u>9</u>

The share capital of WTHP consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of WTHP. Therefore, all shareholdings relate to non-equity interests.

**30. Reserves**

The revaluation reserve was created at WTHP's transition to FRS 102 and represents the uplift on housing properties at fair value.

The income and expenditure reserve represents the cumulative surpluses of WTHP.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**31. Capital commitments**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Expenditure contracted for but not provided in the accounts		
- Maintenance	-	-
- Construction	820	-
Expenditure authorised by the Board but not contracted		
- Maintenance	-	-
- Construction	2,038	949
	<u>2,858</u>	<u>949</u>
Financing of capital commitments:		
Undrawn loan facilities	<u>2,858</u>	<u>949</u>

Uncontracted construction as at 31 March 2025 relates to scheme development at Ilton and Shepton Beauchamp. Contracted construction reported under 2025 relates to WTHP's housing development schemes at Morchard Bishop.

As at 31 March 2025, WTHP has £6.0m (2024: £6.0m) of undrawn loan facilities, which will be used to fund capital commitments along with receipts from first tranche shared ownership sales and planned property sales.

**32. Contingent Liabilities**

The following contingent liabilities are noted:

**Increased Pension liabilities dependent on the SHPS Benefit Review Court Case**

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

**Recycled Capital Grant Fund**

From time to time, WTHP receives capital grant from Homes England and other similar bodies, which is used to fund the acquisition and development of housing properties and their components. Grant of £24.4M (2024: £24.1M) (excluding RCGF) has been received in respect of housing properties. In certain circumstances, upon disposal of grant funded properties, WTHP is required to recycle this grant by crediting the Recycled Capital Grant Fund (RCGF).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**33. Operating leases**

The minimum payments under this non-cancellable lease are set out below:

	<b>Other equipment</b>		<b>Land and buildings</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Amounts payable:				
- less than one year	5	5	1,531	1,303
- between 2 and 5 years	-	-	3,241	2,032
	<hr/>	<hr/>	<hr/>	<hr/>
	5	5	4,772	3,335
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WTHP leases a photocopier and a franking machine on rolling operating leases.

WTHP has an operating lease for 200 properties with RPI 1 Limited and RPI 2 Limited. The operating leases are calculated as a percentage of rental income received on the leased properties.

Also included within operating leases on land and buildings is the office space.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 34. Analysis of net debt

	At 1 April 2024 £000	Cashflow £000	Interest charge £000	Amortisation of loan costs £000	Premium £000	At 31 March 2025 £000
Cash at bank and in hand	2,718	(1,372)	-	-	-	1,346
Bank loans	(27,312)	2,101	(1,225)	(44)	-	(26,480)
Other loans	(6,825)	349	(330)	(3)	45	(6,764)
	<u>(31,419)</u>	<u>1,078</u>	<u>(1,555)</u>	<u>(47)</u>	<u>45</u>	<u>(31,898)</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**35. Related party disclosures**

During the year, WTHP purchased legal services from Tozers LLP amounting to £66k (2024: 35k). Additionally, Tozers LLP received £1,120k (2024: £2,312k) in funds to hold in WTHP's client account (for onward payment for property development). Mr. Stephen Burtchaell (a Board member) is a partner of this firm. In addition, WTHP has paid a total of £4k (2024: £4k) to a number of local authorities based in the Somerset area. Wendy Lewis (a Board member) is an employee of Somerset Council.

**36. Ultimate controlling party**

Willow Tree Housing Partnership Limited is jointly controlled by the members. There is no ultimate controlling party.