



Report and Financial Statements

For the year ended 31 March 2026

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Livin, Farrell House, Arlington Way,
DurhamGate, Spennymoor,
Co. Durham DL16 6NL



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General Information

Chair of the Board

Natalie Wilkinson

Chief Executive

Alan Boddy

Vice Chair

Ryan Appleby

Directors

Sean Brodie
(Finance and Investment)

Paul Stephens
(Corporate Services)

Graham Darby
(Housing and Communities)

Helen Darby (Transformation)

Roslyn Littledyke
(Customer Experience and Insight)

Board members

Stephen Watson

Elaine Middleton

Joanne Race

Paul Stephens
(from 18 September 2025)

Jenny Davidson
(from 18 September 2025)

Andy Palmer
(from 19 February 2026)

Dennis Bradley
(until 18 September 2025)

Charlotte Harrison
(until 18 September 2025)

Norman Rollo
(until 18 September 2025)

Kevin Thompson
(until 18 September 2025)

Pam Mastrantonio
(until 14 September 2025)

Adele Barnett
(Co-optee from 4 June 2026)

Alan Boddy

Sean Brodie

External Auditors:

Menzies LLP
One Express
1 George Leigh St.
Manchester, M4 5DL

Registration Numbers:

Regulator of Social Housing L4538

Registered Society number 30568R

Advisors

Bankers:
NatWest PLC
12 Market Place
Durham
County Durham
DH1 3NG

Solicitors:

Trowers & Hamblins LLP
3 Bunhill Row
London
EC1Y 8YZ

Internal Auditors:

TIAA Ltd
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

Registered office:

Farrell House, Arlington Way,
DurhamGate, Spennymoor,
County Durham
DL16 6NL



Our Business

We are a local housing provider managing over 9,000 homes across County Durham and the North East of England.

We are pleased to present this report together with the audited financial statements of Livin Housing Limited (the Association) for the year ended 31 March 2026. This Strategic Report has been prepared in accordance with the principles set out in the 2018 SORP for Registered Social Housing Providers.

Legal Status and Principal Activities

The Association is a Registered Society under the Co-operative and Community Benefit Societies Act with charitable objectives and is a private registered provider of social housing regulated by the Regulator of Social Housing.

The Association operates on a not-for-profit basis providing housing for rent, primarily for people who are unable to rent or buy at open market rates. Its principal activities are the provision, management, maintenance and development of social and affordable housing.

The Association’s head office is based in Spennymoor, County Durham and its homes are mainly in County Durham.



At a glance

Operating Margin 2026 26.8% 2025 - 26.3%	EBITDA 2026 £21.024m 2025 - £20.807m
Total homes (including leaseholders) 2026 9,048 2025 - 9,007	Number of housing responsive repairs completed 2026 38,116 2025 - 35,440
Void Loss (all properties) 2026 1.16% 2025 - 1.16%	Total Arrears (adjusted for housing benefit due) 2026 3.92% 2025 - 3.80%
Investment (housing developments, acquisitions and improvements to homes) 2026 £32.112m 2025 - £30.572m	Social Value Generated 2026 £36.9m 2025 - £15.5m

Chief Executive's Statement

This has been a year of real progress for us. We have continued to work through a challenging operating environment, balancing rising costs, increasing expectations and continued demand for affordable homes.

Despite this, our focus has remained clear: improving lives through sustainable homes and communities. What stands out most is what we have achieved together. Colleagues, customers, partners and Board members have all played an important role in helping us deliver on our purpose. By working together, listening to customers and focusing on what matters most, we have continued to invest in homes, strengthen services and support our communities.

While there is always more to do, I am proud of the difference we have made this year and the strong foundations we are building for the future.

Investing in Customer Focused Services

Customer experience remained a strong area of performance during the year. Overall customer satisfaction was 90.54%. This matters to us because it shows that customers continue to value the services they receive, while also helping us understand where we need to keep improving.

We were delighted to be recognised for Best Customer Experience at the Northern Housing Awards 2026 for the co-design of the My Livin app and portal. This reflected our deeply embedded approach to customer engagement, where insight is built into everyday decision-making rather than treated as an add-on. By working with customers to shape digital services, we have made it easier for them to manage their tenancy, share feedback, stay informed and access services in a way that is more convenient, transparent and responsive.

Meeting Regulatory Standards

We are operating in a more demanding regulatory environment, with new and emerging requirements across building safety, consumer regulation, data, transparency and professional standards. Our focus is to meet these requirements in a way that continues to also improve services for customers and supports better long-term decisions about their homes.



Customer experience remained a strong area of performance during the year. Overall customer satisfaction was 90.54%. This matters to us because it shows that customers continue to value the services they receive.

In August 2026, we achieved a significant milestone when the Regulator of Social Housing confirmed a C1 consumer grading, the highest possible rating. We also retained our G1 governance grading and secured an upgraded V1 financial viability grading. Together, these judgements recognised that we are delivering the outcomes required by the consumer standards, maintaining strong governance and demonstrating the financial resilience needed to continue investing in homes and services.

Building and Acquiring Homes

Our total stock increased to 9,048 homes, and during the year we approved development opportunities for a further 309 new homes. Demand for affordable homes remains high and we continue to work with partners to strengthen our future pipeline. Our homes are designed to meet local need, including homes suitable for older people. Of the new homes approved during the year, 23.95% were bungalows.

Providing Quality Sustainable Homes

We have awarded a long-term transformational property-related services contract to Mears Group to deliver a high-quality, future-focused, and technology-enabled repairs and maintenance service across our homes.

The new contract marks the beginning of a refreshed

specification designed to improve customer experience and future-proof delivery. Building on our integrated Livin Works delivery approach, together with Mears, we will operate as one team to deliver safe, well-maintained and energy-efficient homes, with a strong emphasis on listening to customers, getting repairs right first time, and offering convenient digital services.

Supporting Sustainable Tenancies and Communities

We continued to support customers to sustain their tenancies and build financial resilience. The Money Support Team continued to help tenants reduce their rent arrears and improve their income levels. Livin Futures supported 213 customers into employment, helping people overcome barriers, improve confidence and access new opportunities.

Our community work also delivered strong results, with £36.88 million of social value generated through social, economic and environmental activity. We worked with partners to reduce anti-social behaviour, support employability, improve neighbourhoods and provide health and wellbeing services. These outcomes show the difference that can be made when we combine local insight, practical support and strong partnerships.

Financial Viability

We remained financially strong in 2025/26. Turnover increased to £49.4 million, and the surplus for the year was £6.4 million. Operating margin increased slightly to 26.8%, demonstrating continued focus on value for money while we responded to cost pressures and maintained investment in homes and services.

During the year we invested £32.112 million in housing, including £10.477 million in works to existing homes and £21.635 million in building and acquiring new sustainable homes. Our continued investment in energy efficiency measures has resulted in 97.75% of our homes reaching minimum EPC band C, therefore helping customers with their energy costs.

Data and AI

Data, digital services and artificial intelligence are becoming an increasingly important part of how we create capacity and improve services. During the year, we completed testing of Ali, our first AI-powered virtual assistant, which was released in the My Livin app shortly after year end. Customers and colleagues helped shape and test Ali so that it is

easy to use and adds real value. Alongside this, we rolled out AI tools more widely, launched an AI hub for employees and continued to improve data quality, giving colleagues more time to focus on customers, compliance and service delivery.

Working Together

Everything we have achieved this year has been made possible through the commitment of our colleagues, the support and challenge from our Board, and the valuable contribution of our customers and partners.

I am proud of the progress we have made and the positive difference we continue to see across our homes and communities. Just as importantly, I am encouraged by the way we are embracing innovation, listening to feedback and working collaboratively to keep improving.

There will always be opportunities to do more, and we remain committed to learning, adapting and delivering the homes, services and support our customers need. By continuing to work together, we can create a lasting positive impact in the communities we serve.

Alan Boddy

Alan Boddy
Chief Executive

Chair's Statement

It has been a busy and demanding year but our purpose, to improve lives through sustainable homes and communities, has kept us focused on what matters most: our customers, their homes and the communities we serve.

We entered the final phase of our current business strategy Plan A 2025-28, which gives us a clear strategic focus. It is shaped by what our customers tell us and by the information we hold, bringing together our ambitions for excellent services, sustainable tenancies and communities, good-quality homes, new supply, strong finances and a skilled, supported workforce. By the year end, progress against Plan A 2025-28 was over 50% complete demonstrating our passion and drive to achieve great results for our customers.

We achieved the highest possible C1 consumer grading in August 2026 and were also pleased to see our financial viability grading upgraded to V1 in January 2026, while retaining our G1 governance grading. Together, these judgements provide assurance that we are delivering services that put customers at the heart of decision-making, maintaining strong governance

and remaining financially resilient. The V1 judgement gives customers, colleagues and partners confidence that we have the financial capacity to respond to a wide range of adverse scenarios.



We entered the final phase of our current business strategy Plan A 2025-28, which gives us a clear strategic focus. It is shaped by what our customers tell us and by the information we hold, bringing together our ambitions for excellent services, sustainable tenancies and communities, good-quality homes, new supply, strong finances and a skilled, supported workforce.

We continued to deliver an excellent customer experience with our tenant satisfaction measures showing overall customer satisfaction was 90.26%, with 90.83% of tenants agreeing that we treat them fairly and with respect. Our customers remain at the heart of everything we do, and we aim to improve on the already high-quality services we offer to them.

Providing safe, good-quality and sustainable homes remained a central priority. During the year, we completed a full procurement process for our repairs and

maintenance service, resulting in a new 10-year partnership with Mears. This will help us continue investing in customers' homes and delivering reliable, high-quality services for years to come. Our strategic membership of the North East Housing Partnership also creates an important opportunity to work alongside partners, access further funding, and deliver more affordable homes across our local area.

We remained financially strong and resilient throughout 2025/26, enabling us to continue investing in new and existing homes while responding to rising costs and an increasingly demanding regulatory environment. This financial strength provides a sound platform to make careful long-term choices and continue delivering the homes and services our customers need.

Looking ahead, we will continue to make careful choices about investment in existing homes, new supply, customer services and regulatory requirements. Good-quality data, thoughtful transformation and the responsible use of digital technology will help us create capacity and make well-informed decisions. On behalf of the Board, I would like to thank our customers, colleagues and partners for everything they have contributed during the year. There is much to be proud of, and we will keep working together to deliver Plan A and improve lives through sustainable homes and communities.

Natalie Wilkinson
Chair

Our Business Strategy

We are an award-winning not-for-profit housing association based in County Durham. We offer more than just a home. We help improve the lives of the people living in our homes and in our communities.

We work hard to make sure those homes are high quality, sustainable and adaptable, while meeting current and future aspirations. We offer support that helps people into work and training and increases their financial confidence and stability.

In 2025, we launched the final phase of our 10-year business strategy, Plan A. Covering the period 2025 to 2028, Plan A sets out how we will continue to improve lives through sustainable homes and communities, while remaining financially resilient and responsive to the needs of our tenants,

communities and wider operating environment.

Plan A is structured around seven strategic chapters, each with a clear vision and supporting objectives. These chapters focus on excellent customer experience and digital services, supporting balanced communities, sustainable tenancies, quality homes, new homes, strong finances and our people. Together, they provide a clear framework for how we will invest resources, manage risk and deliver long-term value for tenants,

communities and stakeholders. The strategy is rooted in ambition, informed by data and customer insight, and focused on the outcomes that matter most: reliable and accessible services, warm and safe homes, sustainable communities, financial strength and a professional, engaged workforce.

Our priorities include improving

repairs performance, making better use of data, digital services and artificial intelligence, preparing for the new Decent Homes requirements, increasing the supply of homes, strengthening financial and employability support, and progressing place-based regeneration. These priorities are designed to deliver practical benefits for tenants while supporting the long-term sustainability of the business.



Our Plan A is to
“Improve lives through sustainable homes and communities.”



Our Values

Trust

- Being supportive
- Doing what we say we will do
- Having integrity



Respect

- Listening and caring
- Valuing difference
- Treating people as individuals



Work Together

- Joining up to make things happen
- Working with partners to achieve more
- Sharing and learning best practice to achieve better results



Innovate

- Aiming high
- Changing things for the better
- Driving efficiency



Own it

- Seeing things through to completion
- Taking the initiative
- Taking personal responsibility



Our objectives

Plan A comprises seven strategic chapters, each setting out the areas where we will focus our effort and resources during the period 2025 to 2028:

- 1: Consistently delivering excellent customer experience and digital services
- 2: Supporting balanced and sustainable communities
- 3: Supporting sustainable tenancies
- 4: Providing quality sustainable homes
- 5: Building and acquiring sustainable homes
- 6: Maintaining strong finances
- 7: Maximising the talent and contribution of our people

Our Plan A priorities

Our Plan A priorities for this phase of the strategy are focused on the areas that will have the greatest impact for tenants, communities and the long-term sustainability of Livin:

- Property services contract: meeting service standards for repairs, with a particular focus on repairs completed first time.
- Data, digital and artificial intelligence: making best use of relevant and timely customer data to make reasonable adjustments and improve access to services and homes.
- Decent Homes: using an integrated asset management approach to enhance our understanding of homes and prepare for the new Decent Homes Standard.
- New homes: working with partners and other stakeholders to increase the number of homes.
- Financial and employability support: delivering meaningful, personalised support to improve tenants' incomes and reduce poverty levels.
- Western regeneration: progressing place-based economic, social and physical regeneration on the Western Estate, Newton Aycliffe, to balance and sustain the community and transform the housing offer.



Finance - Five Year Summary

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Statement of Comprehensive Income					
Turnover	36,979	39,313	42,705	47,506	49,416
Operating Surplus	10,372	10,002	10,212	12,492	13,226
Surplus for year	6,583	5,939	4,723	5,979	6,419
Statement of Financial Position					
Housing Properties (net of depreciation)	182,716	204,298	248,918	270,012	291,890
Investment Properties and Other Investments	6,865	6,669	6,524	5,777	5,563
Other Fixed Assets	4,402	5,042	4,871	4,535	4,641
Total Fixed Assets	193,983	216,009	260,313	280,324	302,094
Current Assets	8,409	11,579	6,447	7,775	11,521
Current Liabilities	(9,027)	(9,486)	(9,666)	(14,715)	(23,649)
Total Assets less Current Liabilities	193,365	218,102	257,094	273,384	289,966
Long-term Creditors	129,258	147,046	181,785	192,843	203,785
Pension Deficit	7,220	-	-	-	-
Revenue Reserve	51,279	65,772	70,269	76,307	81,959
Revaluation Reserve	5,608	5,284	5,040	4,361	4,188
Cashflow Hedge Reserve	-	-	-	(127)	34
Total Creditors and Reserves	193,365	218,102	257,094	273,384	289,966
Net Debt	101,346	111,322	143,512	147,612	163,121
Other information and key performance measures					
Housing Properties (including leaseholders)	8,708	8,736	8,949	9,007	9,048
Operating Surplus as a % of Turnover	28.0%	25.4%	23.9%	26.3%	26.8%
Surplus for the year as % of Turnover	17.8%	15.1%	11.1%	12.6%	13.0%
Rent losses (voids + bad debt as a % of rent receivable)	2.4%	2.1%	1.9%	1.5%	1.5%
EBITDA	15,370	16,032	17,829	20,807	21,024
EBITDA MRI	8,764	3,384	4,158	8,919	11,049
EBITDA MRI % turnover	23.7%	8.6%	9.7%	18.8%	22.4%
Interest Cover – Loan Covenant*	3.13	4.59	3.18	3.33	2.93

*Interest cover loan covenant definition amended during the year end 31 March 2023 to exclude MRI costs



Financial Review

Turnover increased by £1.91m to £49.416m, mainly due to the annual rent increase and the continued growth in the number of homes owned and managed.

Operating surplus increased by £0.734m to £13.226m, improving the operating margin to 26.8%. EBITDA also increased to £21.024m, despite continued cost pressures, reflecting the strength of the underlying operating performance and our continued focus on value for money.

The increase in income helped offset higher operating costs, including planned and responsive repairs, contractual price increases, continued work to address damp and mould, and investment in void properties to support re-let standards and customer satisfaction. Depreciation also increased as a result of continued investment in existing homes and the delivery of new affordable homes. Overall surplus increased from £5.979m last year to £6.419m representing 13.0% of turnover.

Asset management and property development

We continued to invest significantly in both existing and new homes. Total investment in housing developments, acquisitions and improvements to homes was

£32.112m. This included investment of £10.477m in residential accommodation to improve the energy efficiency of our housing stock and ensure our homes continue to meet the Decent Homes Standard. We also invested £21.635m during the year to build and acquire new sustainable homes.

Future developments

Plan A continues to guide our investment in sustainable homes and communities. Two key chapters, "Providing Quality Sustainable Homes" and "Building and Acquiring Sustainable Homes", focus on improving existing homes and delivering new homes that meet customer need, support balanced communities and improve thermal comfort and energy efficiency.

The Board has approved plans to spend approximately £11.04m during the next financial year on improvements to existing housing. Our business plan also includes £25.912m, before grant, for building and acquiring sustainable homes.



This investment will be funded through existing committed undrawn loan facilities, our rental income stream and short-term deposits.

Void rent loss

Void rent loss remained controlled at £0.551m, with a slight increase compared to £0.533m in the previous year. Our continued focus on helping customers sustain their tenancies and reducing average re-let times resulted in the void loss percentage remaining the same as last year at 1.16%.

Rent Arrears

Rent arrears in respect of current tenants were 2.98% after accounting for the timing of a housing benefit payment received shortly after the year end, compared with 2.79% in 2025. The increase reflects the completion of customers transitioning to Universal Credit from legacy benefits, and the challenges tenants face following the transition. Our prevention led approach and support should enable us to maintain this level of arrears in the coming year.

Capital structure and treasury policy

Our treasury management arrangements are set out below.

At the year-end our debt facilities totalled £208.5m with £38m of this available under revolving credit facilities.

A summary of our borrowings at year end is shown in the table below.

Maturity	2026 £m	2025 £m
Within one year	13.75	1.50
Between one and two years	22.00	1.75
Between two and five years	39.75	52.75
After five years	95.00	95.00
	170.50	151.00



Working capital and liquidity management

Our working capital and liquidity requirements are managed through the preparation of regular cash flow forecasts. These are constantly updated to ensure liabilities can be met as they fall due. We hold loans from the Pension Insurance Corporation, AIB Group (UK) plc, Lloyds Bank plc and Clydesdale Bank plc (trading as Virgin Money), at both fixed and floating rates of interest. Cash flow is monitored to ensure that loan drawdowns are only made when required, to minimise borrowing costs.

After the financial year end, in June 2026, we combined a £25m term loan and £40m revolving credit loan with Lloyds Bank into a single £65m revolving facility for five years, with an option to extend for two additional single years. At the year-end we had £25m of undrawn facilities available with Lloyds Bank. We also had undrawn facilities of £13m with Clydesdale Bank plc (t/a Virgin Money).

Interest rates

We use fixed rate loans to manage our exposure to interest rate fluctuations. Our treasury management policy targets a maximum of 30% variable rate loans or a maximum of 90% fixed rate loans. An International Swaps and Derivative Association (ISDA) agreement with Lloyds Corporate Markets plc remains in place until December 2029 with an interest rate swap for £20m.

At the year end the amount of unhedged variable loans outstanding were £41.4m, resulting in 76% of our borrowings being at fixed rates of interest.

The range of interest rates on the fixed rate loans varies between 2.570% and 6.926% (including margins). Floating loans are priced at SONIA plus margin.

Peak debt

Our Business Plan for 2026-56 has been prepared in accordance with the existing capital structure and includes a pipeline of developments over the next five years. This is an extension of one year to align to our commitment to deliver new homes under a strategic partnership. Following a new 10-year rent settlement of CPI +1% forecast peak debt has reduced by £7.6m to £204.2m and is now expected to occur in March 2031. This remains well within our existing borrowing capacity.

Golden rules

Financial strength is essential to the delivery of Plan A. To support this, we have established a set of **"Golden Rules"** — financial measures that help ensure we remain resilient, avoid excessive risk and continue to be attractive to both existing and potential funders.

These rules support responsible financial planning by helping to ensure that the organisation has sufficient capacity to withstand stress events or a deterioration in financial performance.

A summary of the Golden Rules in place at the year end, together with

expected performance based on the latest Business Plan, is set out below:

Area	Golden Rule	Trigger	2026/27	2027/28	2028/29	2029/30	2030/31
Liquidity *	24 months	30 months	13	1	0	0	0
Interest Cover (5 year forward looking average)	Min1.10x	N/A	1.44	1.42	1.37	1.36	1.34
Covenant - Interest cover headroom	Min£5m	Min£6m	£12.8m	£13.3m	£14.7m	£14.5m	£15.2m
Covenant-Gearing	Max 70%	Max 65%	43%	41%	39%	38%	37%
Market risk	Max 10%	N/A	N/A	N/A	N/A	N/A	N/A
On-lending	Max £12m	Max £9m	£0	£0	£0	£0	£0
- EBITDA margin	Min30%	N/A	42%	43%	44%	43%	44%
- Voids	Max 5.0%	Max 3.0%	2.00%	2.00%	2.00%	2.00%	2.00%
- Bad debt	Max 2.65%	Max 1.5%	1.00%	1.00%	1.00%	1.00%	1.00%
Credit rating – Social Housing Lettings Interest Cover (5 year forward looking average)	Min 1.0x	N/A	1.54	1.52	1.45	1.41	1.37
Credit rating – EBITDA : Debt	Max 15x	N/A	8.45	8.57	7.60	7.60	7.42
Security value of properties to peak debt	100%	N/A	168%	170%	172%	174%	176%
Covenant – Asset cover	Min 120%	Min 130%	186%	172%	184%	180%	176%

*Liquidity is measured as at the end of the financial year

The Golden Rules show that we will continue to meet the financial targets defined by our Board over the medium term with the exception of liquidity. Forecast liquidity at March 2027 was 13 months based on loan agreements in place at the year-end. However, on 4 June 2026 Board approved increasing and resetting a term

loan by £25m until 2033 and joining a £25m term loan and £40m revolving credit facility into a single revolving facility worth £65m for a minimum of five years. Once signed, these agreements improve the forecast liquidity golden rule at March 2027 to 51 months with additional funding now not required until June 2031.

Sustainability and carbon reporting

We have adopted the Sustainability Reporting Standard for Social Housing enabling us to report our Environmental, Social and Governance (ESG) performance in a transparent, consistent and comparable way. Our latest ESG report can be seen on our website.

We have chosen to share our energy performance and carbon emissions data. We monitor progress against our targets each year and produce a report covering our operations, buildings, processes and travel. The key metric we measured is 7.97 tCO2e per £million of turnover.

Emissions source	Units	2025/26	2024/25
Scope 1			
Natural gas	tCO2e	34.37	35.42
Scope 2			
UK National Grid electricity	tCO2e	74.43	90.41
Scope 3			
Category 1 - Purchased goods and services	tCO2e	0.40	0.20
Category 3 - Fuel and energy-related activities	tCO2e	83.43	113.48
Category 5 - Waste generated in operations	tCO2e	2.52	0.82
Category 6 - Business travel - Mileage claims	tCO2e	47.36	46.56
Category 6 - Business travel - National rail	tCO2e	0.89	1.73
Category 7 - Employee Commute	tCO2e	150.54	220.91
Total Scope 1, 2 & 3	tCO2e	393.94	509.53
Turnover	£	49,416,000	47,506,000
Full-time equivalent employee (FTE)		139.7	134.89
Intensity 1: Total CO2e per*£m Turnover on gross scope 1, 2 and 3	tCO2e per million £	7.97	10.73
Intensity 2: Total CO2e per*FTE on gross scope 1, 2 and 3	tCO2e per FTE	2.82	3.78
Total energy consumption	kWh	802,800.45	722,396.02

Energy efficiency measures taken

We have:

- Deployed smart energy monitoring technology at our head office, Farrell House, enabling real-time tracking of energy and water consumption, helping to identify usage hotspots and operational anomalies.
- Embedded sustainability in our procurement of the property related services contract ensuring prospective service providers align with our environmental values and contribute meaningfully to our current goals and long-term vision.
- Developed a sustainability best practice guide to ensure our employees adopt a consistent approach across all areas of the organisation.
- Performed a detailed assessment of the air conditioning system following a recent EPC review. This evaluation will aim to identify inefficiencies within the current setup and ensure alignment with the latest standards.
- Replaced the air conditioning system at Farrell House with an energy-efficient alternative to support the long-term sustainability of the main office building.

Energy efficiency - planned measures

We plan to:

- Implement a cloud-based communications platform, replacing legacy telephony infrastructure and enabling more flexible, digital-first ways of working that improve operational efficiency and support a more sustainable organisational operating model.
- Expand the use of digital and self-service channels, helping to reduce paper use, printing and travel while improving customer access.
- Review our travel and our contractor's fleet arrangements to identify opportunities to reduce emissions while maintaining operational performance and customer service standards.
- Manage waste responsibly and sustainably, with our appointed contractor setting out how they will reduce the environmental impact of their activities, including reducing waste sent to landfill and increasing recycling through a waste management plan.

Notes about methodology:

- We have adopted an operational control approach to establishing the boundary. The methodology adopted aligns with the Greenhouse Gas Protocol and the BEIS Environmental Reporting Guidelines. The calculations were completed on the SmartCarbon™ Calculator



using the UK Government emissions factors.

- CO₂e is the universal unit of measurement to indicate the global warming potential (GWP)

of Greenhouse Gases (GHGs), expressed in terms of the GWP of one unit of carbon dioxide. There are seven main GHGs that contribute to climate change, as covered by the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). Different activities emit different gases. Using CO₂e allows all greenhouse gases to be measured on a like-for-like basis.

- For National Grid electricity consumption, we have included factors for the transmission and distribution of electricity (T&D) losses, which occur between the power station and site(s). The emissions from T&D have been accounted for in Scope 3. As with other Scope 3 impacts, reporting T&D is voluntary but is recommended standard practice by the UK Government.

Estimations:

- Not applicable.

Exclusions:

- Farrell House excludes emissions related to EV charging, which takes place on site, and is now recharged to individual employees.
- Not included purchase of goods and services – greenhouse gas protocol.

Employees, equality, diversity and inclusion

The Association recognises that its employees are central to the delivery of its objectives. The Association is committed to fair employment practices, employee engagement, health and safety, learning and development, equality, diversity and inclusion, and supporting disabled applicants and employees, including reasonable adjustments and support for employees who become disabled during employment.

Health and Safety

The Board recognises its responsibility for health and safety and is committed to ensuring safe working practices. The Association maintains health and safety policies, procedures and risk management arrangements designed to comply with applicable legislation and regulatory requirements. These arrangements include employee training, contractor management, monitoring of statutory compliance, reporting of health and safety performance, and oversight by the Board and relevant committees.

Donations

The Association donated £2,309 (2025 £1,294) to charitable and community organisations. No political donations were made.

Our Value for Money Strategy

We are committed to embedding Value for Money across our governance arrangements, business planning, performance management frameworks and service delivery culture. We recognise that Value for Money is central to achieving our strategic objectives, maintaining long-term viability and supporting sustainable future growth.

Our approach to Value for Money

The Regulatory Standards require registered providers to review and understand their performance against the Value for Money technical metrics set by the Regulator of Social Housing, as well as their own Value for Money targets.

Targets are set annually by our Board based on the approved budget for the year, ensuring they include the strategic objectives contained within Plan A. To ensure that our Board considers the effect of their decisions on the technical metrics established by the Regulator, they are provided with a three-year forecast of the technical metrics when setting the annual budget and a ten-year forecast when approving the Business Plan. These forecasts show both historic and projected performance for each metric, benchmarked against the wider sector using the latest available information published by the Regulator. Sector comparison is



based on registered providers in England with more than 1,000 homes, with performance analysed by quartiles. In our analysis below we also consider performance against our

North East Peer Group as defined by the Regulator in their Global Accounts 2025.

Measuring Value for Money – our own performance targets

Our performance management framework is used to measure Value for Money and is monitored and reported to Board on a quarterly basis. Our framework includes Tenant Satisfaction Measures

(TSM) and provides assurance that Plan A objectives are progressing in accordance with the delivery plan. Focus areas are considered by the Board to ensure specific issues are scrutinised before being de-escalated when the Board are satisfied that the risk and performance have been properly addressed. Challenging targets are approved each year.

Our performance against key indicators is set out below:

Performance Measure	Target (2025/26)	Result (2025/26)
Consistently Delivering Excellent Customer Experience and Digital Services		
Percentage of customers satisfied with the overall customer experience	89.50%	90.54%
Overall Satisfaction (TSM-P& CSAT)	90.00%	90.26%
Percentage of tenants satisfied that their views are being listened to and acted upon	95.00%	98.80%
Satisfaction that the landlord listens to tenants views and acts upon them (TSM-P& CSAT)	83.00%	82.95%
Net Promoter score	60	64.26
Percentage of homes where access is gained at first visit	83.00%	82.67%
Satisfaction with the landlord's approach to handling complaints (TSM-P& CSAT)	55.00%	47.70%
Percentage of complainants satisfied with the way the complaint was handled	93.00%	87.88%
Supporting Balanced and Sustainable Communities		
Total number of customers into employment (cumulative)	200	213
Total number of tenants into employment (cumulative)	150	144
Percentage of sustainable homes	99.12%	99.08%
Total social value achieved through social, economic and environmental interventions in communities supported/ delivered by Livin (cumulative)	£13 m	£36,876,816
Improvement of sustainable communities' indicators - place making communities	8	15

Measuring Value for Money – our own performance targets

Performance Measure	Target (2025/26)	Result (2025/26)
Supporting Sustainable Tenancies		
Current tenant rent arrears as a percentage of the rent roll	2.75%	2.98%
Average re-let time (Calendar days) standard properties (excluding major works)	27 days	25.88 days
Turnover of tenancies as a percentage of overall stock (cumulative)	7.00%	6.75%
Percentage of tenancies using digital means of managing their tenancy	56.00%	63.02%
Percentage of older and vulnerable tenants showing reduction in rent arrears six months after a Financial Inclusion Intervention	85.00%	80.99%
Providing Quality Sustainable Homes		
Percentage of homes with a valid stock condition survey within the previous 5 years*	82.00%	82.01%
Percentage of homes achieving EPC Band C	97.50%	97.75%
Average SAP score of all properties	73.00	73.43
Percentage of tenants satisfied with planned works (CSAT)	90.00%	93.33%
Percentage of jobs completed at first visit	96.00%	97.53%
Percentage of tenant satisfied with repairs (CSAT)	86.00%	87.31%
Satisfaction with repairs (TSM-P and CSAT)	88.00%	89.10%
Average time taken to complete repairs (calendar days)	15 days	12.08 days
Percentage of repairs completed within target time	90.00%	90.01%
Percentage of emergency repairs attended to within 4 hours and completed within 1 working day	96.00%	96.83%
Percentage of damp and mould cases closed within 33 working days	100.00%	68.86%
Total scope 1 and 2 CO2 emissions (cumulative)	150 Tonnes	108.8 Tonnes
Total CO2 emissions per property	2.50 Tonnes	2.27 Tonnes

Performance Measure	Target (2025/26)	Result (2025/26)
Health and Safety Compliance		
Percentage of properties compliant with all safety checks	100.00%	99.75%
Percentage of properties with a valid Landlord Gas Safety Record (LGSC)	100.00%	100.00%
Percentage of properties with a valid solid fuel safety check	100.00%	100.00%
Percentage of properties with a valid electrical safety check	100.00%	99.98%
Percentage of properties with a valid lift service	100.00%	91.92%
Percentage of properties with a valid lift thorough inspection check	100.00%	96.30%
Percentage of assets with a valid water hygiene check	100.00%	100.00%
Percentage of properties with a valid asbestos survey	100.00%	99.91%
Percentage of non-domestic assets covered by current asbestos survey	100.00%	100.00%
Percentage of dwellings with compliant smoke and CO2 detection	100.00%	100.00%
Percentage of communal areas and shared spaces with a valid fire risk assessment	100.00%	100.00%
Percentage of Awaab's Law emergency repairs completed within 24 hours	100.00%	99.91%
Percentage of Awaab's Law safety repairs completed within 5 working days	100.00%	100.00%
Percentage of Awaab's Law investigations completed within 10 working days	100.00%	100.00%

Measuring Value for Money – our own performance targets

Performance Measure	Target (2025/26)	Result (2025/26)
Building and Acquiring Sustainable Homes		
Number of new homes developed and acquired	119	73.00
Percentage of units secured against business plan targets over a three-year period	85.00%	97.46%
New supply delivered (Development and acquisitions) Social Housing (VFM Metric 2)	1.42%	0.91%
Total stock Number	9,099	9,048
Number of new build homes developed and acquired, cumulative over three years (rebased from 1 April 2025)	119	73.00
Average SAP rating of Land led Homes completed	82	90.35
Average SAP rating of acquisitions completed	82	87.95
Percentage of new homes approved which are suitable for older persons and/or disabled people	20.00%	23.95%
Maintaining Stronger Finances		
EBITDA MRI as a % of interest (VFM Metric 4)	124.00%	162.20%
Average VFM Score	<1.71	1.29
Maximising the Talent and Contribution of our People		
Employee engagement	98.00%	98.04%
Number of working days/shifts lost to sickness absence (cumulative)	4 days	4.51 days
Employee capacity	73.00%	72.75%
Voluntary attrition (cumulative)	12.30%	7.59%

Performance Measure	Target (2025/26)	Result (2025/26)
Tenant Satisfaction Measures		
Overall Satisfaction (TP01)	90.00%	90.26%
Satisfaction with repairs (TP02)	88.00%	89.10%
Satisfaction with time taken to complete most recent repair (TP03)	86.00%	89.23%
Satisfaction that the home is well maintained (TP04)	87.00%	89.27%
Satisfaction that the home is safe (TP05)	89.00%	91.12%
Satisfaction that the landlord listens to tenant views and acts upon them (TP06)	83.00%	82.95%
Satisfaction that the landlord keeps tenants informed about things that matter to them (TP07)	85.00%	86.61%
Agreement that the landlord treats tenants fairly and with respect (TP08)	91.00%	90.83%
Satisfaction with the landlord's approach to handling complaints (TP09)	55.00%	47.70%
Satisfaction that the landlord keeps communal areas clean and well maintained (TP10)	78.00%	80.24%
Satisfaction that the landlord makes a positive contribution to neighbourhood (TP11)	80.00%	82.24%
Satisfaction with the landlord's approach to handling anti-social behaviour (TP12)	76.50%	72.85%
Homes that do not meet the Decent Homes Standard (RP01)	0	0
Proportion of homes for which all required gas safety checks have been carried out (BS01)	100.00%	100.00%
Proportion of homes for which all required fire risk assessments have been carried out (BS02)	100.00%	100.00%
Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out (BS03)	100.00%	100.00%
Proportion of homes for which all required legionella risk assessments have been carried out (BS04)	N/A	N/A
Proportion of homes for which all required communal passenger lift safety checks have been carried out (BS05)	N/A	N/A

Measuring Value for Money – our own performance targets

Performance Measure	Target (2025/26)	Result (2025/26)
Tenant Satisfaction Measures (continued)		
Number of anti-social behaviour cases opened per 1,000 homes (NM01 1)	Data only	61.12
Number of anti-social behaviour cases that involved hate incidents opened per 1,000 homes (NM01 2)	Data only	1.56
Proportion of non-emergency responsive repairs completed within the landlord's target timescale (RP02 1)	Data only	88.38%
Proportion of emergency responsive repairs completed within the landlord's target timescale (RP02 2)	Data only	99.12%
Number of stage one complaints received per 1,000 homes – LCRA (CH01 1)	Data only	14.27
Number of stage two complaints received per 1,000 homes – LCRA (CH01 2)	Data only	2.79
Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales – LCRA (CH02 1)	Data only	99.22%
Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales – LCRA (CH02 2)	Data only	100%

During 2025/26, we made a strong start to delivering Plan A 2025-28 with over 50% of objectives completed. Performance against the strategic measures was positive overall, with 46 of the 59 level 1 measures meeting or exceeding target and a further three remaining within tolerance. This represents 83% of measures either achieving target or being close to target. The results show that we continued to deliver effective services, maintain strong compliance in key areas and manage finances well, while recognising that some areas require continued management focus.

Customer-related performance,

Consistently Delivering Excellent Customer Experience and Digital Service was generally strong with six of our eight measures achieving target. Although satisfaction with our approach to handling complaints (TSM – perception measure) and our own transactional measure, Percentage of complainants satisfied with the way the complaint was handled, did not meet target. Feedback on complaints was influenced by a small number of survey responses and by the outcome of complaints, rather than solely by how the complaint was managed.



Work has continued to strengthen complaint resolution, including the introduction of a revised compensation and remedies procedure from April 2026. Further policy and training activity is planned to support consistent complaint handling and learning.

Employment support remained close to target, with 144 tenants supported into employment against a target of 150. This was delivered in a challenging labour market and at a time when regional funding was more constrained. The Livin Futures service has been refreshed to better target support towards tenants who are unemployed, furthest from the labour market and most likely to face barriers to work.

Current tenant rent arrears did not meet target at year end, reaching 2.98% compared with a target of 2.75%. This reflected a difficult external environment for many tenants, including cost-of-living pressures and the continued impact of Universal Credit transition. Money support, budgeting advice and managed payment arrangements continued to help reduce risk and support tenants, and these measures are expected to contribute to greater stability during the next financial year.

The percentage of older and vulnerable tenants showing a reduction in their rent arrears six months following a money support intervention achieved 80.99%, which was within tolerance of the target of 85%. Performance improved significantly in the second half of the year following interventions which included increasing the targeted direct one-

to-one provision of tenant support from the Money Support Advisers. The implementation of a revised suite of money support offers in September 2025, developed alongside the InsightXchange in summer 2025, has improved access to money, debt and budgeting advice for tenants.

The percentage of damp and mould cases resolved within 33 days did not meet the target of 100% and has now been superseded by three level 1 Awaab's Law measures. The root cause for the failure to achieve this target has been identified and interventions have been taken which have significantly improved the performance of the two underlying level 2 measures. Since legislation was implemented in October 2025, we have consistently operated at a high level, ensuring compliance with Awaab's Law. At year end our performance was 99.91%, which was below our target of 100% due to 1 Awaab's law emergency falling outside the 24-hour target. This was a result of an access issue beyond our control with the repair carried out the following day.

Landlord health and safety compliance resulted with two measures not meeting target and one being within tolerance. Eight lift services were overdue at year end, but these were due to access issues rather than weaknesses in compliance arrangements. Seven of these services were completed shortly after the year end and the other service has been scheduled. Six thorough inspection checks



were outstanding at year end. Five were completed shortly after the year end, with the other one rescheduled after failed appointments. Attempts to gain access continue.

Emergency repairs under Awaab's Law did not meet target at 99.91%. Performance improved during the year and since legislation was implemented in October 2025 only 1 Awaab's law emergency was not completed within the 24-hour target.

New homes delivery and reinvestment were below target, principally because of delays

outside our direct control, including a national house builder slowing construction across a site due to low demand for their market sales properties, drainage issues and a subcontracted utilities co-ordinator entering administration. These delays affected the number of homes completed in the year and the related value for money measures. The delayed homes are expected to complete during the next financial year. Despite the shortfall, reinvestment increased compared with the previous year, demonstrating continued investment in existing homes.

Sickness absence did not meet target, with 4.51 working days lost per employee compared with a target of four days. The increase was mainly linked to a small number of long-term absence cases rather than a wider workforce trend. Performance was top quartile when compared to Housemark benchmarking which covered 80% of the sector. A revised attendance management procedure was introduced in March 2026, supported by management training to promote earlier intervention and effective support.

Our TSM performance showed one measure not at target and another amber. Satisfaction with landlord's approach to handling complaints was below target as explained above.

Satisfaction with the approach to anti-social behaviour was amber and below target but upper quartile when compared to the Regulator's latest published TSM

data (2025). Demand for the service increased during the year and customer views were also shaped by broader community concerns and expectations about the role we can play alongside partner agencies. Improvement activity is therefore focused on clearer communication, targeted local action and continued monitoring of service standards.

Overall, the year-end performance position provides assurance that we remained well controlled and the areas below target are understood, with improvement activity either already in place or planned. The Board also considered the associated risks and concluded that performance remained within the agreed risk appetite, with no further

Performance Measure	Target	Result
Percentage of existing housing properties at 1 April 2022 with EPC rating C or above	96.8%	97.7%
Completed new build properties with EPC B and above (cumulative from 1 April 2025)	116	73

The percentage of existing properties at EPC rating C or above met target and reflects the focused efforts on improving the energy efficiency of existing homes over the last four years. We received a grant of £502,000 during the year to

interventions required beyond those already identified.

Two sustainability performance measures are reported for sustainability linked loan purposes. These were originally agreed until 2025, with new targets now agreed until 2028. The agreed measures are:

enable further work to continue in this area. The number of new build properties with an EPC rating of B or above missed target due to delays on site during the year.

Value for Money Performance-Regulator’s Metrics

In addition to the performance measures used to track progress against strategic objectives, we also use the Regulator of Social Housing’s VfM metrics to measure our performance, setting targets based on the Board approved Business Plan.

When assessing headline social housing cost per unit performance, we view a lower cost as a positive indicator of efficiency, provided it is considered alongside the delivery of our key strategic objectives, as measured through our performance framework.

We operate in an area of high deprivation, where social rents are below national averages and repairs and maintenance costs are comparatively lower than in other areas. We assess this performance alongside wider indicators of service quality and asset sustainability, including Decent Homes compliance, our commitment to completing repairs right first time, and our approach to resolving damp and mould issues. This ensures that we continue to provide a quality repairs service, maintain homes to a high standard, protect our operating margin, and support the long-term viability of our social housing assets.

	Value for Money metric	Target	Performance
1	Reinvestment %	13.7%	11.0%
2a	New Supply Delivered % (Social Housing Units)	1.42%	0.9%
2b	New Supply Delivered % (Non- Social Housing Units)	0%	0%
3	Gearing %	58.9%	55.7%
4	EBITDA MRI Interest Cover %	124.0%	162.2%
5	Headline Social Housing cost per unit	£4,229	£4,289
6a	Operating Margin % (Social Housing Lettings only)	19.9%	21.9%
6b	Operating Margin % (overall)	20.3%	23.5%
7	Return on Capital Employed %	3.3%	4.6%

Reinvestment was below target due to factors outside our control, including a utilities co-ordinator entering administration, a national housebuilder slowing construction across one site and drainage issues. These delays resulted in lower than budgeted expenditure of £10.3m on developments.

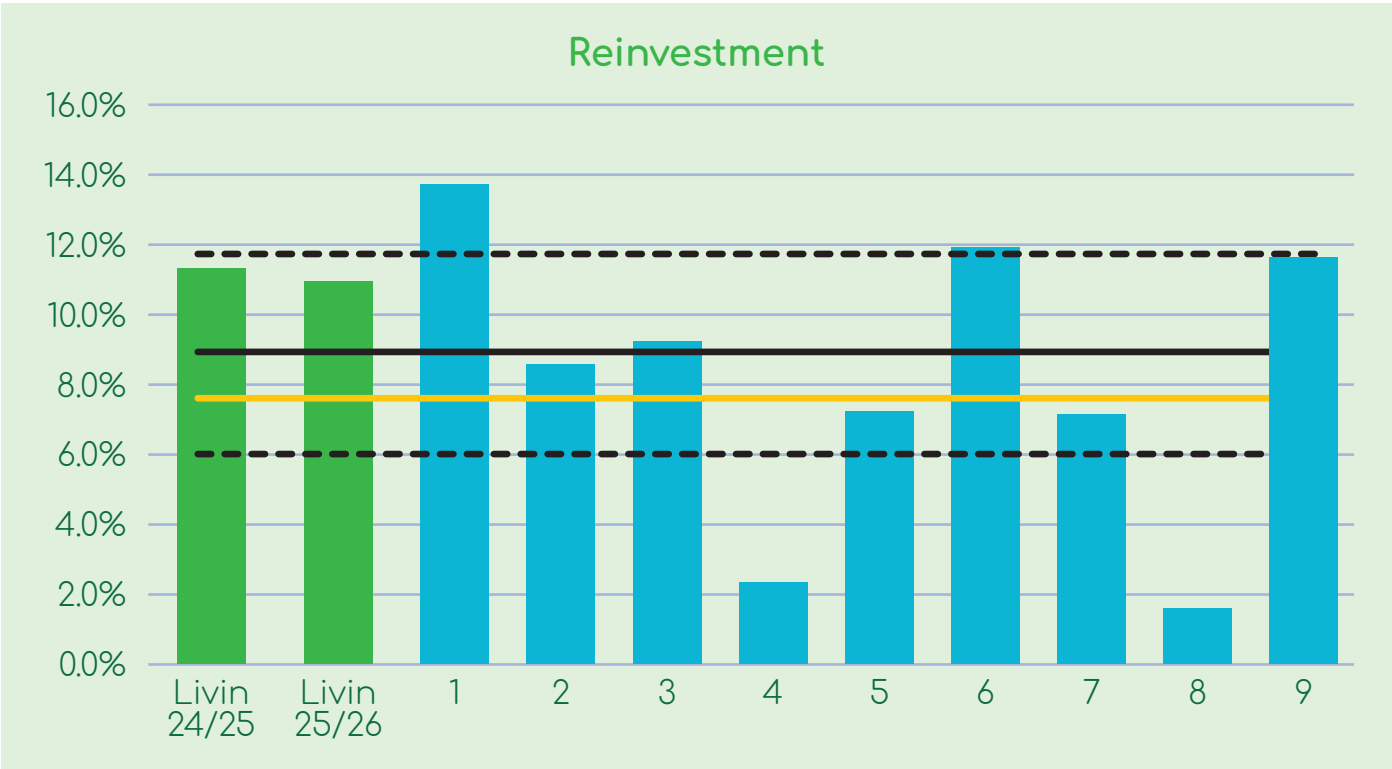
New supply delivered was also affected by these issues, falling 46 homes short of target, with completion of these homes now expected in 2026. Headline social housing cost per unit failed to meet the target for three main reasons. Additional major repairs expenditure was

incurred during the year making use of the £502,000 grant received for energy efficiency works. This supported our objective of reaching EPC band C or above by 2028. However, for the purposes of this calculation grant is excluded. Additional repair costs were incurred with increased damp and mould repairs being reported a likely result of the publicity around Awaab's Law and increased temporary costs of outsourcing stock condition surveys as we gained more knowledge on the condition of our properties to shape future investment.

Finally, the delays in development also impacted due to a lower total number of housing units at year end when compared to target.

Value for Money Performance– Peer Group Comparison

The tables opposite compare our performance in 2025/26 against the nine other members of the North East Peer Group as defined in the Regulator’s Global Accounts 2025 (latest set available at the time of preparing this report). The dashed black lines on each graph show the upper and lower quartiles for the Peer Group with the solid black line being the Peer Group median. The solid orange line is the sector median as per the Regulator’s Global Accounts 2025.



Reinvestment

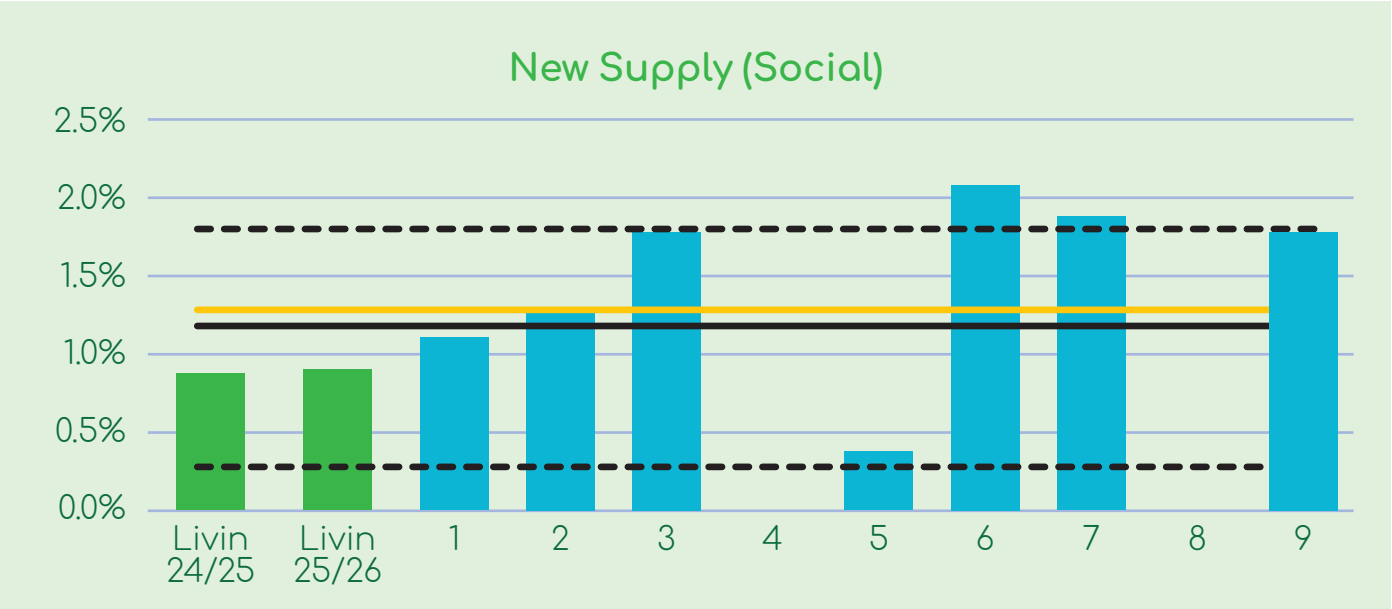
Our performance was upper-median quartile in comparison to our regional peer group, and upper-quartile when compared to the sector as a whole. During the year we invested in new social housing properties, with 82 additions to our housing stock, of which 73 were new build homes and 9 were existing homes in our communities purchased on the open market. This fell short of our target due to factors outside our control (utilities co-ordinator entering administration, national house builder slowing construction across a site and drainage issues). Many of these new build units will now complete in the next 12 months getting our programme back on track. Our strategic priority of building and acquiring homes recognises that our development plans need to be flexible to adjust for such scenarios. We extended our development programme by an additional year to align with a regional strategic partnership bid for Social and Affordable Homes grant from Homes England.

We undertook an extensive programme of stock condition

surveys during the year, increasing the proportion of homes surveyed within the last five years from 31% to 82%. Alongside this, we implemented a new asset management system and used the survey results to refresh and enhance the quality of property data held for our homes. This has provided a stronger evidence base for assessing future investment requirements, prioritising resources effectively and supporting strategic asset management decisions.

Looking ahead, we plan to deliver a sustained programme of major works to ensure our homes continue to meet the Decent Homes Standard while also improving operational efficiency. During the year, we retendered and awarded our repairs and major works contract, securing arrangements that provide a consistent pipeline of planned investment activity. This enables our contractor to plan resources more effectively, achieve economies of scale and deliver improved value for money.

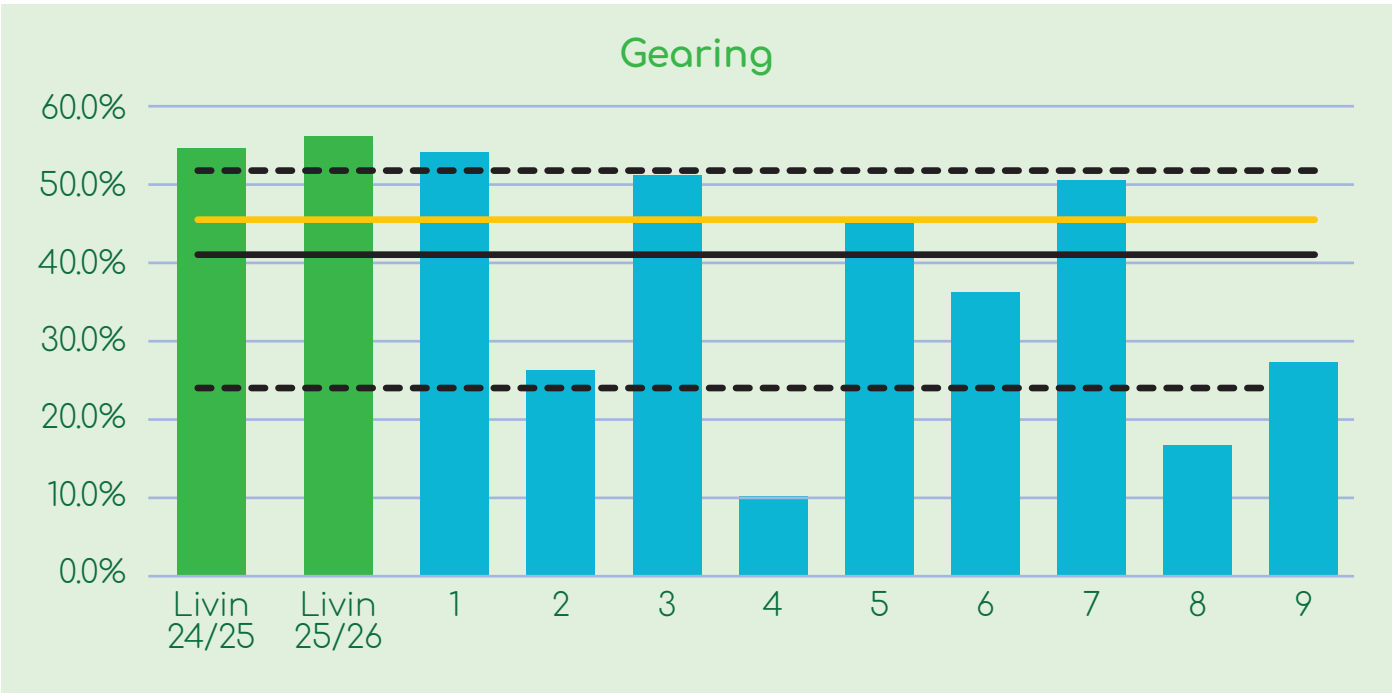
We are also exploring the use of collaborative procurement with North East peers to reduce the cost of certain components, such as kitchens, to further enhance value for money.



New supply delivered (Social Housing) performance remained broadly consistent with the previous year and was positioned within the lower-median quartile when benchmarked against both our peer group and the sector. Our target of 1.42%, which would have resulted in upper-median quartile performance, was not achieved due to delays in scheme delivery outside of our control, which reduced the number of homes completed during the year. Despite these challenges, we remain committed to increasing the supply of much-needed affordable housing through the development and acquisition of two to four-bedroom homes for social and affordable rent. This continued investment supports our strategic priority of meeting housing need and strengthening communities across our operating area.

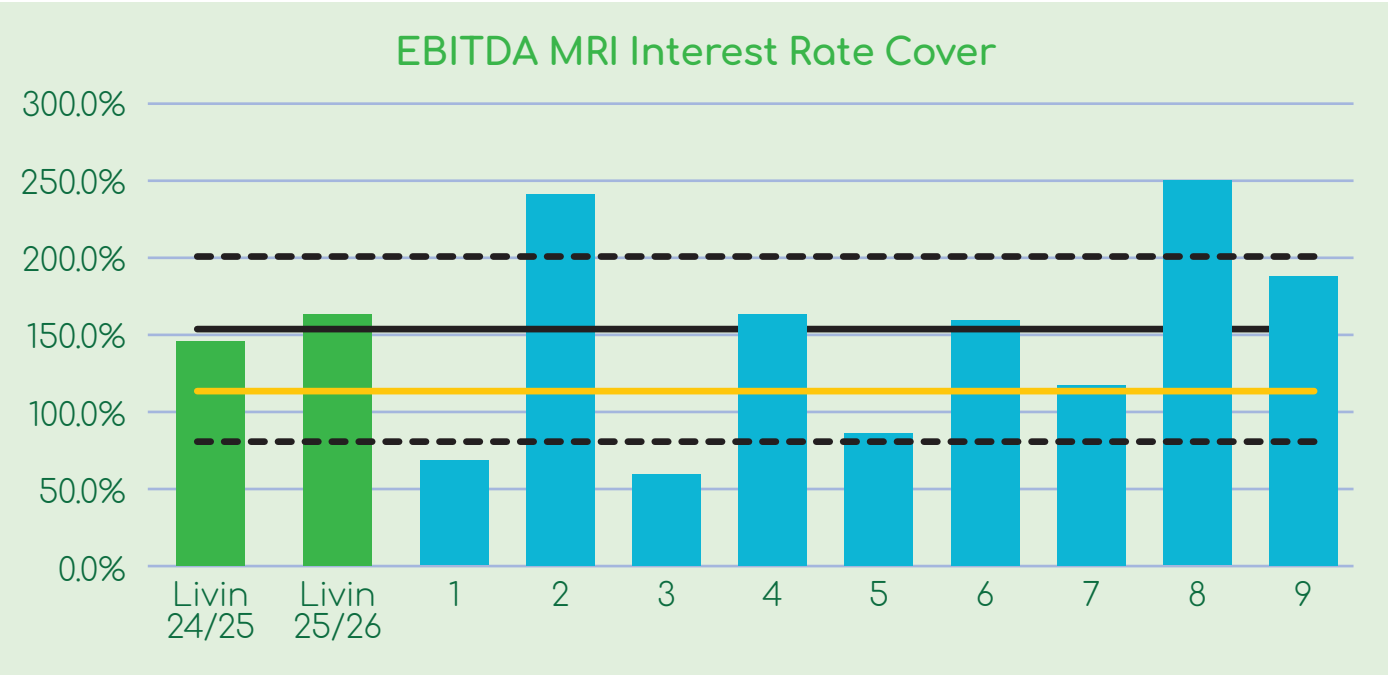
Our ambitious development programme has been extended by a further year adding an additional 102 new homes before 2031. Our programme still aims to deliver 587 new homes over the next 5 years with 280 of these being delivered within the next 2 years. At the end of the financial year, we had already secured 85% of our next three year’s development target. We continue to work with developers to identify opportunities to secure more units.

New supply delivered (Non-Social Housing) remains at zero, reflecting our strategic focus on providing affordable homes that meet identified housing need. Our development programme is centred on increasing the supply of social and affordable rented homes, alongside low-cost home ownership opportunities, rather than homes for outright market sale. As a result, we do not expect this metric to increase in future years, as our investment priorities continue to support the delivery of affordable housing and sustainable communities.



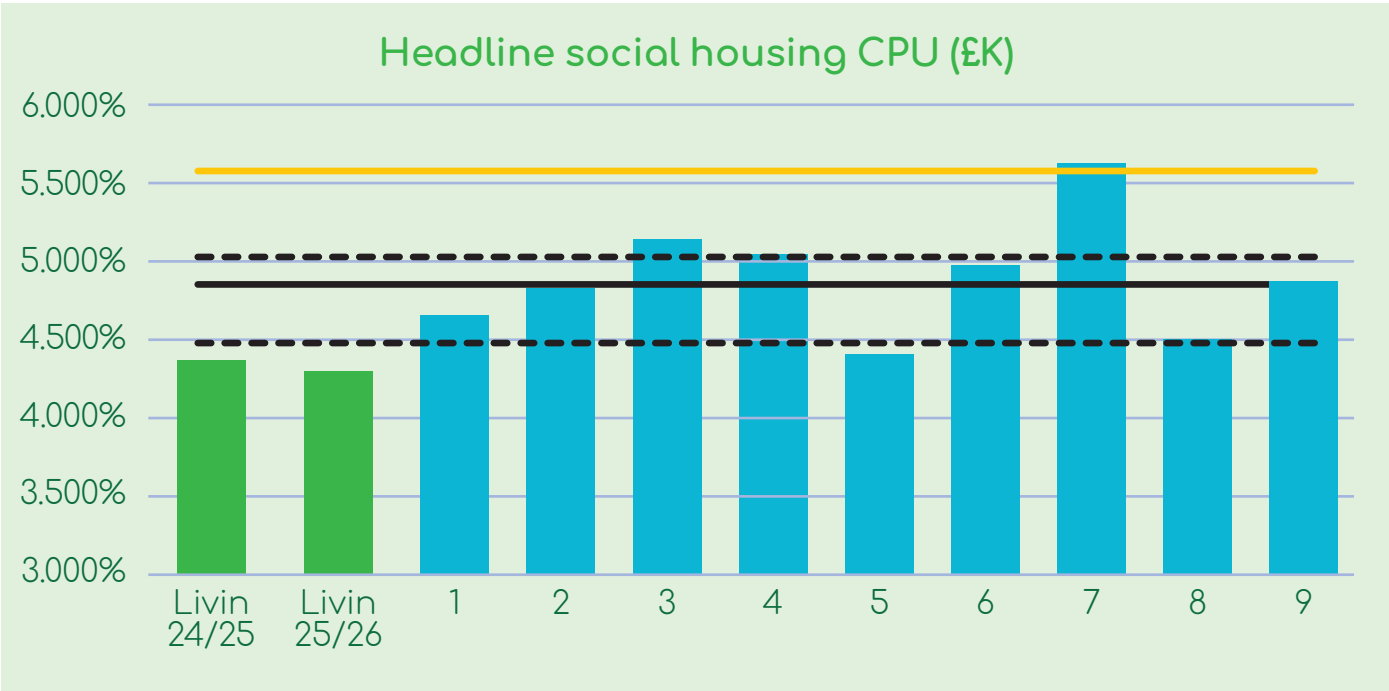
Gearing remained top-quartile when compared to our peer group and improved to upper-quartile when compared to the sector as a whole. At the year end we had £38m worth

of undrawn loan facilities to enable us to continue with our Plan A strategic objectives. Gearing is not a limiting factor to our development capacity and does not restrict our future development plans.



EBITDA MRI Interest cover has improved from lower-median quartile to upper-median quartile when compared to our peer group and upper-quartile compared to the sector as a whole. Our performance in this area improved despite the overall sector's and North East peer group's performances falling. During the year we saw increased repairs costs to maintain and improve the quality, safety and energy efficiency of homes, combined with higher interest payable due to increased borrowings to fund reinvestment and higher interest rates compared to those available a few years ago. However, our performance improved due to increased turnover and was helped by the completion of a regeneration scheme in 2024/25,

enabling our MRI spend to return to budgeted levels in 2025/26. We expect our performance in this area to fall slightly over the medium-term due to our commitment to improve homes and our development programme which will increase debt and therefore interest payable. To mitigate this, shortly after the year end, we extended and increased borrowing facilities with two existing funders at lower margins. This improved our liquidity golden rule and is forecast to create additional financial capacity due to the reduced margins, therefore improving value for money. We expect this metric to remain above the sector median in the short-term as we have focused on financial efficiencies and will benefit from higher levels of rent due to new build homes completed during the remainder of our development programme.



Headline Social Housing Cost per Unit

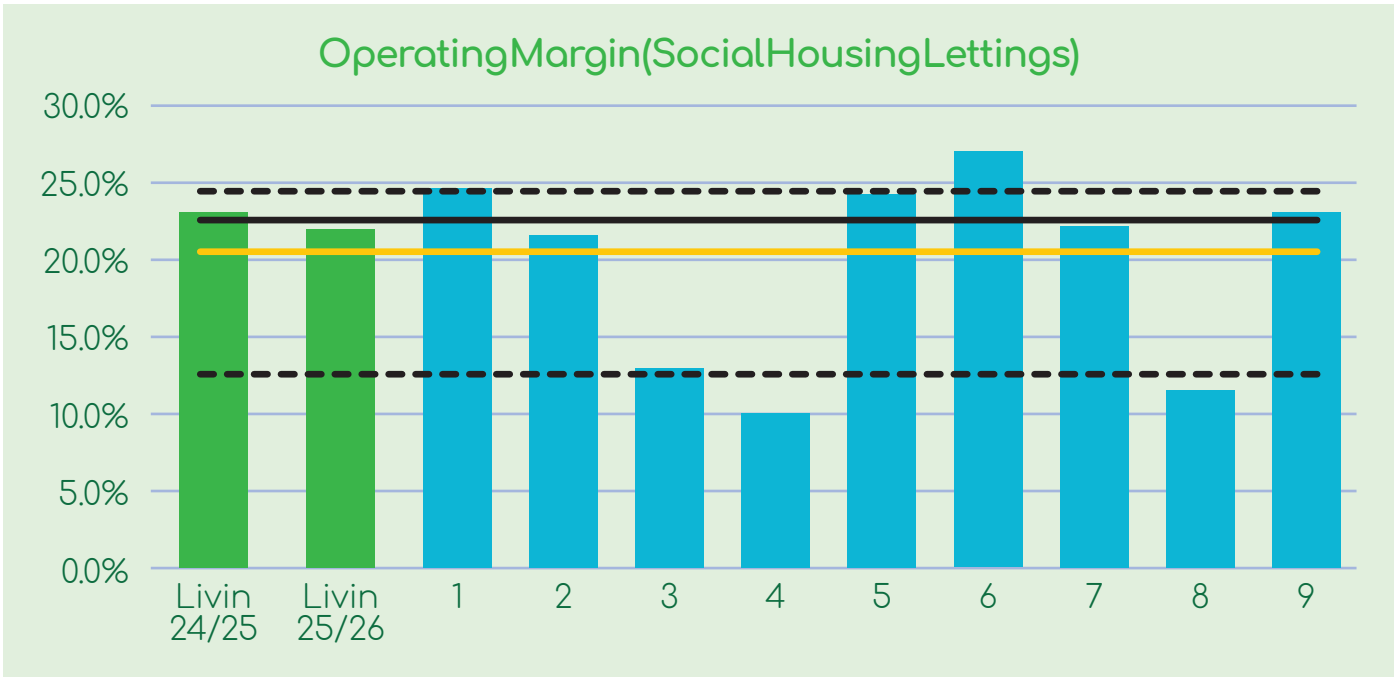
Performance improved to upper-quartile when compared to both our regional peer group and the sector as a whole. Social housing cost per unit decreased by £70 as shown in the table below. This was a result of a combination of factors: Management costs have increased by £37 per property due to annual pay awards and price increases from suppliers

following a period of high inflation; Repairs costs have increased by £90 per property because of inflationary cost pressures, increased level of repair works completed and treatment of damp and mould. Major works costs have reduced £226 per property following the completion of our regeneration scheme in the previous financial year. Other costs increased by £19 per unit due to one-off costs for the demolition of garages as we improve the surrounding areas in our communities.

Understanding our Social Housing Cost per Unit

Our social housing cost per unit is reported as part of our regulatory value for money metrics. This can be further analysed as shown below:

	2025/26	2024/25	Change
Management costs	£1,117	£1,080	£37
Repairs	£1,844	£1,754	£90
Major works	£1,233	£1,459	(£226)
Service charges	£45	£35	£10
Other	£50	£31	£19
Total	£4,289	£4,359	(£70)

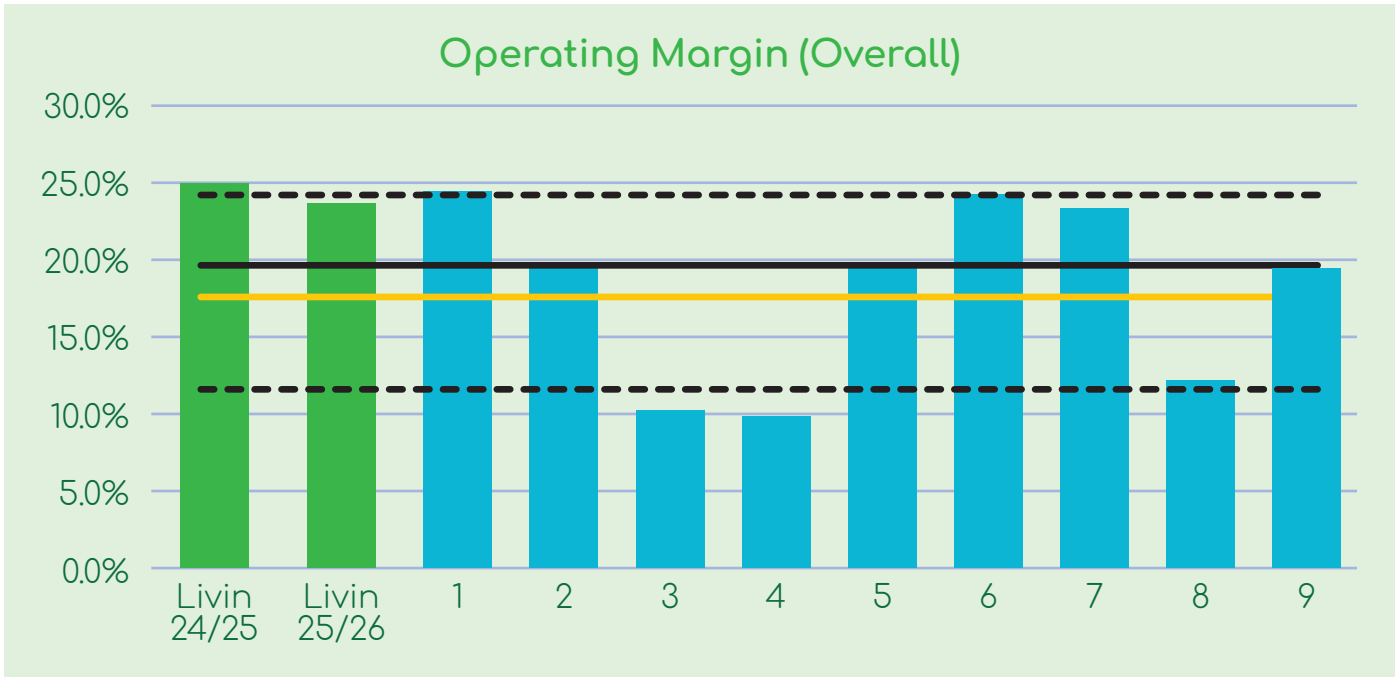


Operating Margin Social Housing Lettings

performance fell from 22.9% to 21.9% resulting in a decline to lower-median quartile when compared to our peer group. Despite this reduction in margin we maintained our place in the upper-median quartile when compared to the sector as a whole. Our cost base increased as mentioned above and depreciation charges continued to increase as a result of increased major expenditure on existing homes. These were slightly offset by the increase in annual rental income but not sufficient to maintain our social housing margin.

We continue to operate in areas where our average weekly rent charge is relatively low compared to the majority of our peer group. Delays in development and the completion of new build homes resulted in turnover not increasing as forecast, therefore reducing our social housing operating margin.

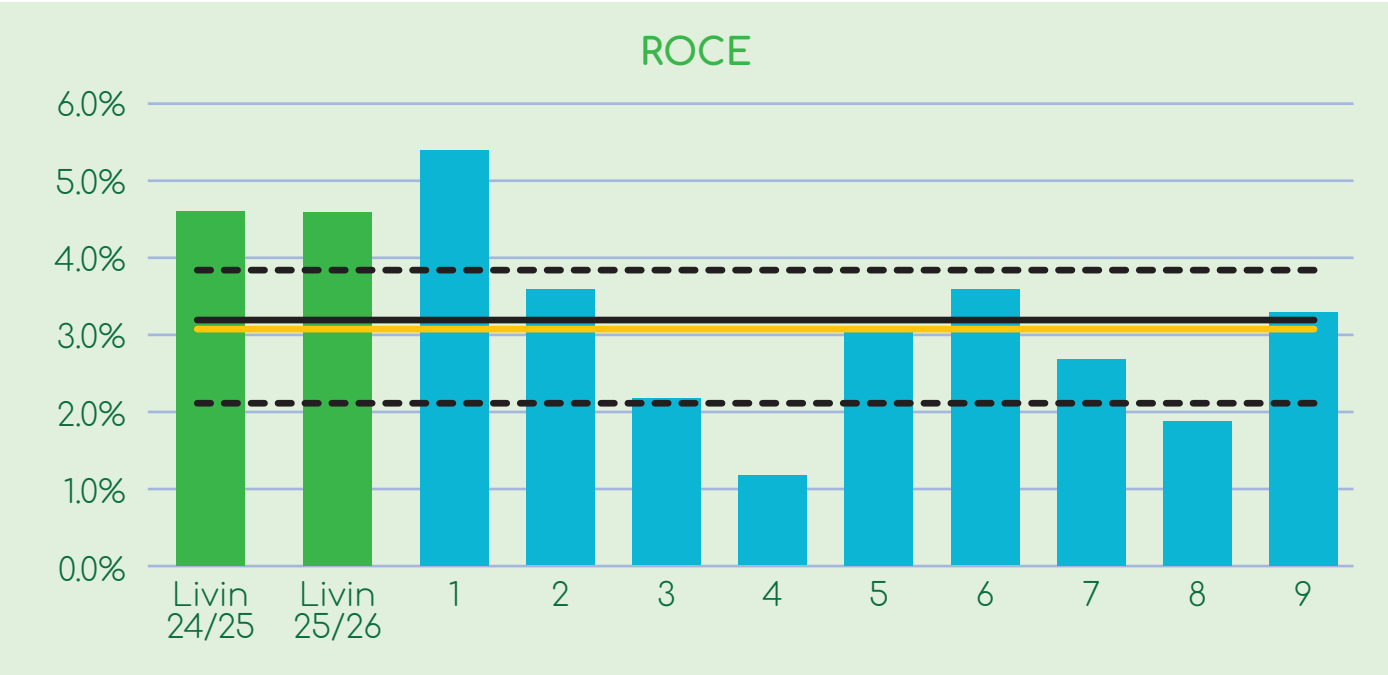
This metric is expected to gradually decline each year due to depreciation charges which, due to our level of investment in homes, increases annually.



Operating Margin Overall

our performance fell to upper-median quartile when compared to our North East peer group but remained upper-quartile when compared to the sector as a whole. Our operating margin overall (excluding surplus on disposals) performance declined from 24.8%

last year to 23.5% but remains strong compared to the sector as a whole. Our overall margin was assisted by the margins on commercial lets and other turnover. Our performance is expected to remain above 23% in the short term and be above median performance when comparing against the sector as a whole.



Return on Capital Employed (ROCE) %

Performance was maintained at upper-quartile when compared to the North East peer group and the sector as a whole. ROCE is expected to gradually fall over the medium-term due to increased capital employed as we deliver our development programme and continue to invest in existing stock.

This forecast performance still places us as top-quartile compared to the sector as a whole using the Regulator’s latest published VFM data.

Overall Performance

The Board aims to achieve a balanced performance across the Regulator of Social Housing’s Value for Money technical metrics, aiming for our blended average performance to be above median across the technical metrics as a whole.

Our methodology for this is to apply a score of 1 for best quartile performance and 4 for worst quartile performance. Using this methodology, historical, current and future performance is shown in the table below (when compared to the sector as a whole based upon the 2025 Global Accounts):

Metric	2024/25		2025/26		2026/27 forecast		2027/28 forecast		2028/29 forecast	
	Performance	Quartile	Performance	Quartile	Performance	Quartile	Performance	Quartile	Performance	Quartile
Reinvestment %	11.3%	1	11.0%	1	11.4%	1	9.3%	2	9.3%	2
New supply delivered – social housing (%)	0.9%	3	0.9%	3	1.8%	2	1.3%	2	1.1%	3
Gearing (%)	54.2%	2	55.7%	1	56.6%	1	54.6%	2	52.4%	2
EBITDA MRI Interest Cover (%)	147.5%	2	162.2%	1	156%	1	144%	2	144%	2
Headline Social Housing Cost per Unit (£)	£4,359	1	£4,289	1	£4,313	1	£4,514	1	£4,687	1
Operating Margin (Overall)	24.8%	1	23.5%	1	23.6%	1	23.5%	1	23.2%	2
Return on Capital Employed	4.6%	1	4.6%	1	4.2%	1	4.0%	1	4.0%	1
Average for all metrics		1.57		1.29		1.14		1.57		1.86

An organisation which demonstrated median performance in all measures would show an average performance of 2.5. Our overall performance in all years under review is better than this average.

Using this methodology for measuring performance against the North East Peer Group, our performance was also in the top quartile.

Measurable plans to address underperformance

The Board has considered those areas where performance against the Value for Money technical metrics, defined by the Regulator of Social Housing, are below median when compared with the sector as a whole.

In 2026/27 performance is forecast to be strong with metrics expected to be above the sector median and averaging 1.14 using our calculation method.

In future years there is one metric forecast to be below the sector median; this is New supply delivered.

New supply delivered is forecast to improve in 2026/27 as delayed developments from 2025/26 are completed alongside new schemes. Our development programme has been extended a further year to March 2031 to coincide with our strategic membership of the North East Housing Partnership. This will enable us to deliver more new build social housing in the next five years. However, our programme is front-loaded to deliver much needed homes in the next two years, before targets reduce to approximately 100 homes per annum which would see performance fall to lower-median quartile compared to the sector as a whole.

The Board will continue to monitor financial capacity and assess the viability of delivering



additional new homes beyond the existing development programme. Future investment decisions will be informed by the availability of grant funding, the cost of compliance, including DHS2 and MEES, and the availability of finance.

The Board is satisfied that our financial plans to deliver our business strategy, Plan A, provides a balanced performance across the value for money metrics, demonstrating our commitment to value for money, and that current performance is achieving above median performance across the technical metrics as a whole.

Conclusions

Value for Money is embedded in our culture and governance structure; we appreciate that delivering effective and efficient services benefits our customers and their communities.

Our performance is published separately on our website and referred to in our annual report to tenants enabling further scrutiny of performance.

Performance in 2025/26 shows a continued commitment to Value for Money. In comparison to our peer group and the sector as a whole we are able to demonstrate strong performance against the Technical Metrics defined by the Regulator and have assessed our long-term Business Plans and forecasts in light of these metrics.

We have identified an area where there is underperformance in comparison to other providers, defined as performance which is below median against the sector as a whole. This is New supply delivered and we have explained the reasoning behind this.

The Board is satisfied that our financial plans to deliver our business strategy, Plan A, provides a balanced performance across the value for money metrics, demonstrating our commitment to value for money, and that current performance is achieving above median performance across the technical metrics as a whole.

Leadership and Governance

Our Board Members





Natalie Wilkinson,
Chair of the Board

Natalie is passionate about regenerating communities, improving homes and the environment and supporting residents to live happily and independently in places they are proud of. She is experienced in leadership, strategy development and project delivery having worked for multiple local authorities, most recently Middlesbrough Council, for many years.

Natalie brings to the Board knowledge and experience of the housing sector, development, regeneration, and corporate services. In her most recent role as Head of Development, she worked on a range of transformational projects to grow high-quality housing supply and in doing so formed successful partnerships with Registered Providers, Homes England, housebuilders, and central government. She is a member of the People and Governance Committee, Housing and Communities Committee and Finance and Investment Committee.

With a strong social purpose, Natalie is dedicated to supporting youth and community groups, volunteering in her spare time to help raise funding and use her knowledge to help local groups to continue to offer vital opportunities to local people.



Adele Barnett,
Board Member

Adele has over 20 years' experience across social housing, local government and the voluntary and community sector, bringing specialist knowledge and experience in governance, health and social care, and community engagement. In her current role of Family Support Manager at Safe Families, Adele works closely with partners and volunteers to support local families facing challenging circumstances.

She is committed to helping people overcome barriers, supporting inclusive services and enabling communities to thrive, with a focus on increasing residents' choice, independence and opportunity.

Adele has senior Board-level experience and is currently a Trustee of Citizens Advice County Durham. She is a Co-opted Board Member and Chair of InsightXchange.



Andy Palmer,
Board Member

Andy brings over 20 years of leadership experience in local government and housing, with a strong track record in shaping policy, driving regeneration, and improving economic outcomes for communities. His career reflects a deep commitment to creating better places and supporting organisations to deliver high-quality homes and services.

Holding an MA in Urban Policy and Development, Andy was Head of Corporate and Regeneration Policy at Durham County Council before retiring in 2023. Previously the Chair of Chapter Homes, he has continued to influence strategic housing development across the region throughout his career.

Earlier in his career, he had a key role as Assistant Chief Executive at Sedgefield Borough Council, supporting the large-scale voluntary transfer that established Sedgefield Borough Homes in 2009, which later became Livin.

Driven by a strong social purpose, Andy is dedicated to ensuring that homes and communities enable people to thrive. He is a member of the Housing and Communities and Finance and Investment Committees.



Elaine Middleton,
Board Member

With a career dedicated to the social housing sector, and with over 19 years of experience working with landlords, Elaine brings to the Board knowledge and experience of supporting organisations with business projects including regeneration proposals.

Elaine has knowledge of customer insight and data analysis, technology and people development, marketing strategies, and project management, having worked as an internal consultant driving continuous improvement.

She is passionate about making a difference through community investment and supporting local people and businesses. She is a member of the Housing and Communities and People and Governance Committee.

In line with the Housing Ombudsman's Complaint Handling Code, in September 2025, Elaine was appointed as our Member Responsible for Complaints (MRC) and is responsible for making sure our Board receives regular information on complaints, that provide insight on our complaint handling performance.



Jenny Davidson,
Board Member

With over 20 years’ experience spanning the public, private, and education sectors, Jenny has led major sustainability strategies and programmes at London Heathrow and Oxford City Council. She later transitioned into academia, lecturing in sustainability at the Cambridge Institute for Sustainability Leadership and Northumbria University. At Newcastle University, she directed the MBA Programme and held the position of Climate Change Fellow. Jenny now serves as a strategic consultant and continues her affiliation with Newcastle as a Visiting Fellow.

Jenny holds a MA in Environmental Management and a PhD in business administration and is a specialist in responsible business practices, governance and systems thinking. She is a non-executive director of FIRST.

Jenny is passionate about empowering the current and future leaders of organisations to deliver effective policy and place-based regeneration in ways that align local priorities with global frameworks including the UN’s Sustainable Development Goals.



Joanne Race,
Board Member

Joanne is a strategic Human Resources Director with over 30 years of experience across multiple sectors, primarily in Higher Education at Durham University. She is responsible for the strategic leadership of HR and organisational development functions ensuring compliance with best practice and legal standards.

Throughout her career, she has led change management initiatives, promoted diversity and inclusion, and overseen significant capital projects. She is also an ex-officio member of Durham University’s People Committee, Remuneration Committee, and Nominations Committee, and has influenced the national HR agenda through her roles in various high-level bodies.

Joanne is passionate about improving prospects and life chances for people in the North East, where she has lived most of her life. She believes in the transformative power of education and skills training.

She is the Chair of People and Governance Committee and a member of the Audit and Risk Committee.



Paul Stephens,
Board Member

Widely respected across the sector, Paul has more than 30 years' experience in social housing and has held a number of senior leadership positions, notably serving as Director of Housing and Communities at Cestria Community Housing Association and as Acting Chief Executive prior to the formation of Karbon Homes. More recently, Paul worked at Thirteen Group, where he led the estates services and external investment teams.

Paul is a Chartered member of the Chartered Institute of Housing and has a wealth of experience in housing management, community engagement and development and in delivering large scale capital investment programmes. He also has extensive Board and committee experience.

Paul is a lifelong resident of our communities and is deeply committed to improving the lives of people living in our homes and across the wider area. He currently serves as Chairman of the Trimdon Grange Community Association and is also an elected member of Trimdon Parish Council, where he continues to advocate for local needs and community wellbeing.

Paul is the Chair of InsightXchange and the interim Chair of Housing and Communities Committee. He is also a member of the People and Governance Committee.



Stephen Watson,
Board Member

Stephen joined the Board in May 2023 bringing a wealth of knowledge and experience in audit and risk from his 30-year career working with organisations such as the Chartered Institute of Internal Auditors, Home Office, DEFRA (RPA), Baker Tilly, RSM, Northumberland County Council, and Durham University.

He is a Fellow member of the Chartered Institute of Internal Auditors (CFIIA), holds an MSc in Audit and Consulting, and has Platinum accreditation as a Certified Information Systems Auditor (CISA).

Stephen is dedicated to using his personal experience to add value to the work local organisations deliver. He believes strong leadership and governance are vital to building safer, more cohesive communities.

He is the Chair of the Audit and Risk Committee and a member of the Finance and Investment Committee.



Ryan Appleby,
Board Member

With nearly 20 years of sector experience working within small local, medium and large national social housing providers in previous roles to his current role as Director of Strategic Asset Management at Platform Housing Group, Ryan has a wealth of specialist knowledge in construction, building and engineering, asset management, and a clear understanding of financial acquisitions and investment, working within small local, medium and large national housing providers.

Ryan is a Chartered Member of the Institute of Building, Association of Building Engineers and Institute of Engineering and Technology, and is keen to make a difference to the local area, support the provision of vital services that meet the diverse needs of communities and to help support tenants and prospective tenants to access warm, affordable and safe homes.

Ryan is our Vice Chair, Chair of the Finance and Investment Committee and a member of the Audit and Risk Committee.



Alan Boddy,
Chief Executive and
Board Member

Alan has a track record of delivering transformational change since joining us when we were established in 2009. He is a housing, performance and human resources professional with a people-centric approach and an advocate of excellent customer service.

He holds postgraduate diplomas in Housing and Human Resources, a Masters Degree in Strategic Human Resource Management and is a member of both the Chartered Institute of Housing and Chartered Institute of Personnel and Development.

Having grown up in one of our communities he is aware of the social and economic challenges that many face. He is committed to making life changing improvements for people and their communities, and has dedicated 30 years to delivering a range of housing, property and support services.



Sean Brodie,
Executive Director
and Board
Member

With over 19 years of direct housing experience Sean’s career has spanned both industry and the charitable sector, joining us as an Executive Director in July 2015. Sean has a wealth of expertise and leads the Finance, Property Services and Development teams. He also has Executive responsibility for managing the Construction Related Services Contract with Mears plc. He is a Fellow of the Association of Chartered Certified Accountants and is also a qualified Corporate Treasurer.

Board member appointments during the year:

Board Member	Date of appointment
Paul Stephens	18 September 2025
Jenny Davidson	18 September 2025
Andy Palmer	19 February 2026

Board member retirements during the year:

Board Member	Date of retirement
Dennis Bradley	18 September 2025
Charlotte Harrison	18 September 2025
Norman Rollo	18 September 2025
Kevin Thompson	18 September 2025
Pam Mastrantonio	14 September 2025

Board Attendance

The table below shows each Board member’s attendance of the Board and Committee meetings they were able to attend during the financial year:

Board Member	Board	Audit & Risk	Finance & Investment	Housing & Communities	People & Governance
Natalie Wilkinson	12/12		4/4	2/2	3/3
Ryan Appleby	12/12	4/4	4/4		
Stephen Watson	12/12	4/4	4/4		
Elaine Middleton	12/12	2/2		3/4	3/3
Joanne Race	12/12	4/4			3/3
Paul Stephens	7/7			2/2	3/3
Jenny Davidson	7/7	1/1	2/2		
Andy Palmer	1/1			1/1	
Dennis Bradley	6/6		2/2		
Kevin Thompson	6/6			2/2	2/2
Charlotte Harrison	6/6			2/2	2/2
Norman Rollo	6/6	2/2			2/2
Pam Mastrantonio	6/6		2/2	0/2	
Alan Boddy	12/12				
Sean Brodie	12/12				

The Executive Management team comprises the Chief Executive, the Executive Director of Finance and Investment, the Executive Director of Corporate Services, the Director of Housing and Communities, the Director of Transformation and the Director of Customer Experience and Insight.

The Chief Executive and Executive Director of Finance and Investment are Executive Board members. They hold no interest in the Association's shares but otherwise hold the same legal responsibilities as non-executive Board members. The other members of EMT also hold no interest in the Association's shares. All members of EMT act as directors within the authority delegated by the Board.

The Association has insurance policies which indemnify Board members and employees against liability when acting for the Association.



Regulatory Judgement and Financial Viability Review

The Regulator of Social Housing published their regulatory judgements following a stability check in January 2026, and again in August 2026 upon completing responsive engagement. They concluded in the following regulatory judgements:

Consumer (C1) - Compliant

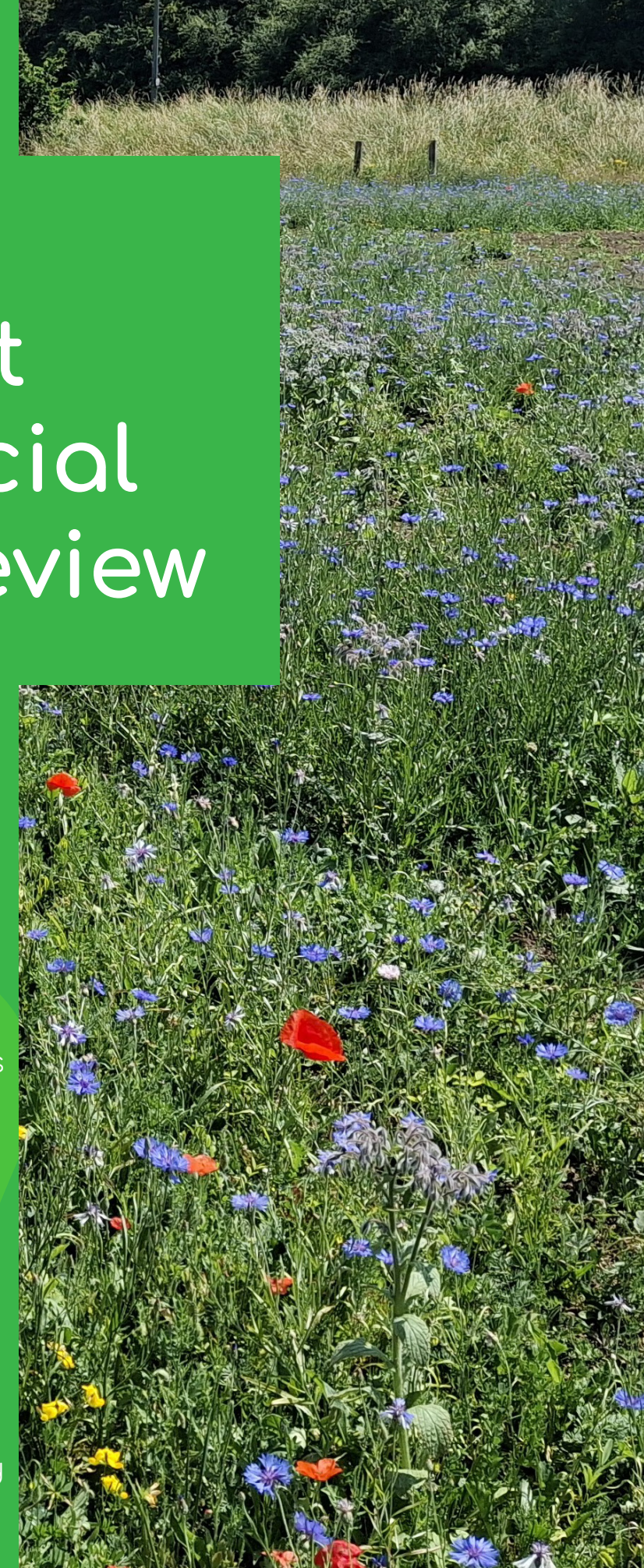
Our judgement is that overall the landlord is delivering the outcomes of the consumer standards. The landlord has demonstrated that it identifies when issues occur and puts plans in place to remedy and minimise recurrence.

Governance (G1) - Compliant

Our judgement is that the landlord meets our governance requirements.

Viability (V1) - Compliant

Our judgement is that the landlord meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.



Risks and internal controls

Risk management

In line with the Regulator of Social Housing's Governance and Financial Viability Standard 2015, the Board retains ultimate responsibility for Livin's risk management framework and risk appetite, ensuring that risks to strategic objectives, long-term viability and social housing assets are identified, assessed and managed.

Risk management is embedded in planning, decision-making, stress testing and resilience planning, with risks and opportunities considered through business planning and operational delivery.

Strategic and operational risks are recorded in risk registers, assessed against Board-approved risk appetite levels and supported by proportionate controls, actions and assurance. The strategic risk register is scrutinised quarterly by the Audit and Risk Committee and reviewed by the Board.

The process for identifying, evaluating and managing significant risks is ongoing and operated throughout the period from 1 April 2025 to the

approval date of the report and financial statements. During this period, the Board considered that aggregated risk exposure remained tolerable and that current and planned controls were sufficiently robust to manage a small number of enhanced risks, including those outside appetite, subject to assumptions remaining valid and continued monitoring.

The Board also reviews the effectiveness of the risk management framework annually.



Risk appetite

Risk appetite is the level of risk the organisation is prepared to accept in pursuing its strategic objectives. The Board approves risk appetite levels for key risk areas each year.

As a not-for-profit provider and custodian of social housing assets, Livin takes a long-term view and does not prioritise short-term gain over long-term viability. The Board currently has an over-averse appetite for financial resilience and governance risks, minimal appetite for risks relating to service delivery and outcomes and external factors, and a cautious appetite for business growth and innovation.

Strategic risk scores are regularly compared with the Board's agreed appetite. Where risks sit outside appetite, the adequacy of controls, planned actions and assurance is reviewed, and actions to reduce exposure are implemented where practicable.

Strategic risks

The strategic risks currently reviewed by the Board are set out below.

Risk area	Strategic risk
Financial resilience	Failure to manage costs, inflation and interest rates
	Failure to maintain sustainable debt capacity and covenant compliance
Governance	Failure to access or retain labour and skills
	Failure to ensure the security of data
	Failure to safely deploy and effectively exploit artificial intelligence
	Failure to deliver value for money
	Failure to comply with regulatory standards
Service delivery and outcomes	Failure to manage landlord health and safety obligations
	Failure to understand and maintain the quality of existing homes
	Failure to meet decarbonisation standards for social housing
	Failure to deliver effective repairs, maintenance and planned improvement services
	Failure to deliver effective housing services
	Failure to balance/regenerate targeted communities
	Failure to maintain tenant satisfaction
External factors and relationships	Failure of a counterparty to deliver maintenance services
	Failure to meet development targets within existing budgets
	Failure to respond to changes in the political landscape and operating environment
Business growth and innovation	Failure to maintain data integrity and effectively utilise data

Credit Risk

Our principal credit risk relates to tenant arrears. This risk is managed by providing support to eligible tenants with their application for Housing Benefit or Universal Credit and by closely monitoring the arrears of self-funding tenants. We borrow and lend only in sterling and so are not exposed to foreign currency exchange rate risk.

Going concern

Our business activities, current financial position and factors likely to affect our future development are set out within this Strategic Report. We have in place long-term debt facilities (including £38 million of committed undrawn loan facilities at 31 March 2026) which provide adequate resources to finance committed property acquisitions and development programmes, along with day-to-day operations. Our ability to service these debt facilities and comply with lenders’ covenants is monitored through cashflow forecasts, quarterly budget and Golden Rules reports to the Finance and Investment Committee and the Board, and the long-term Business Plan. Recent reports confirmed that we are in compliance with our loan covenants at the Statement of Financial Position date and the Board expects to remain compliant in the foreseeable future.

Therefore, the Board has a reasonable expectation that

we have adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Internal control

The Board is responsible for establishing, maintaining and reviewing the effectiveness of Livin’s overall system of internal control.

The system of internal control is the combined framework of governance, culture, behaviours, policies, processes, systems and other arrangements that enable Livin to operate effectively and efficiently, identify and respond to current and emerging risks, address significant control failures and safeguard its assets. It manages, rather than eliminates, risk and is designed to provide reasonable assurance over the achievement of the Board’s objectives and protection against material misstatement or loss.

Key elements of the system include:

- a Board-approved governance framework that complies with the RSH Governance and Financial Viability Standard 2015 and Livin’s adopted codes of governance and conduct, defining structures, policies, accountabilities, decision-making arrangements, delegated authorities, lines of sight and standards of conduct;

- a Board-approved business strategy, Plan A, that sets out Livin's strategic objectives and priorities, supported by a performance management framework that ensures robust continuous improvement targets are set and delivered;
- a Board-approved financial business plan, medium-term financial plan, annual budgets and treasury management arrangements that support financial resilience, effective resource allocation, value for money and delivery of strategic objectives;
- a structured risk management framework, including stress testing, that identifies, assesses, manages and monitors uncertainty, enabling informed decisions within the Board's agreed risk appetite and supporting delivery of strategic objectives;
- established authorisation and appraisal procedures for significant new initiatives and commitments to ensure proposals are properly evaluated, approved and monitored before resources are committed;
- a system of preventive, detective and corrective controls embedded within operational and governance processes to safeguard assets, ensure compliance, manage risk and support effective service delivery;
- whistleblowing and anti-fraud



arrangements that support the identification, investigation, reporting and management of suspected wrongdoing, fraud, corruption and control weaknesses;

- formal recruitment, retention, training and development policies and procedures to ensure employees have the capability, capacity, values and support to fulfil their responsibilities, manage risk effectively and uphold high standards of governance, behaviour and customer service;
- ongoing monitoring of controls, compliance and performance through formal reporting to the Board and its committees, enabling timely intervention where performance or compliance falls below target;
- a three lines of assurance approach that provides the Board and its committees with reasonable and proportionate assurance over the achievement of strategic objectives; and
- a culture of continuous improvement which acts on compliance, performance and lessons learned to strengthen governance, controls and service delivery over time.

The Board retains ultimate responsibility for internal control and has delegated responsibility for reviewing the system's effectiveness to the Audit and Risk Committee. The Board receives the Committee's minutes and considers any matters escalated

for decision or further action.

During the year, the Committee considered the statement of internal control for the completed financial year and recommended its approval by the Chair of the Board and the Chief Executive. The Board has considered the statement and confirmed that it is assured of the ongoing effectiveness of the system.

The statement of internal control is consistent with the head of internal audit's annual opinion that, for the areas reviewed during the year, Livin has reasonable and effective risk management, control and governance processes in place. TIAA Ltd provided the internal audit service during the year. Its programme reviewed the design and operation of key controls and provided independent assurance, with recommendations to strengthen practice where appropriate. Recommendations arising from internal audit reports are reviewed, assigned action owners and action plans, and monitored through to implementation.

National Housing Federation (NHF) Code of Governance 2020

Livin Housing Limited has adopted the National Housing Federation's Code of Governance 2020 and Code of Conduct 2022, both of which were operational throughout 2025/26. Adoption of the Code of Governance 2020 fulfils the requirement of the Regulator of Social Housing's

Governance and Financial Viability Standard 2015 to “adopt and comply with an appropriate code of governance”.

Livin reviews compliance with both codes annually. At the date of signing these financial statements, the Board considers that Livin complies with both codes.

Compliance with the Regulator of Social Housing’s Governance and Financial Viability Standard 2015

The Board considers the adequacy of its governance arrangements on an ongoing basis. It reviewed compliance with the Governance and Financial Viability Standard 2015 on 23 July 2026 and again at the date of signing these financial statements, concluding that Livin continues to comply with the Standard.

Statement of the responsibilities of the Board for the report and financial statements

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a

true and fair view of the state of affairs of the Association and of the Income and Expenditure for the period of account.

In preparing those financial statements the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of

Social Housing 2022. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the Association’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual general meeting

In July 2023 shareholders reviewed changes to the governing rules of the Association as recommended by the Board. Approval was given to remove the requirement to hold an annual general meeting in line with the Association’s closed shareholding arrangements, with the financial statements being presented to the Board in their capacity as shareholders at their meeting held on 17 September 2026.

Disclosure of information to auditors

At the date of making this report each of the Association’s Board members, as set out on page 4, confirm the following:

- So far as each Board member

is aware, there is no relevant information needed by the Association’s auditors in connection with preparing their report of which the Association’s auditors are unaware; and

- Each Board member has taken all the steps that he / she ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Association’s auditors in connection with preparing their report and to establish that the Association’s auditors are aware of that information.

External auditors

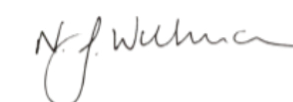
Menzies LLP were appointed as auditor following their merger with Beever and Struthers.

Beever and Struthers were originally re-appointed as auditors in September 2022 following a tender process, with an optional two-year extension which was exercised in January 2025.

Statement of compliance

In preparing this Strategic Report and Board report, the Board has followed the principles set out in the SORP 2018.

The Strategic and Board report was approved by the Board on 17 September 2026 and signed on its behalf by:



Natalie Wilkinson
Chair

Independent Auditor's Report to the Members of Livin Housing Limited

Opinion

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

In our opinion, the financial statements:

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

requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's

use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 76, the Board is responsible for

the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and

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

documentation to assess compliance with relevant laws and regulations discussed above.

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

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of

non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

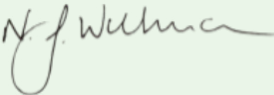
Menzies LLP
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date:

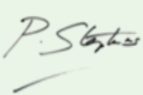
Statement of Comprehensive Income
For the year ended 31 March 2026

	Note	2026	2025
		£'000	£'000
Turnover	3	49,416	47,506
Operating costs	3	(37,830)	(35,740)
Operating surplus (before housing sales and other income)		11,586	11,766
Gain on disposal of property, plant and equipment	6	1,640	726
Operating surplus		13,226	12,492
Interest receivable and other Income	7	178	214
Interest payable and similar charges	8	(6,812)	(6,048)
Unrealised (loss) on the revaluation of investment properties	14	(173)	(679)
Surplus on ordinary activities before taxation		6,419	5,979
Tax on ordinary activities		-	-
Surplus for the year		6,419	5,979
Actuarial (loss)/gain in respect of pension schemes	9	(940)	(620)
Mark to Market exposure gain / (loss)	30	161	(127)
Total comprehensive income for the financial year		5,640	5,232

The accompanying notes form part of these financial statements.
All activities of the Association are classed as continuing.
Historical cost surpluses and deficits were identical to those shown in the Statement of Comprehensive Income account.
The financial statements were approved and authorised for issue by the Board of Directors on 17 September 2026 and were signed on its behalf by:


Natalie Wilkinson
Chair


Ryan Appleby
Vice Chair


Paul Stephens
Secretary

Statement of Changes in Reserves
For the year ended 31 March 2026

	Income and expenditure reserve	Revaluation reserve	Cash flow hedge reserve	Total
	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	70,269	5,040	-	75,309
Transfer between reserves	-	-	-	-
Actuarial loss on pension scheme	(620)	-	-	(620)
Surplus/(Deficit) for the year	6,658	(679)	(127)	5,852
Balance as at 31 March 2025	76,307	4,361	(127)	80,541
Transfer between reserves	-	-	-	-
Actuarial loss on pension scheme	(940)	-	-	(940)
Surplus/(Deficit) for the year	6,592	(173)	161	6,580
Balance as at 31 March 2026	81,959	4,188	34	86,181

The accompanying notes form part of these financial statements.

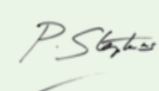
Statement of Financial Position
As at 31 March 2026

	Note	2026	2025
		£'000	£'000
Tangible fixed assets			
Tangible fixed assets			
Housing properties	11	291,890	270,012
Other tangible fixed assets	12	4,603	4,535
Investments	13	4	4
Investment properties	14	5,563	5,773
Derivative financial instruments	15	34	-
		302,094	280,324
Current assets			
Debtors	16	4,142	4,387
Cash at bank and in hand	17	7,379	3,388
		11,521	7,775
Creditors: Amounts falling due within one year	18	(23,649)	(14,715)
Net current (liabilities)/assets		(12,128)	(6,940)
Total assets less current liabilities		289,966	273,384
Creditors:			
Amounts falling due after more than one year	21	203,785	192,843
Provisions for liabilities			
Defined benefit pension liability	9	-	-
		203,785	192,843
Capital and reserves			
Income and expenditure reserve		81,959	76,307
Revaluation reserve		4,188	4,361
Cashflow hedge reserve	30	34	(127)
Total Reserves		86,181	80,541
		289,966	273,384

The financial statements were approved and authorised for issue by the Board of Directors on 17 September 2026 and were signed on its behalf by:


Natalie Wilkinson
Chair


Ryan Appleby
Vice Chair


Paul Stephens
Secretary

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2026

	Note	2026	2025
		£'000	£'000
Net cash generated from operating activities	25	16,700	23,128
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets		(32,569)	(30,689)
Proceeds from sale of tangible fixed assets		2,417	1,291
Grants received		4,000	7,926
Interest received		136	182
		(26,016)	(21,290)
Cash flow from financing activities			
Interest paid		(6,193)	(5,938)
New secured loans		21,000	6,000
Repayments of borrowings		(1,500)	-
		13,307	62
Net change in cash and cash equivalents		3,991	1,900
Cash and cash equivalents at beginning of the year		3,388	1,488
Cash and cash equivalents at end of the year		7,379	3,388

The accompanying notes form part of these financial statements.

Notes to the report and financial statements

For the year ended 31 March 2026

1. Legal status

The Association is registered in England under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. The registered office is Farrell House, Arlington Way, Durham Gate, Spennymoor, County Durham, DL16 6NL.

Livin owns 100% of the ordinary share capital (£1) of Livin Developments Limited (Registered Company No: 10474352). This subsidiary did not trade during the year and was dormant at 31 March 2026.

2. Accounting Policies

Basis of accounting

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

The financial statements are presented in Sterling (£) and are rounded to the nearest thousand (£000).

The Association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBEs.

Livin holds a share in a joint venture, Spirit Regeneration and Development Co LLP. This interest has been disclosed as an investment in these accounts.

Going Concern

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. Livin has long-term debt facilities in place which provide adequate financial resources for reinvestment and development programmes along with financial cover for day-to-day operations. Livin also has a 30-year Business Plan which shows it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the board has a reasonable expectation that there are adequate resources to continue 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. For this reason, it continues to adopt the going concern basis in the financial statements.

Notes to the report and financial statements

For the year ended 31 March 2026

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

Significant management judgements include:

Financial instruments

Livin Housing Limited has put in place Facility Agreements with a portfolio of lenders, for the purposes of funding its stock improvement and new development programmes.

The Association has accounted for these loan instruments on the amortised cost basis.

Non-basic financial instruments are included in the financial statements at fair value measurement. The calculation of fair value of financial instruments at each reporting date is based on active market quotes if available, where not available a valuation technique is used to make maximum use of market inputs and transactions, using a discounted cash flow analysis. The carrying value of financial instruments measured at fair value at 31 March 2026 was £34,000.

Impairment

Livin Housing Limited considers whether indicators of impairment exist in relation to tangible assets. Impairment is recognised where the

carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use.

Estimation uncertainty

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

Useful life of depreciable assets

Management reviews its estimate of useful economic lives of depreciable assets at each reporting date. Uncertainties in these estimates may relate to changes in technology and decent homes standards which may impact on the depreciation rate used.

LGPS -Defined Benefit Obligation (DBO)

The actuaries' estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, property values and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 9).

Investment Properties

Livin carries its investment property at fair value, with changes in fair value being recognised in

Notes to the report and financial statements

For the year ended 31 March 2026

the Statement of Comprehensive Income.

Management uses valuation techniques to determine the fair value of investment properties (where active market valuations are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset.

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

Investment in subsidiaries and unlisted company shares

Investments in subsidiaries and unlisted company shares are accounted for at cost less impairment.

Turnover

Turnover represents rental income receivable for the period (i.e. rent due (rent debit) less rent loss due to voids), service charges receivable, any revenue grants receivable, amortised capital grant, revenue grant received from Homes England and local authorities, income from shared ownership first tranche sales and other properties developed for outright sale and income from any other goods or services included at invoiced value (excluding VAT where

recoverable) and commission on water rates collection.

Revenue Recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale are included in turnover and operating costs and are recognised at the point of legal completion of the sale.

Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met.

Service Charges

Service charge income and costs are recognised on an accruals basis. Livin operates variable service charges on a scheme-by-scheme basis in full consultation with residents. The charges include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Social Housing Grant

Social Housing Grant (SHG) includes grant receivable from Homes England, local authorities and other government organisations.

Notes to the report and financial statements

For the year ended 31 March 2026

Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land), under the accruals model.

SHG due from government organisations or received in advance is included as a current asset or liability.

SHG received in respect of revenue expenditure is recognised as turnover in the same period as the expenditure to which it relates, once reasonable assurance has been given that Livin will comply with the conditions and that the funds will be received.

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

SHG is subordinated to the repayment of loans by agreement with the RSH. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Where individual components are disposed of and this does not create a relevant event for

recycling purposes, any grant which has been allocated to the individual component is released to the Statement of Comprehensive Income. Upon disposal of the associated property, the Association is required to recycle these proceeds, as such a contingent liability is disclosed to reflect this.

Other grants

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

Website development costs

The Association has developed an app and website which is used to promote its activities and as a management tool for monitoring and evaluating responsive repairs. Planning, design and content development costs are charged as operating costs as incurred. Ongoing costs of maintaining and operating the app and website are also charged as operating costs as incurred.

Notes to the report and financial statements
For the year ended 31 March 2026

Housing properties and other fixed assets

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, incidental costs of acquisition and directly attributable development administration costs. Cost also includes expenditure on the replacement of key building components incurred as part of the planned improvement programme. Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income, over the lives of the properties, therefore enhancing the economic benefits of the assets, are capitalised as improvements. Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element is classed as a fixed asset and included in housing properties

at cost, less any provision for depreciation or impairment. Where expenditure is incurred on an asset which does not meet the definition of capital expenditure, such as general repairs to the housing stock, it will be charged to the Statement of Comprehensive Income in the year in which it is incurred. Any single repair costing £1,000 or more will be separately assessed to determine whether capitalisation is appropriate. The Association will not capitalise expenditure on assets such as land, equipment and computer software which costs less than the following de minimis thresholds and it will be charged to the Statement of Comprehensive Income in the year in which it is incurred.

Asset	
Land	£1,000
Office equipment and furniture	£10,000
Computer equipment and software	£5,000
Vehicles and plant	£10,000

Notes to the report and financial statements
For the year ended 31 March 2026

Properties held on leases are amortised over the life of the lease or the estimated useful economic life, if shorter.

Assets under construction

Housing properties under construction are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. No depreciation is charged during the period of construction.

Depreciation of tangible fixed assets

Depreciation charges reflect the write down of the net book value of fixed assets to their estimated residual value over their estimated useful lives, on a straight-line basis. No depreciation is charged for land.

The following useful economic lives for identified components have been applied:

Fixed Asset Classification	Asset Life
New Build Property Structure	up to 100 years
Existing Structure	50 years
Kitchens	20 years
Bathrooms	30 years
Central Heating	20 years
Roofing and External Works	up to 80 years
Rewiring Works	up to 50 years
Doors and Windows	up to 40 years
Other Fixed Assets	Asset Life
Office Equipment and Furniture	5 years
Computer Equipment	3 years
Offices	up to 50 years
Electric Car Charging Points	8 years
Other Office Equipment	up to 20 years

Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified

Notes to the report and financial statements

For the year ended 31 March 2026

an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed the recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as operating expenditure. Where an asset is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Leased assets

Rentals payable under operating leases will be charged on a straight line basis over the term of the lease.

Properties for sale

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

Provision for liabilities

Provisions are recognised when the Association has a present

obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at the present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the Statement of Comprehensive Income in the period it arises.

A provision is recognised for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Fixed asset Investments

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business.

Notes to the report and financial statements

For the year ended 31 March 2026

Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in the Statement of Comprehensive Income.

Pensions

The Association participates in the Durham County Council Local Government Pension Scheme, which is a defined benefit final salary scheme. The assets of the scheme are invested and managed independently of the Association.

Pension costs are assessed in accordance with the advice of an independent qualified actuary. For the Durham County Council Local Government Pension Scheme, assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent it is recoverable by the Association either through reduced contributions in the future or through refunds from the plan.

The current service cost and costs from settlement and curtailments are charged against operating surplus. Past service costs are spread over the period until the

benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

Rental arrears

A provision for bad and doubtful debts is made on an estimation of those debts at the Statement of Financial Position date which are considered to be potentially irrecoverable.

Value Added Tax (VAT)

The Association is VAT registered, but the majority of its income (from rents) is classified as an exempt supply for VAT purposes. Payments that are subject to VAT (Input VAT) that cannot be re-claimed are, therefore, recorded inclusive of the irrecoverable VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset respectively.

Right to Buy and Right to Acquire Sales

The gains or losses on disposal of Social Housing Properties under Right to Buy or Right to Acquire arrangements are calculated as being the difference between the proceeds of a sale of a property and the net book value of that property.

The gains or losses on disposal of Right to Buy or Right to Acquire

Notes to the report and financial statements

For the year ended 31 March 2026

Social Housing Properties are recognised in the Statement of Comprehensive Income at the date of legal completion after deducting the element of proceeds that is payable to the local authority under the Right to Buy sharing arrangement.

Financial instruments

Financial Instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Basic Financial instruments are recognised at amortised historic cost.

Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value (non-basic Financial Instruments).

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- (a) The best evidence of fair value is a quoted price in an active market.
- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- (c) Where there is no active market or recent transactions then a

valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Hedging

The Association's interest rate swaps meet the criteria of non-basic financial instruments as defined by section 12 of FRS 102. They are recognised on the Statement of Financial Position and are measured at fair value at each reporting date.

The Association has designated some of its interest rate swaps as hedges against existing drawn floating rate debt. To the extent the hedge is effective movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness are recognised in income and expenditure.

Any interest rate swaps that do not have a documented economic relationship against existing drawn floating rate debt are not eligible for hedge accounting and therefore fair value movements are recognised in income and expenditure.

Debtors

Short term debtors are measured at transaction price less any impairment.

Notes to the report and financial statements

For the year ended 31 March 2026

Creditors

Short term creditors are measured at the transaction price.

Annual leave accrual

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

Interest

Interest payable is charged to the Income and Expenditure account in the year.

Loan finance issue costs

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

Liquid resources

For the purposes of the Cash Flow Statement, cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are readily disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

Taxation

The Association has charitable status and therefore is outside the scope of Corporation Tax on its charitable activities by virtue of Part 11 Corporation Tax Act 2010 and from capital gains tax by virtue of Section 256 Taxation of Chargeable Gains Act 1992.

Reserves

Livin establishes restricted reserves for specific purposes where their use is subject to external restrictions.

Revaluation reserve

The difference on transition between the fair value of investment properties and the historical cost carrying value is credited to the revaluation reserve.

Notes to the report and financial statements
For the year ended 31 March 2026

3. Particulars of turnover, cost of sales, operating costs and operating surplus

	2026		
	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings	47,771	(37,310)	10,461
Other social housing activities			
Garage lettings	641	(427)	214
Non-social housing activities			
Lettings	198	(93)	105
Other Income	806	-	806
Total	49,416	(37,830)	11,586

	2025		
	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings	45,987	(35,443)	10,544
Other social housing activities			
Garage lettings	656	(237)	419
Non-social housing activities			
Lettings	205	(60)	145
Other Income	658	-	658
Total	47,506	(35,740)	11,766

Notes to the report and financial statements
For the year ended 31 March 2026

3. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

				2026	2025
	General needs housing	Housing for elderly	Low cost home ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	32,989	13,941	41	46,971	45,260
Service income	107	51	-	158	126
Net rental income	33,096	13,992	41	47,129	45,386
Other income (grant amortisation)	436	206	-	642	601
Turnover from social housing lettings	33,532	14,198	41	47,771	45,987
Management and support services	(6,826)	(3,212)	-	(10,038)	(9,655)
Service charge cost	(297)	(105)	-	(402)	(312)
Routine maintenance	(10,215)	(4,795)	-	(15,010)	(14,227)
Planned maintenance	(1,051)	(495)	-	(1,546)	(1,456)
Major repairs expenditure	(397)	(187)	-	(584)	(615)
Bad debts	(134)	(63)	-	(197)	(171)
Depreciation of housing properties	(6,439)	(3,030)	(20)	(9,489)	(8,946)
Impairment	-	-	-	-	-
Other costs	(30)	(14)	-	(44)	(61)
Operating costs on social housing lettings	(25,389)	(11,901)	(20)	(37,310)	(35,443)
Operating surplus on social housing lettings	8,143	2,297	21	10,461	10,544
Void losses	417	134	-	551	533

Management cost (headline social housing cost) per unit was £4,289 (2025: £4,359).

Notes to the report and financial statements
For the year ended 31 March 2026

3. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

Particulars of turnover from non-social housing lettings	2026	2025
	£'000	£'000
Commercial properties	169	171
Other	29	34
	198	205

Notes to the report and financial statements
For the year ended 31 March 2026

4. Accommodation owned, managed and in development

At the end of the year accommodation in management for each class of accommodation was as follows:

	2025	Additions	Disposals	Other	2026
	No.	No.	No.	No.	No.
Social housing					
General needs (owned and managed)					
- social rent	7,104	55	(36)	38	7,161
- affordable rent	1,795	26	(5)	(39)	1,777
shared ownership	14	-	-	(1)	13
intermediate rent	29	1	-	-	30
Total owned and managed	8,942	82	(41)	(2)	8,981
Social housing					
General housing (owned but not managed)					
- social rent	-	-	-	2	2
Total owned but not managed	-	-	-	2	2
Total social housing units	8,942	82	(41)	-	8,983
Leasehold housing	65	-	-	-	65
Total	9,007	82	(41)	-	9,048
Units under construction					
General needs affordable rent	50				50
General needs housing social rent	121				163
Intermediate rent	7				14
Total units under construction	178				227

Notes to the report and financial statements
For the year ended 31 March 2026

5. Operating surplus

The operating surplus is arrived at after charging:

	2026	2025
	£'000	£'000
Depreciation of housing properties	9,515	8,983
Depreciation of other tangible fixed assets	389	447
Impairment of social housing assets	-	-
Gain on disposal of property, plant and equipment	1,640	726
Operating lease rentals		
- land and buildings	7	8
- office equipment and computers	42	57
- motor vehicles	41	22
Auditors' remuneration (excluding VAT)		
- for audit services	28	21
- tax compliance services	-	1
- other services	-	-
Total non-audit services	-	1

Notes to the report and financial statements
For the year ended 31 March 2026

6. Gain on disposal of property, plant and equipment

				2026	2025
	RTB/ RTA	Low cost home ownership	Other Disposals	Total	Total
	£'000	£'000	£'000	£'000	£'000
Disposal proceeds	2,487	-	35	2,522	1,343
Less administration charges	(105)	-	-	(105)	(52)
Net disposal proceeds	2,382	-	35	2,417	1,291
Carrying value of fixed assets	(643)	-	(134)	(777)	(565)
Grant attributable to disposal	57	-	30	87	65
	1,796	-	(69)	1,727	791
Recycled Capital Grant Fund	(57)	-	(30)	(87)	(65)
	1,739	-	(99)	1,640	726

7. Interest receivable and other income

	2026	2025
	£'000	£'000
Interest receivable	136	182
Other Income	2	2
Interest on pension scheme	40	30
	178	214

Notes to the report and financial statements
For the year ended 31 March 2026

8. Interest payable and similar charges

	2026	2025
	£'000	£'000
Loans and bank overdrafts	6,812	6,048
Interest costs for pension scheme	-	-
	6,812	6,048

9. Employees

Average monthly number of employees expressed as full time equivalents (calculated based on a standard working week of 37 hours):

	2026	2025
	No.	No.
Administration	56	52
Housing and Communities	55	57
Property and Development	29	26
	140	135

	2026	2025
Employee costs:	£'000	£'000
Wages and salaries	6,412	6,031
Social security costs	774	613
Other pension costs	1,512	1,406
	8,698	8,050

Included in Employee costs are early retirement and voluntary redundancy costs totalling £nil (2025 £nil).

The Association's employees are eligible to be members of Durham County Council Local Government Pension Scheme (LGPS). Further information is given opposite.

Notes to the report and financial statements
For the year ended 31 March 2026

9. Employees (continued)

Durham County Council Local Government Pension Scheme

Durham County Council Pension Fund (DCCPF)

The DCCPF is a multi-employer scheme, administered by Durham County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2025 and adjusted to 31 March 2026 by a qualified independent actuary, allowing for different financial assumptions required under FRS 102.

Pension assets are restricted to comply with FRS102 and recognise a plan's surplus as a defined benefit asset only to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds from the plan. These criteria were not considered to be met at 31 March 2026 and an asset was therefore not recognised.

Had a pension asset been recognised, the maximum economic benefit available in the form of future contribution reductions (the asset ceiling) would have been approximately £0.06m at 31 March 2026.

The employers' contributions to the DCCPF by the Association for the year ended 31 March 2026 were £1,512,450 (2025 £1,406,496) at a contribution rate of 26% of pensionable salaries.

Estimated Current service costs to the DCCPF during the accounting period commencing 1 April 2026 are £610,000.

Financial assumptions	31 March 2026	31 March 2025
	% per annum	% per annum
Discount rate	6.2%	5.8%
Future salary increases	3.8%	3.5%
Future pension increases	2.8%	2.5%
Pension accounts revaluation rate	2.8%	2.5%
Inflation assumption – CPI	2.8%	2.5%

Notes to the report and financial statements
For the year ended 31 March 2026

9. Employees (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

The assumed life expectations on retirement at age 65 are:

	2026	2025
	No. of years	No. of years
Retiring today:		
- Males	21.9	21.6
- Females	24.4	23.9
Retiring in 20 years:		
- Males	22.8	22.5
- Females	25.1	24.7

Analysis of the amount recognised in surplus or deficit:

Year ended 31 March	2026	2025
	£'000	£'000
Current service cost	590	820
Past service cost	20	-
Amounts charged to operating costs	610	820
Year ended 31 March	2026	2025
	£'000	£'000
Net Interest	(40)	(30)
Amounts charged to other finance costs	(40)	(30)
Remeasurement (loss)/gain recognised on defined benefit pension scheme	(940)	(620)
Actual return on scheme assets	4,860	870

Notes to the report and financial statements
For the year ended 31 March 2026

9. Employees (continued)

Amounts recognised in the statement of financial position

Net pension at 31 March	2026	2025
	£'000	£'000
Present value of funded obligation	(34,390)	(31,230)
Fair value of scheme assets (bid value)	53,780	48,570
Net asset	19,390	17,340
Unrecognised asset	(19,390)	(17,340)
Value to be recognised in financial statements	-	-

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2026	2025
	£'000	£'000
Opening scheme liabilities	(31,230)	(36,670)
Current service cost	(590)	(820)
Past service cost	(20)	-
Interest cost	(1,780)	(1,740)
Contributions by scheme participants	(430)	(400)
Remeasurements	(1,930)	7,300
Benefits paid	1,590	1,100
Closing scheme liabilities	(34,390)	(31,230)

Notes to the report and financial statements
For the year ended 31 March 2026

9. Employees (continued)

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

	2026	2025
	£'000	£'000
Opening fair value of scheme assets	48,570	46,990
Remeasurements	2,030	(1,400)
Interest income	2,830	2,270
Contributions by employer	1,510	1,410
Contributions by scheme participants	430	400
Benefits paid	(1,590)	(1,100)
Closing fair value of scheme assets	53,780	48,570

Major categories of plan assets as a percentage of total plan assets

	Year ended 31 March 2026	Year ended 31 March 2025
	£'000	£'000
Fair value of assets	53,780	48,570
Present value of liabilities	(34,390)	(31,230)
Surplus	19,390	17,340
Unrecognised surplus	(19,390)	(17,340)
Liability to be recognised in financial statements	-	-

Notes to the report and financial statements
For the year ended 31 March 2026

10. Key management personnel

	Basic salary	Benefits in kind	Pension Contributions	Total 2026	Total 2025
				£'000	£'000
Board Members	71	-	-	71	63
Executive Directors	824	-	199	1,023	1,053

The full time equivalent number of employees, including Directors, who received remuneration payable, including pensions, car allowances and compensation for loss of office in relation to the period were as follows:

	2026 No. of employees	2025 No. of employees
£60,001 and £70,000	13	11
£70,001 and £80,000	8	9
£80,001 and £90,000	2	1
£90,001 and £100,000	4	5
£110,001 and £120,000	1	1
£120,001 and £130,000	1	-
£130,001 and £140,000	2	2
£140,001 and £150,000	1	1
£150,001 and £160,000	1	-
£160,001 and £170,000	-	1
£170,001 and £180,000	1	1
£200,001 and £210,000	1	1
£230,001 and £240,000	1	1
	36	34

Notes to the report and financial statements
For the year ended 31 March 2026

10. Key management personnel (continued)

Individual Board Members levels of remuneration	2026	2025
	£'000	£'000
Dennis Bradley until 18.09.25	7	15
Kevin Thompson until 18.09.25	2	6
Hannah Underwood until 18.09.24	-	3
Norman Rollo until 18.09.25	3	8
Charlotte Harrison until 18.09.25	3	6
Natalie Wilkinson	12	8
Stephen Watson	8	8
Jennifer Clement until 18.09.24	-	2
Ryan Appleby	9	4
Elaine Middleton	8	1
Joanne Race	7	1
Pam Mastrantonio until 14.09.25	2	1
Jenny Davidson from 18.09.25	4	-
Paul Stephens from 18.09.25	5	-
Andy Palmer from 19.02.26	1	-
	71	63

The highest paid Director is the Chief Executive. Their emoluments including an adjustment for FRS 102 annual leave accrual, but excluding pension contributions, were £188,011 (2025 £194,879).

The remuneration payable to the highest paid director divided by the total number of social housing units at year end was £20.93 (2025 £20.98).

The total aggregate amount of remuneration paid to directors (including board members) divided by the total number of social housing units was £121.83 (2025 £124.72).

The Chief Executive is a member of the Durham County Council Pension Fund. The pension contributions made during the period were £44,439 (2025 £43,145).

Notes to the report and financial statements
For the year ended 31 March 2026

10. Key management personnel (continued)

They are an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual pension arrangement for this Director.

The number of directors accruing benefits under the pension scheme at 31 March 2026 was 6 (2025: 6).

Board members

Board remuneration levels and calculations are recommended following the receipt of independent advice and adoption of an appropriate remuneration policy in accordance with Livin’s rules and probity policy. Performance assessment is conducted through collective and individual annual appraisal of Board and Role Profiles and contracts for services are agreed with all Board Members to assist in assessing performance.

Norman Rollo ceased to be a Board Member on 18 September 2025 and, from that date, continued in the role of Board Adviser with no voting rights.

Board remuneration as a percentage of turnover is 0.15% (2025 0.1%).

Notes to the report and financial statements
For the year ended 31 March 2026

11. Tangible fixed assets – properties

Housing properties	Social housing properties held for letting	Non-social housing properties held for letting	Housing properties for letting under construction	Completed Shared Ownership Housing properties	Total housing properties
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025	335,228	1,690	10,736	990	348,644
Additions	9,326	-	12,309	-	21,635
Works to existing homes	10,477	-	-	-	10,477
Schemes completed	5,230	-	(5,230)	-	-
Disposals	(1,617)	(38)	-	-	(1,655)
Transfer between investment assets	-	(35)	-	-	(35)
Transfer from shared ownership stock	89	-	-	(89)	-
At 31 March 2026	358,733	1,617	17,815	901	379,066
Depreciation and impairment					
At 1 April 2025	78,238	190	-	204	78,632
Charged in year	9,462	27	-	26	9,515
On disposals	(968)	(3)	-	-	(971)
Impairment	-	-	-	-	-
At 31 March 2026	86,732	214	-	230	87,176
Net Book Value					
At 31 March 2026	272,001	1,403	17,815	671	291,890
At 31 March 2025	256,990	1,500	10,736	786	270,012

The carrying value of assets with restricted title or pledged as security is £222.51m (2025: £221.8m)

Notes to the report and financial statements
For the year ended 31 March 2026

11. Tangible fixed assets – properties (continued)

Expenditure on works to existing homes	2026	2025
	£'000	£'000
Amounts capitalised as components	10,477	12,400
Amounts charged to the income and expenditure account	584	615
	11,061	13,015

Housing properties book value, net of depreciation and grants
Impairment

Livin considers individual schemes to be separate Income Generating Properties when assessing for impairment, in accordance with the requirements of Financial Reporting 102 and SORP 2018. An impairment charge of £nil (2025: £nil) has been made this year.

Social Housing Grant

Total accumulated Social Housing Grant	2026	2025
Received or receivable at 31 March	£'000	£'000
Capital grant	51,475	47,526
Recognised in the Statement of Comprehensive Income	3,808	3,166
Revenue grant	7	7
	55,290	50,699

Notes to the report and financial statements
For the year ended 31 March 2026

12. Tangible fixed assets – other

	Offices	Computers and office equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2025	6,741	774	7,515
Additions	241	216	457
Disposals	(112)	-	(112)
At 31 March 2026	6,870	990	7,860
Depreciation			
At 1 April 2025	2,482	498	2,980
Charged in year	252	137	389
On disposals	(112)	-	(112)
At 31 March 2026	2,622	635	3,257
Net Book Value			
At 31 March 2026	4,248	355	4,603
At 31 March 2025	4,259	276	4,535

Notes to the report and financial statements
For the year ended 31 March 2026

13. Investments

	2026	2025
	£'000	£'000
Investment in Spirit Regeneration and Development LLP	4	4

Livin is a member of the Spirit Regeneration and Development Co. LLP. This is an agreement which allows Livin to deliver its development programme in line with Homes England requirements.

Livin owns 100% of the ordinary share capital (£1) of Livin Developments Ltd. The subsidiary did not trade during the year and was dormant at 31 March 2026.

14. Investment properties: Non-social housing properties held for letting

	2026	2025
	£'000	£'000
At 1 April	5,773	6,520
Works to Investment Properties	-	6
Revaluation (loss)	(173)	(679)
Disposals	(72)	(40)
Transfer	35	(34)
At 31 March	5,563	5,773

Investment properties were valued as at 31 March 2026. The associations' investment properties have been internally valued using a 10% yield by Livin's Land and Property Valuer, who is a member of the Royal Institution of Chartered Surveyors. The full valuation was undertaken in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

Notes to the report and financial statements
For the year ended 31 March 2026

15. Derivative financial instruments

	2026	2025
	£'000	£'000
Derivative financial asset	34	-
Derivative financial liability (Note 21)	-	(127)
Net fair value position	34	(127)

The Association uses an interest rate swap to manage exposure to interest rate risk arising from variable rate borrowings. The swap is designated as a cash flow hedge. The derivative is measured at fair value at each reporting date.

At 31 March 2026, the swap had a positive fair value of £34,000 and has therefore been presented as a derivative financial asset. At 31 March 2025, the swap had a negative fair value of £127,000 and was presented as a derivative financial liability.

16. Debtors

	2026	2025
	£'000	£'000
Due within one year		
Rent and service charges receivable	3,142	3,008
Less: provision for bad and doubtful debts	(725)	(722)
	2,417	2,286
Trade debtors	380	340
Less: provision for bad and doubtful debts	(358)	(307)
Other debtors	24	20
Social housing grant receivable	185	236
Prepayments and accrued income	855	1,168
	3,503	3,743

Notes to the report and financial statements
For the year ended 31 March 2026

16. Debtors (continued)

	2026	2025
	£'000	£'000
Due after more than one year		
Other Debtors	639	644
	4,142	4,387

Debtors due after more than one year relates to a bond for construction works and legal charges held on private dwellings that are situated within regeneration schemes.

17. Cash and cash equivalents

	2026	2025
	£'000	£'000
Money Market Investments	6,934	1,682
Cash at bank	445	1,706
	7,379	3,388

Notes to the report and financial statements
For the year ended 31 March 2026

18. Creditors: amounts falling due within one year

	2026	2025
	£'000	£'000
Overdraft	-	-
Debt (note 22)	13,750	1,500
Trade creditors	3,630	3,868
Rent and service charges received in advance	760	638
Deferred Grant Income (note 19)	704	609
Recycled capital grant fund (note 20)	-	-
Other taxation and social security	182	147
Other creditors	27	29
Accruals and deferred income	4,596	7,924
	23,649	14,715

Included in Accruals is £59,846 (2025 £24,141) relating to holiday pay accrued as a result of services rendered in the current period which employees are entitled to carry forward. The amount is measured as the salary cost payable for the period of absence.

19. Deferred Capital Grant

	2026	2025
	£'000	£'000
At 1 April	44,965	38,697
Grant received in the year	3,949	7,132
Recycled capital grant	76	65
Released to income in the year	(642)	(601)
Grants disposed during the year	23	(263)
Recycled in the year (note 20)	(87)	(65)
At 31 March	48,284	44,965

Notes to the report and financial statements
For the year ended 31 March 2026

19. Deferred Capital Grant (continued)

	2026	2025
	£'000	£'000
Amounts to be released within one year	704	609
Amounts to be released in more than one year	47,580	44,356
	48,284	44,965

20. Recycled capital grant fund

	2026	2025
	£'000	£'000
At 1 April	102	102
Grants recycled	87	65
Other adjustments	-	-
Withdrawals	(76)	(65)
At 31 March	113	102
Amount 3 years or older where repayment may be required	-	-

Withdrawals from the Recycled capital grant fund are used for the purchase of housing properties.

Notes to the report and financial statements
For the year ended 31 March 2026

21. Creditors: amounts falling due after more than one year

	2026	2025
	£'000	£'000
Debt (note 22)	156,750	149,500
Less debt issue costs	(658)	(1,242)
	156,092	148,258
Derivatives (Note 15)	-	127
Deferred Grant (note 19)	47,580	44,356
Recycled capital grant fund (note 20)	113	102
	203,785	192,843

22. Analysis of changes in net debt

	At Beginning of the year	Cashflows	Non-Cash Movements	At End of the year
	£'000	£'000	£'000	£'000
Due in one year				
Cash and cash equivalents	3,388	3,991	-	7,379
Bank loans	(1,500)	1,500	(13,750)	(13,750)
Private placement	-	-	-	-
	1,888	5,491	(13,750)	(6,371)
Due after more than one year				
Cash and cash equivalents	-	-	-	-
Bank loans	(54,500)	(21,000)	13,750	(61,750)
Private placement	(95,000)	-	-	(95,000)
	(149,500)	(21,000)	13,750	(156,750)
Net Debt	(147,612)	(15,509)	-	(163,121)

Notes to the report and financial statements
For the year ended 31 March 2026

22. Analysis of changes in net debt (continued)

Security

The bank loans and private placement debt are secured by fixed charges on individual homes.

Terms of repayment and interest rates

The percentage of loans at fixed rates of interest including interest rate swaps at 31 March 2026 was 76% (2025 86%).

The weighted average cost of capital at 31 March 2026 is 3.43% (2025 3.67%).

At 31 March 2026 the Association had available further bank loan facilities of £38m (2025 £59m). Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2026	2025
	£'000	£'000
Within one year or on demand	13,750	1,500
In one year or more but less than two	22,000	1,750
Between two and five years	39,750	52,750
Five years or more	95,000	95,000
	170,500	151,000

23. Non-equity share capital

	2026	2025
	£'000	£'000
Shares of £1 each issued and fully paid		
At 1 April and 31 March	8	10

Notes to the report and financial statements
For the year ended 31 March 2026

24. Reserves

Revaluation Reserve
This comprises of unrealised surpluses or deficits on the revaluation of investments.

Revenue Reserve
This includes all current and prior year retained surpluses and deficits.

Cash Flow Hedge Reserve
This comprises the cumulative fair value gains and losses on derivatives designated as effective cash flow hedges.

25. Cash flow from operating activities

	2026	2025
	£'000	£'000
Surplus for the year	6,419	5,979
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	9,904	9,430
Impairment of tangible fixed assets	-	-
Unrealised loss on revaluation of investments	173	679
Defined benefit pension scheme operating charge	610	820
Defined benefit pension scheme contributions paid	(1,510)	(1,410)
Surplus on the sale of Social Housing	(1,640)	(726)
Loss on Non-Social Housing disposals	-	-
Decrease/(Increase) in Debtors	194	(222)
(Decrease)/Increase in Creditors	(3,442)	3,345
Decrease/(Increase) in Stock	-	-
Adjustments for investing or financing activities:		
Interest receivable	(178)	(214)
Interest payable	6,812	6,048
Government grant amortised	(642)	(601)
Net cash inflow from operating activities	16,700	23,128

Notes to the report and financial statements
For the year ended 31 March 2026

26. Capital commitments

	2026	2025
	£'000	£'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	35,553	31,038
Expenditure authorised by the Board, but not contracted	9,024	16,073
	44,577	47,111

27. Contingent assets / liabilities

The Association had no contingent assets or liabilities as at 31 March 2026 (2025 £nil).

28. Leasing commitments

The future minimum lease payment of leases are set out below. These relate to office premises, equipment provided for residents' use and office equipment. Minimum future operating lease payments are as follows:

	2026		2025	
	Landand Buildings	Other Assets	Landand Buildings	Other Assets
	£'000	£'000	£'000	£'000
In one year or less	-	65	-	58
Between one and two years	-	54	-	52
Between two to five years	-	74	-	85
Over five years	-	-	-	-
	-	193	-	195

Notes to the report and financial statements
For the year ended 31 March 2026

29. Related parties

During the year, the aggregate amount received in rent for Board Members during their term of office was £nil (2025 £2,289). The arrears relating to tenant board members at the year-end was £nil (2025 £nil).

An apprenticeship scheme is in place with the Advance Learning Partnership Multi Academy Trust of which Alan Boddy is the Chair of Governors. During the year no apprentices were recruited via the scheme (2025 one apprentice) from members of the Trust under a two-year apprenticeship. No payments or receipts are made between Livin and the Trust.

30. Hedge Accounting

The Association has entered into a standalone hedging agreement which manages exposure to variable interest rate risk. Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges. They are measured at fair value at each reporting date. Gains and losses on cash flow hedges which are highly effective are recognised in Other Comprehensive Income. Any ineffective portion of a gain or loss on cash flow hedges is recognised in the Statement of Comprehensive Income. Interest rate swaps are held for the purpose of managing exposure to interest rate risk only.

	Cash flow hedge reserve £'000	Statement of Comprehensive income £'000	Cash flow hedge reserve £'000	Statement of Comprehensive income £'000
	2026	2026	2025	2025
Subject to cash flow Hedging	34	161	(127)	(127)

Cash flow hedge

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges.

All interest rate swaps remained effective cash flow hedges throughout the year.

At 31 March 2026, the fair value of interest rate swaps held by the Association is £34,000 in an asset position (2025: £127,000 liability).

The cash flow hedge reserve has increased to £0.034m, reflecting a £0.161m movement in the year.

The Association holds the following interest rate swaps at 31 March 2026.

Notes to the report and financial statements
For the year ended 31 March 2026

30. Hedge Accounting (continued)

Type of swap	Notional amount £'000	Fixed Interest rate %	Start date	End date
SONIA Hedge	20,000	4.096%	19 December 2024	19 December 2029