WEST NORFOLK HOUSING COMPANY LTD
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Regulator of Social Housing Registration No: 5057
Company Registration No: 10368299

INDEX TO THE FINANCIAL STATEMENTS

COMPANY INFORMATION

Regulator of Social Housing registration number	5057
Company registration number	10368299
Registered office	King's Court Chapel Street King's Lynn United Kingdom PE30 1EX
Directors	Ms. AL Goddard-Gill Mr. D Hall Mr. M Spittle Ms AM Ware Mr AJ Walder Mr M Eldridge Mrs L Gore
Bankers	Barclays Bank 1 Churchill Place Leicester LE87 2BB
External auditors	Ensors Saxon House Moseley’s Farm Business Centre Fornham All Saints Bury St Edmunds Suffolk IP28 6JY

REPORT OF THE BOARD

The directors present their annual report and financial statements for the year ended 31 March 2025.

Principal activities
The principal activities of the company is the management of social housing in and around King's Lynn and West Norfolk.

Results and dividends
The results for the year are set out in the Statement of Comprehensive Income.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements are as follows:

Ms. AL Goddard-Gill	
Mr. D Hall	
Mr. M Spittle	
Ms AM Ware	
Mr. HS Bhondi	(Resigned 9th September 2024)
Ms. J Ratcliffe	(Resigned 6th May 2025)
Mr. R Harding	(Resigned 23rd July 2024)
Mr AJ Walder	(Appointed 27th August 2025)
Mr M Eldridge	(Appointed 27th August 2025)
Mrs L Gore	(Appointed 27th August 2025)

Value for money
The board is committed to embedding a culture that ensures value for money for all stakeholders.

The board considers value for money when all decisions are made and when specific areas of the business are reviewed.

The boards approach to procurement ensures they can demonstrate value for money. This includes ensuring that they can demonstrate value for money in instances when they are purchasing from the parent organisation, in such cases they will ensure that:

- Loans to the company will not exceed the market rate for loans on the same terms
- Homes will not be purchased at more than their market value

The board is responsible for setting the value for money targets of the company and has reviewed the following metrics against these targets. The board does not consider a comparison of the metrics to that of company peers to be beneficial at this time, due to the length of time the company has been trading, however, they will be mindful of it in future years as the company's portfolio grows.

Metric 1: Reinvestment (%)
This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held.
As of 31st March 2025, the company had a reinvestment percentage of 2% (2024:15%).

Metric 2: New supply delivered (%)
The new supply metric sets out the number of new social housing that have been acquired or developed in the year as a proportion of total social housing units owned at period end. During the financial year the company delivered 1 (2024:7) new social housing units resulting in a new supply delivered percentage of 2% (2024:15%).

Metric 3: Gearing (%)
This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.
As of 31st March 2025, the company had a gearing percentage of 58% (2024: 58%). This is deemed acceptable as all debt has been obtained from the parent organisation. The company will ensure its debt and gearing levels are monitored sufficiently and deemed appropriate, to protect the long-term viability of the company.

Metric 4: EBITDA MRI - Interest Cover (%)
The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.
For the year ended 31st March 2025 the company's EBITDA was £156,104 and interest payable and financing costs were £212,389. This resulted in an EBITDA MRI – interest cover of 73% (2024:43%), at this stage this is deemed acceptable as all interest payable is due to the parent organisation.

REPORT OF THE BOARD (CONTINUED)

Metric 5: Headline social housing cost per unit (£)
The company's headline social housing cost per unit is £3,086 (2024: £3,042). The major contributing factor to the high cost per unit is the managed property costs and increased costs due to high inflation. The company is keeping this under close review.

Metric 6A: Operating Margin – social housing lettings (%)
For the year ended 31st March 2025 the company had an operating surplus of £141,526 and turnover of £629,721 from social housing lettings. This gave the company and operating margin from social housing lettings of 22% (2024: 21%).

Metric 6B: Operating Margin – overall (%)
The overall operating margin of the company was 30% (2024: 61%).

Metric 7: Return on capital employed (%)
This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The return on capital employed for the company was 4% (2024: 8%).

Compliance with governance and financial viability standard
The Board certifies that it meets the requirements of the Housing Regulator's Governance and Financial Viability Standard.

The Board have adopted an internal policy which ensures compliance with the standard.

The internal Governance and Governance and Financial Viability policy sets out the roles, responsibilities ad accountabilities of the Board; these take into account the concepts within the ecoDa Code of Governance that are deemed to be the foundations of good governance.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Directors responsibility statement
The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the surplus for the year of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE BOARD (CONTINUED)

Auditors
On 1 September 2025 our auditors, Ensors Accountants LLP, merged with Azets Audit Services Limited. Accordingly Ensors Accountants LLP formally resigned as the company's auditors with the directors duly appointing Azets Audit Services Limited, trading as Ensors to fill the vacancy arising.

The auditor, Azets Audit Services Limited, trading as Ensors will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

On behalf of the board

Duncan Hall
Duncan Hall (Sep 25, 2025 09:58:22 GMT+1)

Mr. D Hall
Director
Date: 25/09/2025

REPORT OF THE INDEPENDENT AUDITOR

Opinion
We have audited the financial statements of West Norfolk Housing Company Limited (the 'company') for the year ended 31 March 2025 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of the income and expenditure of the company for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 (as amended), the Social Housing (Regulation) Act 2023, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director' report then and take advantage of the small companies exemption from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 (as amended by the Social Housing (Regulation) Act 2023) requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has been maintained

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

’Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. This included work on areas where we consider there is a higher risk of fraud including revenue recognition, management override of systems and control, transactions with related parties, accounting estimates, commitments and contingencies.

We also obtained an understanding of the applicable laws and regulations that the company has to abide by, through discussions with management and those charged with governance, as well as commercial knowledge of the sector and statutory legislation. We paid particular focus to those laws and regulations that had the potential to materially impact the amounts and disclosures within the financial statements.

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

After our initial risk assessment, we performed the following procedures to detect material misstatements in respect of irregularities arising due to fraud or error:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework both at the planning stage and reminded to remain alert throughout the audit;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud;
- assessed key accounting estimates within the financial statements in order to assess their reasonableness and determining whether there were any indications of management bias in the estimates;
- reviewed financial statement disclosures and testing these against supporting documentation to assess compliance with applicable laws and regulations;
- reviewed of minutes of those charged with governance

All audit team members were made aware of the applicable laws and regulations, as well as potential fraud risks during the planning stage of the audit and this was discussed at the audit team planning meeting. It was therefore determined that team members all had the relevant awareness and competence to identify any instances of non-compliance with relevant laws and regulations or fraud.

There are, however, inherent limitations to our above audit procedures. Auditing standards only require us to enquire of the directors and management regarding non-compliance with laws and regulations, as well as review regulatory and legal correspondence (if there is any). It is therefore possible that instances of non-compliance could be missed, particularly where the law in itself is far removed from any financial transactions

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to him 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Zoe Plowman
For and on behalf of Ensors
Statutory Auditor
Chartered Accountants

Date: 26/09/2025

Saxon House
Moseley’s Farm Business Centre
Fornham All Saints
Bury St Edmunds
Suffolk
IP28 6JY

STATEMENT OF COMPREHENSIVE INCOME

	Note	2025 £	2024 £
Turnover	3	629,721	595,823
Operating costs	3	(488,195)	(473,039)
Other income	3	48,293	242,640
Operating surplus		189,819	365,424
Interest and financing costs	7	(25,284)	(318,974)
Surplus before tax		164,535	46,450
Taxation	9	8,550	5,116
Surplus for the year		173,085	51,566
Unrealised (loss)/gain on housing properties at revaluation	8	(86,491)	374,331
Deferred taxation on the above	9	21,623	(93,583)
Total comprehensive income for the year		108,217	332,314

The results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve £	Revaluation reserve £	Share Capital £	Total £
As at 1 April 2023	**387,534**	**340,352**	**100**	**727,986**
Surplus for the year Other comprehensive income for the year	51,566	280,748	-	332,314
Balance at 31 March 2024	**439,100**	**621,100**	**100**	**1,060,300**
Surplus for the year Other comprehensive income for the year	173,085	(64,868)	-	108,217
Balance at 31 March 2025	**612,185**	**556,232**	**100**	**1,168,517**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	2025 £	2024 £
Fixed Assets			
Housing properties	10	**5,289,318**	5,328,316
		5,289,318	**5,328,316**
Current assets			
Properties held for sale		**-**	-
Trade and other debtors	11	**109,429**	340,623
Cash and cash equivalents		**88,454**	101,698
		197,883	**442,321**
Creditors: Amounts falling due within one year	12	**(776,256)**	(1,063,668)
Net current assets/(liabilities)		**(578,373)**	(621,347)
Total assets less current liabilities		**4,710,945**	4,706,969
Creditors: Amounts falling due after more than one year	13	**(3,357,705)**	(3,439,437)
Provisions for liabilities			
Deferred tax liabilities	16	**(184,723)**	(207,232)
Total net assets		**1,168,517**	**1,060,300**
Reserves			
Income and expenditure reserve		**612,185**	439,100
Revaluation reserve		**556,232**	621,100
Share capital	17	**100**	100
Total reserves		**1,168,517**	**1,060,300**

The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 25/09/2025.

Duncan Hall
Duncan Hall (Sep 25, 2025 09:58:22 GMT+1)

Mr. D Hall
Director

Lorraine Gore
Lorraine Gore (Sep 25, 2025 16:56:22 GMT+1)

Mrs L Gore
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status and principal activities

The company is registered company in England under the Companies Act 2006 limited by shares and is a registered provider of social housing. The principal activity is the management of social housing in and around King's Lynn and West Norfolk.

2. Accounting policies

2.1 Basis of accounting

The financial statements of the company are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers 2022. (Applied to the extent that it does not conflict with IFRS and FRS 101)

West Norfolk Housing Company Ltd is a public benefit entity in accordance with FRS 101.

The financial statements are presented in Sterling (£).

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;

Where required, equivalent disclosures are given in the group accounts of Borough Council of King's Lynn and West Norfolk. The group accounts of Borough Council of King's Lynn and West Norfolk are available to the public and can be obtained from https://www.west-norfolk.gov.uk/.

2.2 Going concern

The company's business activities are set out within the report of the board. The company has in place long-term debt facilities with its shareholder which provide adequate resources to finance committed reinvestment and development programmes, along with the company's day to day operations. The company also has a long-term business plan which shows that it is able to service these debt facilities as they fall due. The company also has the support of its shareholder to ensure it is able to meet its obligations as and when they fall due.

On this basis, the board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant judgements and estimates

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

Estimation uncertainty

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

Critical judgements
Valuation of housing properties

Housing properties, disclosed in note 10, are valued at existing use value in respect of social housing, with the movement being recognised in the Income Statement. The directors obtain third party valuations of housing properties at regular intervals to ensure that the fair value of these properties is kept up to date.

2.4 Turnover and revenue recognition

Turnover comprises rental income receivable in the year and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Revenue from rental income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue from tenancy agreements for housing properties on a calendar monthly basis in line with the terms of the tenancy agreements.

2.5 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax relating to housing properties that are measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset, except for housing property that has a limited useful life and is held in a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on an undiscounted basis.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in income and expenditure, other comprehensive income or reserves depending on the transaction that resulted in the tax expense (income).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.7 Interest payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents

(a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or

(b) a fair amount of interest on borrowings of the company as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to income and expenditure in the year.

2.8 Financial assets

Financial assets are recognised in the company's Statement of Financial Position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through the Statement of Comprehensive Income are measured at fair value and any transaction costs are recognised in the Statement of Comprehensive Income. Financial assets not classified as fair value through the Statement of Comprehensive Income are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through the Statement of Comprehensive Income, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through the Statement of Comprehensive Income’ or 'other financial liabilities.’

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Financial liabilities at fair value through the Statement of Comprehensive Income

Financial liabilities are classified as measured at fair value through the Statement of Comprehensive Income when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through the Statement of Comprehensive Income are stated at fair value with any gains or losses arising on remeasurement recognised in the Statement of Comprehensive Income.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

2.10 Housing properties

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

Housing properties are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Housing properties – right of use asset: over the term of the lease

Properties whose fair value can be measured reliably are valued annually on an existing use value – social housing basis. The surplus or deficit on revaluation is recognised as other comprehensive income.

Completed housing and shared ownership properties are stated at fair value at the date of valuation, less subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not materially differ from the fair value of the properties as at the year end.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset with related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.11 Government grants

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

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

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

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

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

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

2.12 Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the company, its recoverable amount is its fair value less costs to sell.

2.13 Leases as lessee

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Lease liability – remeasurement

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the Statement of Comprehensive Income if the carrying amount of the right-of-use asset has been reduced to zero.

Low value assets and short term

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.14 Leases as lessor

When the company acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the company applies IFRS 15 to allocate the consideration in the contract. When the company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately, classifying the sub-lease with reference to the right-of-use asset arising from the head lease instead of the underlying asset.

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

Continuing activities

	2025			
	Turnover	**Operating costs**	**Other income**	**Operating surplus**
	£	**£**	**£**	**£**
Social housing lettings				
Other social housing activities:				
Management services	529,721	(360,150)	-	169,571
First tranche low cost home ownership	100,000	(128,045)	-	(28,045)
	629,721	(488,195)	-	141,526
Non-social housing activities				
Grant income	-	-	48,293	48,293
	629,721	**(488,195)**	**48,293**	**189,819**

	2024			
	Turnover	**Operating costs**	**Other income**	**Operating surplus**
	£	**£**	**£**	**£**
Social housing lettings				
Other social housing activities:				
Management services	474,323	(322,839)	-	151,484
First tranche low cost home ownership	121,500	(150,200)	-	(28,700)
	595,823	(473,039)	-	122,784
Non-social housing activities				
Grant income	-	-	242,640	242,640
	595,823	**(473,039)**	**242,640**	**365,424**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Particulars of income and expenditure from social housing lettings

	2025			
	General housing needs	Intermediate	Low cost home ownership	Total
	£	£	£	£
Rent receivable net of identifiable service charges	278,933	203,818	46,970	529,721
Turnover from social housing lettings	**278,933**	**203,818**	**46,970**	**529,721**
Management	(97,405)	-	(4,407)	(101,812)
Service charge costs	(945)	(13,672)	(808)	(15,425)
Bad debts	-	(6,068)	-	(6,068)
Other costs	-	(213,670)	-	(213,670)
Operating costs on social housing lettings	(98,350)	(233,410)	(5,215)	(336,975)
Operating surplus on social housing lettings	**180,583**	**(29,592)**	**41,755**	**192,746**
Void losses	**-**	**(7,488)**	**-**	**(7,488)**

	2024			
	General housing needs	Intermediate	Low cost home ownership	Total
	£	£	£	£
Rent receivable net of identifiable service charges	248,359	186,852	39,112	474,323
Turnover from social housing lettings	**248,359**	**186,852**	**39,112**	**474,323**
Management	(80,513)	-	(8,971)	(89,484)
Service charge costs	-	(13,112)	-	(13,112)
Bad debts	-	-	-	-
Other costs	-	(190,906)	-	(190,906)
Operating costs on social housing lettings	(80,513)	(204,018)	(8,971)	(293,502)
Operating surplus on social housing lettings	**167,846**	**(17,166)**	**30,141**	**180,821**
Void losses	**-**	**(4,073)**	**-**	**(4,073)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Accommodation in management and development

At the year-end, accommodation in management for each class of accommodation was:

	2025 No. of properties	2024 No. of properties
Social housing		
General housing:		
Affordable rent	35	35
Low cost home ownership	12	11
Total owned	**47**	**46**
Accommodation managed for others	7	7
Total managed	**54**	**53**

The company manages accommodation for the Borough Council of Kings Lynn West Norfolk.

The company owns 47 supported housing units (2024: 46) that are managed on its behalf, under management agreements, by other bodies who carry the financial risk relating to the supported housing units.

5. Operating surplus

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

	2025 £	2024 £
Depreciation of fixed assets	14,578	14,578
Fees paid to the company's auditors for the following:		
Audit of the financial statements	11,100	10,200
Taxation and other services	2,100	1,800

6. Employees

During the period the company had no employees

7. Interest and financing costs

	2025 £	2024 £
Loans	10,712	305,121
Finance charge unwinding discount on lease liability	13,330	13,853
Interest on Corporation Tax	1,242	-
	25,284	318,974

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Other gains and losses

	2025 £	2024 £
Changes in the fair value of housing properties	(86,491)	374,331
	(86,491)	374,331

9. Tax on surplus on ordinary activities

	2025 £	2024 £
Current tax:		
UK corporation tax on surplus for the year	3,395	11,059
Adjustments in respect of prior year adjustment	(11,059)	(16,175)
Total current tax	**(7,664)**	**(5,116)**
Deferred tax:		
Net origination and reversal of timing differences	15,129	93,583
Adjustments in respect of prior years	(37,638)	-
Total deferred tax	**(22,509)**	**93,583**
Total tax on results on ordinary activities	**(30,173)**	**88,467**

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus and the standard rate tax as follows:

	2025 £	2024 £
Surplus / (deficit) on ordinary activities before tax	**164,535**	**46,450**
Tax at UK corporation tax rate of 25% (2024: 25%)	**41,133**	**11,612**
Marginal Relief	(987)	(553)
Revalued capital assets	(21,623)	93,583
Under/(over) provision in prior years	(48,696)	(16,175)
Total tax charge	**(30,173)**	**88,467**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Housing properties

	Right of use asset	Social housing properties held for letting	Completed shared ownership housing properties	Total housing properties
	£	£	£	£
Valuation				
At 1 April 2024	313,431	4,251,500	836,275	5,401,206
Additions	-	-	123,331	123,330
Disposal	-	-	(61,259)	(61,259)
Revaluation	-	(66,000)	(20,491)	(86,491)
At 31 March 2025	**313,431**	**4,185,500**	**877,856**	**5,376,786**
Depreciation and impairment				
At 1 April 2024	72,890	-	-	72,890
Depreciation charge for the year	14,578	-	-	14,578
Net book value	**87,468**	**-**	**-**	**87,468**
At 31 March 2025	**225,963**	**4,185,500**	**877,856**	**5,289,318**
At 31 March 2024	240,541	4,185,500	836,275	5,328,316

Housing properties include properties which have been purchased for the purpose of providing a service.

The fair value of the properties has been arrived at based on a valuation carried out by B Kirby, BSc (Hons) MRICS, a RICS registered Valuer of Wilkes Head and Eve LLP, who are not connected with the company.

The historic cost equivalent for revalued properties totals £5,041,994 (2024: £4,919,476).

The valuation performed by the valuer was reviewed internally by Senior Management, and other relevant people within the business. This process included discussions of the assumptions used by the valuer, as well as a review of the resulting valuations. The valuation used the year end 31st March 2025 as the valuation date.

The valuation was first completed on the open market value. Then a fair value was calculated using the existing use value for social housing adjustment factor of 55%. This adjustment factor measures the difference between private open market rented and socially rented property at a regional level and is therefore considered a fair value methodology for the valuation of housing in the public sector.

The company is not aware of any events or circumstances which indicate that the amount stated in the Statement of Financial Position for properties may not be realisable, as at 31/03/2025.

Social housing assistance

	2025	2024
	£	£
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	-	197,000
Held in deferred income	14,840	14,840
	14,840	**211,840**

Impairment

The company considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment, in accordance with the requirements of Financial Reporting Standard 101 and SORP 2018. No impairment charge has been made this year (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Debtors

	2025 £	2024 £
Rent and service charges receivable	10,608	17,300
Less: provision for bad and doubtful debts	(-)	(-)
		17,300
Prepayments and accrued income	91,077	323,323
Corporation tax receivable	7,744	-
	109,429	**340,623**

All debtors are recoverable within one year.

12. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	83,912	-
Amount due to parent undertaking	492,669	605,717
Debt (note 15)	29,349	9,387
Corporation tax payable	-	68,469
Rent and service charges received in advance	1,213	1,213
Deferred grant income (note 14)	14,840	14,840
Accruals and deferred income	143,053	353,372
Lease obligation (note 18)	11,220	10,670
	776,256	**1,063,668**

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

	2025 £	2024 £
Debt (note 15)	3,112,163	3,182,675
Lease obligation (note 18)	245,542	256,762
	3,357,705	**3,439,437**

14. Deferred grant income

	2025 £	2024 £
At 1 April 2024	14,840	-
Grants received in the year	48,293	257,480
Released to income in the year (note 3)	(48,293)	(242,640)
Grants expired in the years	-	-
At 31 March 2025	**14,840**	**14,840**
Amounts to be released within one year	-	14,840
Amounts to be released in more than one year	**14,840**	**-**
	14,840	**14,840**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Debt analysis

Borrowings:

	2025 £	2024 £
Due within one year		
Local authority loans (see below)	29,349	9,387
Due after more than one year		
Local authority loans (see below)	3,112,163	3,182,675
Total borrowings	**3,141,512**	**3,192,062**

Security

Local authority loans are secured by fixed charges on individual properties.

Terms of repayment and interest rates

The other loans from local authorities are repaid in quarterly instalments, over the 40-year term on which the loan is secured, at fixed rates of interest of 4.5% above the base rate on the date of drawdown.

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2025 £	2024 £
Within one year or on demand	29,349	9,387
One year or more but less than two years	30,926	10,347
Two years or more but less than five years	103,244	37,879
Five years or more	2,977,993	3,134,449
	3,141,512	**3,192,062**

16. Provisions for liabilities – deferred tax

	Deferred taxation £
At 1 April 2024	**207,232**
Deferred tax charged to the Statement of Comprehensive Income arriving at the surplus for the year	(22,509)
At 31 March 2025	**184,723**

17. Share capital

	2025 £	2024 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	**100**	**100**

Called up share capital represents the nominal value of shares that have been issued.

Ordinary shares have full rights in the company with respect to voting, participating in dividends and participating in the distribution of capital in the event of winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Leases as lessee

The company has one lease for properties which are sublet under tenancy agreements. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 2.13).

The lease for these properties has a lease term of 22 years. Lease payments are generally fixed however the lease agreement does include tri-annual rent reviews.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. The Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Lease liabilities are presented in the statement of financial position as follows:

	2025 £	2024 £
Current	11,220	10,670
Non-current	245,542	256,762
	256,762	**267,432**

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 March 2025 is as follows:

	Within 1 year £	1-2 years £	2-3 years £	3-4 years £	4-5 years £	6-10 years £	11-25 years £	Total £
Lease payments	24,000	24,000	24,000	24,000	24,000	120,000	132,000	372,000
Finance charges	(12,779)	(12,201)	(11,593)	(10,953)	(10,280)	(40,032)	(17,400)	(115,238)
Net present value	11,221	11,799	12,407	13,047	13,720	79,968	114,600	**256,762**

19. Leases as lessor

The company owns housing property, which includes real estate properties in the United Kingdom. Housing properties are held on an existing use valuation basis. Note 10 sets out how the fair value of the housing properties has been determined.

Housing properties valued at £3,719,430 (2024: £3,737,388) are pledged as security for related borrowings of £3,141,512 (2024: £3,192,062). Housing properties are either leased to third parties on operating leases or are vacant. Rental income of £529,721 (2024: £474,323) is shown within revenue and includes variable lease payments not dependent on an index or rate. Direct operating expenses of £360,150 (2024: £322,839) are reported within other expenses, of which £7,488 (2024: £4,073) is incurred on vacant properties that did not generate rental income. The properties are rented for social housing benefit and are leased at daily rates. Therefore, there are no rental income commitments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Related parties

During the year the company entered into the following transactions with related parties:

	Loan Interest		Recharges	
	2025	2024	2025	2024
	£	£	£	£
Parent company	10,711	305,113	111,192	83,716
	=======	=======	=======	=======

The following amounts were outstanding at the reporting end date:

	2025	2024
Amounts due to related parties	£	£
Parent company	3,761,300	4,114,237
	=======	=======

	2025	2024
Amounts due from related parties	£	£
Parent company	-	211,840
	=======	=======

21. Capital commitments

The company has capital commitments of nil (2024: nil) in respect of the acquisition of property to be held for shared ownership purposes.