bpha

GROUP REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 2026

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Highlights

A+ (stable)
Standard and Poor's Rating (reaffirmed October 2025)

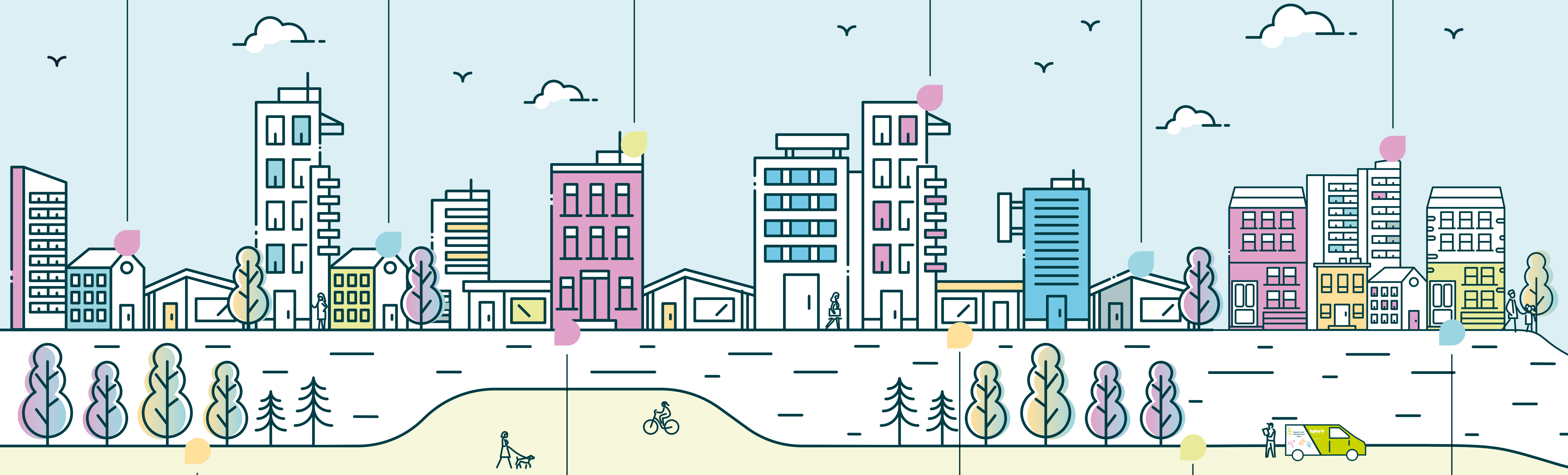
G1/V1/C1
Regulator of Social Housing Governance/Viability/Consumer Rating (July 2026)

£56m
Operating surplus (2025: £55m)

20,770
Homes owned or managed (2025: 20,156)

444
New homes built (2025: 233)

240
Homes acquired (2025: 6)



111%
Social Housing Lettings EBITDA MRI (2025: 105%)

36%
Operating margin on core operating business (2025: 39%)

122
Shared ownership sales (2025: 98)

£49m
Invested in maintaining and improving existing homes (2025: £49m)

£105m
Invested in new or newly acquired homes (2025: £64m)

Welcome from the Chair

Welcome to bpha's 2025/2026 Financial Statements

I am pleased to report that this has been a strong year for bpha with continuing improvements in customer satisfaction and colleague engagement; growth through some excellent new developments and a significant stock acquisition; and the maintenance of our strong financial position.

My priority as Chair continues to be ensuring that we provide consistently reliable, good quality and accessible services for everyone who lives in a bpha home. This year we launched our refreshed Customer Strategy, which set out how we will work with customers to shape and improve our services, focus on key drivers of customer satisfaction – including repairs – and strengthen our local presence. The strategy itself reflects extensive customer insight – including from our customer-led Service Improvement Panel (SIP) – and demonstrates our commitment to the voice of our customer, influencing decision-making and shaping our future.

Our focus on customer service has delivered some real improvements for bpha customers. Our Tenant Satisfaction Measure (TSM) scores for our rental customers have improved with particularly strong increases in the ratings for our repairs service. The In-house Maintenance Service (IHMS) continues to strengthen, supported by real-time data, upgraded systems and new tools that improve visibility of repairs and reduce missed appointments. We have also made it easier for people to contact us through better digital options and improvements in our Customer Communications Centre. The continued growth of our online customer portal, with more than 10,000 customers registered, has expanded choice and made it simpler for customers to manage their homes.

In recognition of our ongoing focus to listen to customers and improve their experience, we were very pleased to receive the highest consumer rating (C1) from the Regulator of Social Housing in July 2026, following a full assessment in the spring. This new grading demonstrates that bpha meet the customer-focused standards set by the Regulator and use customer insight to improve what we do. Alongside the C1 grading we were also delighted to maintain the highest governance (G1) and financial viability (V1) ratings.

We continue to invest heavily in the quality and safety of our homes. We understand the condition of our homes: 97% now have an up-to-date stock condition survey. We have made important progress on energy efficiency, with 92% of homes now at EPC Band C or above, well in advance of the 2030 deadline. Our regeneration work in Bedford, following the successful completion of significant improvements at Bury Court, continues to improve safety, security and accessibility across our tower blocks and neighbourhoods.

Our development programme provided 444 much-needed new homes across our region, and we were delighted to exchange contracts to welcome more than 1,200 homes transferring from Clarion. These homes will strengthen our presence in Bedfordshire, particularly in Bedford and Luton, giving new customers access to dedicated bpha teams with strong local knowledge and established neighbourhood partnerships.

Internally, we have strengthened our capacity and capability to deliver. We have significantly expanded our apprenticeship programme and invested in leadership development to 'grow our own'. We continue to build an inclusive workplace culture, reflected in our recognition as a Great Place to Work Top 100 organisation (Large Companies).

For me personally, a highlight of the year has been engaging with our customers. I joined 240 bpha colleagues on our Big Listen door-knock in October where together we engaged with nearly a thousand customers on their doorsteps. And I continue to be impressed by the quality of engagement and insight from our customer-led Service Improvement Panel.

Finally, my thanks to everyone who has contributed to this year of progress: our customers, colleagues, partners and Board members – particularly Geraldine O'Sullivan – who stepped down from the Board this year – and our many partners. Together, we remain committed to continue to build safe, quality homes, stronger services and connected communities.

Jeff Halliwell

Jeff Halliwell, Chair

Welcome from the CEO

Jeff, our Chair, has reflected on a successful year for bpha. We are making good progress against our Corporate Strategy which we set out in 2024. Each year, the Board assess our progress as we continue to push our targets, so that they are meaningful, stretching and drive continuous improvement.

Looking forward to 2026-27 and beyond, our focus will continue to be listening to our customers, acting on what they have told us matters most, and ensuring we deliver consistently high-quality services.

We have set up two significant improvement programmes within bpha: bphaConnect aimed at embedding a more consistent, outcome-focused, performance-driven approach across teams and bphaPulse, to strengthen how we manage, govern and use data to make better decisions and improve customer outcomes. The next phases of both bphaConnect and bphaPulse will play a critical role in strengthening how we work. We are moving towards a more digitally enabled, data-driven organisation, where colleagues have the tools and skills to deliver better, faster and more personalised services.

Our environment is changing as the Government prioritises growth in Cambridge and across our operating area, and Universal start their exciting development in Bedford. We will continue to work with partners to help our residents access some of the opportunities that these changes will bring. And we also want to play a strong place-making role, ensuring that change and growth benefit our residents and local communities. Our work with Bedford Borough Council on the regeneration of the Greyfriars area of Bedford is a core priority.

The Government has made the provision of affordable housing a priority and we will work with Homes England and local partners to bring forward the high-quality affordable homes that are much needed. Our partnership with Hill – the Progress Investment Partnership – reflects our joint commitment to work with local partners to build quality homes and vibrant, connected communities.

Our colleagues will remain central to everything we do. Our new Strategic People Plan sets out how we will build capability, support wellbeing and maintain a strong, inclusive culture where people feel valued, motivated and able to deliver their best every day. We will expand apprenticeship opportunities, promote professional development and act on colleague feedback to ensure bpha remains a great place to work.

As an organisation, we remain committed to the highest possible health and safety standards. We take our responsibilities, under Awaab's Law and other legislation, incredibly seriously and we continue to adapt our systems and processes so that we can assure our residents that their homes are safe and well cared for.

We are committed to co-regulation and continue to welcome the engagement and challenge of the Regulator of Social Housing (RSH). As Jeff has said, we were very encouraged that the Regulator recognised the work we are doing with and for our customers through awarding a C1 consumer grading, putting bpha among the top-performing social landlords in the country. We have also found the work of the Housing Ombudsman to be a valuable source of insight.

Looking forward, our ambition is clear. We will continue to listen carefully to our customers and look to continuously improve the quality of our services. By focusing on customer priorities, investing in our people and neighbourhoods and strengthening the systems that underpin great service, we will ensure that bpha continues to be a landlord that customers trust and an organisation that delivers lasting value for the communities we serve.

Richard Hill, Chief Executive

We will deliver quality and value to customers

We remain focused on understanding our customers and acting on what matters most to them. Our aim is to deliver services that are high quality, reliable and accessible, while ensuring our homes are safe, comfortable and offer genuine value for money.

Our refreshed Customer Strategy sets out how we will continue to improve the experience of everyone who lives in a bpha home. Shaped by customer feedback, including insights from our customer-led Service Improvement Panel (SIP), Tenant Satisfaction Measures (TSMs) and the evolving regulatory landscape, it focuses on working with customers to design and improve services, supported by a clear customer engagement framework.

Our customer priorities are to:

- Deliver excellent, person-centred services tailored to individual needs
- Use feedback to improve services and maintain safe, well-managed homes
- Enhance digital services to provide accessible and flexible options
- Better understand the people behind the front door
- Strengthen local presence and partnerships
- Champion the customer voice at every level of decision-making
- Embed our customer engagement framework

Listening to customers and responding to feedback

Our Tenant Satisfaction Measures (TSMs) were gathered through around 1,700 independent customer surveys. We set stretching targets and saw improved scores for most measures for rental customers, with good progress in repairs and how customers feel they are treated. Feedback from shared owners was more mixed. While overall satisfaction increased we saw dips in some areas; we have targeted improvement plans in place where scores were lower.

We invested this year in tools which help us analyse the qualitative comments that customers make as part of this process. Customer complaints also continue to provide valuable insight, leading to improvements such as clearer communication when repair appointments change and more efficient EV charger permissions.

Improving our customers' experiences

Making it easier to contact us

Our Customer Communications Centre handled over 95,000 enquiries during the year and remains customers' preferred contact route to bpha. Improvements included better data capture and a more than 50% reduction in average customer call waiting times. We expanded alternative contact choices such as WhatsApp, which now handles around 1,350 enquiries per month.

Improving our repairs service

Many of the calls we receive are regarding the upkeep of our homes. We strengthened our in-house maintenance service through expanded digital capability using the Totalmobile system and the online customer portal, alongside improved customer self-service tools. A new 'on the way' tracking feature was trialled, providing live updates on operative arrival times and reducing missed appointments. Following positive feedback, this is being rolled out across all direct-delivered repairs. Residents can report repairs at any time on the online customer portal, with improved diagnosis and a choice of appointment times. More than 10,000 residents are registered, and further enhancements are being delivered following SIP recommendations.

Our damp and mould module was also enhanced to support effective triage and monitoring in line with Awaab's Law. Improved real-time performance monitoring has strengthened insight and will support further improvements into 2026/27.

Sustained improvement through bphaConnect

bphaConnect, is our programme to strengthen customer services, focusing this year on Voids and the Customer Communications Centre. During 2025/26, we completed service diagnostics, began designing new performance dashboards for both teams, agreed priority KPIs and delivered early CRM enhancements. This will improve visibility of performance, support more consistent problem-solving and embed a culture focused on outcomes and accountability. Further phases will expand reporting, link more closely with our Strategic People Plan and bphaPulse (more on this later) and introduce structured goal-setting and performance management.

Independent Living and Supported Housing

Our Independent Living teams supported customer wellbeing and financial stability, helping customers manage rent and benefits, secure backdated payments and agree targeted arrears plans. Partnership working with local authorities and money advice services helped reduce financial hardship, while operational performance improved through reduced void loss, stronger engagement and early escalation of repairs and safety issues. Our Specialist, Supported and Homelessness Resettlement services continued to support customers with additional needs to live safely and independently.

We will help make places and build communities

We invest in our existing homes, build new ones and support strong, thriving neighbourhoods. A safe, decent home provides the foundation for better health, education and employment, helping build strong communities.

Improving our homes

After completing almost 4,000 home inspections over the past 12 months, 97% of our homes have now had a stock condition survey over the past five years. This helps us guarantee that our homes are safe, well-maintained places to live. Our quality checks include inspecting for any hazards, such as damp and mould and electrical faults.

During 2025/26 we invested £23m in replacing a range of components in our homes:

Boilers
£3.1m
753 components

Bathrooms
£1.7m
375 components

Windows and doors
£2.2m
990 components

Kitchens
£6.3m
614 components

Fire safety
£2.0m

Energy efficency
£2.2m

Externals (including roofing)
£1.5m
671 components

Other components
£3.5m

Garages
£511k

Regenerating Bedford's high-rise homes

Work at Bury Court, the second block improved through our Vista regeneration programme, completed in May 2025, with a total investment of around £9.8m. The building was fully refurbished, including new windows, roof and external wall insulation, with all homes now achieving EPC Band C or above. Fire safety and security were strengthened through new sprinkler, fire alarm and CCTV systems, alongside improved ventilation and new external EV charging points. Post-completion surveys showed 92% resident satisfaction with the works.

Providing new homes

We invested £77m in our development programme, enabling the completion of 444 new homes, a mixture of rental (280) and shared ownership (164). 122 shared ownership homes were sold in the year, helping customers access home ownership in a high-cost housing market.

We continued to deliver new affordable homes through section 106 agreements and our land-led programme. This included the first phases of our 336-home, all-affordable development at Linmere in Central Bedfordshire, comprising 153 homes for social rent and 183 for shared ownership, supported by Homes England funding. Linmere will ultimately form part of a new settlement of more than 5,000 homes alongside schools, facilities and local amenities.

In Bedford, former garage sites were transformed into new homes to meet local housing need. The full programme will deliver 21 homes across seven sites, ranging from wheelchair-accessible bungalows to family houses, all built to modern standards and achieving EPC A ratings.

In September, we started on site at Swavesey in South Cambridgeshire — the first scheme delivered through the Progress Investment Partnership, a joint venture between Bushmead Homes and the Hill Group. A forward pipeline of schemes continues to be developed through the partnership.

We agreed with Clarion to transfer more than 1,200 homes to bpha, including around 850 in Luton and the remainder in Bedford and Central Bedfordshire. The Bedford transfer completed in March, with the Luton homes in May 2026 following customer consultation. New customers will benefit from dedicated bpha teams with strong local knowledge and partnerships, while the additional homes will strengthen local delivery for existing customers. We will increase capacity within our housing and repairs teams to ensure services remain high quality and offer good value for money.

Connecting our communities

People who live in both existing and new homes are at the heart of the 'connected communities' we support. Our Community Hubs in Bedford and Cambridge continued to provide safe, inclusive spaces where residents can connect, access support and build wellbeing. During the year, many community members engaged with the hubs. A new hub in Trumpington was launched using almost £20,000 from Cambridgeshire County Council to support residents aged over 65. The hubs offered health and wellbeing support, money advice, skills and employment support, social activities, meals and multilingual information.

We strengthened our partnership with Amplius and Peabody Housing Associations and Public Health Bedford, Central Beds and Milton Keynes to embed opportunities for active, healthy living and help tackle inequalities. The project, which this year secured funding from Sport England, is set to grow. Tailored training improved colleague confidence in discussing health issues including smoking cessation, mental health, autism, substance misuse and suicide prevention. Joint initiatives included work to shape a health-focused vision for the Greyfriars regeneration, expanded vaccination outreach, and Project ADaM, supporting customers affected by damp and mould through links to social prescribing.

We remained a funding member of Bedford Giving, supporting opportunities for young people across Bedfordshire. Colleagues volunteered as mentors during the year, sharing skills and experience to help young people overcome barriers and explore future opportunities.

Colleagues also volunteered in many other ways, including supporting schools, clearing communal land and helping local food banks. Nearly 200 colleagues used their gifted volunteer day to make a positive impact in local communities.

We will create a sustainable future

We are a long-term organisation, investing in sustainable homes, resilient services and a stronger future for both our customers and bpha.

Sustainable homes

Energy-efficient homes for the future

By the end of the year, 92% of our homes had achieved an EPC rating of Band C or above. We upgraded a further 75 homes to at least Band C and began installing photovoltaic (PV) panels and associated battery storage, enabling customers to generate and store their own energy and reduce household bills. We also secured funding to retrofit 560 homes, including some of our oldest properties. We prioritise homes with the greatest heat loss and lowest SAP ratings to maximise comfort, efficiency and long-term value.

Keeping customers safe

As well focusing on providing comfortable, efficient homes we also continually manage, monitor and audit their safety. Over the year, we completed:

15,589
Gas safety inspections

3,169
Domestic electrical inspections

85
Legionella risk assessments

383
Fire risk assessments

6,355
Fire door inspections

156
Asbestos duty-to-manage re-inspections

1,272
Lift insurance inspections

Intelligent components for lasting change

In addition to inspecting homes, we continued to invest in new technology to improve safety, reliability and the overall customer experience into the future. Key improvements included:

- Connecting new boilers to systems providing real-time monitoring and analytics
- Installing remote diagnostic controls on domestic boilers, enabling earlier fault detection and improved first-time fixes
- Trialling and installing hot water cylinders that do not require servicing or additional components
- Installing Aico smoke alarms across all homes with gas appliances, enabling wireless communication and real-time alerts
- Rolling out Aico Gateways and environmental sensors in homes with severe damp and mould issues helping identify risks early and track thermal performance

Investing in high-quality data

None of these improvements are possible without good data. bphaPulse is our five-year programme to strengthen how we manage, govern and use data. It enables colleagues to access accurate information, make better decisions and improve outcomes for customers. Year two delivered further strong foundations, including a new Electronic Document and Records Management System (EDRMS), an organisation-wide Data Quality Framework and core training content informed by a detailed assessment of data capability gaps. These improvements are already strengthening governance, improving consistency and increasing colleague confidence in using data day-to-day. Year three will focus on embedding these foundations, accelerating data literacy and fully integrating consistent, data-driven practices across the organisation.

These foundations also help provide direct digital enhancements for customers. As part of EDRMS, a new document library will be added to the online customer portal, providing access to correspondence, tenancy records and key home documents, including gas and electrical safety certificates. We also continued to invest in automation technologies, including our AI bot Jarvis, which manages Universal Credit confirmation processes. In 2025, Jarvis enabled faster verification of claims, reduced contact centre workload and helped improve customers' financial circumstances.

Alongside our development of data and digital enhancements, we continued to invest heavily in cyber security and system resilience, achieving Cyber Essentials Plus recertification for the third consecutive year.

Supporting futures

Helping customers sustain their homes

From April 2025, our Tenancy Sustainment Team continued to provide early, targeted support to customers at risk of losing their homes. The service focuses on building core tenancy skills, including budgeting, income maximisation and understanding responsibilities.

During the year, 80 tenancy sustainment and homelessness resettlement referrals were received, with 60% progressing to assessment and more than one-third moving to full allocation. Customers benefited from structured, personalised support and coordinated multi-agency input. We generated £61,000 of intensive housing management service charge income during the year, driven by fully allocated Tenancy Sustainment Team referrals, supporting both customer outcomes and financial sustainability. Our Money Advice team received 1,762 referrals, supporting customers with benefits and financial interventions to help sustain their tenancies.

Developing future housing talent

Through Bedford Giving's Taste of the Workplace programme, we partnered with a Year 9 tutor group at Daubeney Academy in Bedford on a month-long, real-world housing project. Twenty-five students were tasked with designing a new housing scheme, considering sustainability, community infrastructure and local need. Students visited our Wixams site and head office, engaging with colleagues across home safety, customer engagement and housing careers. The project received excellent feedback from students, teachers and colleagues, with bpha managers also applying learning from the Aspiring Manager programme while supporting the student workgroups.

80
Tenancy sustainment and homelessness resettlement referrals received

60%
Progressed to assessment

40%
Moved to full allocation

£61,000
Intensive housing management service charge income generated

1,762
Money advice referrals received

We will put people at the heart of bpha

People are central to everything we do. The quality of our homes and services directly affects the lives of the communities we serve, so we work closely with customers to design and improve services around their needs. At the same time, we focus on creating a positive, supportive experience for colleagues, recognising that their wellbeing enables them to deliver the best outcomes for customers.

Listening to customers and strengthening influence

Customer engagement and influence continued to be a major focus, with insight gathered through Tenant Satisfaction Measures (TSMs), surveys, panels, focus groups and digital channels. We held themed focus groups across different locations with customers with diverse lived experiences, including in Luton and Bedford, younger customers, ethnically diverse customers, shared owners and users of the online customer portal.

This engagement directly informed delivery of the Customer Strategy and provided both qualitative and quantitative input into Board reports, Customer led Service Improvement Panel (SIP) activity, regulatory compliance work and service improvement plans. In partnership with our residents' Building Safety Group, we also worked with the Police and Crime Commissioner to highlight the impact of high levels of anti social behaviour and criminal activity on residents living in our Greyfriars blocks. Customer feedback also helped develop an Anti-Social Behaviour improvement plan, with progress shared through our regular customer bulletin, TALK.

Customers reviewed our complaint handling process against the Housing Ombudsman's Complaint Handling Code. Feedback highlighted strong communication, empathy and professionalism at Stage two, while identifying a need for greater consistency at Stage one. These recommendations are now being implemented.

Customer led Service Improvement Panel (SIP)

The influence of the customer-led SIP continues to grow. Its recommendations shaped improvements including to the online customer portal, clearer repairs responsibilities and the bpha website.

It made recommendations from in depth reviews of the customer portal, The Place (online engagement platform), 'No Access' processes and voids (empty homes). Members also supported colleague and Board recruitment, procurement activity (including Project Vista and TSM supplier selection) and attended national conferences for exposure to wider sector learning. Training on TSM scrutiny, Hidden Voices and Awaab's Law strengthened the panel's capability. The SIP Chair and Vice Chair now attend the Customer Experience Committee, embedding the customer voice in decision making.

The Big Listen

In October, SIP members also took part in our Big Listen door knock. The event brought together 240 colleagues and Board members, to engage with 994 customers on their doorsteps. The scale and depth of feedback has helped shape organisational priorities, including commitments around repairs, grounds maintenance and local issues such as anti social behaviour. The Big Listen also played an important role in reconnecting colleagues with our purpose and strengthening understanding of customer experience.

Investing in our People

Developing our people

Our Strategic People Plan sets out bpha's people priorities for 2026–2029, aligning with our Corporate Strategy and supporting delivery of our vision, values and operational goals. The plan focuses on strengthening an inclusive culture, enhancing leadership and professionalism, and building the organisational capability needed to deliver consistently for customers.

This is supported by the rollout of People First, our new people systems platform, which brings together payroll, HR, recruitment and learning into a single mobile enabled system. Colleagues can now access records, book leave and training and submit expenses more easily, while managers are better equipped to support a positive, performance focused culture through regular check ins and clearly documented goals.

Listening to colleagues

Understanding colleague experience continues to shape our approach. We use a range of formal and informal feedback channels, including the Great Place to Work© survey. This year, 82% of colleagues (472) took part, with the Trust Index increasing by four points to 75%. As a result, bpha was recognised in the GPTW Top 100 large companies list. Colleague engagement improved across 57 of 64 statements, with particularly positive feedback on leadership. Collaboration between teams was identified as an area for further improvement and will be a focus in the year ahead.

Supporting wellbeing and building capability

Creating a healthy and supportive working environment remains a priority. We strengthened our wellbeing offer through MYNDUP, providing accessible tools and guidance, and continued to encourage open conversations about mental health, physical wellbeing and work life balance.

We also invested in future skills and capacity. More than 30 apprentices joined bpha across a wide range of functions, helping address sector wide skills shortages.

We also continued to invest in learning and development for our colleagues. Our accredited senior leader programme strengthened leadership capability, with several participants progressing into more senior roles, while internal promotions supported succession planning and career progression.

Inclusion, recognition and shared purpose

Progress continued against our Equality, Diversity and Inclusion Strategy, including inclusive recruitment practices, a strengthened colleague Inclusion Network and enhanced training for colleagues and leaders. Our latest Gender Pay Statement showed further reductions in both mean and median gender pay gaps, reflecting improvements in workforce composition, while recognising there is more to do.

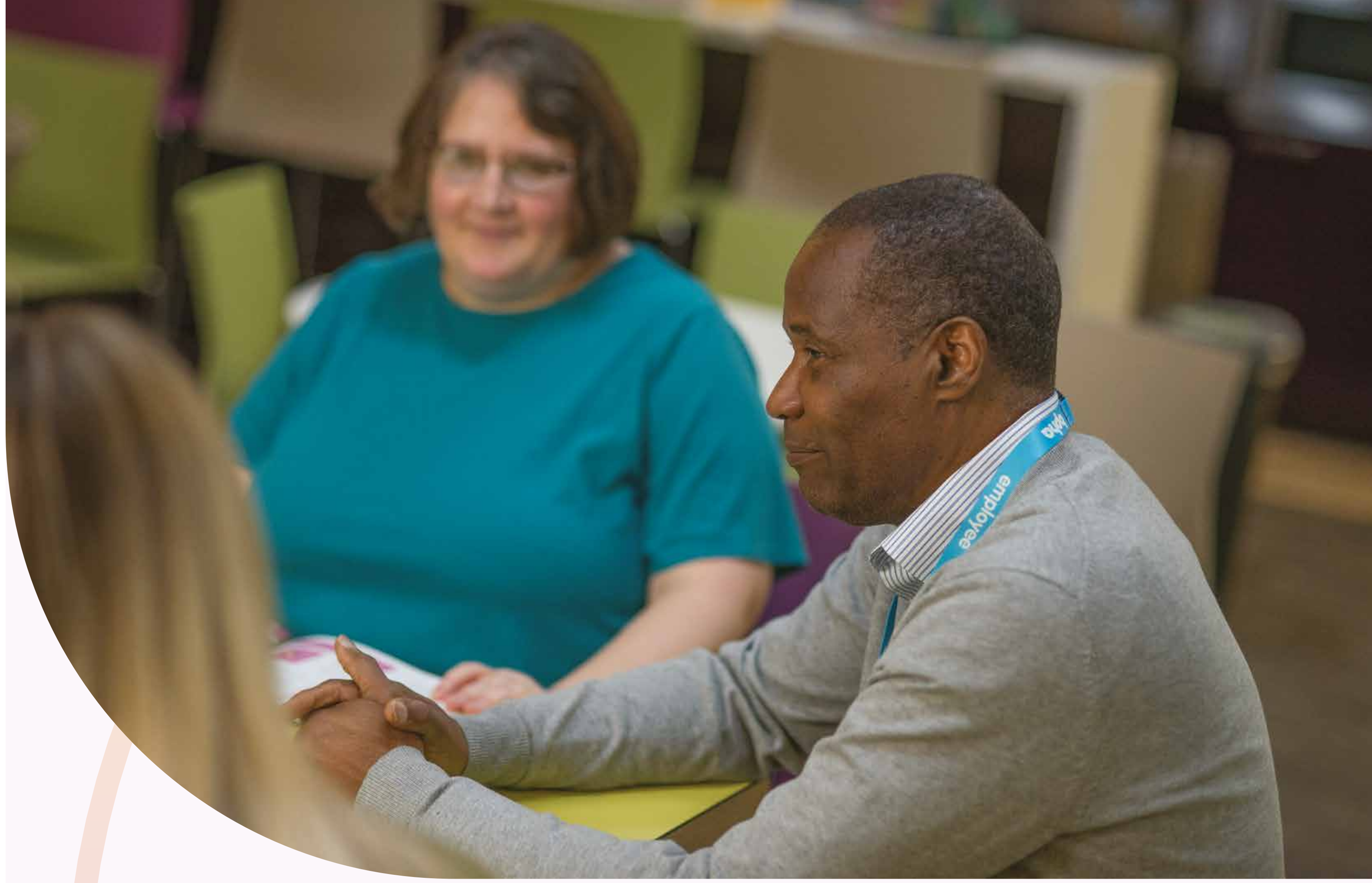
Operating and financial review

Our core operating business continued to perform strongly, with turnover increasing to £142.5m from £136.7m. This was driven by an annual rent increase and increased property numbers following continued investment in our development programme, which delivered 444 homes during the year. The development and sales business also performed well, with improved levels of first tranche shared ownership sales and staircasing activity contributing to a higher surplus of £4.2m (2025: £2.3m). Combined, our operating surplus improved slightly to £55.8m overall (2025: £54.9m).

Turnover increased by £5.8m, driven primarily by the 2.7% rental increase and additional income from new property handovers, together with higher service charges income. This was partly offset by continued pressure on operating margins from increased service, maintenance and management costs. Cost of sales increased in line with higher development activity. Statutory operating costs increased by £7.4m, to £93.4m, reflecting increased investment in existing homes, higher repair volumes and broader inflationary pressures. Increased staircasing activity resulted in higher gains on disposal of fixed assets, whilst the revaluation of investment properties resulted in a £0.3m reduction in value.

Total operating surplus increased from £54.9 to £55.8m, primarily driven by stronger contribution from the development and sales business £4.2m (2025: £2.3). The reduction in the core operating surplus to £51.9m (2025: £53.6m) reflects our ongoing commitment to invest in our existing homes and the remainder of the movement is due the change in the value of investment properties.

	2024/25 £'m	2025/26 £'m
Core operating business	53.6	51.9
Development and sales business	2.3	4.2
Fair value adjustments on investment properties	(1.0)	(0.3)
Operating surplus	**54.9**	**55.8**



The net surplus for the year of £21.7 exceeds the £20.1m reported last year, due to a combination of the above-mentioned increases in operating surplus and a reduction in interest costs.

We continue to see strong and steady cashflow from our core operating business net of interest. Continued capital investment meant that operating cashflow net of capital repairs and maintenance generated a cash surplus of £6.3m (2025: £3.2m). Our key credit metric, social housing lettings EBITDA MRI interest cover ratio was 111% (2025: 105%) which is above the targeted level of 100%.

Cashflow

	2024/25 £'m	2025/26 £'m
Cash flows from operating activities	72.7	72.0
Net interest paid	(42.9)	(42.7)
Improvements to housing properties and other	(26.6)	(23.0)
Operating cashflow net of interest, capex and other	**3.2**	**6.3**
Proceeds from sales	28.3	31.6
Development spend	(63.6)	(76.8)
Acquisition of housing properties	(1.1)	(28.0)
Proceeds from the receipt of government grants	8.7	14.0
Investment in joint arrangements	(0.1)	(2.0)
Net movements in financing	24.9	58.8
Refinancing benefit/(costs)	1.2	0.0
Net cashflow	**1.5**	**3.9**

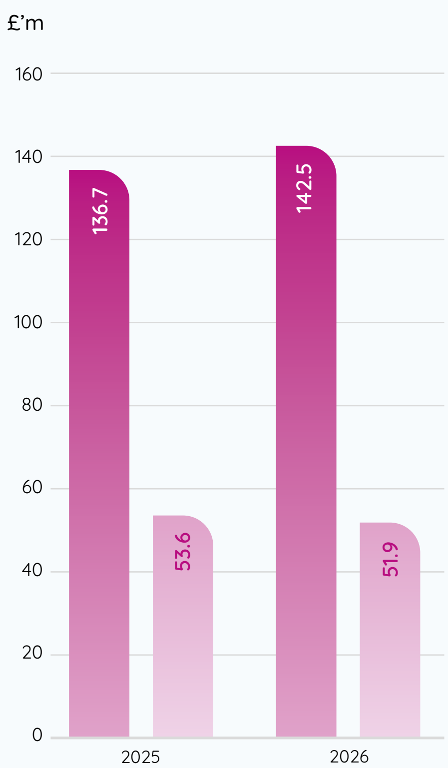
Our organisation delivers across two distinct areas: The core operating business which primarily comprises the stable and resilient social housing lettings; and our more cyclical development and sales business.

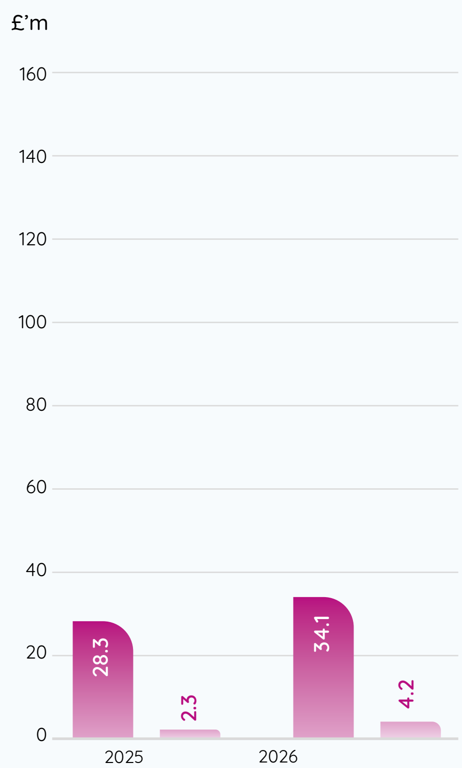
The core operating business

The core operating business continued to perform strongly as turnover increased to £142.5m from £136.7m due to an annual rent increase and increased handovers resulting from our ongoing development programme which delivered 444 properties in the year, a mixture of rental and shared ownership. During the year we acquired 222 properties from Clarion Housing Group on 30 March 2026. The surplus on core operating activities decreased by £1.7m from £53.6m to £51.9m primarily reflecting continued investment in existing homes, higher maintenance and service costs, and additional management expenditure, partly offset by income growth. Our core operating margin of 36.4% fell short of the 40% target but remains high within the sector. Our surplus covered our net interest costs of £34.1m and demonstrates that we are not dependent upon sales and asset disposals to cover our underlying costs.

The development and sales business

The development and sales business generated an improved financial performance during the year, with turnover increasing from £28.3m to £34.1m, and operating surplus rising from £2.3m. to £4.2m. The market for shared ownership sales in our operating area remains strong and our results reflect stronger performance across both first-tranche shared ownership sales (122 vs 98), and increased staircasing, partly offset by higher cost of sales.





Key
- Turnover
- Operating surplus

Investment in homes

The net value of our housing and other assets has continued to rise, increasing by £90.2m during the year. We continue to maintain and improve our existing assets with £49m spent during the year.

In addition, £77m was invested through our development programme which delivered 444 properties, together with £28m from acquisitions, primarily the initial acquisition of 222 properties from Clarion on 30 March 2026. The remaining 980 properties acquired from Clarion were transferred to us on 11 May 2026 at a cost of £65.8m. We now have 20,770 units that we own or manage and continue to invest in our development programme to increase our portfolio.

	No of units at 31 Mar 2025	Additions	Acquisitions	Disposals	No of units at 31 Mar 2026
Homes owned	18,757	440	206	(74)	19,329
Other properties owned	31	4	34	-	69
Properties owned	18,788	444	240	(74)	19,398
Properties managed on behalf of others	1,368	33	2	(31)	1,372
Total	**20,156**	**477**	**242**	**(105)**	**20,770**

Treasury

We maintain strict targets to ensure that sufficient liquidity is available to fund ongoing and planned activities. On 31 March 2026, £998m of funding was drawn against total facilities of £1,289m. During the year, we raised £210m of new bank facilities to support future liquidity requirements and the acquisition of 1,202 homes. This increased our level of undrawn facilities to £291m and our immediately available cash to £22m, which strengthened our liquidity headroom to £313m on 31 March 2026.

This strong liquidity means that all future committed developments can be funded from existing facilities, without the need to raise new funding. Strong operational cashflow and sales in the year covered a major part of our development spend after housing grants, with the remaining costs met by £53m of additional borrowing. During the year, our net debt has increased to £958m (2025: £904m). Gearing has marginally decreased to 63.3%.

Our loan covenants are predominantly based upon interest coverage, asset cover and gearing ratios. Covenants are regularly monitored in accordance with our governance framework and were comfortably met throughout the year. In October 2025 Standard & Poor's reaffirmed our credit rating as A+ (stable). The Regulator of Social Housing reaffirmed our governance (G1) and financial viability (V1) ratings in December 2025, and endorsed these grades in July 2026 following a full inspection. This was alongside awarding bpha a C1 consumer grading.

Julian Pearce
Chief Financial Officer

Value for money

Board responsibility:

The Board takes responsibility for Value for Money (VfM) by:

- Setting objectives and targets
- Approving the use of resources through the budget and business plan
- Monitoring performance and results

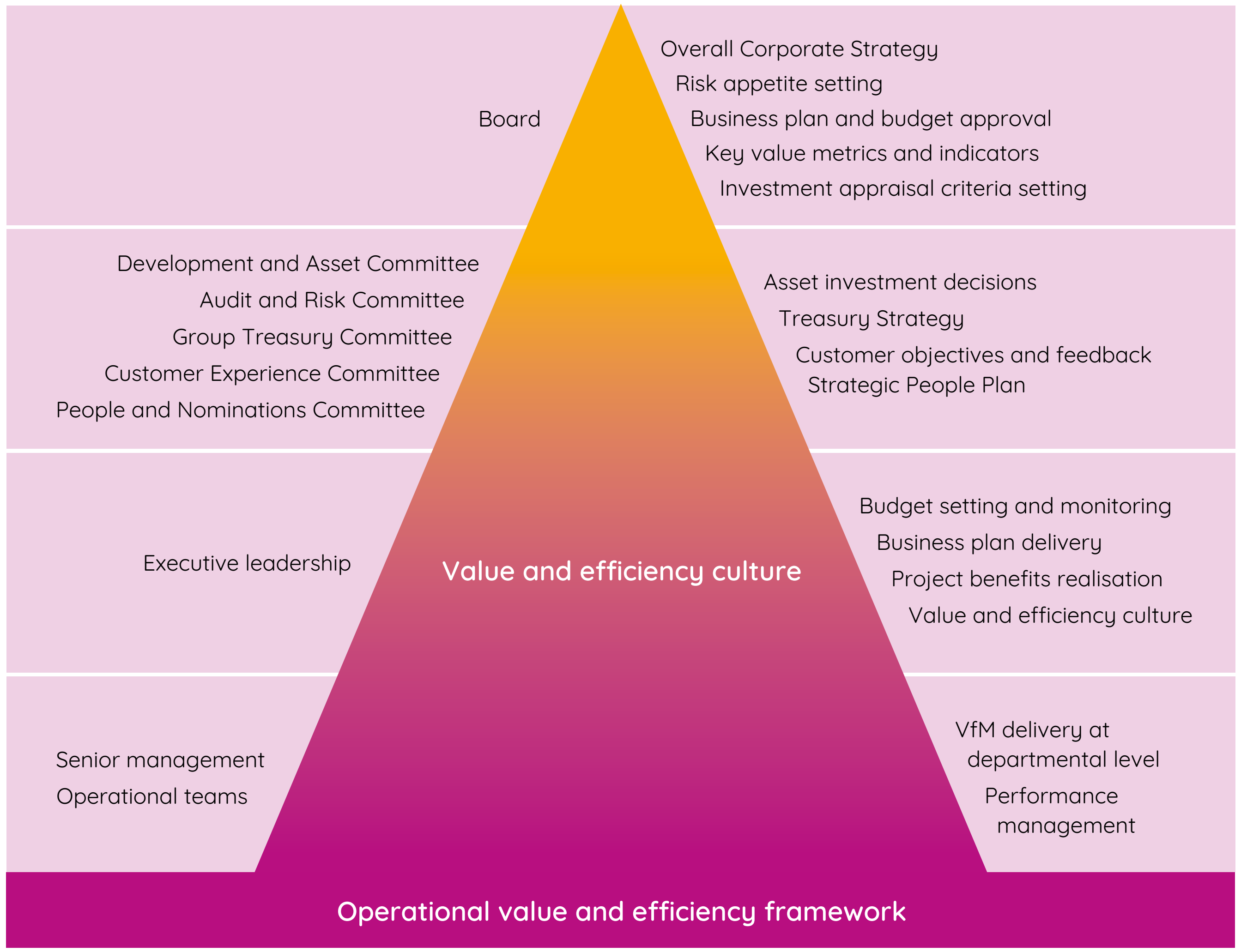
We generate value through delivering services to our customers, maintaining quality homes, building new homes, and supporting thriving communities.

In support of this, we have four interdependent goals:

- The protection and efficient utilisation of existing assets
- The delivery of well defined, appropriate services to a range of tenant and customer groups
- The development of new homes
- The protection and development of our financial capability

Throughout the year the organisation maintained tight control of costs, invested in improvements to service delivery and existing stock, as well as delivering new homes.

Strategic objectives: value for money



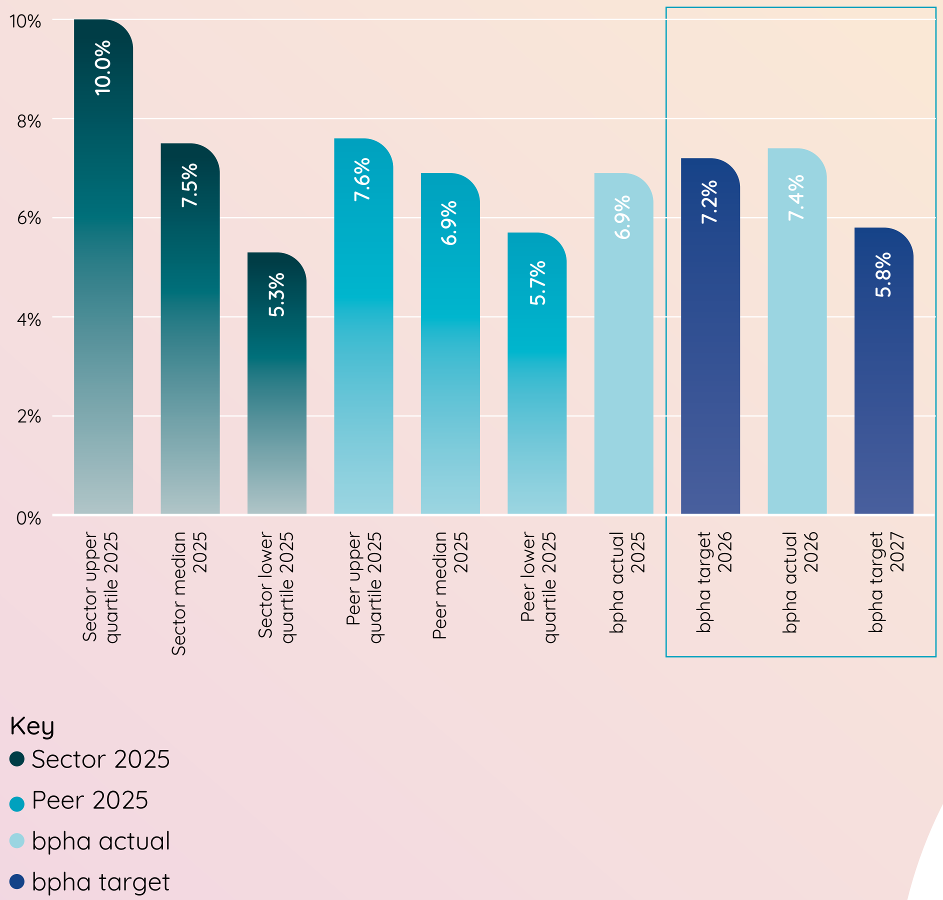
Value for money performance

We have continued to achieve a strong performance across a range of indicators. All measures outlined below have been benchmarked against a comparable group of 8 housing associations (peer group) in terms of size and geography, alongside the national averages. This comparison is based on the most recent available information published by the Regulator of Social Housing for the year ending 31 March 2025.

These measures have been mandated by the Regulator of Social Housing, including the definition of the measure, which sometimes differs to measures elsewhere in the financial statements and to our financial covenants.

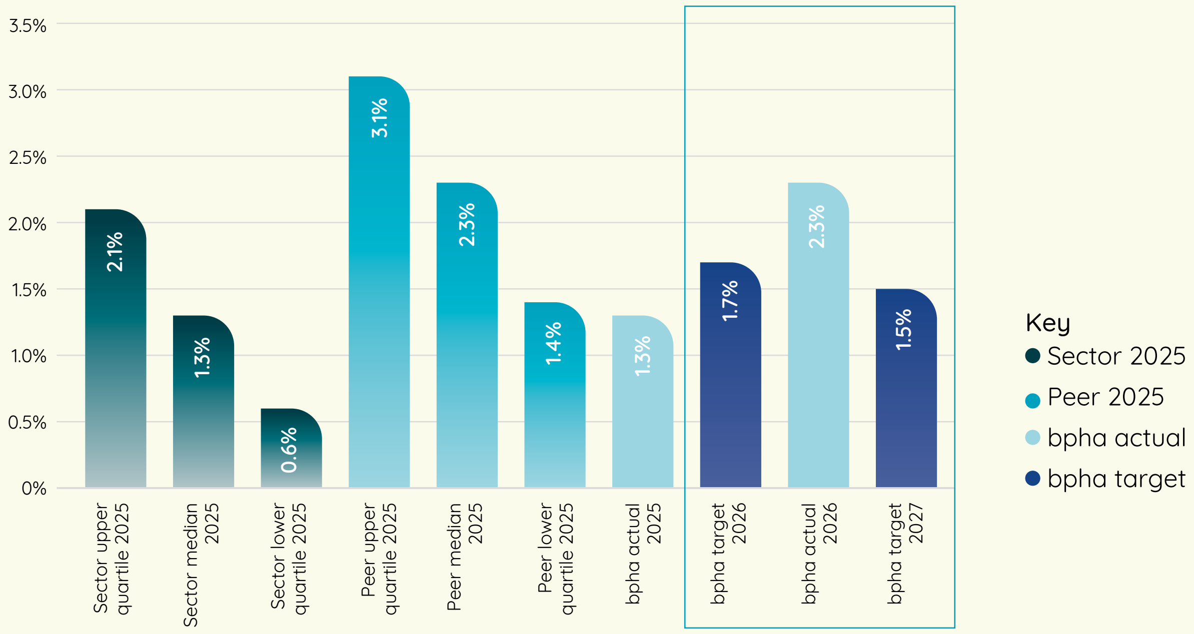
Reinvestment percentage

Reinvestment % measures our investment in the acquisition and development of new properties plus our investment in maintaining existing properties as a proportion of the total value of our housing properties. Our reinvestment % has increased from 6.9% to 7.4%, which is higher than both peer performance and sector median performance. This was higher than expected due to additional expenditure on development schemes (£81m vs £64m). Next year's development programme is budgeted at £59m, so it is expected to reduce to 5.8%.



New home supply (social) percentage

The delivery of new affordable homes is dependent on the timing of development schemes and may not reflect the level of investment during the period. The delivery of 2.3% new social homes supply is higher than both last year's performance and sector performance, and matches the peer median. The increase is due to our 445 affordable homes built or acquired in the year, compared with 239 last year. It is anticipated that it will reduce next year, with 304 new homes delivered, and the target has been set accordingly.

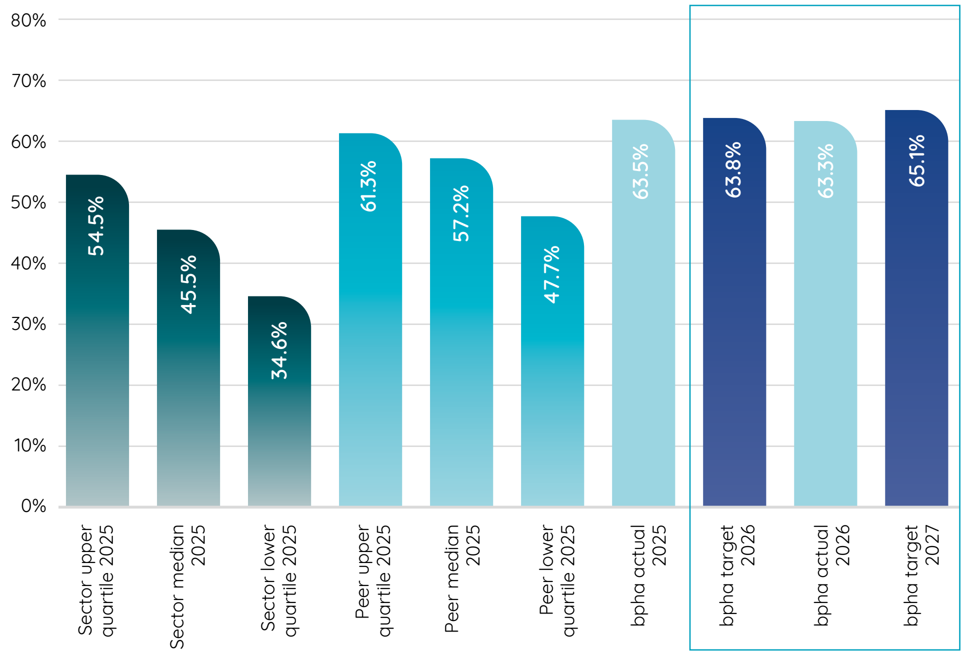


New home supply (non-social) %

In line with our strategy, we are developing limited housing for sale through Bushmead Homes (our housebuilding subsidiary). Accordingly, our new home supply (non-social) % to March 2025 was 0% as no new properties were developed for sale. An assessment of our peer group and sector median performance shows that there is a low level (less than 0.5%) of non-social, new homes being supplied more widely so our performance is aligned to that of the sector. We do not expect to deliver any non-social units in the year to March 2026.

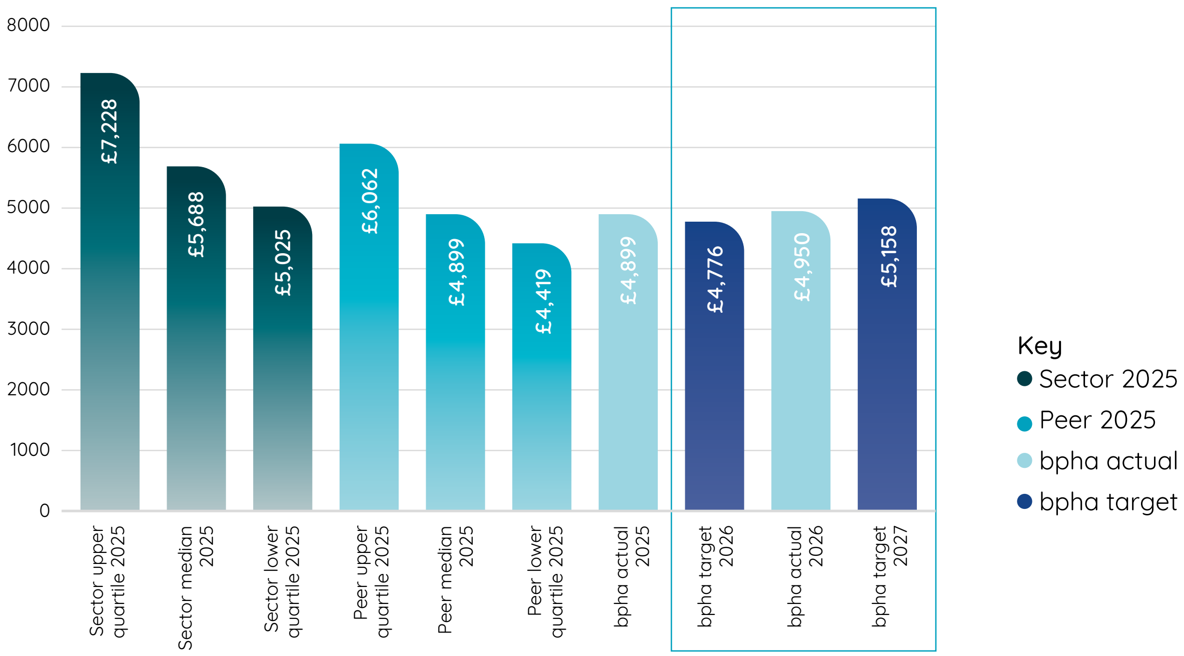
Gearing percentage

Our level of gearing, measured as the proportion of debt to the book value of housing, shows that we are making use of our assets to raise funds for investment while maintaining a sustainable level of debt. This reflects our objectives of investing in both new and existing homes, and we expect this to remain relatively high compared with others. The target for 2027 anticipates an increase to 65.1% as it takes account of newly acquired stock that attracts a higher proportion of debt.



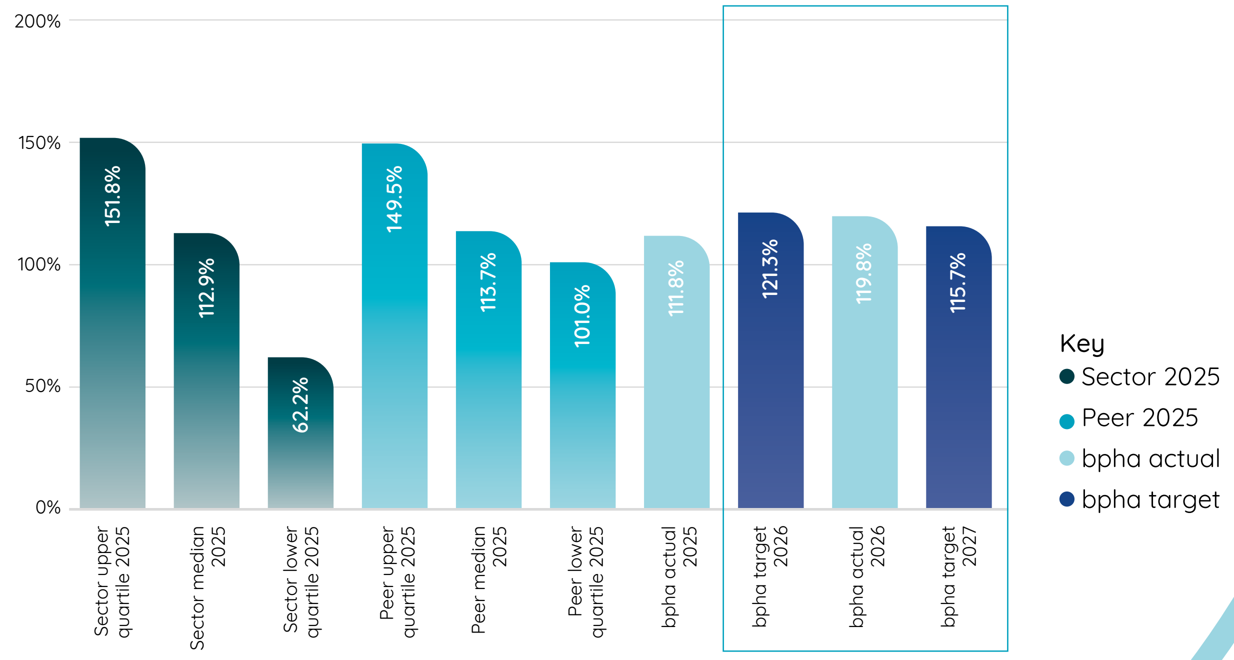
Headline social housing cost per unit £

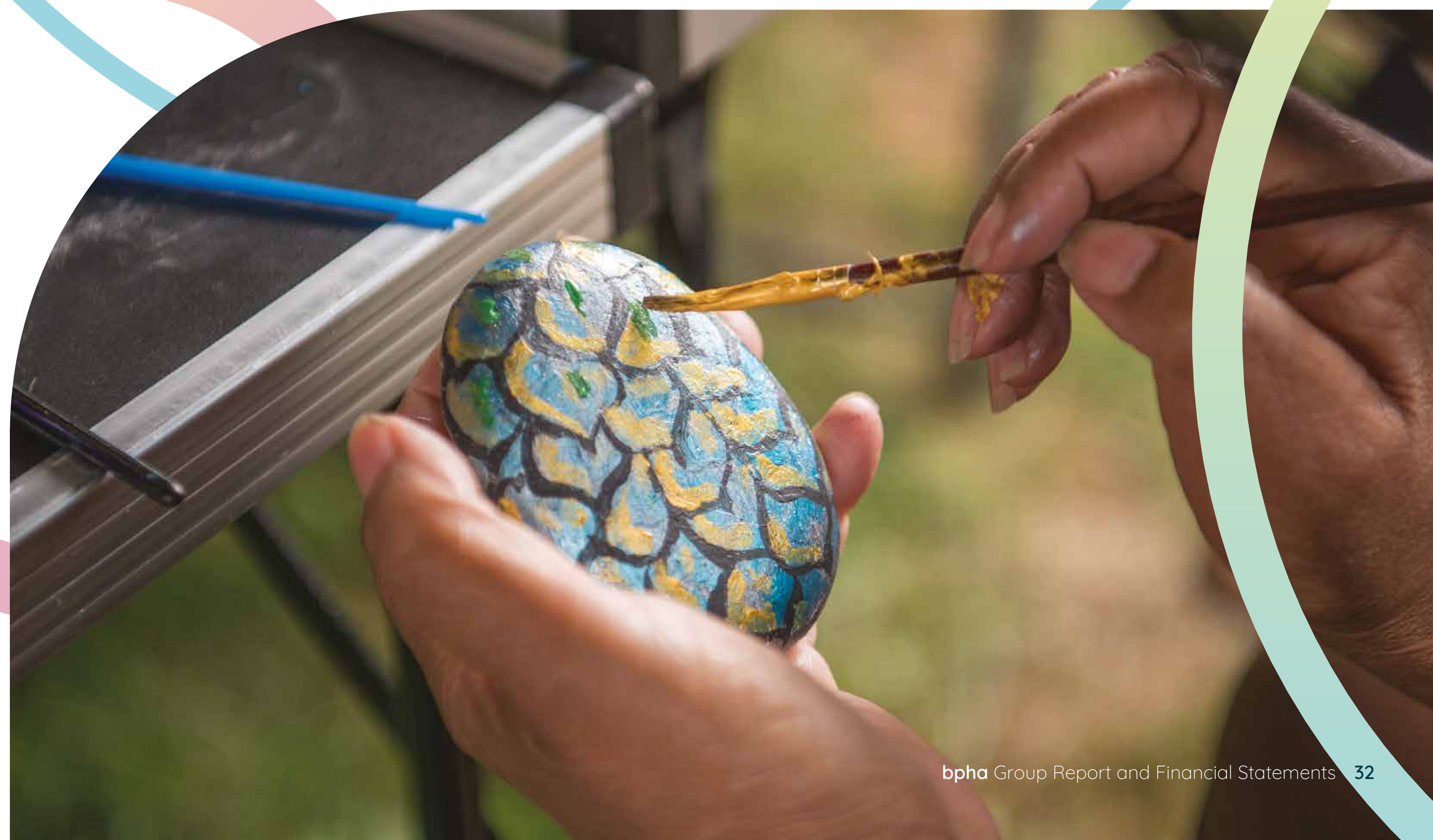
Our headline social housing cost per unit of £4,950, comprising £3,616 revenue and £1,334 capital works is slightly higher than both prior year and target, due to increased maintenance costs, impacting the sector as a whole. Despite this, our performance remains significantly below the sector median. The target for 2027 anticipates a further increase, due to an expected £5.5m increase in the property capital programme.



EBITDA MRI interest rate cover percentage

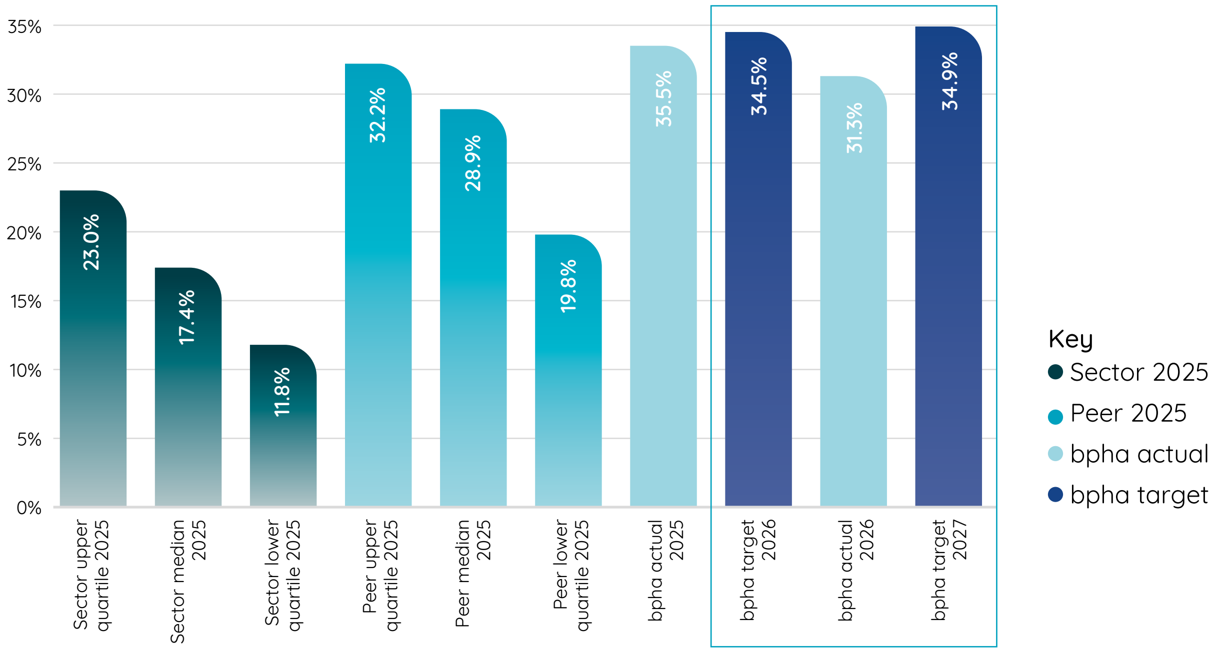
EBITDA MRI is a measure of cashflow, and this shows that our earnings continue to exceed our interest charges by a margin, considerably exceeding our funding covenants. Our performance of 119.8% fell slightly short of the 121.3% target due to an increase in service and maintenance costs, partly offset by reduced major repairs investment and reduced interest costs. However, our performance exceeds the median for both our peer group, and sector. The target for 2027 anticipates a slight reduction to 115.7% as it takes account of newly acquired stock that attracts a higher proportion of interest costs.





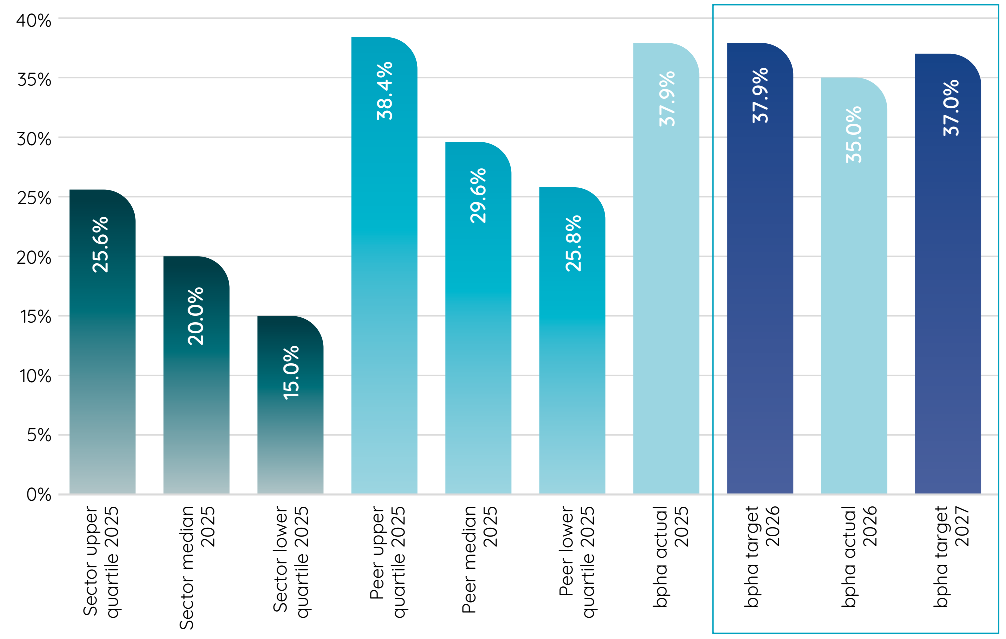
Operating margin (overall) percentage

Our overall operating margin has decreased year-on-year and fell short of target for the year through additional, agreed investment in customer service. It remains consistently high compared with sector and peer performance, reflecting our high levels of efficiency. This measure is different to our core operating margin because it can be impacted by the volume of sales arising in the development programme, which may differ from year to year.



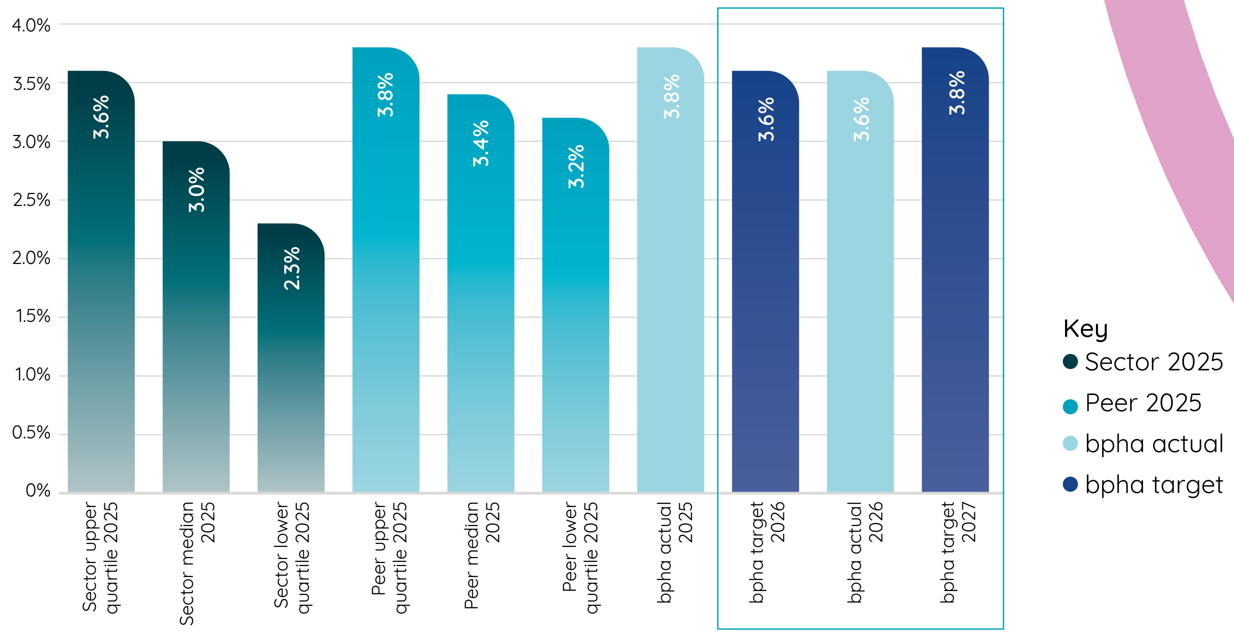
Operating margin (social housing lettings) percentage

The margin on our social housing lettings remains considerably ahead of sector performance, and peer median performance. The year-on-year reduction from 37.9% to 35.0% results from increased repair costs and further investment in customer spend. This measure is different to our core operating margin, as it excludes other income, such as income from investment properties.



Return on capital employed percentage

Our return on capital employed is aligned to the target and exceeds the median performance of both our close peers, and the sector. This reflects our control of costs and the effective use of our existing assets to generate funds for reinvestment.



Governance report

Our Board met nine times during the financial year and plays a central role in driving bpha's social purpose by setting our vision, values and strategic priorities, and holding the organisation to account for its delivery.

Governance and accountability

We continue to maintain high standards of governance and accountability. bpha Limited has adopted and complied with the National Housing Federation's Code of Governance (2020) throughout the year. Appropriate oversight arrangements are also in place for other entities within the Group, which have not formally adopted the Code.

As a regulated social housing provider, we are subject to oversight by the Regulator of Social Housing. We are pleased to have retained our G1/V1 grading, achieved the highest new consumer grading (C1), and to have fully complied with the Governance and Financial Viability Standard and all Consumer Standards during the year. bpha also continues to be registered as a Co operative and Community Benefit Society.

During the year, we undertook an externally facilitated independent governance review. This identified a small number of areas for improvement, all of which have now been actioned and implemented.

To strengthen customer influence within our governance framework, we welcomed the Chair and Vice Chairs of the Customer led Service Improvement Panel as ex officio members of the Customer Experience Committee, ensuring that customer insight is embedded directly into oversight and decision making.

Board culture and conduct

The Board has adopted the National Housing Federation's Code of Conduct (2022), which underpins its commitment to acting in the best interests of bpha and its residents, behaving with integrity, operating professionally, safeguarding health, safety and wellbeing, and supporting positive environmental outcomes.

The Board is committed to transparency around conflicts of interest. Members' declarations of interest are published on our website and reviewed at least annually, with conflicts declared at each meeting as relevant. During the year, the Board implemented a revised and more formalised approach to categorising and managing conflicts, ensuring a consistent, proportionate and transparent response whenever conflicts arise.

Equality, diversity and inclusion

The Board is committed to equality of opportunity, diversity and inclusion in all aspects of bpha's work. This commitment is reflected in our policies and statements, and through Board set priorities and objectives.

The Board has adopted the National Housing Federation's Chair's Challenge and is committed to championing diversity and inclusion across the organisation. It receives regular assurance on progress, tracks delivery against agreed priorities, and ensures that progress is reported publicly each year.

Board members are appointed for the skills, experience and perspectives they bring, with a strong emphasis on achieving a diverse range of voices, backgrounds and lived experience around the Board table.

Board appointments and development

During the year, we welcomed Catherine Lynch to the Board, joining on 16 March 2026. Catherine is a member of the People and Nominations Committee and assumed the role of Chair of the Committee from May 2026. Her appointment followed an open and competitive recruitment process overseen by the People and Nominations Committee and supported by specialist non executive search advisers.

Earlier in the year, a separate recruitment exercise resulted in an appointment that subsequently ended due to personal circumstances.

The Board has also partnered with the Housing Diversity Network's Trainee Board Member programme and plans to appoint through this route.

Board structure and effectiveness

Our Board comprises a mix of Executive and Non Executive members. This structure supports a positive culture of openness and accountability, combining executive insight and operational knowledge with independent challenge and external perspective. Further details on Board composition are set out later in this report.

The Board is supported by a committee structure that provides detailed scrutiny and assurance across key areas of activity. Each committee operates within clearly defined terms of reference and reports regularly to the Board. Further information on committee activity is included elsewhere in this report.

Risk management and internal control

The Board has overall responsibility for the effectiveness of bpha's system of internal control and risk management. Each year, it reviews risk appetite and the principal risks relating to strategic delivery, informed by detailed work through the Audit and Risk Committee.

Our internal control framework is designed to identify, manage and mitigate risks that could impact delivery of our objectives. The framework is subject to regular review and scrutiny, with assurance provided through internal audit, management reporting and the work of the Audit and Risk Committee. Our principal risks and mitigations are set out in the Risk and Assurance Report.

Board and committees

Year ended 31 March 2026

Non-Executive Directors

Jeff Halliwell
Chair of the Board

Rachel Barber
Chair of Customer Experience Committee

Maxwell Bero
Non-Executive Director

Robert Clark
Chair of Development and Asset Committee

Steve Dickinson
Chair of Bushmead Homes Ltd

Katherine Horrell
Chair of Group Treasury Committee

Shirley Pointer
Chair of People and Nominations Committee

Senior Independent Director
Retired 30 April 2026

Hari Punchiheva
Chair of Audit and Risk Committee

Catherine Lynch
Chair of People and Nominations Committee

Joined 16 March 2026

Key

- Audit and Risk Committee
- Development and Asset Committee
- Group Treasury Committee
- People and Nominations Committee
- Customer Experience Committee

Executive Directors

Richard Hill
Chief Executive Officer

Julian Pearce
Chief Financial Officer

Jeff Astle
Executive Director of Development and Sales

Executive Team Members

Paul Cook
Director of Property Services and Compliance

Anna Humphries
Director of Customers and Services

Catherine Kelly
Company Secretary

Director of Governance and Legal

Eddie Kelly
Director of Communications and External Affairs

Adrian Moore
Director of IT

Gosia Motler
Director of Strategy

Lindsay Todd
Director of People

Retired 30 September 2025

Customer Experience Committee (CEC)

Chair: Rachel Barber

During 2025/26, the Customer Experience Committee (CEC) continued to evolve its role, adopting a more balanced and forward looking agenda. Alongside reviewing performance and operational activity, the Committee increased its focus on data, deeper customer insight and future priorities, strengthening oversight of the Customer Strategy.

We were also pleased to welcome the Chair and Vice Chairs of the Customer led Service Improvement Panel (SIP) to the Committee as ex officio members, further embedding customer influence within our governance arrangements.

Customers shaping priorities

The Committee benefited significantly from hearing directly from SIP members about their work throughout the year. SIP's reviews have been detailed, constructive and robust, helping to shape improvements to policies, processes, performance measures and customer communications. Their scrutiny directly informed changes across several key areas, including repairs policies and processes, 'No Access' activity, the Void Standard and the operation of the Customer Communications Centre.

Monitoring performance, particularly Tenant Satisfaction Measures (TSMs), remained a core responsibility. The Committee continued to ensure that strong mechanisms are in place to listen to customers and respond effectively.

Focus on repairs, safety and learning

Repairs and maintenance remained a central focus. Following the further expansion of the In House Maintenance Service, the Committee recommended stretching but achievable performance targets to the Board. SIP's deep dive reviews were instrumental in shaping this work.

The Committee also scrutinised organisational readiness for Awaab's Law, receiving assurance on changes to systems, processes and cultural readiness. This area will continue to receive close attention across multiple committees in 2026/27.

Complaints and Housing Ombudsman reports remained an important source of insight, supporting learning, strengthening fairness and transparency, and driving improvement in customer experience.

Looking ahead

The year ahead will see continued improvement activity alongside major projects, with a strong focus on amplifying the customer voice — particularly by building on the success of the Big Listen. The Committee also looks forward to welcoming customers transferring from Clarion Housing Association, ensuring they receive high quality services from day one and that bpha continues to deliver for all customers now and into the future.

People and Nominations Committee (PNC)

Chair: Shirley Pointer

The People and Nominations Committee ensures that bpha has the people, skills and leadership needed to deliver its Corporate Strategy. This includes oversight of the Strategic People Plan, organisational capability and workforce risk, and responsibility for Board appointments and succession planning.

During the year, the Committee focused on assuring delivery of the final year of the existing People Strategy while overseeing development of a refreshed Strategic People Plan for 2026–2028, aligned to changing regulatory expectations and operational priorities.

Workforce capacity and capability

The Committee's work continued to be shaped by a challenging employment market, with higher turnover and increased difficulty recruiting specialist skills. Despite this, more flexible and creative recruitment approaches helped maintain good levels of resourcing, ensuring teams remained able to deliver essential services for customers.

Strengthening bpha's position as a great place to work remained a priority. The Committee reviewed and monitored delivery of action plans arising from the annual Great Place to Work© (GPTW) survey. Improvements were particularly evident in leadership, communication and inclusion, contributing to bpha being recognised in the 2026 GPTW Top 100 (Large Companies) list.

Equality, diversity and inclusion

Equality, Diversity and Inclusion (ED&I) remained a core area of focus. The Committee oversaw a refresh of the ED&I approach to improve colleague engagement and ensure the People Strategy better supports understanding of, and responsiveness to, the needs of diverse colleagues and customers.

The Committee also reviewed workforce pay data. In anticipation of future reporting requirements, the Committee also began monitoring the ethnicity pay gap.

Professional standards and regulation

Supporting workforce professionalisation is increasingly important as bpha prepares for the conduct and competency requirements of the Social Housing (Regulation) Act 2023, to be met between October 2026 and October 2029. The Committee reviewed the implications of the new standards and oversight arrangements to ensure colleagues receive the development needed to achieve compliance.

Board appointments and succession

Within its nominations remit, the Committee oversaw the succession and recruitment process for a new Non Executive Director to serve as Chair of the PNC, following the completion of my term of office. The appointment of Catherine Lynch brings strong senior HR expertise to the Board and supports continued robust oversight of the people agenda. The Committee also used findings from Board and Committee effectiveness reviews and the Board skills and experience matrix to inform succession planning and governance improvements.

Looking ahead

The Committee approved a refreshed Strategic People Plan aligned to bpha's Business Plan and highest rated strategic risk. The plan strengthens organisational agility, reflects our balanced risk appetite and underpins delivery of key transformation programmes including bphaConnect and bphaPulse. It builds on the improved confidence in leadership and management seen during 2025/26 and reinforces strong oversight of strategic and operational people measures in support of excellent customer service.

Group Treasury Committee (GTC)

Chair: Katherine Horrell

The Group Treasury Committee advises the Board on the funding and financial implications of the Group's Corporate Strategy and business plans, including any impact on key financial metrics and short to medium term funding requirements. This work is essential to ensuring that bpha maintains a stable financial footing to support the effective delivery of services to customers. The Committee also aims to ensure that financing is arranged efficiently to maximise the resources available for these services.

As part of its regular oversight, the Committee reviewed quarterly treasury reports, treasury plans, and updates to policies and mandates. This work included monitoring conditions in lending and financial markets and tracking key indicators such as liquidity, the balance of fixed versus floating debt, and appropriate investment hurdle rates.

During the year, bpha undertook an in depth review of its funding position. This was closely linked to meeting the financing needs of the Clarion Housing stock acquisition, as well as assessing overall longer term funding requirements.

As part of the Committee's review of financial risk, we examined the overall balance of fixed rate and floating rate debt and increased the level of fixed rate exposure to provide protection against future interest rate movements.

Given bpha's continued investment through the Progress Investment Partnership, the Committee also reviewed the financial structure and cash flow implications of this model, including further investment into the Bushmead subsidiary.

Audit and Risk Committee (ARC)

Chair: Hari Punchihewa

The Audit and Risk Committee (ARC) is appointed by the Board from its Non Executive members and supports the Board by providing independent assurance on risk management, internal control, governance and financial reporting.

The Committee meets regularly with both the internal and external auditors, including sessions held without Executive colleagues present, to discuss matters relating to audit, risk and assurance.

Key areas of focus during the year

The Board set the organisation's key strategic risks, risk appetite and risk tolerances, with ARC overseeing their effective management. During the year, the Committee's regular areas of focus included health and safety, horizon scanning, risk management, stress testing, information security and governance, business continuity, and accounting policies and judgements, supported by guidance from our external auditors, KPMG.

In addition, the Committee provided specific oversight of risks, compliance and assurance in relation to:

- The balance of risks and opportunities associated with the strategic investment partnership with the Hill Group
- Delivery of the Strategic Data Plan and the effectiveness of cyber security arrangements
- A number of key accounting policies (to be confirmed)

Assurance and audit

Internal audit delivered a comprehensive programme of assurance reviews during the year. In parallel, the internal assurance team continued to carry out targeted internal control checks across a range of services. These activities are coordinated through a combined assurance plan, supported by an assurance map, ensuring that key areas of risk, control and reporting receive appropriate coverage.

External audit continued to provide independent assurance that the financial statements give a true and fair view. Both the Head of Internal Audit and the Partner responsible for the external audit have direct access to the Chair of the Committee, supporting open and effective challenge.

Ongoing priorities

The Committee will continue to focus on the effectiveness of risk management, internal controls and governance arrangements, alongside oversight of regulatory returns and review of the annual financial statements before recommending them to the Board for approval.

Development and Asset Committee (DAC)

Chair: Robert Clark

The Development and Asset Committee (DAC) provides oversight and assurance to the Board in relation to the maintenance, safety and improvement of our existing homes, as well as the development of new homes and acquisition of properties to support planned growth.

Managing and improving our homes

During the year, we continued to progress our Asset Strategy, ensuring homes are well maintained, safe and increasingly energy efficient. Ongoing investment in our In-House Maintenance Service has improved service quality and strengthened our readiness to meet the requirements of Awaab's Law, supporting our commitment to providing safe homes.

Investment decisions are informed by our rolling five-year programme of property surveys, which provide robust data on stock condition. This enables effective long-term maintenance planning with supply chain partners, improving quality while minimising disruption to residents.

We also introduced a transformation programme to consolidate all property and resident related data held across bpha. This provides a single view to support repairs planning, performance monitoring, resident communication and accurate completion records. Operatives now have improved access to property information and individual resident requirements, helping deliver a safer, more reliable service.

Growth through acquisition and development

The acquisition of 1,200 homes across Bedfordshire represents a significant milestone. Based on due diligence data, we increased maintenance and repairs capacity in advance of transfer and have plans in place to improve the quality and energy efficiency of these homes to match bpha standards.

Our Vista programme to refurbish high-rise blocks completed its second scheme during the year. Progress on subsequent blocks has been delayed by regulatory approvals, but we anticipate schemes will move forward shortly.

We also continued planning for the regeneration of Greyfriars in Bedford. Working closely with Homes England and Bedford Borough Council, we progressed the masterplan and land assembly proposals, with a planning application expected in the coming year.

Alongside asset investment, we exceeded our annual development target, completing 444 new homes. Of these, 280 were delivered for affordable rent and 164 through shared ownership. Demand for shared ownership remained strong, helping us exceed sales targets and support first-time buyers into home ownership.

Managing development risk

While development risk on smaller all-affordable or Section 106 schemes is closely managed through established controls, larger mixed-tenure schemes introduce greater construction and sales risk. To address this, we have adopted new delivery models that provide increased certainty and shared risk.

Our Progress Investment Partnership with Hill Group, established a year ago, is central to this approach. The first scheme is now on site, with further pipeline projects under consideration as we develop this model to support future growth.

Risk and assurance

bpha has a thorough risk management process, identifying long-term strategic risks during an annual "risk day", and monitoring them every six months through the Executive, with oversight from the Audit and Risk Committee. Operational risks are reviewed quarterly by the Operations Programme Board, supported by the Assurance and Risk Management Team.

Health and safety risks are overseen by the Strategic Health and Safety Group, with specific reports on building safety, employee safety, and customer safety provided to dedicated committees. Technology risks are addressed by the Strategic Information Security Group, all under the oversight of the Audit and Risk Committee.

Risk appetite

Risk appetite is central to our risk culture. Discussions aligned to strategic decision making enable the Board to focus on trade-offs and set priorities. Risk appetite is also used to review our current risks. Those identified as outside our appetite allow us to consider whether that risk should be accepted or further mitigated. Alternatively, risks identified as outside appetite may lead us to revisit our original decision or to consider whether our risk appetite is set at an appropriate level.

Our risk appetite statement is reviewed at least annually by the Board during the business planning cycle and aligned with the corporate strategy. The most recent statement was reviewed in November 2025 and approved by the Board in March 2026.

The Board has set the following risk appetite:

We are open to:

- Accepting sales and market risks associated with developing new homes.

We are balanced about:

- Being innovative to improve services for existing and future customers – we are prepared to make major changes to service delivery and will accept well understood risks
- Proactively adopting new technology to offer new or improved services to our customers or to improve the environment
- Making changes to our culture and working environment to develop our existing and future employees, allowing them to achieve their potential and performance

We are cautious about:

- Making any investments which adversely impact our long-term financial position or our ability to raise future finance – we aim to increase our resilience for the long term
- Technology that may pose a security threat to our organisation or our customers
- Any activity which has the potential to undermine our governance, compromise our integrity or damage our reputation with our customers or wider stakeholders.

We are averse to:

- Taking any risks which adversely impact the health and safety of our customers, our employees or the wider public.

Horizon scanning

Horizon scanning is undertaken on a rolling and continual basis across a wide variety of sources, such as sector publications and alerts, press articles, government policy publications, trending analysis of RSH regulatory downgrades, networking groups and lead indicator analysis. Emerging risks identified are brought to the quarterly risk update meetings and the Executive for further discussion, with outcomes reported to Audit and Risk Committee and Board as appropriate.

Our strategic risks

Our Board has reviewed strategic risks against the RSH's Sector Risk Profile and other sector risk information and aligned them with our corporate strategy. There have been no changes to our strategic risks since last year's financial statements.

The following have been identified as risks to achieving strategic objectives together with mitigating actions to reduce those risks:

Strategic Risk challenges	impact mitigations
1. People	
• Failure to build and maintain resourcing capacity, capability and wellbeing of colleagues to deliver on bpha strategy • Competition in the marketplace for candidates to fill vacancies • Inconsistencies and deterioration in quality-of-service provision to customers.	• Strategic People Plan in place, monitored through committees and reported to Board • Engagement and wellbeing strategies and initiatives • Proactive sourcing approach to recruitment.
2. Cyber	
• A major disruption to bpha customers, services, or business operations due to theft or denial of data, cyber-attack, malware or other digital criminality • Lack of skills and resources to keep pace with an increasing sophisticated and fast moving cyber attacked environment • Potential full or partial disruption of all business operations and services for extended periods. Investment in skills and technology.	• A wide range of technical protection, detection and attack disruption measures in place • Colleagues regularly tested using phishing and other social engineering attack simulation supported by cyber risk training • Strong patching processes are in place to reduce vulnerabilities • External assurance via frequent penetration testing, audits and Cyber Essentials Pus Certification • Cyber Insurance provides incident handling and financial protection.
3. Customer	
• Failure to meet our service standard including the requirements of the new consumer regulation • Customer expectations of service levels increasing in a constrained financial environment • Increasing regulation and requirements to deliver differentiated services and provide support to customers with more limited resources both internally and within partner agencies.	• Established service improvement team dedicated to learning from customers, including through complaints, tenant engagement activities, Tenant Satisfaction Measures (TSMs) and other customer surveys • Implementation of a complex case team to manage ASB, safeguarding and general complex cases.

Strategic Risk challenges	impact mitigations
4. Information management and governance	
• Failure to ensure the quality and accessibility of bpha data to inform strategy, comply with regulations and support operational delivery to customers • Increases in information held by the organisation, particularly digital information • Poor management of data increase risks of poor customer service and poor decision making as a business.	• System architecture and preferred platforms are well established • Information Management Programme Board established to drive forward and prioritise improvements • Strategic data plan and governance framework implemented.
5. Resilience and financial sustainability	
• Failure to have the financial resources to respond appropriately and effectively to incidents, disruptions and changes in our operating environment, affecting the resilience of the organisation and its long-term financial sustainability • Economic environment impacting on inflation and customers • Increased costs (both in development and core business).	• Strong financial management with a robust budget and business planning process set against a cautious risk appetite.
6. Safety	
• Failure to provide homes and services to our customers and suitable arrangements for colleagues that meet the requirements of health and safety regulations • Risk of injury or death to our customers, colleagues or others affected by our services.	• Robust system of internal controls and regular reporting through Strategic Health and Safety Group, Executive Leadership, committees and Board.
7. Quality and sustainability of our homes	
• Failure to adequately invest to ensure we can effectively support, protect and improve the quality of our homes now and for the future • Deterioration in quality of homes leading to dissatisfaction amongst customers and risk of injury, death and property damage.	• Investment in system driven asset performance monitoring (stock condition and forecast investment demand). Dedicated investment programme.

Risk assurance

bpha operates an assurance model aligned to the Institute of Internal Auditors' three lines model.

Line one assurance is provided by the processes in place at the 'front line' of the business that enables risks to be managed and relevant laws and regulations to be complied with.

Our second line assurance function is delivered by the Risk, Assurance and Sustainability team and includes Health and Safety. The team provides oversight of management activity, separate from those responsible for delivery but not independent of the organisation's management chain.

During the year, third line Internal Audit Services were carried out by RSM. The 2025 programme included audits on key financial controls, health and safety compliance, business continuity, risk management, customer data collection and use, assets and liabilities and strategic measures/operational health indicators.

Statement of the Board's responsibilities

In respect of the annual report and the financial statements

The Board is responsible for preparing the Board Annual Report and the Group and Association financial statements in accordance with applicable law and regulations. The Board is required to prepare the Group and the Association financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing each of the Group and Association financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

The Board is required to act in accordance with the trust deed and the rules of the Association, within the framework of trust law. The Board is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Association at that time and to enable the Board 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 responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Catherine Kelly
Company Secretary
29 July 2026

Independent auditor's report to the Board of bpha Limited

Opinion

We have audited the financial statements of bpha ("the Association") for the year ended 31 March 2026 which comprise the group and association statement of comprehensive income, the group and association statement of financial position, the group cash flow statement, the group and association statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Association as at 31 March 2026 and of the income and expenditure of the Group and the Association for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the requirements of 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group's and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit and risk committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, group treasury committee, development and asset committee, and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Group's fraud risk register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunities identified.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted and authorized by the same user, unusual postings to cash, borrowings, and revenue.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, data protection laws, anti-bribery, financial services regulation, compliance with housing regulation and legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing 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, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Board is responsible for the other information, which comprises the Annual Report and the Strategic report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 we are required to report to you if, in our opinion:

- the Association has not kept sufficient and proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Board responsibilities

As explained more fully in their statement set out on page 55 the Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and 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 it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities.**

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association, 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 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

30 July 2026

bpha group statement of comprehensive income for the year ended 31 March 2026

	Note	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Turnover	3	**159,449**	**156,237**	**152,105**	**149,030**
Cost of sales	3	(16,186)	(12,830)	(15,038)	(12,308)
Operating costs	3	(93,434)	(93,123)	(86,048)	(85,482)
Gain on disposal of tangible fixed assets	3,10	6,256	6,256	4,952	4,952
Valuation (loss) on investment properties	3,14	(260)	(260)	(980)	(980)
Operating surplus	3	**55,825**	**56,280**	**54,991**	**55,212**
Interest receivable and similar income	7	1,211	873	1,335	1,182
Interest payable and similar charges	8	(35,309)	(35,305)	(36,213)	(36,213)
Surplus before tax		21,727	21,848	20,113	20,181
Tax on surplus on ordinary activities	11	-	-	-	-
Surplus for the year	9,22	**21,727**	**21,848**	**20,113**	**20,181**
Other comprehensive income for the year	22	-	-	-	-
Total comprehensive income for the year		**21,727**	**21,848**	**20,113**	**20,181**

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 29 July 2026.

Signed on behalf of the Board by:

Richard Hill
Chief Executive Officer

Julian Pearce
Chief Financial Officer

Catherine Kelly
Company Secretary

bpha group statement of financial position at 31 March 2026

Registered number: 26751R	Note	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Fixed assets					
Housing properties and other fixed assets	12	1,519,685	1,517,928	1,429,534	1,425,161
Investment properties	14	19,422	19,422	15,140	15,140
Investment in joint arrangements	29	4,704	-	95	-
Fixed asset investments	28	-	13,559	-	13,475
HomeBuy loans receivable		20,992	20,992	22,195	22,195
		1,564,803	**1,571,901**	**1,466,964**	**1,475,971**
Current assets					
Properties for sale and work in progress	13	15,205	14,772	19,132	18,032
Trade and other debtors	15	13,206	14,691	7,341	8,950
Short term investments	16	2,169	2,169	2,079	2,079
Cash and cash equivalents		31,255	24,541	27,312	19,100
		61,835	**56,173**	**55,864**	**48,161**
Creditors: amounts falling due within one year	17	(49,278)	(49,178)	(36,592)	(36,426)
Net current assets		**12,557**	**6,995**	**19,272**	**11,735**
Total assets less current liabilities		**1,577,360**	**1,578,896**	**1,486,236**	**1,487,706**
Creditors: amounts falling due after more than one year	18	(1,127,507)	(1,129,024)	(1,058,110)	(1,059,682)
Net assets		**449,853**	**449,872**	**428,126**	**428,024**
Capital and reserves					
Called up share capital	21	-	-	-	-
Revenue reserve	22	449,853	449,872	428,126	428,024
Total funds		**449,853**	**449,872**	**428,126**	**428,024**

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 29 July 2026.

Signed on behalf of the Board by:

Richard Hill
Chief Executive Officer

Julian Pearce
Chief Financial Officer

Catherine Kelly
Company Secretary

Group cash flow statement for year ended 31 March 2026

	Note	2026 Group £'000	2026 Association £'000	2025 Group (Restated) £'000	2025 Association (Restated) £'000
Cash flows from operating activities					
Surplus for the year	a	**21,727**	**21,848**	**20,113**	**20,181**
Adjustments for:					
Depreciation and impairment		22,091	21,851	24,719	27,639
Cost of fixed asset sold		7,966	7,966	5,872	5,872
Proceeds from sale of tangible fixed assets		(17,215)	(17,215)	(12,903)	(12,903)
Share of losses from joint ventures		38	-	-	-
Loss/(surplus) from private sales and first tranche shared ownership		1,012	967	(2,758)	(2,729)
Change in value of investment property		260	260	980	980
Interest receivable and similar income		(1,121)	(894)	(1,328)	(1,174)
Interest payable and similar charges (excluding refinancing costs)		35,054	35,050	35,328	35,328
Refinancing benefit/(costs)		255	255	885	885
Internal development on-costs and strategic opportunities write-offs		(3,885)	(3,873)	(2,543)	(2,826)
Amortisation of government grant		(602)	(602)	(503)	(503)
	b	**43,853**	**43,765**	**47,749**	**50,569**
Decrease/(increase) in trade and other debtors		(5,636)	(5,511)	563	2,030
Increase/(decrease) in trade and other creditors		12,058	12,291	4,274	1,082
	c	**6,422**	**6,780**	**4,837**	**3,112**
Net cash from operating activities	d=a+b+c	**72,002**	**72,393**	**72,699**	**73,862**

Group cash flow statement for year ended 31 March 2026

	Note	2026 Group £'000	2026 Association £'000	2025 Group (Restated) £'000	2025 Association (Restated) £'000
Cash flows from investing activities					
Disposal of tangible fixed assets		17,215	17,215	12,903	12,903
Proceeds from private sales and sale of first tranche shared ownership		14,351	13,671	15,397	12,329
Investment in joint arrangements		(2,002)	-	(95)	-
Interest received		1,121	894	1,328	1,174
Acquisition of tangible fixed assets (non property)		(898)	(898)	(1,347)	(1,347)
Capitalised repairs of housing properties		(22,145)	(22,124)	(25,272)	(25,272)
Development of housing properties		(76,834)	(76,788)	(63,601)	(63,301)
Acquisition of housing properties		(28,025)	(28,025)	(1,132)	(1,132)
Proceeds from the receipt of government grants		14,102	14,102	8,685	9,187
Net cash from investing activities	e	**(83,115)**	**(81,953)**	**(53,134)**	**(55,459)**
Cash flows from financing activities					
Net movement on borrowings		58,935	58,935	24,993	24,993
Interest paid		(43,788)	(43,843)	(44,178)	(44,208)
Refinancing benefit/(costs)		-	-	1,226	1,226
Net cash withdrawal from short term deposits and investments		(91)	(91)	(82)	(82)
Net cash from financing activities	f	**15,056**	**15,001**	**(18,041)**	**(18,071)**
Net increase in cash and cash equivalents	g=d+e+f	3,943	5,441	1,524	332
Cash and cash equivalents b/f		27,312	19,100	25,788	18,768
Cash and cash equivalents c/f	26	**31,255**	**24,541**	**27,312**	**19,100**

The accompanying notes form part of these financial statements.

The prior year has been restated to separate the acquisition of housing properties, an investing activity, to provide more clarity in the accounts.

bpha group statement of changes in equity for year ended 31 March 2026

Group	Called up share capital £'000	Revenue reserve £'000	Total equity £'000
Balance at 31 March 2024	-	408,013	408,013
Total comprehensive income for the 2024/25 year			
Surplus for the year	-	20,113	20,113
Balance at 31 March 2025	-	428,126	428,126
Total comprehensive income for the 2025/26 year			
Surplus for the year	-	21,727	21,727
Balance at 31 March 2026	-	449,853	449,853

Association	Called up share capital £'000	Revenue reserve £'000	Total equity £'000
Balance at 31 March 2024	-	407,843	407,843
Total comprehensive income for the 2024/25 year			
Surplus for the year	-	20,181	20,181
Balance at 31 March 2025	-	428,024	428,024
Total comprehensive income for the 2025/26 year			
Surplus for the year	-	21,848	21,848
Balance at 31 March 2026	-	449,872	449,872

The accompanying notes form part of these financial statements.

Notes to the financial statements for year ended 31 March 2026

1. Legal status

bpha Limited (the association) is registered under the Cooperative and Community Benefit Societies Act 2014 Register (No:26751R) and is registered with the Regulator of Social Housing (RSH) (No:LH 3887) as a social landlord. It is a public benefit entity.

2. Principal accounting policies

Basis of consolidation

bpha is the ultimate parent undertaking for the group and has prepared consolidated financial statements as there are two subsidiaries, bpha Finance plc and Bushmead Homes Limited, that are material components of the group. The group financial statements consolidate the accounts of bpha and all its subsidiaries at 31 March 2026.

Subsidiary financial statements are prepared for the same reporting periods as bpha, using consistent accounting policies. Intra-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated in full on consolidation.

Basis of accounting

The financial statements are prepared under the historical cost convention and, in accordance with Financial Reporting Standard 102 (FRS 102) which is the applicable financial reporting standard in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 (SORP 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

As required in the updates to the FRS, SORP and Accounting Direction, operating surplus includes any profit or loss on the sale of property, plant and equipment, investment property and intangible assets. Any future profit or loss on the disposal of a discontinued operation would be excluded from operating surplus and explanations of the discontinuation would be made in the notes to the accounts.

Going concern

The Board has assessed and approved the bpha group 30-year Business Plan. This evidences the immediate financial viability of the group and the resilience of its long-term plans to various stress scenarios. The stress scenarios tested include the severe but plausible downturn scenario of an economic recession, including higher cost inflation, higher interest rates, a freeze in rent increases, high bad debts, and a housing market slow down with a resultant reduction in open market property values.

bpha group has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for at least 12 months. Based on our projections, we believe we will meet all covenants and liquidity requirements. Consequently, the Board does not see a requirement to deviate from business as usual but will continue to monitor performance closely.

The Board therefore has a reasonable expectation that bpha group has adequate resources to continue in operational existence for at least 12 months from the date of signing. For this reason, the Board continues to adopt the going concern basis in preparing the group's financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements management have made judgements and estimates in relation to the treatment of certain items, which include:

Capitalisation of property development and other costs: distinguishing the point at which a potential property development project is more likely than not to go ahead. This forms the basis for capitalisation of associated development and other costs.

Allocation of costs for mixed tenure developments: costs incurred in the development of schemes are usually directly attributable to specific tenures in line with contractual agreements. In cases where total scheme costs must be allocated between tenures, this is done on a floor area basis.

Financial instruments: determining the categorisation of financial instruments as basic or other and, if hedge effective, whether to adopt hedge accounting.

Loan-linked fixed rate arrangements: where the borrowing and related interest rate mechanism are, in substance, a single arrangement that delivers fixed interest cash flows and cannot be operated independently, the arrangement can be accounted for as a single basic financial instrument.

Useful lives of depreciable assets: fixed assets are depreciated over their useful lives taking into account estimated residual values. Further details are set out in the accounting policy notes below.

Impairment: details of judgements in relation to impairment are set out in the accounting policy note below.

In certain areas, in exercising judgement or making estimates, management has taken account of the advice of independent qualified parties who provide technical expertise and/or valuations. If we feel it appropriate to apply a different valuation to that of the independent advisors, then attention will be drawn to this within the financial statements. Key areas where management take account of independent third-party advice in determining valuations include the following:

- Investment properties – refer to Note 14

Impairment

The carrying amounts of bpha's assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Additionally, because bpha's assets are held for their service potential, the depreciated replacement cost is also considered as part of the impairment review. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The calculation of the recoverable amount for impairment testing, including the depreciated replacement cost of housing properties held for social benefit, is an accounting estimate that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

Joint arrangements

Joint arrangements are those contractual undertakings in which the group exercises joint control over the operating and financial policies of the arrangement. Where the joint arrangement is carried out through a legal entity, it is treated as a jointly controlled entity. Joint arrangements are held as fixed asset investments, shown at cost, less any amounts written-off.

Where the group has entered a contractual arrangement that is classed as a jointly controlled entity, the jointly controlled entity is accounted for using the equity method, which reflects the group's share of the profit or loss, other comprehensive income and equity of the jointly controlled entity.

Turnover

Turnover comprises rental and service charge income receivable (net of void losses), first tranche sales of shared ownership properties, sales of properties built for sale, supporting people income, fees, and other services included at the invoiced value (excluding VAT where applicable) of goods and services supplied in the year, amortisation of deferred capital grants, and other revenue grants receivable. It also includes, in accordance with FRS 102, amortisation of Social Housing Grant (SHG) by applying the accrual model such that deferred grant income is released as income over the life of the asset. Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from property sales is recognised at the point of legal completion of the sale.

Cost of sales

Included within operating costs are costs relating to newly developed properties sold in the year. These costs include expenditure incurred during development of those properties, including capitalised interest, direct overheads, marketing, and other incidental costs incurred during the sale of those properties.

Improvements to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as delivering an increase in the net rental stream or the life of a component, is capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Leased assets

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. The aggregate benefits of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Value Added Tax

bpha charges Value Added Tax (VAT) on some of its income and can therefore recover part of the VAT it incurs on expenditure. The Statement of Comprehensive Income includes VAT to the extent that this is suffered by bpha and not recoverable from HMRC.

Interest payable

Interest payable is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development. Capitalised interest is calculated on borrowings of bpha to the extent that they can be deemed to be financing the development programme. Other interest payable is charged to the Statement of Comprehensive Income in the year.

Corporation tax

bpha has charitable status and is not subject to Corporation Tax on surpluses arising because of, or earned in furtherance of, its charitable objectives.

bpha is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, bpha is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

bpha has several subsidiary companies, some of which do not have charitable status, and which therefore are subject to Corporation Tax. For these entities, the charge for Corporation Tax is based on the result for the period including any deferred taxation. Deferred taxation is provided on differences between the treatment of certain items for taxation and accounting purposes unless it is probable that the difference will not reverse in the foreseeable future.

Housing properties and other tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period, and expenditure incurred in respect of improvements. Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Housing properties are principally properties available for rent and properties subject to shared ownership leases. Properties under construction are stated at cost within fixed assets and are transferred into housing properties when completed. The costs of shared ownership properties under construction are split proportionately between current and fixed assets; the proportion relating to expected first tranche sales is classed as a current asset and the remaining element is classed as a fixed asset which is transferred into housing properties when completed.

Land donated by local authorities and others is added to cost at the market value of the land at the time of donation.

Where land is acquired for use in the provision of social housing, for a social benefit or in the event of no specific intended use for the land it is accounted for as property, plant and equipment in the Statement of Financial Position.

Depreciation

bpha separately identifies the major components which comprise its housing properties and charges depreciation to write down the cost of each component to its estimated residual value on a straight-line basis over its estimated useful life. The group believes that the lives used are reasonable based on their experience. The most material assumption is the lives of housing property components: these were determined in 2010 when component accounting was first adopted and are reviewed periodically. Where a component is replaced, any residual carrying value is fully written off in the year of replacement, and the cost of the replacement component is capitalised.

Care home properties are depreciated over the length of the related lease agreements.

Major components are treated as separable assets and depreciated over their expected useful economic lives as detailed below:

Assets	Years
Structure	100
Kitchens	20
Bathrooms	30
Heating Systems – Boilers	12
Heating Systems – Radiators	30
Roofs – Pitched	60
Roofs – Flat	30
Windows and Doors	30
Electrics	30
Lift	20

Freehold land is not depreciated.

Furniture and equipment are depreciated on a straight-line basis over the expected economic useful lives of the assets, which range between two and ten years. Long leasehold properties are stated at the lower of cost and net realisable value. Short leasehold properties are depreciated on a straight-line basis over the life of the lease.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the group expects to consume an asset's future economic benefits.

Investment properties

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

Concessionary loans

A concessionary loan is a loan made or received between a public benefit entity or an entity within a public benefit entity group and another party:

(a) at below the prevailing market rate of interest;

(b) that is not repayable on demand; and

(c) is for the purposes of furthering the objectives of the public benefit entity or public benefit entity parent.

These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

bpha has arrangements that are concessionary loans:

HomeBuy and other similar schemes – Under a HomeBuy scheme, bpha received a HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free or low interest loans to a homebuyer. The loans advanced by bpha meet the definition of concessionary loans and are shown as fixed assets on the Statement of Financial Position. The HomeBuy grant provided by the Government to fund all or part of a HomeBuy loan has been classified as a deferred income creditor, due in more than one year.

If the property is sold, bpha recovers the equivalent loaned percentage value of the property at the time of the sale. The grant is reclassified to Recycled Capital Grant Fund when the loans are redeemed up to the amount of the original grant and to the extent the proceeds permit. bpha can retain any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the value of the property. If there is a fall in the value of the property, the shortfall of proceeds is offset against the grant creditor.

Rent and service charge agreements – bpha has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Properties for sale

Properties held for sale including shared ownership properties and properties under construction are stated 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.

Basic financial instruments

Tenant arrears, trade and other debtors – Recognised initially at transaction price. Tenants and other debtors that are collected through the administration of payment plans or over an agreed finite period are discounted to determine their net present value with a subsequent impairment evaluation undertaken and the impact recorded in the Statement of Comprehensive Income.

Trade and other creditors – Recognised initially at transaction price. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments – Recognised initially at fair value less attributable transaction costs. After initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest rate method, less any impairment losses. Where the group has incurred a premium or discount on its bond issues, the balance is shown net against the associated bond liability and is charged over the term of the debt using the effective interest rate method.

Loan-linked fixed rate arrangements – Where the components are negotiated together to deliver fixed-rate debt economics for a defined borrowing, these are assessed as a combined arrangement for classification purposes. The combined arrangement is classified as a basic financial instrument and measured at amortised cost using the effective interest rate method, less any impairment losses, where contractual terms are fully aligned (notional, index, reset frequency, payment dates and tenor) and the mechanism terminates automatically on repayment or cancellation of the loan, such that it cannot exist independently.

Investments in subsidiaries, jointly controlled entities and associates – Recognised at transaction price including attributable transaction costs.

Cash and cash equivalents – Comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Current asset investments

Current asset investments are stated at market value and include mark to market collateral deposits and investments

Liquid resources

Liquid resources are readily disposable current asset investments. They include some money market deposits held for more than 24 hours that can only be withdrawn, without penalty, on maturity or by giving notice of more than one working day.

Social housing and other grant

Social housing grants received in relation to assets that are presented at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by SORP. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Social housing grants received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and SORP. Grant is carried as deferred income in the Statement of Financial Position and released as income within the Statement of Comprehensive Income account on a systematic basis over the useful economic lives of the assets for which it was received. In accordance with SORP, the useful economic life of the housing property structure has been selected (see table of useful economic lives).

Where a social housing grant funded property is sold, the grant becomes recyclable and is transferred to the Recycled Capital Grant Fund (RCGF) until it is reinvested in a replacement property or repaid. If there is no requirement to recycle or repay the grant on disposal of the assets, any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Other grants include grants from local authorities and other organisations. Grants relating to revenue are recognised as income in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Deferred income

Deferred income comprises both premiums on leases which are released over the life of the lease and other income received, such as unamortised grant, which is carried forward over the lives of the assets concerned.

Provisions

A provision is recognised in the Statement of Financial Position when bpha has a present legal or constructive obligation because of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

bpha's receivables provision policy is based on review of the age profile of its debt, historical collection rates and the class of debt. Bad and doubtful debts are provided on all debtors' arrears and are dependent on the status of the tenancy or debtor and on the age of the debt.

Current tenant debtors are provided for at a level which is based on reviews of individual balances, while former tenants are provided for in full. Other debtors are reviewed on a case-by-case basis.

Other financial instruments and hedging

bpha uses interest rate swaps to reduce its exposure to future increases in interest rates on floating rate loans. Amounts payable and receivable in respect of these agreements are recognised as adjustments to interest payable over the period of the agreement. These interest rate swaps are classified either as basic or other financial instruments in accordance with the requirements of FRS 102.

Other financial instruments are initially recognised at fair value on the date on which the derivative contract is entered and are subsequently remeasured at fair value at each reporting date. The group considers whether each individual derivative contract is hedge effective. If it is hedge effective, the group considers whether to hedge account for the derivative contract according to business circumstances and then applies this consistently in successive years over the life of the contract. To the extent that a derivative is not hedge effective, or the group chooses not to hedge account, the gain or loss on remeasurement to fair value is recognised immediately in the Statement of Comprehensive Income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Other employee benefits

The policy of bpha is to recognise the cost of all employee benefits to which colleagues have become entitled because of service rendered during the reporting year.

Contingent liabilities

A contingent liability is either a possible but uncertain obligation as a result of a past event, or present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of economic resources will be required; or
- The amount of the obligation cannot be measured with sufficient reliability.

bpha's policy is not to provide for contingent liabilities. Full disclosure of any contingent liabilities is made within the financial statements.

Capital commitments

These are predominantly commitments towards developments which have been contracted and which have started on site, or which have been approved by bpha's Board.

Segmental reporting

For segmental reporting, the chief operating decision maker (CODM) is the Board. In line with the segments reported to the CODM, the presentation of these financial statements and accompanied notes are in accordance with Accounting Direction for Private Registered Providers of Social Housing 2022 and is considered appropriate. Information about income, expenditure, and assets attributable to material operating segments are presented based on the nature and function of housing assets held by the group. This is appropriate based on the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment in which the group operates. Refer to Note 3 for further disclosed information.

Notes to the financial statements for year ended 31 March 2026

3. Turnover, operating costs and operating surplus – Group

Year ended 31 March 2026

	Units	2026 Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposals £'000	Valuation gain on investment £'000	Operating surplus £'000	Operating surplus %
Total social housing lettings	19,703	136,966	-	(89,057)	-	-	47,909	35.0%
Other social housing activities								
Management fees		333	-	-	-	-	333	
First tranche shared ownership sales		13,671	(12,914)	(2,546)	-	-	(1,789)	
Other (including HomeBuy)		1,005	-	-	-	-	1,005	
Total other social housing activities		15,009	(12,914)	(2,546)	-	-	(451)	
Total social housing activities		**151,975**	**(12,914)**	**(91,603)**	**-**	**-**	**47,458**	
Activities other than social housing activities								
Non social housing activities	1,067	4,224	-	(1,594)	-	-	2,630	
Loss on private sales and rents		3,250	(3,272)	(237)	-	-	(259)	
Surplus on disposal of fixed assets		-	-	-	6,256	-	6,256	
Fair value adjustments on investment properties		-	-	-	-	(260)	(260)	
Total activities other than social housing activities		7,474	(3,272)	(1,831)	6,256	(260)	8,367	
Total social and non social activities	20,770	**159,449**	**(16,186)**	**(93,434)**	**6,256**	**(260)**	**55,825**	**35.0%**

Our business performance, as presented in our Operating and Financial Review, makes reference to our Development and Sales business which comprises asset and first tranche sales. In the Operating and Financial Review, the capital receipts for asset sales are included as revenue for this business in line with our treatment for first tranche shared ownership sales.

3. Turnover, operating costs and operating surplus – Group

Year ended 31 March 2025

	Units	2025 Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposals £'000	Valuation gain on investment £'000	Operating surplus £'000	Operating surplus %
Total social housing lettings	19,128	131,192	-	(81,467)	-	-	49,725	37.9%
Other social housing activities								
Management fees		323	-	-	-	-	323	
First tranche shared ownership sales		12,329	(9,675)	(2,493)	-	-	161	
Other (including HomeBuy and Help to Buy agents)		975	-	-	-	-	975	
Total other social housing activities		13,627	(9,675)	(2,493)	-	-	1,459	
Total social housing activities		**144,819**	**(9,675)**	**(83,960)**	**-**	**-**	**51,184**	
Activities other than social housing activities								
Non social housing activities	1,028	4,211	-	(1,591)	-	-	2,620	
Profit on private sales and rents		3,075	(5,363)	(497)	-	-	(2,785)	
Surplus on disposal of fixed assets		-	-	-	4,952	-	4,952	
Fair value adjustments on investment properties		-	-	-	-	(980)	(980)	
Total activities other than social housing activities		7,286	(5,363)	(2,088)	4,952	(980)	3,807	
Total social and non social activities	20,156	**152,105**	**(15,038)**	**(86,048)**	**4,952**	**(980)**	**54,991**	36.2%

3. Turnover, operating costs and operating surplus – Association

Year ended 31 March 2026

	Units	2026 Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposals £'000	Valuation gain on investment £'000	Operating surplus £'000	Operating surplus %
Total social housing lettings	19,703	136,966	-	(88,986)	-	-	47,980	35.0%
Other social housing activities								
Management fees		333	-	-	-	-	333	
First tranche shared ownership sales		13,671	(12,914)	(2,546)	-	-	(1,789)	
Other (including HomeBuy)		1,005	-	-	-	-	1,005	
Total other social housing activities		15,009	(12,914)	(2,546)	-	-	(451)	
Total social housing activities		**151,975**	**(12,914)**	**(91,532)**	**-**	**-**	**47,529**	
Activities other than social housing activities								
Non social housing activities	1,067	4,262	-	(1,591)	-	-	2,671	
Impairment of investment in subsidiary		-	84	-	-	-	84	
Surplus on disposal of fixed assets		-	-	-	6,256	-	6,256	
Fair value adjustments on investment properties		-	-	-	-	(260)	(260)	
Total activities other than social housing activities		4,262	84	(1,591)	6,256	(260)	8,751	
Total housing activities	20,770	**156,237**	**(12,830)**	**(93,123)**	**6,256**	**(260)**	**56,280**	36.0%

3. Turnover, operating costs and operating surplus – Association

Year ended 31 March 2025

	Units	2025 Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposals £'000	Valuation gain on investment £'000	Operating surplus £'000	Operating surplus %
Total social housing lettings	19,128	131,192	-	(81,399)	-	-	49,793	38.0%
Other social housing activities								
Management fees		323	-	-	-	-	323	
First tranche shared ownership sales		12,329	(9,675)	(2,493)	-	-	161	
Other (including HomeBuy and Help to Buy agents)		975	-	-	-	-	975	
Total other social housing activities		13,627	(9,675)	(2,493)	-	-	1,459	
Total social housing activities		**144,819**	**(9,675)**	**(83,892)**	**-**	**-**	**51,252**	
Activities other than social housing activities								
Non social housing activities	1,028	4,211	-	(1,590)	-	-	2,621	
Impairment of investment in subsidiary		-	(2,633)	-	-	-	(2,633)	
Surplus on disposal of fixed assets		-	-	-	4,952	-	4,952	
Fair value adjustments on investment properties		-	-	-	-	(980)	(980)	
Total activities other than social housing activities		4,211	(2,633)	(1,590)	4,952	(980)	3,960	
Total housing activities	20,156	**149,030**	**(12,308)**	**(85,482)**	**4,952**	**(980)**	**55,212**	37.0%

Notes to the financial statements
for year ended 31 March 2026

3. Turnover, operating costs and operating surplus (continued)

Income and expenditure from social housing lettings - Group

	General housing	Low cost home ownership	Supported housing	Residential care homes	Others	2026	2025
Units	**12,864**	**3,296**	**1,309**	**862**	**1,372**	**19,703**	**19,128**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from social housing lettings							
Rent receivable net of identifiable service charges	95,522	12,450	8,396	5,714	866	122,948	117,688
Charges for support services	44	24	178	-	-	246	270
Service charge income	5,339	2,441	4,236	54	1,043	13,113	12,726
Net rents receivable	**100,905**	**14,915**	**12,810**	**5,768**	**1,909**	**136,307**	**130,684**
Revenue grants from local authorities and other agencies	659	-	-	-	-	659	508
Total income from social housing lettings	**101,564**	**14,915**	**12,810**	**5,768**	**1,909**	**136,966**	**131,192**
Expenditure on letting activities							
Management cost	(18,705)	(4,793)	(1,903)	-	-	(25,401)	(22,393)
Service charge cost	(10,864)	(2,784)	(1,106)	-	(1,159)	(15,913)	(15,127)
Routine maintenance	(17,396)	-	(1,770)	-	-	(19,166)	(17,099)
Planned maintenance	(5,272)	-	(536)	-	-	(5,808)	(4,984)
Rent losses from bad debts	(736)	(188)	(75)	-	-	(999)	(1,133)
Depreciation	(18,627)	-	(1,895)	(1,248)	-	(21,770)	(20,731)
Total expenditure on social housing lettings	**(71,600)**	**(7,765)**	**(7,285)**	**(1,248)**	**(1,159)**	**(89,057)**	**(81,467)**
Operating surplus on social housing lettings	**29,964**	**7,150**	**5,525**	**4,520**	**750**	**47,909**	**49,725**
Void losses	**(933)**	**(239)**	**(95)**	**-**	**(99)**	**(1,366)**	**(1,230)**

3. Turnover, operating costs and operating surplus (continued)

Income and expenditure from social housing lettings - Association

	General housing	Low cost home ownership	Supported housing	Residential care homes	Others	2026	2025
Units	**12,864**	**3,296**	**1,309**	**862**	**1,372**	**19,703**	**19,128**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from social housing lettings							
Rent receivable net of identifiable service charges	95,522	12,450	8,396	5,714	866	122,948	117,688
Charges for support services	44	24	178	-	-	246	270
Service charge income	5,339	2,441	4,236	54	1,043	13,113	12,726
Net rents receivable	**100,905**	**14,915**	**12,810**	**5,768**	**1,909**	**136,307**	**130,684**
Revenue grants from local authorities and other agencies	659	-	-	-	-	659	508
Total income from social housing lettings	**101,564**	**14,915**	**12,810**	**5,768**	**1,909**	**136,966**	**131,192**
Expenditure on letting activities							
Management cost	(18,705)	(4,793)	(1,903)	-	-	(25,401)	(22,393)
Service charge cost	(10,863)	(2,784)	(1,106)	-	(1,159)	(15,912)	(15,127)
Routine maintenance	(17,396)	-	(1,770)	-	-	(19,166)	(17,099)
Planned maintenance	(5,272)	-	(536)	-	-	(5,808)	(4,984)
Rent losses from bad debts	(736)	(188)	(75)	-	-	(999)	(1,133)
Depreciation	(18,567)	-	(1,889)	(1,244)	-	(21,700)	(20,663)
Total expenditure on social housing lettings	**(71,539)**	**(7,765)**	**(7,279)**	**(1,244)**	**(1,159)**	**(88,986)**	**(81,399)**
Operating surplus on social housing lettings	**30,025**	**7,150**	**5,531**	**4,524**	**750**	**47,980**	**49,793**
Void losses	**(933)**	**(239)**	**(95)**	**-**	**(99)**	**(1,366)**	**(1,230)**

4. Number of units owned and in management

Analysis of movement 2025 to 2026	2026	2025	Category change	Additions	Disposals	Total movement
Owned – general	9,157	8,923	(1)	240	(5)	234
Owned – affordable	3,038	2,837	-	202	(1)	201
Near market rents	423	403	-	20	-	20
Rent to HomeBuy	246	261	(15)	-	-	(15)
General housing	**12,864**	**12,424**	**(16)**	**462**	**(6)**	**440**
Shared ownership	3,118	2,986	14	183	(65)	132
Key worker – shared ownership	178	181	-	-	(3)	(3)
Low cost home ownership	**3,296**	**3,167**	**14**	**183**	**(68)**	**129**
Owned – supported	152	154	(2)	-	-	(2)
Owned – supported – managed by others	145	143	2	-	-	2
Owned – housing for older people	1,012	1,010	1	1	-	2
Supported housing	**1,309**	**1,307**	**1**	**1**	**-**	**2**
Owned – elderly residential care homes	862	862	-	-	-	-
Residential care homes	**862**	**862**	-	-	**-**	**-**
Owned – students/nurses	498	498	-	-	-	-
Owned – elderly/nursing care homes	496	496	-	-	-	-
Owned – managed by others	3	3	-	-	-	-
Owned – market rent	33	-	-	33	-	33
Commercial	37	31	1	5	-	6
Non-social	**1,067**	**1,028**	**1**	**38**	**-**	**39**
Total owned	**19,398**	**18,788**	**-**	**684**	**(74)**	**610**
Open Market HomeBuy	312	325	-	-	(13)	(13)
MyChoice HomeBuy/shared equity	190	203	-	-	(13)	(13)
Leaseholders	724	708	1	20	(5)	16
Leaseholders – reversionary interest	4	4	-	-	-	-
Managed for others	142	128	(1)	15	-	14
Others	**1,372**	**1,368**	**-**	**35**	**(31)**	**4**
Total owned and in management	**20,770**	**20,156**	**-**	**719**	**(105)**	**614**

Additions consist of 444 units from development completions, 242 units from acquisitions, and 33 other additions.
Association information has not been separately disclosed within this note as group is materially the same as association.

5. Non-executive directors' and directors' emoluments

The board of directors of the association comprises of non-executive directors and executive directors.
Total emoluments in the period to 31 March 2026 for the non-executive directors amounted to £152k (2025: £161k).

	£'000 Salary	£'000 Expenses	2026 £'000 Total	2025 £'000 Total
Non-executive directors	147	5	152	161

Association information has not been separately disclosed within this note as group is materially the same as association

	Salary £'000	Benefits in kind £'000	Pension contributions £'000	2026 Total £'000	2025 Total £'000
Board executive directors	661	23	20	704	687
Other executive directors	904	43	120	1,067	1,134
Total	**1,565**	**66**	**140**	**1,771**	**1,821**
Highest paid director	**273**	**9**	**-**	**282**	**276**

The Chief Executive was the highest paid director and left the defined contribution pension scheme part way through the prior year. There are no special terms applying and no contributions were made to any individual pension arrangement by any member of the group.

Association information has not been separately disclosed within this note as group is materially the same as association.

Notes to the financial statements
for year ended 31 March 2026

6. Employee information

The number of persons expressed in full time equivalents employed at the year end was:

Department	Female	Male	2026 Total	Female	Male	2025 Total
Executive leadership team	8	6	14	10	6	16
Development and sales	28	21	49	25	18	43
Support functions	102	54	156	88	38	126
Service delivery	197	235	432	181	210	391
	335	316	651	304	272	576

Employee costs (for the above persons)	2026 £'000	2025 £'000
Wages and salaries	25,544	23,139
Social security costs	3,291	2,451
Pension - defined contribution cost	2,179	1,983
	31,014	27,573

The number of employees who receive remuneration on a full-time equivalent basis, including employer pension contribution, in excess of £60k are as follows:

The full-time equivalent number of colleagues who receive remuneration	2026	2025 (Restated)
£60,001 to £70,000	37	24
£70,001 to £80,000	24	14
£80,001 to £90,000	13	11
£90,001 to £100,000	12	15
£100,001 to £110,000	6	4
£110,001 to £120,000	1	2
£120,001 to £130,000	3	1
£130,001 to £140,000	3	2
£140,001 to £150,000	2	1
£160,001 to £170,000	1	2
£170,001 to £180,000	1	2
£180,001 to £190,000	2	1
£190,001 to £200,000	-	1
£200,001 to £210,000	1	-
£210,001 to £220,000	1	1
£270,001 to £280,000	-	1
£280,001 to £290,000	1	-

Full time equivalents are calculated based on a standard working week of 37 hours from a year end position.

Prior year comparatives have been restated to align with the current year remuneration banding methodology, which includes all remuneration elements required by the Accounting Direction. As a result, certain comparative bandings have been updated. This disclosure-only change has no impact on the Group's or Association's surplus, net assets, cash flows, or underlying accounting records.

Association information has not been separately disclosed within this note as group is materially the same as association.

7. Interest receivable and other income

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Interest receivable	654	415	880	727
MyChoice HomeBuy interest receivable	458	458	455	455
Interest receivable from joint ventures	99	-	-	-
	1,211	**873**	**1,335**	**1,182**

8. Interest payable and similar charges

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
On bonds, bank loans, overdrafts and other loans	40,285	40,283	40,402	40,402
Refinancing costs	255	255	885	885
Other loan costs	1,594	1,592	1,453	1,453
Less: interest payable capitalised on housing properties under construction	(6,825)	(6,825)	(6,527)	(6,527)
	35,309	**35,305**	**36,213**	**36,213**
Capitalisation rate used to determine finance costs capitalised during the period	**5.40%**	**5.40%**	**5.40%**	**5.40%**

9. Surplus for the financial year

	2026 Group £'000	2025 Group £'000
Surplus on ordinary activities is stated after charging:		
Depreciation of housing properties	21,293	19,897
Loss on component replacements	1,280	1,716
Depreciation of other tangible fixed assets	788	707
Impairment losses on inventories	-	2,399
Impairment losses on fixed assets	453	-
Auditors' remuneration (excluding VAT)		
- for audit services	189	185
- for non-audit services		
- service charges	14	13
- other	-	-
Operating lease payments		
- Vehicles, computers and equipment	27	34
- Land and buildings	326	326

Association information has not been separately disclosed within this note as group is materially the same as association.

During the year, development schemes were reviewed. Following this review, impairment provisions were adjusted to bring the value held in current assets into line with the latest view of likely net realisable value.

10. Gain on disposal of fixed assets - housing properties

	2026 Group			**2025 Group**		
	Disposal proceeds £'000	Cost of sales £'000	Gain on disposal £'000	Disposal proceeds £'000	Cost of sales £'000	Gain on disposal £'000
Shared ownership staircasing	12,309	(5,919)	6,390	9,163	(4,186)	4,977
Asset management and other sales	2,513	(1,214)	1,299	1,478	(342)	1,136
Right to buy	239	(83)	156	0	0	0
MyChoice HomeBuy	1,408	(809)	599	1,422	(882)	540
Open Market HomeBuy	746	(394)	352	839	(461)	378
	17,215	**(8,419)**	**8,796**	**12,903**	**(5,872)**	**7,031**
Operating cost			**(2,540)**			**(2,079)**
Gain on disposal of tangible fixed assets			**6,256**			**4,952**

11. Taxation

The association has charitable status and is not subject to corporation tax on surpluses arising as a result of, or earned in furtherance of, its charitable objectives.

The association has a number of subsidary companies, some of which do not have charitable status and which therefore are subject to corporation tax. For these entities, the charge for corporation tax is based on the result for the period and takes into account deferred taxation. Deferred taxation is provided on differences between the treatment of certain items for taxation and accounting purposes, unless it is probable that the difference will not reverse in the foreseeable future.

The tables below present disclosure in respect of Bushmead Homes Limited, whose results are consolidated into the bpha group accounts.

Total tax expense recognised in the group statement of comprehensive income		2026 Group £'000		2025 Group £'000
Deferred tax asset write off		-		-
Deferred tax		-		-

Reconciliation of effective tax rate				
Profit for the year				
- bpha group		21,727		20,113
- Less: bpha Limited (excluding gift aid)		(21,848)		(20,181)
- Items eliminated on consolidation:				
Impairment of investment in subsidiary	84		(2,633)	
Depreciation eliminated	71		68	
Intercompany profit	49		-	
		204		(2,565)
		83		(2,633)
Total tax (credit)/expense		-		-
(Loss)/profit excluding taxation		83		(2,633)
Taxation				
Tax using the UK corporation tax rate of 25% (2025: 25%)		21		(658)
Tax credit not adjusted		-		658
Utilisation of prior year tax losses		(21)		-
Total (credit)/tax expense		-		-

12. Housing properties and other fixed assets - Group

	Tangible fixed assets – housing properties (shared ownership) £'000	Tangible fixed assets – housing properties (general needs and other) £'000	Housing properties in course of construction (shared ownership) £'000	Housing properties in course of construction (general needs and other) £'000	Long leasehold £'000	Furniture and equipment £'0000	Total £'000
Cost							
At 31 March 2025	**223,416**	**1,274,153**	**25,356**	**69,085**	**787**	**7,004**	**1,599,801**
Reallocation	-	-	-	2,695	-	-	2,695
Schemes completed in the period	37,187	80,642	(37,187)	(80,642)	-	-	-
Additions	-	-	29,668	54,356	97	808	84,929
Stock acquisition	756	14,671	-	-	-	-	15,427
Transfer to current assets	-	-	(9,113)	(108)	-	-	(9,221)
Improvements	-	33,441	-	(8,996)	-	-	24,445
Interest capitalised	-	-	3,025	3,800	-	-	6,825
Disposals	(5,060)	(3,753)	-	(6,826)	-	(466)	(16,105)
At 31 March 2026	**256,299**	**1,399,154**	**11,749**	**33,364**	**884**	**7,346**	**1,708,796**
Depreciation and Impairment							
At 31 March 2025	**-**	**162,983**	**-**	**2,459**	**778**	**4,047**	**170,267**
Reallocation	-	-	-	2,695	-	-	2,695
Depreciation charged in the year	-	21,293	-	-	3	783	22,079
Impairment charged in the year	-	453	-	-	-	-	453
On disposals	-	(1,635)	-	(4,282)	-	(466)	(6,383)
At 31 March 2026	**-**	**183,094**	**-**	**872**	**781**	**4,364**	**189,110**
Net book value							
At 31 March 2026	**256,299**	**1,216,060**	**11,748**	**32,492**	**103**	**2,982**	**1,519,685**
Net book value at							
At 31 March 2025	**223,416**	**1,111,170**	**25,356**	**66,626**	**9**	**2,957**	**1,429,534**

During the year, a reallocation was made between cost and depreciation in the table above. This reallocation has had no impact on net book value.

12. Housing properties and other fixed assets - Association

	Tangible fixed assets – housing properties (shared ownership) £'000	Tangible fixed assets – housing properties (general needs and other) £'000	Housing properties in course of construction (shared ownership) £'000	Housing properties in course of construction (general needs and other) £'000	Long leasehold £'000	Furniture and equipment £'0000	Total £'000
Cost							
At 31 March 2025	**223,416**	**1,274,154**	**25,355**	**62,141**	**790**	**7,004**	**1,592,860**
Schemes completed in the period	37,187	80,642	(37,187)	(80,642)	-	-	-
Additions	-	-	29,668	54,356	97	808	84,929
Stock acquisition	756	14,671	-	-	-	-	15,427
Transfer to current assets	-	-	(9,113)	(108)	-	-	(9,221)
Improvements	-	33,441	-	(8,996)	-	-	24,445
Interest capitalised	-	-	3,025	3,800	-	-	6,825
Disposals	(5,060)	(3,753)	-	-	-	(466)	(9,279)
At 31 March 2026	**256,299**	**1,399,155**	**11,748**	**30,551**	**887**	**7,346**	**1,705,986**
Depreciation and Impairment							
At 31 March 2025	**-**	**162,872**	**-**	**-**	**781**	**4,046**	**167,699**
Depreciation charged in the year	-	21,221	-	-	3	783	22,007
Impairment charged in the year		453	-	-	-	-	453
On disposals	-	(1,635)	-	-	-	(466)	(2,101)
At 31 March 2026	**-**	**182,911**	**-**	**-**	**784**	**4,363**	**188,058**
Net book value							
At 31 March 2026	**256,299**	**1,216,244**	**11,747**	**30,552**	**103**	**2,983**	**1,517,928**
Net book value at							
At 31 March 2025	**223,416**	**1,111,282**	**25,355**	**62,141**	**9**	**2,958**	**1,425,161**

During the year, a reallocation was made between cost and depreciation in the table above. This reallocation has had no impact on net book value.

12a. Expenditure on improvements to existing properties

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Amounts capitalised	24,446	24,446	27,399	27,399
Routine and planned maintenance	24,975	24,975	22,083	22,083
	49,421	**49,421**	**49,482**	**49,482**

13. Current assets

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Current asset work in progress	7,747	7,747	14,585	14,585
Completed properties held for sale	7,458	7,025	4,547	3,447
	15,205	**14,772**	**19,132**	**18,032**

The cost of shared ownership properties in the course of construction is apportioned between the equity percentage expected to be retained by the association and the portion expected to be sold. The cost attributable to the percentage to be sold is included within current assets, and that expected to be retained is included in fixed assets "Housing properties in the course of construction (shared ownership)".

Current assets are stated in the table above net of impairment provisions for the group of £594k (2025: £2,317k) and the association of £526k (2025: £2,249k).

14. Investment properties

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Investment properties	19,422	19,422	15,140	15,140
The reported balance and movement in the investment properties following the annual valuation was:				
Opening balance	15,140	15,140	16,120	16,120
Additions	4,542	4,542	-	-
Revaluation in the year	(260)	(260)	(980)	(980)
Closing balance	**19,422**	**19,422**	**15,140**	**15,140**

Additions in the year relate to the acquisition of market-rented residential properties from Clarion Housing Group, another registered provider.

Investment property valuations are carried out by independent valuers who hold recognised and relevant professional qualifications (Royal Institution of Chartered Surveyors' (RICS) and have recent experience in the location and class of the investment properties being valued. The valuations are undertaken in accordance with the RICS Valuation – Global Standards (Red Book), latest edition in force at the valuation date (currently effective from 31 January 2025). The principal components of the valuations are the use of the property, location, income received, tenant covenant, length of lease, tenure and condition of the property.

The properties have been valued on a fair value basis. Fair value has been assessed using valuation methodologies considered appropriate to each property, including investment and income-based approaches, with reference to comparable market evidence and, where relevant, discounted cash flow techniques.

15. Trade and other debtors

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Accounts falling due within one year:				
Rental and service charge debtors	6,926	6,926	7,109	7,109
Less: provision for bad and doubtful debts	(4,421)	(4,421)	(4,572)	(4,572)
	2,505	2,505	2,537	2,537
Other debtors	1,922	1,922	2,065	2,065
Stock acquisition deposit	4,151	4,151	-	-
Taxation and social security	14	-	61	-
Prepayment and accrued income	5,728	5,711	3,982	3,973
Amounts owed by group undertakings	-	1,516	-	1,679
	11,815	13,300	6,108	7,717
Less: provision for bad and doubtful debts	(1,114)	(1,114)	(1,304)	(1,304)
	10,701	12,186	4,804	6,413
Accounts falling due after more than one year:				
Loan to Gloucestershire Care Partnership Limited	443	443	434	434
Less: provision for bad and doubtful debts	(443)	(443)	(434)	(434)
	13,206	**14,691**	**7,341**	**8,950**

16. Short term investments

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Cash collateral on securing loan and interest	2,169	2,169	2,079	2,079
	2,169	**2,169**	**2,079**	**2,079**

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17. Creditors: Amounts falling due within one year

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Trade creditors	6,289	6,286	1,912	1,888
Contracts for capital works and retentions	12,164	12,078	9,028	8,933
Accruals and deferred income	5,533	5,522	5,583	5,562
Debt (note 20)	8,825	8,825	5,000	5,000
Interest payable	9,369	1,403	9,253	1,287
Rent and service charges received in advance	3,687	3,687	3,307	3,307
Taxation and social security	58	58	86	86
Recycled capital grant fund (note 19)	-	-	129	129
Amounts due to group undertakings	-	7,966	-	7,966
Other creditors	3,353	3,353	2,294	2,268
	49,278	**49,178**	**36,592**	**36,426**

Payments to creditors
The association's policy is to pay purchase invoices when due.

18. Creditors: Amounts falling due after more than one year

		2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Debt (note 20)		982,445	619,902	928,669	565,602
Amounts due to group undertakings		-	364,060	-	364,639
Recycled capital grant fund (note 19)		3,822	3,822	4,805	4,805
Deferred government grant (note 24)		99,648	99,648	81,651	81,651
Grant on HomeBuy and MyChoice HomeBuy loans		16,228	16,228	17,128	17,128
Major repairs fund held on behalf of	– Oxfordshire Care Partnership	1,687	1,687	2,182	2,182
	– Leaseholders	7,210	7,210	6,535	6,535
Bond premium		16,467	16,467	17,140	17,140
		1,127,507	**1,129,024**	**1,058,110**	**1,059,682**

19. Recycled capital grant fund (RCGF)

	Total £'000
At 1 April 2025	**4,934**
Grants recycled:	
Housing properties	917
MyChoice HomeBuy	506
Open Market HomeBuy	394
Interest accrued	193
Purchase/development of properties	(3,122)
Balance at 31 March 2026	**3,822**
Amount falling due within 1 year	-
Amount falling due after more than 1 year	3,822
	3,822

Association information has not been separately disclosed within this note as group is materially the same as association.

20. Debt analysis

The Group has a policy to ensure that it maintains a range of diverse funding sources. At the year end it had a mixture of secured and unsecured facilities, including both bank and capital markets debt. Bank and capital markets debt is subject to fixed rates of interest (excluding margin on the loan) ranging from 1.78% to 4.82% and at variable rates linked to the benchmark rates (currently SONIA). All secured funding is supported by charges over the Group's housing properties. All bilateral loans, of which two have an amortising repayment profile, will be fully repaid by January 2041 with other bank and capital markets debt maturing by January 2047. During the year, the Group entered into a £100m floating rate facility with a loan-linked fixed rate arrangement to fix interest cash flows on the borrowing. The Group has assessed this as a combined arrangement and classified it as a basic financial instrument measured at amortised cost.

In capital markets the Group has raised £350m by issuing its secured public bond through its subsidiary bpha Finance plc, which is repayable in 2044. In addition the Group has issued £125m US private placement through bpha Limited which has five tranches with maturities between 2030 and 2040. The private placement has been issued with £118m on an unsecured basis wih the remaining £7m issued on a secured basis.

At 31 March 2026 within the Group's drawn debt portfolio there was a total of £118m of unsecured debt.

Drawn debt	2026 Group £'000	2025 Group £'000
Breakdown of debt:		
Bank and building society loans	486,000	427,000
The Housing Finance Corporation	36,000	36,000
Bonds	475,000	475,000
Other loans	1,244	1,310
	998,244	939,310
Deferred costs	(6,974)	(5,641)
	991,270	**933,669**

	2026 £'000	2025 £'000
Debt is repayable as follows:		
Due within one year	8,825	5,000
Due after one year and within two years	10,200	8,825
Due after two years and within five years	114,100	42,600
Due after more than five years	858,145	877,244
	991,270	**933,669**

Association information has not been separately disclosed within this note as group is materially the same as association.

Under FRS102 (s17.32) the Group is required to disclose the carrying value of property pledged as security for liabilities and contractual commitments. The carrying value of this property at the end of the year was £656m (2025: £686m).

The remaining properties not pledged as security are available to support our unsecured debt and the charging valuation provided by external valuers at the end of the year was £797m (2025: £853m).

21. Called up share capital

Each non-executive member of the Board holds one ordinary share of £1 in the association.

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distribution on winding up. Shares are cancelled when the holder ceases to be a qualifying member of the Board.

	2026 Group £	2025 Group £
Allotted, issued and fully paid ordinary shares	**9**	**9**

Association information has not been separately disclosed within this note as group is materially the same as association.

22. Reserves

	Group - Revenue reserve £'000	Association - Revenue reserve £'000
At 1 April 2025	**428,126**	**428,024**
Profit for the year	21,727	21,848
Other comprehensive income for the year	-	-
At 31 March 2026	**449,853**	**449,872**

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23. Financial commitments

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Capital commitments				
Capital expenditure that has been contracted for but has not been provided for in the financial statements	73,753	73,753	101,118	101,118
Capital expenditure that has been authorised by the Board but has not yet been contracted for	27,465	27,465	2,234	2,234

The above commitments will be financed primarily through borrowings, under existing loan arrangements or from access to debt capital markets, together with social housing grant and sale of shared ownership properties.

Based on the group funding strategy, the contracted capital commitments are planned to be funded by:

	2026 Group Funding Plan £m	2025 Group Funding Plan £m
Capital grant funding	11	13
Surpluses	25	33
Loans	38	55
	74	**101**

Operating leases
At 31 March 2026, the association had non-cancellable operating lease rentals payable as follows:

	2026 Group £'000	2025 Group £'000
Less than one year	337	353
Between one and five years	527	854
More than five years	-	5
	864	**1,212**

During the year £353k was recognised as an expense in the profit and loss account in respect of operating leases (2025: £360k).

24. Grant movement

Total accumulated government grant received or receivable as at 31 March:	Group - Reserve amount £'000	Group - Creditor amount £'000	Group - Total amount £'000	Group - Deferred grant £'000	Group - Total grant £'000
At 31 March 2024	**(242,164)**	**(47,404)**	**(289,568)**	**(21,741)**	**(311,309)**
Grant addition	-	-	-	(13,022)	(13,022)
Grant transfer on completed	-	(3,491)	(3,491)	3,491	-
Grant recycled	518	13	531	-	531
Grant amortised	(503)	503	-	-	-
At 31 March 2025	**(242,149)**	**(50,379)**	**(292,528)**	(31,272)	**(323,800)**
Grant addition	-	(977)	(977)	(17,743)	(18,720)
Grant transfer on completed	-	(28,778)	(28,778)	28,778	-
Grant recycled	826	106	932	-	932
Grant amortised	(617)	617	-	-	-
At 31 March 2026	**(241,940)**	**(79,411)**	**(321,351)**	**(20,237)**	**(341,588)**

This excludes grant relating to HomeBuy and MyChoice HomeBuy loans (refer to note 19)

Grant amortised of £617k (2025: £503k) is included under other income (see note 3) and forms part of turnover reported for the group.

Government grant included in relation to Warm Homes: Social Housing Fund at 31 March:	Group - Reserve amount £'000	Group - Creditor amount £'000	Group - Total amount £'000
At 31 March 2024	**-**	**-**	**-**
Grant addition	-	(977)	(977)
Grant released to income during the year	(15)	15	-
At 31 March 2026	**(15)**	**(962)**	**(977)**

The Warm Homes: Social Housing Fund was awarded by the Department for Energy Security and Net Zero to support with the installation of energy performance measures in our homes.

Association information has not been separately disclosed within this note as group is materially the same as association.

25. Reconciliation of net cashflow to movement in net debt

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Increase in cash	3,943	5,441	1,524	332
Cashflow from decrease in liquid resources	91	91	82	82
Cashflow from (increase) in debt and lease finance and set up fees	(58,935)	(58,935)	(24,993)	(24,993)
(Increase) in net debt from cashflows	(54,901)	(53,403)	(23,387)	(24,579)
Non-cashflow items	1,332	1,388	254	286
Total changes in net debt for the period	(53,569)	(52,015)	(23,133)	(24,293)
Net debt brought forward at 1 April	(904,277)	(912,936)	(881,144)	(888,643)
Net debt at 31 March	**(957,846)**	**(964,951)**	**(904,277)**	**(912,936)**

26. Analysis of net debt

	1 April 2025 £'000	Cashflow £'000	Non-cashflow items £'000	31 March 2026 £'000
Loans	(939,310)	(58,935)	-	(998,245)
Loan set up fees	5,642	2,128	(795)	6,975
Debt	(933,668)	(56,807)	(795)	(991,270)
Cash at bank and in hand	27,312	3,943	-	31,255
Fixed and current asset investments	2,079	90	-	2,169
Net debt	**(904,277)**	**(52,774)**	**(795)**	**(957,846)**

Association information has not been separately disclosed within this note as group is materially the same as association.

27. Contingent liability

As at 31 March 2026, grant which has been written off to reserves represents a contingent liability of £241.9m (2025: £242.1m). This contingent liability will be realised if the assets to which the written off grant relates are disposed.

On 30 March 2026, a bulk stock acquisition of 222 homes completed from Clarion Housing Group, another registered provider, for properties in the Bedford and Central Bedfordshire area.

A contingent liability of £2.9m exists for grant transferred associated with the properties purchased.

28. Investment in subsidiaries

The investments in the group and association comprise of investments in fellow group companies, which are eliminated on consolidation:

	2026 Group £'000	2026 Association £'000	2025 Group £'000	2025 Association £'000
Bushmead Homes Limited	-	13,546	-	13,462
Bpha Finance plc	-	13	-	13
	-	**13,559**	**-**	**13,475**

Bushmead Homes Limited

Bushmead Homes Limited was a subsidiary of the association at the year end and is limited by shares. bpha Limited has the right to appoint members to the board of the subsidiary and thereby exercise control over it. bpha Limited owns all of the issued share capital.

Bushmead Homes Limited's principal activity is property development for open market sale.

Bushmead Homes Limited has a joint venture agreement, Progress Investment Partnership LLP (PIP) with Hill Partnerships Limited.

In August 2025, Bushmead Homes Limited entered into a further joint venture agreement with Hill Investment Partnerships Limited and Progress Investment Partnership (Swavesey) LLP (PIP Swavesey) was incorporated.

The principal activities of both PIP and PIP Swavesey are the development of residential accommodation for private sale and affordable residential accommodation for sale to registered providers.

The association statement of comprehensive income includes the following transactions between the association and Bushmead Homes Limited:

	2026 £'000	2025 £'000
Income from central services	**222**	**107**

Income from central services represents a reallocation of cost incurred by fellow group companies and is calculated on a cost of provision basis.

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28. Investment in subsidiaries (continued)

bpha Finance Plc

bpha Finance plc is a special purpose vehicle for the purpose of issuing asset backed securities and on-lending the proceeds to bpha Limited. bpha Finance plc has issued 50,000 ordinary shares of £1 each, all of which are paid up to 25 pence. bpha Limited owns all of the issued share capital.

The association's statement of comprehensive income includes the following transactions between the association and bpha Finance plc:

	2026 £'000	2025 £'000
Interest expense	**16,856**	**16,855**

The accounts include the following transactions between the association and bpha Finance plc:

	2026 £'000	2025 £'000
Bond premium and interest - bpha Finance plc	16,856	16,855
Bond premium and interest - Association	(16,856)	(16,855)
	-	-

The amounts due from/(to) bpha Finance plc at the year end are:

	2026 £'000	2025 £'000
Amounts due for investment in bpha Finance plc	(13)	(13)
	(13)	**(13)**

29. Joint arrangements

The Group holds 50% of the shares in four joint arrangement companies: The Oxfordshire Care Partnership (OCP) and The Gloucestershire Care Partnership (GCP), held via the Association; and Progress Investment Partnership LLP (PIP) and Progress Investment Partnership (Swavesey) LLP (PIP Swavesey), held via Bushmead Homes Limited.

The Oxfordshire Care Partnership and The Gloucestershire Care Partnership

Joint ventures OCP and GCP are managed through a board of trustees on which the association and its partner, The Orders of St John Care Trust (OSJCT), are equally represented.

OCP's and GCP's principal activities are the provision of care to elderly people through care homes. OCP and GCP provide housing, accommodation, nursing or other assistance to people who are elderly or disabled and the provision of associated facilities and amenities for such people. The joint arrangements have been structured such that the association owns the care homes and receives rents on these, and that OSJCT are the care home operator and takes the financial and other risks associated with the operation. If the profits OSJCT attains from the operations exceed an agreed level then the excess will be retained by OCP and GCP but if the operations are loss making, the loss is sustained by OSJCT and therefore, other than a small contribution to certain fixed costs, OCP and GCP would not suffer any loss.

Any surplus from the joint arrangement companies shall be applied solely towards the promotion of charitable objectives as determined by the trustees. No profits by way of dividends will be distributed to the members of the companies.

bpha group holds a major repairs fund on behalf of OCP to cover the costs of repairs per agreement with OCP (see note 18).

Under FRS102 section 15 'Investment in Joint Ventures', the Association is required to prepare additional information including, on an equity accounting basis, its share of the results of the OCP and GCP joint arrangement companies for the period to 31 March 2026 and the net assets as at 31 March 2026. However, since the association has no rights to the net profits or assets of the companies and has no rights to dividends, other returns or to assets in the event of being wound up, the association considers that it has no equity interest in the ventures and accordingly consolidates a nil interest.

Progress Investment Partnership LLP and Progress Investment Partnership (Swavesey) LLP

In November 2024 Bushmead Homes Limited entered into a joint venture agreement with Hill Investment Partnerships Limited and the Progress Investment Partnership LLP (PIP) was incorporated. PIP's principal activity is to carry out the regeneration and development activities to provide affordable, social rent and private housing. Investment in PIP totals £647,407 (2025: £95,420). The investment includes equity loan contributions in the year totalling £535k to fund developments. The loans are unsecured, bear interest at 5% and will be repaid on the distribution of profits from the LLP.

In August 2025 Bushmead Homes Limited entered into a joint venture agreement with Hill Investment Partnerships Limited and the Progress Investment Partnership (Swavesey) LLP (PIP Swavesey) was incorporated. PIP Swavesey's principal activity is to carry out the regeneration and development activities to provide affordable, social rent and private housing. An investment of £4,104,516 was made in PIP Swavesey in the year. Included within investments is a loan note of £2,547k due from PIP Swavesey, which forms part of the Group's long-term investment in the joint venture. The loan is secured, bears interest at a fixed coupon of £335k and is repayable on the earlier of seven years from drawdown or the sale of the final completed unit. Also included are equity loan contributions to fund developments totalling £1,463k. The loans are unsecured, bear interest at 5.5% and will be repaid on the distribution of profits from the LLP.

29. Joint arrangements (continued)

	Progress Investment Partnership LLP 2026 £	Progress Investment Partnership Swavesey LLP 2026 £	2026 Group £	2026 Association £	2025 Group £	2025 Association £
Share of turnover	-	294,975	294,975	-	-	-
Share of cost of sales	-	(294,975)	(294,975)	-	-	-
	-	-	-	-	-	-
Share of assets	508,192	2,910,459	3,418,651	-	-	-
Share of liabilities	(554,730)	(2,912,203)	(3,466,933)	-	-	-
Share of net assets	(46,538)	(1,744)	**(48,282)**	-	-	-
At 1 April	**95,420**	**-**	**95,420**	**-**	**-**	**-**
Investment	551,987	4,104,517	4,656,504	-	95,420	-
Share of loss	(46,538)	(1,744)	(48,282)	-	-	-
As at 31 March	**600,869**	**4,102,773**	**4,703,642**	**-**	**95,420**	**-**

30. Investment in Associates

bpha Limited (via Bushmead Homes Limited) has a 25% interest in Gog Magog Partnership LLP, whose principal activity is the development of residential accommodation for private sale and of affordable residential accommodation for sale to registered providers. The partnership is currently not trading. Income of £10,600 was recognised in the year in respect of this interest; however, the carrying value of the investment remains nil.

Associates are accounted for in accordance with FRS102 Section 14 'Investments in Associates' in the consolidated financial statements using the equity method. Within the subsidiary undertaking individual financial statements in which the investment is held, this is held as a fixed or current asset investment shown at cost less amounts written off.

31. Post balance sheet events

Further to the acquisition of 222 homes from Clarion Housing Group during the year, a further 980 completed on 11 May 2026, for properties in the Luton area.

Five year summary
key figures

Group statement of comprehensive income	2022 £'m	2023 £'m	2024 £'m	2025 £'m	2026 £'m
Turnover					
Core operating business	112.1	117.4	127.7	136.7	142.5
Development and sales business	59.0	35.7	32.6	28.3	34.1
	171.1	**153.1**	**160.3**	**165.0**	**176.6**
Operating surplus					
Core operating business	46.9	47.0	51.1	53.6	51.9
Development and sales business	14.9	9.6	5.2	2.3	4.2
Fair value adjustments on investment properties	0.3	(0.7)	(0.3)	(1.0)	(0.3)
Pension cessation cost	-	(6.7)	-	-	-
Aborted partnership costs	-	(0.6)	-	-	-
	62.1	**48.7**	**56.0**	**54.9**	**55.8**
Operating surplus as a % of turnover	36.3%	31.8%	35.0%	33.3%	31.6%
Net interest	(33.7)	(33.3)	(34.7)	(34.0)	(33.8)
Underlying surplus for the year	**28.3**	**15.4**	**21.3**	**20.9**	**22.0**
Gains re financial instruments and termination of hedging agreements	11.7	1.1	-	-	-
Surplus before tax	**40.0**	**16.5**	**21.3**	**20.9**	**22.0**
Repairs and maintenance	14.8	17.6	20.4	22.1	25.0
Capitalised major repairs grant received	-	-	-	-	(0.8)
Capitalised spending on improvements to housing properties	20.5	21.2	19.1	27.4	24.4
Total spending on repairing and maintaining our housing properties	**35.3**	**38.8**	**39.5**	**49.5**	**48.6**
Social Housing earnings before interest, tax, depreciation and amortisation, major repairs included (SHL EBITDA MRI)	42.6	40.9	47.4	43.9	46.7
SHL EBITDA MRI as a percentage of interest payable and similar charges	111%	109%	114%	105%	111%

Turnover includes the capital receipts from disposal of fixed assets.

The five year summary does not form part of the notes to the financial statements.

Five year summary
key figures

Group statement of financial position	2022 £'m	2023 £'m	2024 £'m	2025 £'m	2026 £'m
Housing properties and other fixed assets	1,282.9	1,316.4	1,371.0	1,429.5	1,519.7
Other assets less current liabilities	80.2	57.9	55.2	56.7	57.7
Total assets less current liabilities	**1,363.1**	**1,374.3**	**1,426.3**	**1,486.2**	**1,577.4**
Debt (due over one year)	850.7	847.3	896.4	928.7	982.4
Other long term liabilities	143.3	116.9	121.9	129.4	145.1
Total long term liabilities	**994.0**	**964.2**	**1,018.3**	**1,058.1**	**1,127.5**
Reserves total	369.1	410.1	408.0	428.1	449.9
Total long term funding and reserves	**1,363.1**	**1,374.3**	**1,426.3**	**1,486.2**	**1,577.4**

Group cash flow	2022 £'m	2023 £'m	2024 £'m	2025 £'m	2026 £'m
Net cash from operating activities	64.2	62.7	64.6	72.7	72.0
Net interest paid	(37.2)	(35.1)	(39.0)	(42.9)	(42.7)
Operating cashflow net of interest	27.0	27.6	25.6	29.8	29.3
Improvements to housing properties	(21.2)	(21.6)	(19.0)	(25.3)	(22.1)
Other items	(0.1)	(1.9)	(1.0)	(1.3)	(0.9)
Operating cash flow net of interest, capex & other	5.7	4.1	5.6	3.2	6.3
Proceeds from asset sales	26.8	20.1	10.9	12.9	17.2
First tranche shared ownership sales	32.2	15.6	21.7	15.4	14.4
Operating and sales cash flow	64.7	39.8	38.2	31.5	37.9
Development and acquisition spend	(52.4)	(52.6)	(53.4)	(56.0)	(90.8)
Net movements in borrowings and deposits	(2.7)	8.4	44.6	24.9	58.8
Pension cessation costs	-	(9.7)	-	-	-
Investment in joint arrangements	-	-	-	(0.1)	(2.0)
Refinancing benefit/(costs)	(34.3)	(7.5)	(22.7)	1.2	-
Net cash flow after development activities	(24.7)	(21.7)	6.7	1.5	3.9

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