HALF YEAR FINANCIAL REPORT

2025/2026

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CEO statement

It's my pleasure to welcome you to bpha's half year report, covering the period from April to September 2025. I am pleased the report demonstrates we have continued our strong performance, making healthy progress against our four strategic commitments:

1) We will deliver quality and value to customers

We launched our refreshed four-year Customer Strategy in April, outlining our plans to become a landlord that our customers value and trust based on their experience of us. It was vital that customer feedback, including from our Customer Service Improvement Panel, played a key role in developing this strategy.

As a result, the strategy reflects what customers have told us matter most, including further improving core services, such as faster repair response times and making it easier to contact us. We are pleased to have made good progress in both these areas in the first half of the year. Repairs completed in timescale have increased to 76% and emergency repairs to 99% – with customer satisfaction with the most recent repair remaining high at 93%. We significantly reduced call wait times for our Customer Communications Centre to under five minutes and continued our positive trajectory in overall customer satisfaction. Our latest TSM results (June) show satisfaction increasing by 4.2% for rental customers and 5.7% for homeowners.

All these improvements have been as a result of listening, and responding, to customer feedback.

2) We will help make places and build local communities

I am pleased that we completed Bury Court, the second block in bpha's exciting regeneration project to improve and enhance a number of our high-rise blocks in Bedford. The refurbishment has seen Bury Court transformed with new rainscreen cladding, external wall insulation and high-performance double glazing. More CCTV has been installed to help customers feel safer, and parking provision increased following customer feedback.

Bury Court is part of our wider 'Project Vista'. bpha owns 14 high-rise blocks in Bedford, all of which were built in the 1950s and 1960s. The homes are in prime locations within the town and are popular places to live. We are investing £70 million to improve the homes of our customers and reduce energy bills.

We continued to work closely with partners, including our residents, Bedford Borough Council and Homes England, to explore and advance the possibility of 400 new homes in Bedford town centre, along with community facilities as part of a wider town centre regeneration. This will remain an important focus over the remainder of the year.

3) We will create a sustainable future

We have continued to invest in making homes warm, efficient and sustainable, including increasing the proportion of our homes achieving EPC level C or above to 93%.

We were delighted to celebrate the completion of our scheme at Fen Drayton with residents this summer. The scheme comprises a mix of 14 homes that were funded with a Homes England grant from the Affordable Housing Programme. The homes have been designed to achieve EPC A ratings through a more thermally efficient building fabric and the use of solar photovoltaic panels and air-source heat pumps. Electric vehicle charging points and cycle parking facilities have been provided and the scheme also exceeds Biodiversity Net Gain standards.

Being a significant local employer, we also developed our commitment to shape and support the workforce of the future. We were pleased to join Bedford College's Employer Partnership Scheme, a programme designed to give students real-world industry experience and apprenticeship opportunities. As part of this new partnership, we expanded our apprenticeship programme with 11 students beginning their placements in September and a further six joining in January 2026. These apprenticeships span a wide range of vital and much-needed roles, including property maintenance, and customer service.

4) We will put people at the heart of bpha

We had over 900 conversations with customers on their doorsteps, as part of bpha's Big Listen customer engagement exercise across September and October. Over 230 bpha colleagues knocked on 3,000 doors to ask customers what is most important to them about bpha's services and if they had anything else they would like to share. As a result, we processed over 1,500 customer actions and we continue to analyse the themes to help further shape our services in response to customer priorities.

Customers continued to influence our decisions and priorities, with our Customer Service Improvement Panel carrying out in-depth reviews of our core services. This included a review of customer repairs responsibilities, with a number of recommendations accepted and implemented as part of our new repairs policy. The panel are working with us to monitor the successful implementation of these changes.

We continue to also focus on making bpha a great place to work, with colleagues voting for their team of the year as well recognising colleagues who best live our values. We listened and responded to what colleagues shared was important to them, including increasing maternity pay from 90% of salary to 100% for the first six weeks of maternity, and extending paternity leave.

We will continue to prioritise, and work with, our customers for the remainder of this year and beyond.

Thank you for reading this report, I hope you find it useful.

Richard Hill,
Chief Executive Officer

Our highlights...

127%
Social Housing Lettings EBITDA MRI (Sept 2024: 136%)

£30.1m
Operating surplus (Sept 2024: £31.2m)

A+(stable)
Standard and Poor's Rating (maintained Oct 2025)

20,188
Homes owned or managed (Sept 2024: 20,079)

27
Shared ownership sales (Sept 2024: 54)

69
New homes built (Sept 2024: 119)

G1/V1
Regulator of Social Housing Governance/Viability Rating (reaffirmed Dec 2024)

39%
Operating margin on core operating business (Sept 2024: 43%)

£22.1m
Invested in maintaining and improving existing homes (Sept 2024: £19.3m)

£39.5m
Invested in new homes (Sept 2024: £26.2m)

CFO statement

Increased operating costs offset by better than expected asset sales resulted in total operating surplus reducing slightly to £30.1m (September 2024: £31.2m). However, the underlying strength of the business enabled increased investment in our existing homes and development.

bpha 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.

Our core operating business was impacted by repair costs which increased as volumes continued to grow. Additional cost pressure arose from the rise in National Insurance contributions and increased investment in people for customer services teams. Despite these headwinds, our capital investment in existing homes increased slightly to £10.5m to reflect our commitment to invest significantly in homes so that they all meet the high 'bpha standard' that we have set for lifecycle replacement. Our development programme continues at pace – with spend increasing to £39.5m reflecting the increased opportunities in our operating area.

The Progress Investment Partnership with Hill started its first scheme in Cambridgeshire and we look forward to working closely with Bedford Borough Council to develop land for affordable use across Bedfordshire.

The finance restructure last year enabled us to benefit from the fall in interest rates, and this was a key factor in reducing our interest costs. As a result, the reduced net surplus before tax of £13.4m was maintained in line with last year (September 2024: £13.7m).

The cash flow from our core operating business fell to £33.4m (September 2024: £38.9m) due to working capital movements but remains sufficient to fund our investment plans. Our operating cash flow net of interest, capex, and other costs in the first half of the year comfortably covered our total cash interest costs with a surplus of £0.9m to contribute to development spend. The Social Housing lettings EBITDA after major repairs and improvements costs remains strong at 127%.

The economic environment continues to be challenging with increased employment costs and inflation. However, we continue to see more opportunities in our core geographical area. Strong development governance and clear hurdle rates help protect our business in an improving environment for development, whilst our strategy means that we continue to invest in the maintenance of our existing homes and remain agile in responding to market opportunities.

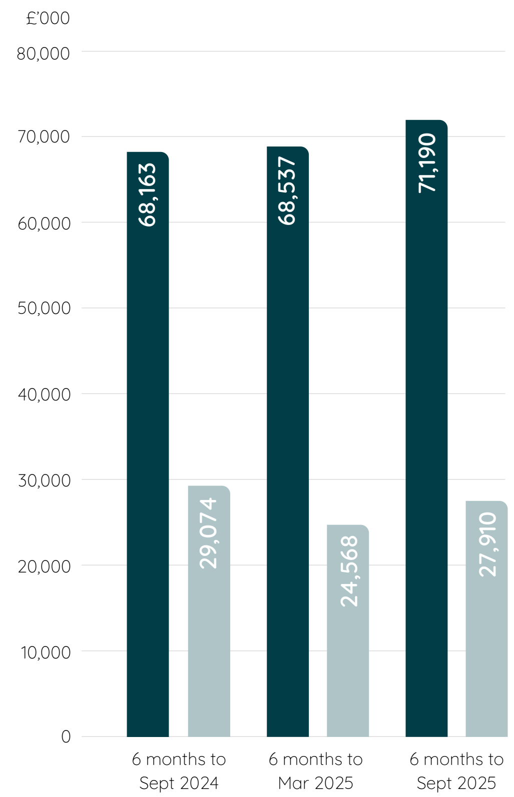
Julian Pearce,
Chief Financial Officer

Operating and financial review

Our core operating business continued to perform strongly with an increase in surplus from £68.2m to £71.2m in the first six months of the year. Core costs increased, mainly driven by a sector wide increase in repair volumes and costs, which resulted in a slight reduction on our core operating margin 39% (September 2024: 43%). Our development programme delivered 69 new homes (September 2024: 119), which resulted in a reduction in first tranche shared ownership sales to 27, but this was mitigated by increased staircasing transactions.

The core operating business

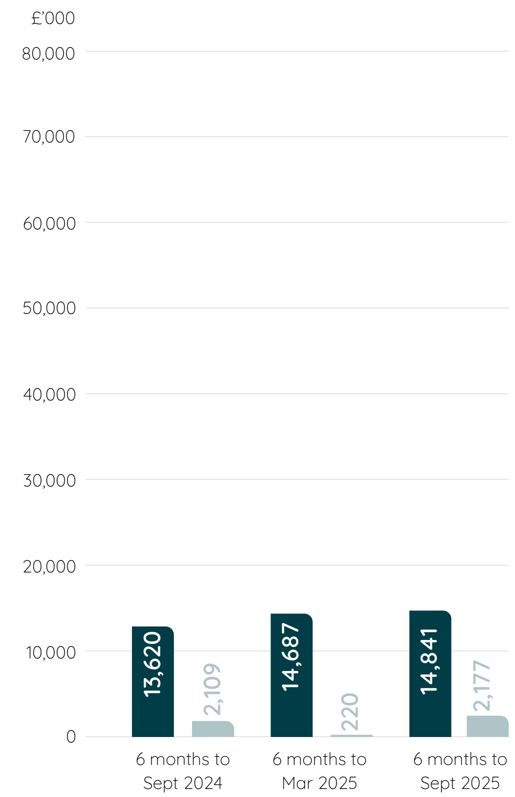
Turnover increased to £71.2m (September 2024: £68.2m), due to a 2.7% rent increase at the start of the year and continued development of new affordable homes. Our core operating margin of 39% fell short of the 40% target, with a continued increase in repair costs being the main driver. We saw a 23% increase in repair volumes versus the same period last year, with an average cost increase of 7% – a factor impacting the sector. Our core surplus continued to cover our net interest costs of £16.7m and demonstrates that we are not depending upon sales or asset disposals to cover our underlying costs.



Key
- Turnover
- Operating surplus

The development and sales business

In the first half of the year, the number of first tranche shared ownership units sold was 27 (September 2024: 54), which aligns with 69 new homes built in the period (September 2024: 119). Asset sales performance improved, with high levels of staircasing. Overall turnover increased to £14.8m (September 2024: £13.6m) as a result of the increased level of staircasing transactions. Our pipeline remains strong, with development spend increasing significantly from £26.2m to £39.5m. We anticipate the pace of new homes delivered to increase for the full year, which is supported by the 17 currently active development schemes (September 2024: 12).



Key
- Turnover
- Operating surplus

Investment in homes

	No of units at 31 Mar 2025	Additions	Disposals	No of units at 30 Sept 2025
Homes owned	18,757	69	(32)	18,794
Other properties owned	31	-	-	31
Properties owned	**18,788**	**69**	**(32)**	**18,825**
Properties managed on behalf of others	1,368	14	(19)	1,363
Total	**20,156**	**83**	**(51)**	**20,188**

Financial resources

We maintain strict targets to ensure that sufficient liquidity is available to fund ongoing and planned activities. At 30 September 2025, £961m of funding was drawn against total facilities of £1,134m (includes £3m overdraft).

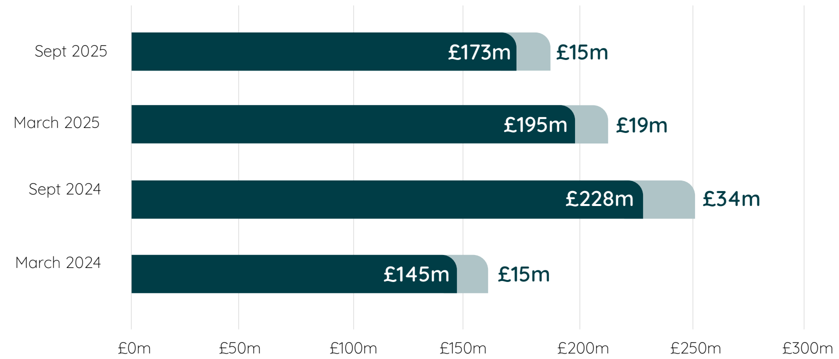
During the six months to September 2025 our undrawn facilities reduced to £173m and our immediately available cash reduced slightly to £15m. Our liquidity headroom (made up of undrawn facilities which are fully available to draw within 48 hours, plus available cash) fell to £188m. Our continued strong liquidity means that all future committed developments can be funded from existing facilities, without the need to raise additional funding.

Strong operational cashflow, along with asset sales covered a significant portion of our development spend, with £22m met through borrowing from our liquidity facilities.

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 in the period.

In October 2025 Standard & Poor's maintained our credit rating as A+ (stable). The Regulator of Social Housing reaffirmed our governance (G1) and financial viability (V1) ratings in December 2024.

Liquidity



● Committed undrawn facilities
● Cash

Summary results

Results for the Period

	Unaudited results for six months to			Audited results year to	
	30 Sept 25 2025/26 £'000	31 Mar 25 2024/25 £'000	30 Sept 24 2024/25 £'000	31 Mar 25 2024/25 £'000	31 Mar 24 2023/24 £'000
Turnover					
Core Operating Business	71,190	68,537	68,163	136,700	127,723
Development & Sales Business	14,841	14,687	13,620	28,307	32,568
	86,031	83,224	81,783	165,007	160,292
Operating Surplus					
Core Operating Business	27,910	24,568	29,074	53,642	51,026
Development & Sales Business	2,177	220	2,109	2,329	5,207
Fair value adjustments on investment properties	-	(980)	-	(980)	(300)
Total Operating Surplus	30,087	23,808	31,183	54,991	55,933
Operating surplus - Core Operating as a % of turnover	39.2%	35.8%	42.7%	39.2%	40.0%
Operating surplus - Development & Sales as a % of turnover	14.7%	1.5%	15.5%	8.2%	16.0%
Operating surplus - Overall as a % of turnover	35.0%	28.6%	38.1%	33.3%	34.9%
Net interest	(16,670)	(16,513)	(17,480)	(33,993)	(34,739)
Surplus before tax	13,417	7,295	13,703	20,998	21,194
Repairs and maintenance	11,614	11,999	10,085	22,083	20,387
Capitalised spending on improvements to housing properties	10,511	18,165	9,234	27,399	19,110
Total spending on repairing and maintaining our housing properties	22,125	30,164	19,319	49,483	39,497
Social housing lettings earnings before interest, tax, depreciation and amortisation, major repairs included (SHL EBITDA MRI)	26,520	15,656	28,233	43,889	47,316
SHL EBITDA MRI as a percentage of interest payable and similar charges	127%	74%	136%	105%	114%

Statement of Cash Flows

	Unaudited results for six months to			Audited results year to	
	30 Sept 25 2025/26 £'000	31 Mar 25 2024/25 £'000	30 Sept 24 2024/25 £'000	31 Mar 25 2024/25 £'000	31 Mar 24 2023/24 £'000
Net cash flows from operating activities	33,435	32,594	38,878	71,472	64,609
Interest paid	(20,338)	(20,223)	(22,627)	(42,850)	(39,010)
Operating cash flow net of interest	13,097	12,371	16,250	28,622	25,599
Improvements to housing properties	(11,591)	(17,152)	(8,120)	(25,272)	(19,050)
Other items	(639)	(436)	(910)	(1,347)	(995)
Operating cash flow net of interest, capex and other	867	(5,217)	7,220	2,003	5,553
Proceeds from asset sales	7,938	7,056	5,847	12,903	10,882
First tranche shared ownership sales	4,344	7,624	7,773	15,397	21,687
Operating and sales cash flow	13,149	9,463	20,840	30,303	38,122
Development spend	(39,547)	(33,457)	(30,144)	(63,601)	(59,911)
Proceeds from the receipt of government grants	695	4,714	3,972	8,685	6,466
Net movements in borrowings and deposits	21,935	2,963	21,948	24,911	44,621
Refinancing benefit/(costs)	-	-	1,226	1,226	(22,666)
Net cash flow after development activities	(3,767)	(16,317)	17,841	1,524	6,632

Summary Balance Sheet

	Unaudited	Audited	Unaudited	Audited
	30 Sept 25 2025/26 £'000	31 Mar 25 2024/25 £'000	30 Sept 24 2024/25 £'000	31 Mar 24 2023/24 £'000
Housing fixed assets	1,463,386	1,429,534	1,396,556	1,371,049
Other assets less current liabilities	57,153	56,702	73,221	55,204
Total assets less current assets	1,520,539	1,486,236	1,469,776	1,426,252
Debt (due over one year)	950,907	928,669	925,537	896,429
Other long term liabilities	128,091	129,442	122,524	121,811
Total long term liabilities	1,078,998	1,058,111	1,048,061	1,018,240
Reserves	441,541	428,125	421,716	408,013
Total long term funding and reserves	1,520,539	1,486,236	1,469,776	1,426,252

Registered as a society under the Co-operative and Community Benefit Societies Act 2014
Registered number: 26751R | Registered with the Regulator of Social Housing | Registered number: LH 3887

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