Group Report & Financial Statements

Year ended March 2026

Co-operative and Community Benefit Societies Act 2014
Registered Society, Number 30398R

About us

On 1 June 2026, Thrive Homes joined Watford Community Housing Trust through a transfer of engagements to form Chime Housing. This marks the final Annual Financial Statements for Thrive, as we transition into a stronger, combined Community Gateway housing association with residents at the heart of decision making.

Since 2008, Thrive Homes has provided and managed affordable, safe and good-quality homes. We own and manage 6,000 homes across Hertfordshire, Bedfordshire, Buckinghamshire, Hillingdon, Northamptonshire and Oxfordshire offering social and affordable rent, intermediate rent, leasehold, shared ownership and private market rent (through Thrive Places).

Operating in some of the UK's most expensive areas, we have focused on improving the condition of our existing homes, investing more in repairs to enhance the experience for our residents and build more affordable homes in the communities we know well.

Chime Housing (Watford Community Housing Trust) has a registered charity number of 30183R.

Contents

Company advisors

Auditor

Menzies LLP, 4th Floor, 95 Gresham Street, London, EC2V 7AB

Principal Banker

Barclays Bank PLC, 1 Churchill Place, London E14 5HP

Legal Advisors

Devonshires Solicitors LLP, 30 Finsbury Circus, London, EC2M 7DT

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES

Highlights 2025/26

Regulator of Social Housing governance rating	G1	(2024/25: G1)
Regulator of Social Housing viability rating	V2	(2024/25: V2)
Standard & Poor's rating	A Negative	(2024/25: A+ Negative)
Total homes	5,969	(2024/25: 5,931)
Homes rated EPC C or above	90%	(2024/25: 87%)
New homes built	66	(2024/25: 151)
Homes under construction (start on site)	317	(2024/25: 74)
£ invested in maintaining homes	£7.3m	(2024/25: £5.4m)
£ invested in development	£61.9m	(2024/25: £18.8m)
Operating surplus (excluding revaluations & impairments)	£14.1m	(2024/25: £14.5m)
Number of employees	190	(2024/25: 179)
Customer satisfaction (combined)	69.1%	(2024/25: 72.8%)
Customer satisfaction (LCRA - tenants)	74.4%	(2024/25: 74.8%)

Chair's Welcome

It is with great pleasure that I introduce the Annual Financial Statements for the year ending March 2026. This is my first and last introduction on behalf of Thrive Homes as on 23 March 2026, the Boards of both Thrive Homes and Watford Community Housing agreed to merge, following a period of comprehensive due diligence and customer consultation. The merger completed on 31 May 2026 and we became Chime Housing.

Alongside merger discussions, this has been a year of significant progress and change for Thrive. At the start of the year, we welcomed Paul Richmond as our new Chief Executive, and on behalf of the Board, I want to thank him for the strong, steady leadership he has brought during a pivotal period for the organisation.

These financial statements reflect more than simply performance – they capture how Thrive has continued to support customers, invest in homes, and strengthen services during a period of sector wide scrutiny and uncertainty. Across the country, housing associations have navigated heightened regulatory expectations following the introduction of Awaab's Law in October 2025, increased reporting requirements, rising operating costs, and the ongoing need to invest heavily in existing homes while continuing to deliver new ones. Throughout this challenging landscape, Thrive has remained firmly focused on its core purpose: providing safe, affordable, good quality homes. Over the past two years we have substantially increased investment in our existing homes – strengthening building safety, improving energy efficiency and accelerating stock condition surveys, which has naturally put pressure on short-term financial metrics. Despite these challenges we remain a financially resilient organisation and have seen a positive uplift in customer satisfaction across our Tenant Satisfaction Measures.

Key highlights from 2025/26 include:

- Invested £61.9m in new homes with 317 starts on site, providing 150 homes for social and affordable rent and 167 for low cost homeownership
- Invested £7.3m in upgrading existing homes
- Achieved 98.5% compliance with Awaab's Law
- Saw a 7% reduction in Stage 1 Complaints
- 89.6% of homes with EPC-C or above
- 92.6% of colleagues agree that Thrive is an inclusive workplace.

As you read this report, I hope you will see the dedication, professionalism and ambition that underpin everything we do. I would like to thank the Executive Team, all colleagues and my fellow Board members for their hard work and unwavering commitment to our customers.

We now look ahead to the next chapter as Chime Housing. By bringing together two well-established housing associations, we will create a more resilient organisation with strong local roots, a clear social purpose and the capacity to provide high-quality homes and services for the long term.

Rachel Hatfield
Interim Chair of the Board, Chime Housing

Strategic Report

The 2025/26 financial year has been one of both challenge and progress. We have continued to operate in a demanding financial environment, shaped by rising costs and sustained pressure on our operating margins. Despite this, our focus on service quality has delivered meaningful improvements in customer satisfaction, reflecting the commitment and resilience of our teams. Alongside this, we engaged in constructive merger discussions with Watford Community Housing, culminating in a formal decision to merge at the end of March 2026.

Paul Richmond
Chief Executive

Our final Strategic Report from Thrive Homes is an opportunity for us to review our key activities and progress during this period with further detail on our financial performance covered in the Financial Review on page 16.

This report is complemented by two other annual publications:

- The Environmental, Social and Governance (ESG) report shows how we continue to provide genuine social value, including how we operate in a way that minimises our impact on the environment and maximises positive social outcomes.
- Our Annual Report for Tenants concentrates on issues that directly impact and are important to our customers.

You can read full copies of all our reports at www.thrivehomes.org.uk/our-performance

Our strategic objectives

Our Strategic Framework contains four broad strategic objectives, these are:

- Resilient with a strong financial base
- A fair deal for customers
- Growth
- A great place to work

We measure progress against these objectives with a series of action plans to ensure they are fully embedded and central to all that we do. The KPIs against which we measure performance are discussed below and in the Value for Money section of this report (page 22).

The voice of the customer

We work closely with our customers to ensure their voices are heard across all levels of the organisation. Through our Thrive Customer Voice (TCV) engagement model, members can choose how and when to participate – via polls, digital surveys, webinars, in-person events and focus groups.

In 2025/26 customer input directly influenced:

- the procurement of our repairs support contractor
- a review of our cleaning & grounds maintenance contractor performance
- content for the Annual Report for Tenants and Complaints Report
- how we develop clear, accessible information on our aids and adaptations policy and processes.

During the final quarter of the year, our focus for customer engagement was a 10-week in-depth customer consultation on the proposed merger. To ensure the consultation was fair, transparent and inclusive we partnered with Tpas – an independent tenant engagement specialist. Feedback was shared with both Boards, which directly influenced the final decision and helped set key priorities for the new organisation. 'Our Promise to Customers' is available to read at www.thrivehomes.org.uk/merger

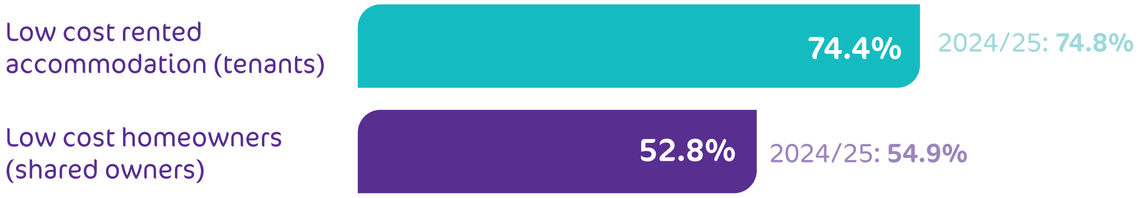
Customer satisfaction

Thrive has reported against the **Tenant Satisfaction Measures (TSMs)** since Q4 2021/22. Throughout the year our independent market research agency interviews over 100 customers a month, enabling us to gather real-time insights into customer experience. By using this data alongside key performance indicators we can identify customer priorities and guide how we allocate our budget to create service improvements that are of the greatest value to our customers.

Monitoring performance

Over the past year, we have continued to see improvements in how satisfied customers are with our services.

Whilst overall satisfaction for both Low Cost Rented Accommodation (LCRA) – our tenants – and Low Cost Homeowners (LCHO) – our shared owners – is comparable to last year we have seen improvements across all other measures as part of the perception surveys. We also received **4.75 stars on Trustpilot from our shared ownership buyers**, reflecting strong levels of confidence and satisfaction among new homeowners.



Our tenants (low cost rented accommodation) showed notable improvements of over 4% in several key areas:

- Home is well maintained (↑4%)
- Landlord listens to views and acts upon them (↑5%)
- Clean and well-maintained communal areas (↑7%)
- Landlord makes a positive contribution to their neighbourhood (↑4.8%)

Whilst overall satisfaction dipped slightly for shared ownership (low cost home owners) **all other measures of satisfaction have increased** since last year with notable changes of more than 4% in the below areas:

- Safe home (↑9%)
- Landlord listens to views and acts upon them (↑9.9%)
- Treated with respect (↑5.5%)
- Complaint handling (↑13.9%)
- Clean and well-maintained communal areas (↑15.6%)
- Landlord makes a positive contribution to their neighbourhood (↑15.7%)
- ASB handling (↑10%)

Visit **www.thrivehomes.org.uk/TSM** for further information and our Annual TSM Report.

Handling Complaints

Customer feedback is essential to how we improve our services, helping us understand what works well and where we need to do better.

In the past 12 months, we have seen an **overall reduction in complaint volumes** down 1.9% on the previous year. Stage 1 complaints have reduced by 9%, indicating a stronger performance in early resolution. Whilst escalation to Stage 2 remains high – impacted by the complexity and repeat nature of issues – there has been clear progress in outcomes, with **maladministration reduced to 60%** (from 75%), indicating improvement in decision-making quality and outcomes.

Housing Ombudsman Determinations

During 2025/26, 29 cases were referred to the Housing Ombudsman. The Housing Ombudsman determined 18[1] cases, resulting in 34 individual findings with 22 maladministration's and service failings.

There have been no findings that Thrive Homes has failed to meet the Complaint Handling Code between 1 April 2025 and 31 March 2026. There have also been no Ombudsman Spotlight reports or other publications about Thrive Homes during this time. As we have received more than five determinations, we expect to be included in the Ombudsman's annual landlord performance report, due in Autumn 2026.

Investing in existing homes

Providing safe, well maintained homes remains central to our purpose and a key driver of customer satisfaction. Demand for our repairs service remained high throughout 2025/26, influenced by increased customer need and the additional requirements introduced through new damp and mould regulations. Overall repair volumes were **5.75% above forecast** (compared with 3.3% above forecast last year), reflecting both heightened expectations and wider pressures across the sector.

Our 'Roadmap for Every Home' – a data-led strategy – helps us to plan maintenance effectively and identify homes that need significant investment to be brought up to standard. We feel confident that we understand our homes and the interventions that are needed. As of March 2026, 99.98% of our homes met the Decent Homes Standard with only one home failing due to the identification of subsidence under HHSRS. Remediation works have been delayed by the monitoring requirements from the insurer, and the tenant has been permanently decanted.

Repairs Performance

Getting repairs right remains a priority for Thrive, as it is our most-used service and a key driver of customer satisfaction. This year we continued to deliver our Repairs Recovery Plan – launched in January 2025 – with additional resources and targeted use of external contractors where required. This investment has helped stabilise performance and maintain consistently strong customer satisfaction, which ended the year at 93.2%.

1 Due to Housing Ombudsman delays, some of these cases originate from the previous year but were reviewed in 2025/26.

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Performance vs Sector Median

Repair type within timescale	Performance achieved %	Sector median[2]
Emergency repairs	99.3%	91%
Non-emergency repairs	79.1%	79%

Our emergency repairs continue to perform strongly, exceeding the sector median. Non emergency repairs now sit within the median level having improved by 6% from last year, demonstrating the positive impact of our recovery actions.

Works in progress exceeded our target performance level for eight months of the year, helping stabilise the service and improve customer experience. However, contractor availability, scheduling constraints, and access issues continue to present challenges. Addressing these remains a key focus for the year ahead as we work to further improve the reliability and responsiveness of our repairs service.

Damp, Mould and Awaab's Law Compliance

Ensuring homes are free from damp and mould is a critical part of our safety and quality commitments. In 2025/26 we achieved **98.5% compliance with Awaab's Law**, demonstrating the strength of our processes and the effectiveness of our early identification approach.

Through our **'Making Every Visit Count'** scheme, colleagues use all routine interactions—such as safety checks, repair appointments, home visits and phone calls—to proactively identify any signs of damp and mould. When an issue is identified, we carry out a full investigation, confirm findings and next steps with the resident, and arrange any required works. These may include installing new extractor fans, repairing leaks or clearing guttering.

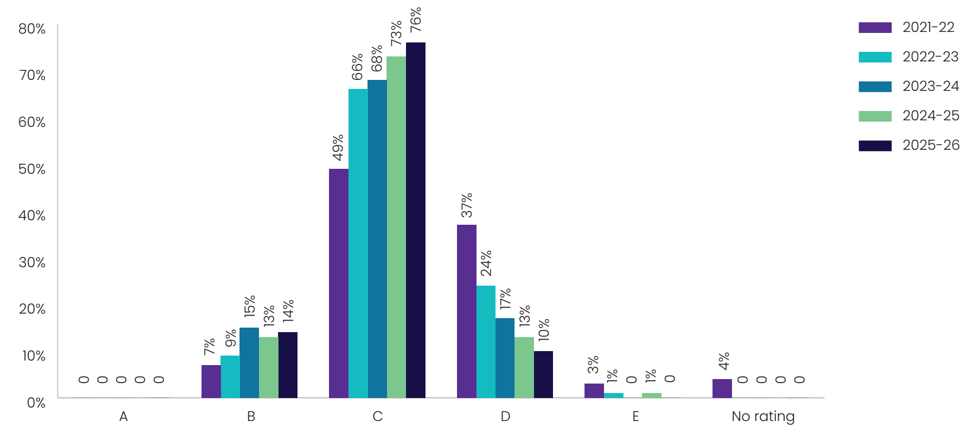
We also provide advice on preventing future damp and mould and undertake follow up visits to ensure the issue has been resolved. Once repairs are completed, homes are monitored for at least 12 months to ensure the problem does not reoccur. This structured approach has strengthened compliance, supported customer confidence and contributed to the overall stabilisation of our repairs service.

Improving energy efficiency

We continue to make strong progress in improving the energy efficiency of our homes. Over the past five years, the proportion of homes with an EPC-C rating or above has increased from 58.5% to 89.6%. Investment has been secured to ensure that a further 479 homes will be brought up to standard by 2029/30.

2 Based on the RSH TSM 2024/25 report published in November 2025 www.gov.uk/government/statistics/tenant-satisfaction-measures-202425

EPC ratings of existing homes



Improved EPC data availability in 2024/25 provided a more accurate view of our stock, with some properties moving between bands due to better data capture. In 2025/26, movements between bands reflect the impact of retrofit activity, with continued increases in EPC-C homes and reductions in lower-rated properties.

Our 'Intelligent Energy' software continues to support accurate programming and robust funding bids. To date we have secured funding across all waves of the Social Housing Decarbonisation Fund (SHDF), the Great British Insulation Scheme (GBIS), ECO 3 & 4 and Heat Network Efficiency Scheme (HNES).

Building safety

Providing a safe home is at the heart of our service to customers. To ensure transparency and easy access to information we publish detailed building safety information – including fire safety and accountable persons – on our website.

Key compliance measures include:

- 100% of fire doors have been inspected as a requirement of the Fire Safety Act
- 100% of homes that require an in-date Fire Risk Assessment have them
- 100% of fire safety equipment inspected
- 99.9% of homes have an in-date gas safety check (two homes overdue are going through the legal process)
- 98.6% of homes have a valid electrical safety certificate (with all outstanding homes either with appointments booked, remedial works in progress or referred for an injunction)
- 100% of communal areas have received asbestos, lift and water safety checks.

We have continued to progress with building safety component replacement programmes and have reviewed and updated our procedures in accordance with relevant building safety guidance that has been published. Our two buildings over 18m are registered with the Building Safety Regulator, we complete the quarterly RSH Fire Remediation return and undertake annual 'meet the team' engagement events.

In addition to this work, we have been raising awareness of safety issues with estate visits which are attended by resident block representatives.

Commitment to growth

2025/26 continued to see positive results from our refreshed development programme, which reaffirms our commitment to growth – focusing on quality, value and affordability and partnering with best-in-class organisations to deliver lasting impact.

It has been an exciting year for new developments at Thrive Homes

- 66 new homes were delivered for shared ownership and affordable rent
- 317 starts on site, including a major development project with 189 homes in Borehamwood
- Income from first tranche sales hit £12.8m, generated through the sale of 106 homes
- Parkside, Watford was awarded Best Shared Ownership Development (Urban) at the Inside Housing Development Awards 2025

As we entered into merger discussions, we continue to a clear path for continued growth in the larger organisation helping to further improve access to affordable housing in some of the most expensive parts of the UK.

Investing in our people

At Thrive, we champion an inclusive and customer-focused culture, rooted in mutual respect and a shared commitment to finding solutions.

This culture is supported by our Behaviours 'How we work' which promote accountability, pride and continuous improvement

Recognition and internal development remained a positive focus during the period, with new recognition schemes generating strong participation across the organisation and helping to strengthen engagement and inclusivity.

92.6%
of colleagues agree Thrive is an inclusive employer

Alongside this, investment in internal development continued through individual and team training, professional qualifications, leadership development and the expansion of apprentice and trainee roles.

Internal progression has remained strong, with 15 successful internal appointments and development moves over the last 12 months, demonstrating a clear return on investment in building internal capability and supporting retention.

Financial Review

Our metrics, both internal and external, reveal Thrive's ongoing financial resilience and provide us with sufficient capacity to continue investing in our existing homes and building new ones.

Our key performance metrics demonstrate that we have a good balance of rental and sales income, with the core social housing lettings business operating efficiently and not reliant on support from other income streams or sales.

We end the year with significant capacity, having a combination of bond funding and drawn facilities at competitive fixed rates, and in addition, two significant Revolving Credit Facilities (RCF) to progress our strategy. Fundamental to this is our carefully monitored and controlled development programme.

The Regulator of Social Housing rated Thrive's viability at V2, following a strapline judgement in December 2025. This sits alongside our G1 governance rating, which was also confirmed in November 2024, following an in-depth assessment in March 2023.

This assessment was based on several factors, including; the current economic climate and associated risks, our planned increase in spend on existing properties, including EPC efficiency, our growth ambitions and a relatively high exposure to shared ownership sales. There is recognition that these exposures need to be monitored and managed and are key considerations in our strategic decision making. The strategy remains on course. However, this is supported by a robust mitigation plan and an agile business able to flex the timing and size of its investments as it progresses. The compliant V2 rating has no direct impact on our funding arrangements.

Thrive's credit rating has been reaffirmed as A by S&P Global following their review in March 2026. This comes with a negative outlook for the current year, reflecting the economic environment as well as our significant investment in existing stock. The maintenance of this grade represents a recognition of the strength of our financial health and business resilience, particularly in light of the current economic conditions and challenges. They recognised Thrive's prudent policies and risk management standards, strong demand for shared ownership homes in the area and an experienced team with the agility to adjust plans if needed to reflect operational or market conditions.

Key highlights include:
- operating surplus of £14.1m (excluding revaluations & impairments) and a margin of 25% (statutory definition)
- underlying surplus before tax of £2m
- arrears at 3.14%
- liquidity – end of year cash balance available of £25.2m as well as £65m of facilities
- built 66 homes (2024/25: 151) with investment of £61.9m
- G1 Governance and V2 viability rating
- "A" (negative outlook) credit rating.

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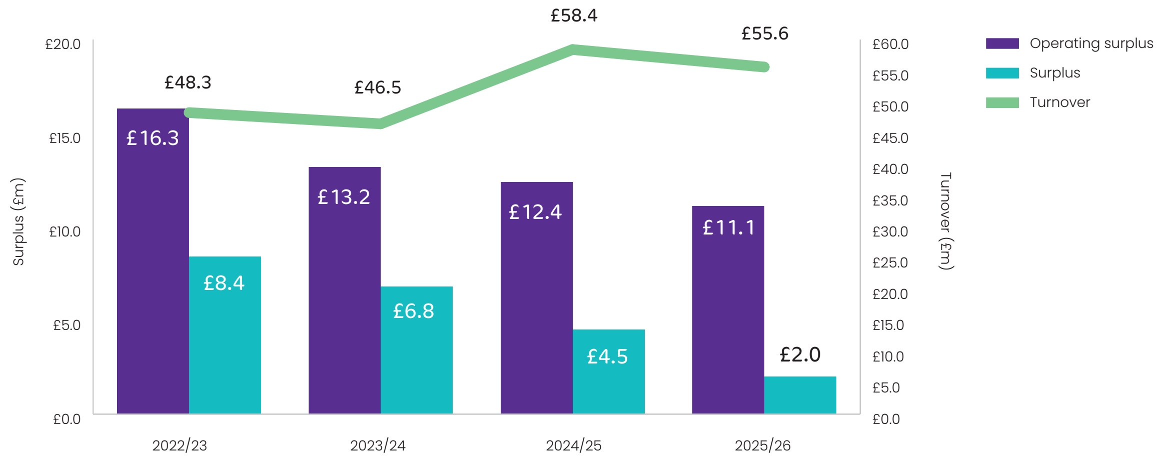
Turnover and operating surplus

The 2025/26 performance demonstrates continued strategic investment and resilience, with margins reflecting the impact of targeted reinvestment into existing homes alongside wider cost inflation. Turnover remains robust overall, with the modest reduction driven by the timing of First Tranche Sales, which naturally aligns to the development programme cycle. We continue to reinvest our surplus to deliver safe, affordable homes for our customers.

The economic climate continues to impact margins across the sector, the challenge being to balance these emerging pressures with increased investment in existing homes and to comply with new building safety and environmental legislation.

Turnover and surplus (£m)



Development, sales and investment

Development capital spend in the year totalled £61.9m, which is higher than the prior year (£18.8m), in line with the phasing of our planned development programme and includes the completions of 66 homes, comprising social, affordable and shared ownership tenures. There is a strong pipeline for development both for S106 sites and using our own landbank, and development expenditure is forecast to increase for the coming year.

The programme of development on S106 schemes and using our landbank has continued throughout the year. We have seen turnover from shared ownership of £12.8m, reflective of schemes completing during the year. Local demand for this tenure remains strong and we see this continuing into future years. Our pipeline shows significant deliveries planned for the next few years and healthy demand at our current development sites. Although our sales focus is on new build shared ownership sales, turnover includes a smaller number of shared ownership conversions, enabling us to refurbish homes that are no longer financially viable as rental properties, whilst keeping them as social housing option and maintaining a rental income from the property. This programme ensures that we focus our investment within the portfolio, while releasing value that supports the construction of new homes.

Turnover analysis (£m)

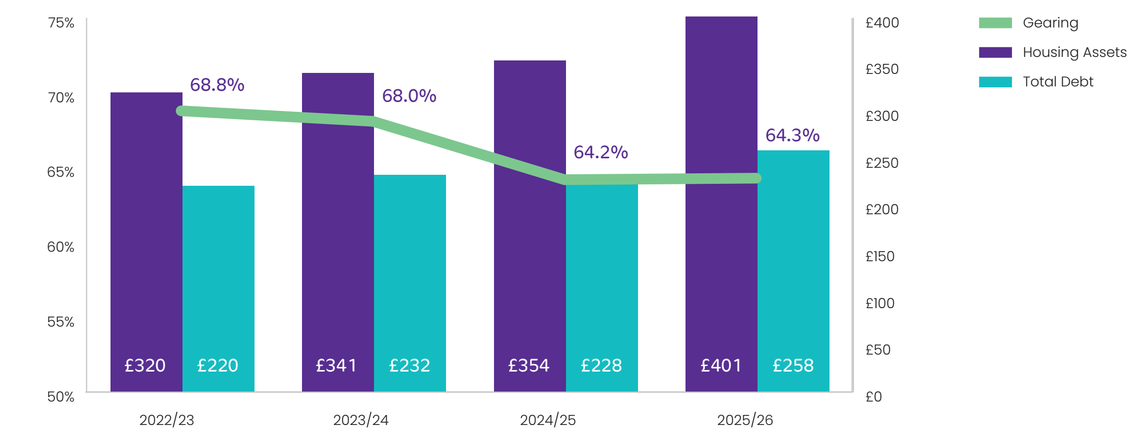
Total Homes by Tenure

	2022/23	2023/24	2024/25	2025/26
Social Rent- General Needs	3,445	3,390	3,367	3,354
Leaseholders	631	634	629	636
Social Rent- Older People	544	544	544	544
Shared Ownership	437	556	672	701
Affordable	398	398	447	460
Managed Properties*	36	39	14	14
Intermediate	99	99	99	99
Rent to Homebuy	88	87	78	82
Market Rent	61	61	61	61
Units taken out of rent debit	30	33	3	1
Other Dwellings	–	6	6	6
Non-Dwellings	11	12	11	11
Total	**5,780**	**5,859**	**5,931**	**5,969**

*Properties held by CBRE under long leases are shown in Affordable Rent and Shared Ownership

Gearing, assets and debt

Gearing has remained consistent with the prior year and debt growth is in line with plans. Housing assets increased in 2025/26 with the addition of new build properties.



Cash generation

Net cashflow has remained stable year on year. Increased outflows from investing activities reflect a deliberate uplift in investment, including the development of new homes and improvement of existing homes, supported by new borrowing to fund this growth.

	2023/24 £m	2024/25 £m	2024/25 £m
Net cash from operating activities	21	33	12
Cash inflow/(outflow) from investing activities	(25)	(19)	(31)
Cash inflow/(outflow) from financing activities	(8)	(9)	25
Net cashflow	(12)	5	5

Statement of Comprehensive Income	2023/24 £'000	2024/25 £'000	2025/26 £'000
Group Turnover	46,673	58,364	55,625
Cost of sales - shared ownership	(4,798)	(13,565)	(10,793)
Operating expenditure	(28,902)	(30,532)	(33,150)
Gain on disposal of fixed assets	216	243	2,368
Revaluation gain/(loss) on investment properties	(4,413)	180	(2,245)
Impairment	-	(2,300)	(748)
Operating Surplus	8,776	12,390	11,057
Interest receivable and similar income	1,841	1,443	1,319
Interest payable and financing costs	(8,067)	(9,259)	(10,386)
Surplus before taxation	2,550	4,574	1,990
Taxation	-	(123)	(14)
Surplus for the year	2,550	4,451	1,976

Funding and treasury management

This year, through delivery of year three of the Treasury Sub-Strategy, we have strengthened our treasury position – with all our current drawn debt at fixed, competitive rates and significant Revolving Credit Facilities available to us for future activity. The business has excellent liquidity, with sufficient current and future access to funding and the expertise to continue to strengthen relationships with external stakeholders and finance the business plan efficiently.

In March 2026, following its annual review, Standard & Poor Global (S&P) retained our credit rating at A, with a negative outlook, reflecting the challenges in the market and our significant investment of spare capacity in our existing and new own stock. These metrics, coupled with our V2 viability rating, demonstrate the external confidence in our organisation and the value generated from our strategy.

Thrive has a diverse portfolio of lending to ensure we are not dependent on a single bank or investor. Two of our Revolving Credit Facilities were extended for a further 5 years, with maturities in 2030. We continue to look at ways of diversifying our borrowing to utilise the most favourable rates, in line with our Treasury Strategy.

Our treasury risk is managed through our Treasury Management Policy (TMP), which focuses on key risks and setting targets that match our risk appetite. It is updated annually to reflect the latest agreed covenants.

Key treasury risks:

- **Liquidity risk** – on 31 March 2026 we had liquidity of £88m (cash and undrawn Revolving Credit Facilities). Our liquidity golden rule in the TMP calculates the level of liquidity required to remain resilient.
- **Counterparty credit risk** – our TMP sets out credit rating limits for our deposit counterparties, which we use to decide on investing our surplus cash. The counterparty credit ratings are provided by our treasury consultants and monitored regularly in-house.
- **Interest rate risk** – within our TMP are set parameters to manage our exposure to fluctuations in interest rates. Throughout the year and on 31 March 2026, 89% of drawn debt was fixed and 11% drawn debt was variable (RCFs).
- **Covenant compliance risk** – through our budget and business plan process, we monitor our financial covenants within our loan agreements and maintain headroom above these covenants. Compliance with all covenants is monitored through the Risk and Audit Committee each quarter. Thrive comfortably complied with its covenants throughout the year.

On 31 March 2026 Thrive had agreed and committed facilities of £350m, of which £285m were drawn. All future committed developments in the business plan can be funded through existing agreed facilities.

Committed Facilities and Available cash

The bond and our loan agreements all contain financial covenants. Predominantly, loan covenants are based upon interest and asset covers. Compliance with all covenants is monitored through the Risk and Audit Committee each quarter. Thrive comfortably complied with all of its covenants throughout the year.

Thrive does not have any abnormal exposure to credit, liquidity, interest rate, counterparty, currency or cashflow risks arising from its treasury activities.

Value for Money Strategy

A focus on delivering long-term, sustainable Value for Money (VFM) is important to Thrive as we grow and become a more complex organisation.

Making the best decisions, plans and interventions on resources, while leveraging investment by partner organisations, both now and into the future, maximises value to our customers. This:

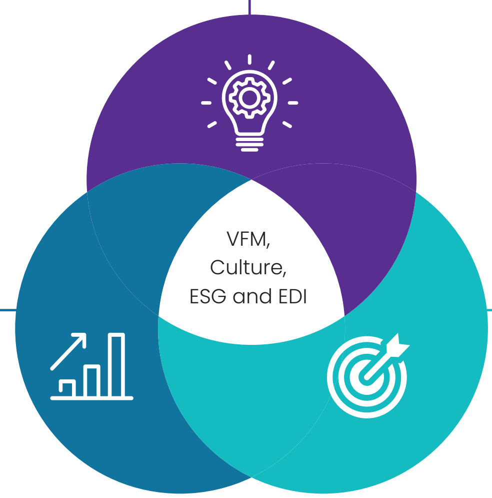
- underpins Thrive's ongoing resilience and our ability to offer a fair deal to customers
- will enable Thrive to deliver its primary purpose of delivering more homes
- facilitates an organisation that can deliver on its intent to be a good landlord, through making best use of the resources available to invest in new homes whilst maintaining the quality and value of its portfolio
- enables us to maintain our independence, our ability to define and maintain our relationship with customers and other stakeholders and continue to exercise choice.

Our corporate strategy has VFM at its core. We operate in some of the most expensive areas to live in the country, so we believe our commitment to be a sustainable business and a good landlord, by delivering efficient services while meeting the high demand for growth, delivers VFM. This also ensures compliance with the Regulator of Social Housing's VFM Standard.

Our approach to VFM

VFM is a golden thread throughout the organisation and the way it operates. It is prominent in the development of our plans and decision-making processes, from our principles and the approach set out in our Strategic Framework, 'Foundations for Growth', through to our Business Plan and the budget.

Strategic Framework
- Our Purpose and Principles
- Fair deal for customers
- Great place to work
- Growth
- Resilient with a strong financial base

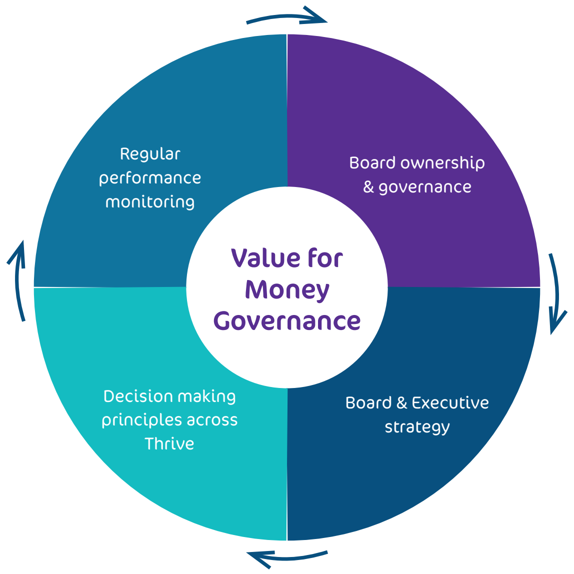


Operational, in-year activity
- Budget
- Balanced Scorecard (KPIs)
- In-year focus

Sub-strategic Action Plans

Inform the Medium-Term Plan
- Customer
- Asset
- Colleague
- Growth
- Finance and Treasury
- Technology and Data

Governance of VFM is embedded in Thrive Homes with clear Board ownership, cascading through the organisation.



VFM Strategy and Progress

Thrive's Board agreed three major areas of focus for 2025/26 with specific deliverables to demonstrate how resources are being used most efficiently and effectively, whilst leveraging investment by partner organisations.

These are:

Resilient with a strong financial base	1. Developing our capabilities to ensure we are an organisation that is fit for purpose, able to deliver our strategy and support growth.
Great place to work	
Fair deal for customers	2. Continued development of the Thrive Deal, continuing to embed our new customer engagement model throughout the business.
Investment & Growth	3. Grow and manage the portfolio in cost-effective ways, seeking to support an effective cost to homes managed ratio.

1. Developing our capabilities

We will seek to use all our resources; people, technology (including processes and data), partners, finance, treasury and assets, to grow and manage our portfolio in the most cost-effective and efficient way, with a principle of continuous improvement and transformation. This will require further analysis of the underlying cost base and the value driven from Thrive's business units to identify areas where action can be taken to improve performance.

Progress

- Long-term funding in place at competitive and stable rates.
- Security position improved through efficient allocation of assets.
- Creating the internal teams needed to deliver our growth strategy in the most efficient manner and reducing the use of external partners/contractors.
- Following a series of audits and insurance questionnaires, we can confirm that no cyber breaches occurred with all external threats being identified and negated as a result of the proactive measures in place.
- Data cleansing and implementation of an intelligent energy system to enable development of our roadmap for every home, including identification of energy efficiency costs.

2. Development of the Thrive Deal

Since relaunching the Thrive Deal in 2022/23, we have continued to evaluate and undertake quality assurance checks to make sure we are delivering what we said we would. As part of our continual improvements, this year saw the continuation of our 'making every visit count' initiative. This approach maximises the benefit of existing appointments to capture damp and mould issues and/or customer vulnerabilities and ensures that we are responding to customer feedback by streamlining the number of appointments we expect them to be available for, whilst making us more efficient.

Progress

- Improvement in both reduced levels of complaints and fewer being upheld by the Housing Ombudsman.
- Digital interactions with customers have remained at target. We anticipate this is the maximum level of digital interactions we can achieve, based on our knowledge that just under 30% of customers do not access web-based services.
- Following low levels of customer satisfaction new cleaning and grounds maintenance contracts were procured and mobilised, going live on 1 April 2025, which has driven improvements in customer satisfaction.
- A real focus on repairs has seen a reduction in progress (WIP) and significant work to support readiness of Awaab's Law.

Areas for focus in 2026/27 will be continuing with our Repairs Recovery plan, ongoing monitoring of our new cleaning & grounds maintenance contracts, and identifying and improving on the root causes of complaints. Each area will be supported with an action plan for improvements that should positively impact customer satisfaction.

3. Grow and manage the portfolio in cost-effective ways

Growth represents a key part of Thrive's Strategic Framework and, as such, holds significant value for our organisation.

It is important that we increase the number of homes we provide to ensure our current and future customers have a wide choice of safe, affordable housing. This will be achieved by striking a balance between the different routes to growth and progressing a long-term acquisition, development and disposal plan to ensure that we strengthen our financial resilience.

Growth will help us deliver value for money as it provides the opportunity to have the people and technical resources required to operate effectively while operating within sensible costs per unit (CPU) and continuing to deliver improved margins, improved income and a stronger balance sheet, alongside the provision of a greater quantum of ethically managed and affordable homes.

Thrive will seek ways to support an effective cost to homes managed ratio. As we grow, we will spread costs over a larger unit base while analysing the efficiency and size of this cost base.

Progress

- Overall number of homes have significantly increased over recent years, with a strong future pipeline in place.
- An initial roadmap developed for every home.
- To date we have secured £4.9m across all waves of the Social Housing Decarbonisation Fund (SHDF), the Great British Insulation Scheme (GBIS), ECO 3 & 4 and the Heat Network Efficiency Scheme (HNES).
- Significant funding secured from Homes England as part of the Accent Strategic Partnership, to support delivery of new homes.

How do we compare?

Thrive uses the Regulator of Social Housing's metrics to monitor the impact of interventions with a focus on CPU, growth and reinvestment, as these are aligned to our aspiration to increase the number of homes we own and manage whilst continuing to invest in existing homes. Thrive has specific challenges relating to the nature, age and historic under-investment in communal areas of the portfolio acquired through stock transfer.

We continue to achieve levels of growth and investment that exceed or equal our peer group. CPU is relatively high compared to the sector predominantly due to the levels of investment in upgrading our homes as well as core applications, and the sector as a whole has been experiencing inflationary pressures in the cost base.

Thrive will continue to invest in its' current homes to deliver Board expectations on quality and also EPC/sustainability targets.

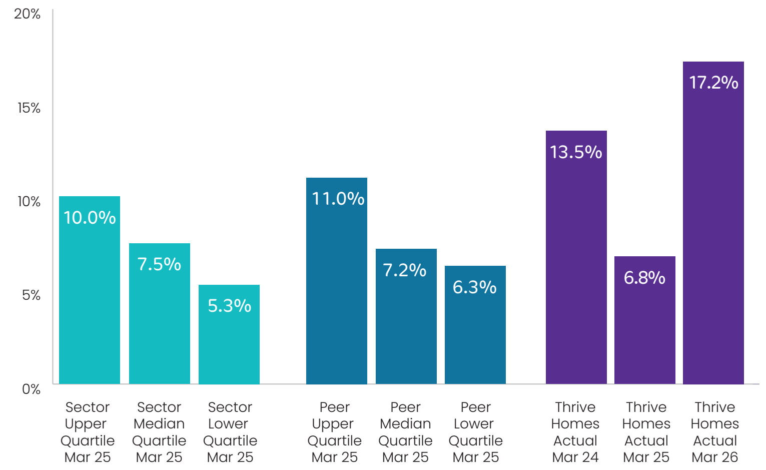
Thrive utilises a peer group consisting of associations with under 10k units, based in a similar geographical location, to compare performance, in addition to the wider sector metrics.

Performance against VFM measures remains stable and continues to reflect cost inflation pressures alongside increased investment in existing homes. These measures, mandated by the Regulator of Social Housing, may differ slightly from similar measures included throughout this report – for example, in the financial statements and covenants. This performance is measured against our peer group, similar in size and geography, and the wider sector.

Reinvestment

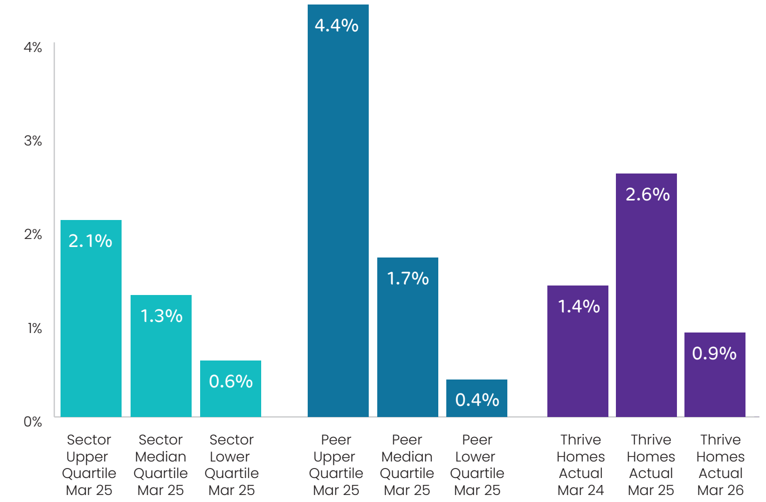
This metric measures investment in properties, including development and maintenance of existing homes, but excluding stock acquisitions. In 2025/26, investment in existing homes increased as we brought forward major works to meet our EPC C commitment and support our wider asset management strategy. The age and profile of our stock, including acquired homes, also means some major works are required within normal lifecycle programmes.

Development expenditure increased significantly during the year, with 66 homes delivered and more than 500 homes in the pipeline. Alongside using our landbank, we continue to review Section 106 opportunities, wider growth options and current sector risks. The asset management strategy includes provision for further sustainability investment, which is being modelled through our business plans. Investment decisions are now progressing following Board approval of the Roadmap for Every Home.



New home supply % (social)

Construction of new homes utilising our landbank is progressing at pace, with delivery of homes being dependent on the stage of our development cycle. We completed 66 (2024/25: 151) new homes for social housing during the year and forecast this to increase significantly in future years.

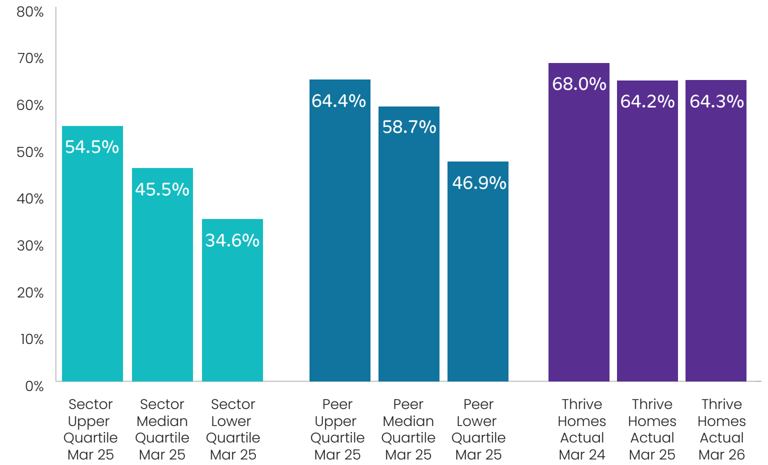


New home supply % (non-social)

In line with our Strategic Framework, we have a market rent portfolio to provide good quality yet affordable homes to help meet the needs of the private rented market. Numbers of market rent units were unchanged during the year, with the portfolio achieving its targeted yield and return. We did not deliver any non-social housing in the year.

Gearing

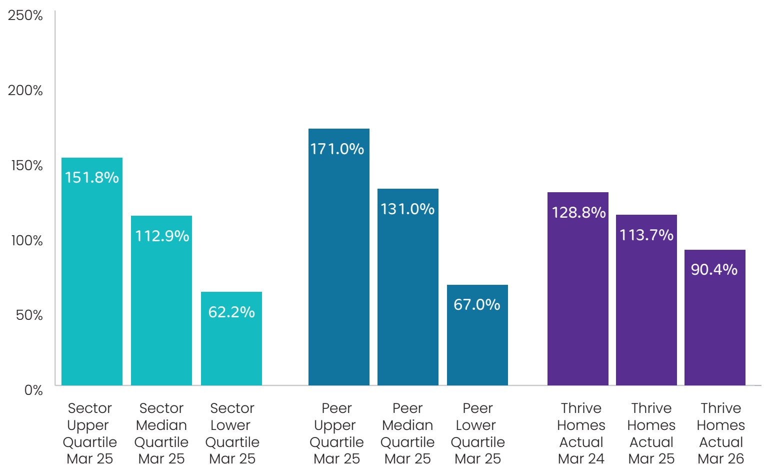
Thrive continues to operate with a sustainable and cost-efficient level of debt. Our gearing, measured as debt to the net book value of housing, is relatively high and above the sector average. This is due to our LSVT origins and initial financing. We expect this to reduce as we continue to strengthen our balance sheet through shared ownership sales and efficient cash management. The transition to MV-ST (market value, subject to tenancies) valuation has led to an increase in the reported value of our assets for security purposes. This valuation, alongside Thrive's net debt per unit measure compared to the sector, provides further evidence of a healthy gearing position.



EBITDA MRI Interest Cover %

Performance reflects a deliberate and positive strategic shift, with maintaining solid interest cover, while continuing to invest in our asset base and service quality. The reduction from prior years is expected and aligned with a proactive programme of investment in existing homes, alongside targeted action to reduce maintenance works in progress and address damp and mould. In addition, a £748k IT impairment has reduced EBITDA by this amount.

Overall, the results highlight a strong and reasonable approach to long-term sustainability, prioritising customer outcomes and asset quality while maintaining a stable financial footing.

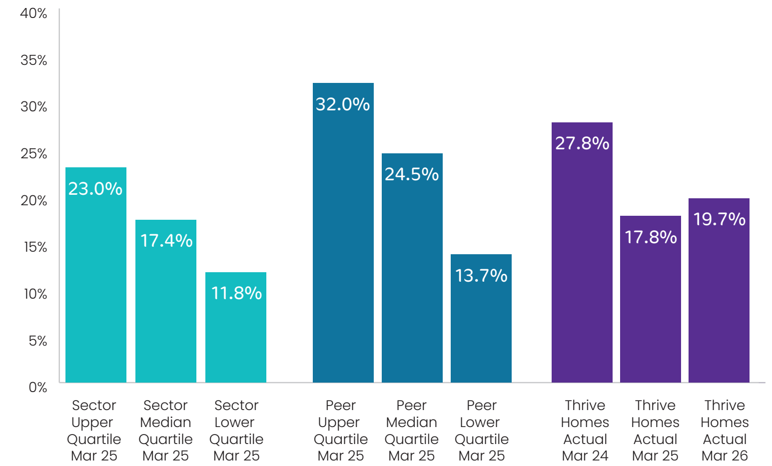


Headline Social Housing Cost per Unit (CPU)

The cost per unit reflects targeted investment in maintaining existing homes, alongside enhanced efforts to reduce maintenance work in progress and address damp and mould, while remaining below the average of comparable peers.

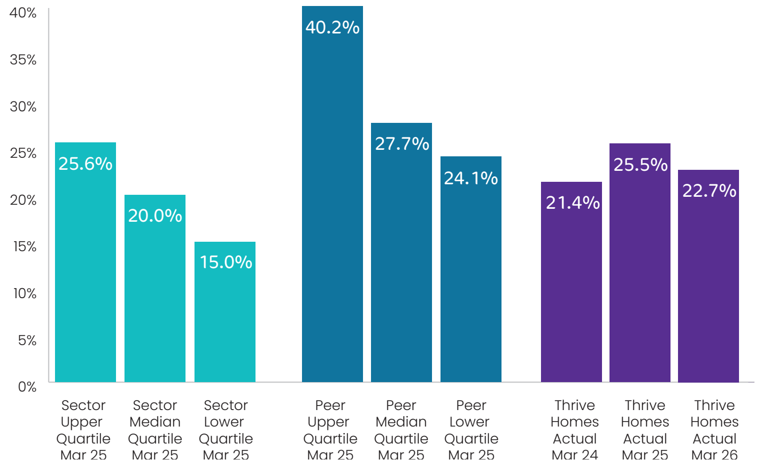
Operating Margin (Overall) %

The overall operating margin has improved from the prior year, demonstrating resilience amid ongoing economic and inflationary pressures, supported by stronger operational discipline.



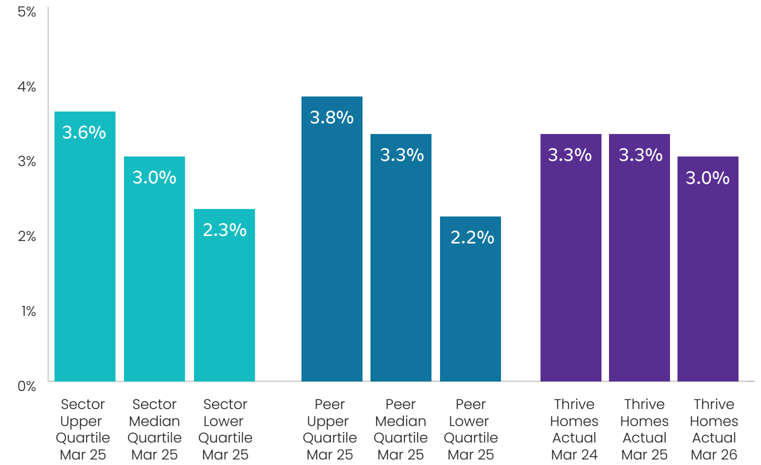
Operating Margin (Social Housing Lettings Only) %

The reduction in operating margin reflects sustained and deliberate investment in maintaining and improving existing homes, with performance remaining resilient above the sector average.



Return on capital employed (ROCE) %

Thrive's return on capital employed (ROCE) reflects resilient but softening performance, slightly ahead of the sector average.



Group Report & Financial Statements

Energy and Carbon Emissions

This report provides an account of Thrive's UK energy use and carbon emissions, covering gas, electricity, transport fuel and wider operational and supply chain impacts, in line with SECR requirements.

Specifically, they include:

- Scope 1: Direct greenhouse gas emissions from our heat networks, company vehicles, and refrigerant use within our office facilities
- Scope 2: Indirect emissions from purchased electricity in our offices and the communal areas of our residential blocks
- Scope 3: Indirect emissions associated with our supply chain, downstream leased assets, and other sources not directly owned or controlled by us

Intensity Ratios	2024/25	2025/26	YoY Change
Carbon £m turnover (tCO_2e)			
Scopes 1&2	**15.99**	**14.71**	-8.04%
All Scopes	**316.71**	**386.58**	22.06%
Carbon per FTE (tCO_2e)			
Scopes 1 & 2	5.10	4.33	-15.17%
All Scopes	103.76	113.72	9.60%

Scope	2024/25 (tCO_2e)	2025/26 (tCO_2e)	YoY Change
Scope 1			
Fuel for Company Vehicles	148.60	122.40	-17.63%
Residential Gas (Communal Supply)	693.26	623.43	-10.07%
Refrigerant Gases	5.29	5.26	0.00%
Total Scope 1	**847.11**	**751.08**	**-11.34%**
Scope 2			
Office Grid-Supplied Electricity	**31.80**	**23.53**	-26.01%
Residential Grid-Supplied Electricity	**55.00**	**43.06**	-21.71%
Total Scope 2	**86.80**	**66.59**	**-23.29%**
Total Scope 1 & 2	**933.91**	**817.67**	**-12.45%**
Scope 3			
Business Travel	47.28	30.06	-36.43%
Capital Goods	0.55	-	-
Disposal and Treatment of Waste	268.39	394.78	47.09%
Downstream Leased Assets (Energy consumed by the homes we own)	9,336.00	9,321.65	-0.15%
Employee Commuting	46.90	51.49	9.79%
Fuel & Energy Related Activities (Working From Home)	33.70	37.44	11.09%
Purchased Goods & Services	7,828.25	10,840.68	38.48%
Upstream Transport & Distribution (Warehousing & Storage)	0.83	-	-
Total Scope 3	**17,561.91**	**20,676.10**	**17.73%**
Total Reported GHG Emissions	**18,495.82**	**21,520.68**	**16.35%**

Carbon Performance Commentary

The 2025/26 reporting year marks Thrive's third disclosure under the SECR framework and reflects continued development in the scope, coverage and quality of reported emissions data.

Scope 1 emissions decreased by 96.03 tCO_2e (11.34%), primarily due to:

- 26.20 tCO_2e decrease in fuel use in company vehicles, reflecting a 19% reduction in annual mileage due to reduced vehicle activity and improved operational planning, including periods where some vans were not in use.
- 69.83 tCO_2e decrease in emissions from gas consumption across communal heating systems, driven by reduced demand likely linked to a comparatively mild 2025/26 winter, with regional temperatures above long-term averages.

Scope 2 emissions decreased by 20.22 tCO_2e (23.29%), primarily reflecting grid decarbonisation. This included:

- 11.94 tCO_2e decrease in electricity emissions across communal areas and voids, due to a combination of reduced consumption and updated emissions factors.
- 8.27 tCO_2e decrease in office electricity emissions, mainly due to updated factors rather than changes in consumption.

Scope 3 emissions increased by 3,114.19 tCO_2e (17.73%), largely attributable to:

- 3,012.43 tCO_2e increase in purchased goods and services, reflecting higher spend in development costs and asset investment activities.
- 126.39 tCO_2e increase in the disposal and treatment of waste, due to higher volumes in bulk waste removal.
- 8.33 tCO_2e increase in fuel and energy related activities (including working from home emissions) and employee commuting - reflecting updated working patterns, commuting behaviours and higher staff numbers.
- 17.22 tCO_2e reduction in business travel emissions, reflecting lower travel demand.

Emissions from capital goods and upstream transport and distribution (warehousing and storage) were not reported in the reporting period, as no relevant spend was incurred in these categories during the year.

Energy Efficiency Actions Taken

Thrive progressed assessment of communal heat networks, completing optimisation and feasibility studies under the Heat Network Efficiency Scheme (HNES). A £535k funding bid has been submitted to support improvement works across three blocks (78 flats), aiming to improve system efficiency and reduce scope 1 energy consumption.

In parallel, retrofit works continue to support our commitment to achieving EPC C across all homes by 2030, contributing to longer-term emissions reductions. Further details are available in our 2025/26 ESG report.

Methodology

Emissions have been calculated using Trace's carbon management software in line with the Greenhouse Gas (GHG) Protocol. Emissions factors are sourced from the annual GHG Reporting Conversion Factors issued by the Department for Energy Security and Net Zero (DESNZ), ensuring full alignment with national reporting standards.

Where Thrive Homes is directly responsible for utilities (i.e., via a landlord or service charge), readings were obtained from all 260 electricity supplies and 10 gas supplies, with no estimated consumption.

Scope 3 emissions are calculated using a mix of activity- and cost-based methods, with cost-based results sensitive to changes in procurement levels and operational activity.

Intensity metrics have been calculated using total tCO_2e and the following indicators for the reporting periods:

- Turnover
  - 2024/25 = £58.4m
  - 2025/26 = £55.6m
- Full-time equivalents (FTE)
  - 2024/25 = 179
  - 2025/26 = 190

Thrive will continue to review its methodologies and data sources as reporting practices evolve, with any material changes disclosed to maintain transparency and comparability over time.

Group Report & Financial Statements

Governance

The Board is pleased to present its report and the audited financial statements of Thrive Homes Limited ("the Association") and its subsidiary entities (together "the Group") for the year ending 31 March 2026. This is the 17th full year of operations for Thrive Homes since its formation.

Group Report & Financial Statements

Thrive Homes continues to comply with the NHF Code of Governance 2020. Compliance is reviewed annually with an internal self-assessment which and was reviewed by the Customer Committee and approved by Board.

Additionally, Thrive has adopted the 2020 NHF Model Rules for registered providers and is a signatory to the NHF Together with Tenants Charter which forms part of Board's commitment to ensuring that the voice of the customer is heard and informs decision making. We are also compliant with the Housing Ombudsman's Complaint Handling Code.

Regulator of Social Housing and regulation review

The Regulator of Social Housing (RSH) published the results of their In-Depth Assessment (IDA) in April 2023, with a strapline judgement issued in December 2025. The results were that the Association was assessed to retain the highest level possible for Governance (G1) and, Viability (V2) reflecting the current economic climate and Thrive's active development programme. The overview report from this IDA can be viewed on GOV.UK (www.gov.uk) by searching Thrive Homes Regulatory Judgement or using the QR code. For more information on the regulation of social housing in the UK, see the RSH website Regulatory standards - GOV.UK (www.gov.uk)

Group structure and overview

Thrive Homes is a registered not-for-profit provider of affordable homes. It owns and manages 5,969 homes in Hertfordshire, Bedfordshire, Buckinghamshire, Northamptonshire and Oxfordshire. Thrive Homes has been growing over the years by a combination of building new homes and acquisitions from other registered providers.
Its wholly owned subsidiaries are identified in the chart below.

The principal activity of the Group is the development and management of affordable housing.

Board and committees

Thrive Homes is governed by its Board and four committees; and supported by an Executive Management Team (as set out on page 40).

Board membership is based on an evaluation of skills and experience and is made up of the chief executive and non-executive members who are drawn from a wide range of backgrounds, bringing together professional and commercial expertise, from across a variety of sectors. Our Associate Board Member programme is designed to attract a range of talent, mostly from 'non-traditional' board backgrounds, and work with them so that they are able to apply for board vacancies when they occur. Thrive currently has two Associate Board members with backgrounds in finance and social purpose strategy.

All appointments to Board positions are made via an appointments panel and the maximum tenure for a Board member is six years, with an option to extend for another three years in exceptional circumstances.

Board members receive remuneration for their services as Non-Executive Directors. Payment is reviewed periodically by independent advisors. Levels of remuneration paid to Board members during 2025/26 and 2024/25 are shown on page 67 in the Notes to the Financial Statements.

The Executive Directors hold no interest in the share capital of Thrive. They have responsibility for day-to-day management of the business and implementation of the Board's strategic policies and plans.

Over the course of the year the Board met nine times, including four special meetings and one strategic away day. The following committees have been established, which meet quarterly and provide oversight and assurance of delivery in each of these specific areas:

- **Risk & Audit Committee** – responsible for ensuring that Thrive Homes has appropriate risk management and business assurance arrangements in place and maintains good standards of probity.
- **Customer Committee** – responsible for ensuring regulatory and Housing Ombudsman compliance, hearing the voice of our customers and oversight of customer health, safety compliance & building safety, service delivery performance and ED&I.
- **Investment & Finance Committee** – responsible for ensuring our Finance and Treasury Strategies are sustainable; how we are developing, growing and investing; the partnerships we are developing, and that we are maintaining and managing our existing assets effectively and providing value for money.
- **Remuneration Committee** – responsible for Board and Executive renumeration and appraisals, and Board recruitment, succession and training.

Board key facts

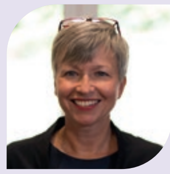
Gender balance	27% Female 73% Male	BME profile	9% BME 82% White 9% prefer not to say
Average age	54	Average tenure	4.2 years
% with a disability	9%	Board turnover in last two years	9%

Group Report & Financial Statements

Board members

Kate Still
Chair of the Board (resigned at point of merger on 31 May 2026)

Rachel Harrison
Non-Executive Director and Vice-Chair of the Board. Chair of Risk & Audit (resigned – September 2025)



Rachel Hatfield
Non-Executive Director and Vice-Chair of the Board. Chair of Remuneration Committee

Jessica Friend
Non-Executive Director and Chair of Investment & Finance Committee (resigned at point of merger on 31 May 2026)

James Invine
Non-Executive Director and Chair of Thrive Homes Finance Plc. (resigned at point of merger on 31 May 2026)

Craig O'Donnell
Non-Executive Director and Chair of Customer Committee and Member Responsible for Complaints (MRC) (resigned at point of merger on 31 May 2026)

Matthew Peak
Non-Executive Director and Chair of Risk & Audit Committee

John Tibbitts
Non-Executive Director and Chair of Thrive Places Ltd.

David Dahan
Non-Executive Director

Paul Richmond
Chief Executive and Board Member (stepped down as Board Member on 31 May 2026)

John Osborn
Non-Executive Director

Graeme Snell
Non-Executive Director

Executive Management Team

Paul Richmond
Chief Executive

Jo Barrett
Executive Director – Operations (resigned 31 May 2026)

Helen Evans
Interim Executive Director – Strategy and Change (appointed July 2025 and role ended 31 May 2026)

Alix Green
Executive Director – Growth & Investment (resigned 31 May 2026)

Barry Wears
Interim Executive Director – Finance (appointed November 2025)

Karen Forbes-Jackson
Executive Director – Corporate Services and Company Secretary (resigned September 2025)

Stephen King
Executive Director – Finance (resigned October 2025)

Risk and assurance

To maintain our strength, resilience and agility as a business, we are very conscious of the need to take an astute and proactive approach to balancing risk in the short, medium and long-term.

Constantly monitoring and managing such risks ensures that Thrive is able to rise successfully to today's challenges while being well-prepared for the potential challenges of the future.

We have programmes of internal audit to sustain and improve the quality of our day-to-day business operations, along with mitigation strategies which flag up risks at the earliest opportunity so we can take appropriate steps to address them.

Our strategic risks

The Board has agreed a Risk & Assurance Management Framework which sets out our approach to identifying, monitoring and managing current and emerging risks to the business. It has determined our risk appetite and adopted a range of measures to monitor our exposure to risk.

The Board identifies the changing risks to our business, along with the various external and internal factors influencing their management. Each Executive Director is responsible for identifying risks facing their area of operation and for putting in place procedures to mitigate and monitor risk. These risks are regularly reviewed by the Risk & Audit Committee, which reports back to the Board on its findings.

Here are the key risks we currently face:

Risk	Context	How this is being managed
Economic climate	The tough financial environment poses a significant risk to our income, as many customers struggle to pay their rent and other bills during the cost-of-living crisis. The business is also experiencing rising costs in repairs and maintenance, new-build developments and higher prevailing interest rates.	We have been working with customers to support them with the financial challenges they face, helping them to keep up to date with their rent or ensuring they have a plan in place to pay back any arrears.
Health and safety	Keeping customers safe in their homes is our top priority. New legislative and regulatory changes are tightening up aspects of fire and building safety alongside HHSRS and damp and mould.	We have been preparing for these changes brought about by the fire safety regulatory reform, to ensure we comply with revised fire and building safety regulations, and the new Quality and Safety consumer standard.
Data and technology	Managing and scrutinising data effectively is crucial to the success of any business, while robust cyber security is increasingly important as technology becomes ever more complex.	Work has continued to ensure robust security across all systems, with Cyber Essentials Plus achieved in May 2026 following an extensive programme of activity. Future planning to create a resilient, modern and future proof technology platform has also been a key priority throughout merger negotiations, ensuring the combined organisation is well positioned to manage data securely and operate effectively.

Statement of Board Responsibilities

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

Housing association legislation requires the Board to prepare financial statements for each financial year. Under that legislation, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and applicable law). Under housing association legislation, the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Group and the Association and of the surplus or deficit of the Group and Association for that period. In preparing these financial statements, the Board is required to:

- select and adopt suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Association will continue its business.

The Board is responsible for making the appropriate arrangements for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Group and Association and to enable it to ensure that the financial statements comply with housing association legislation (The Cooperative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2019). It has responsibility for taking such steps as are reasonably open to it to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

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

Compliance with Governance and Financial Viability

The Group Board confirms that the Group has met the Regulator for Social Housing's regulatory expectations in the Governance and Financial Viability Standard. During the year the Group has complied with its adopted code of Governance (the NHF code of Governance 2020 – Excellence in Governance – Code for members) along with the Rent Standard, VFM Standards and Consumer Standards.

Statement of Compliance

In preparing this strategic report, the Board has followed the principles set out in the Housing SORP 2018.

Disclosure of Information to the Auditor

The Board members who held office at the date when this report was approved confirm that:

- so far as each of the directors is aware, there is no relevant audit information of which the Group and Association's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information and to establish that the Group and Association's auditor is aware of that information.

External Auditor

Menzies LLP (formerly known as Beever and Struthers) completed this audit and future decisions on External Auditor will be the responsibility of Chime Housing (Watford Community Housing Trust).

Approved and signed on behalf of the Board on 20 July 2026.

Rachel Hatfield
Interim Chair of the Board

Financial Statements

Independent auditor's report to the Members of Thrive Homes Limited

Opinion

We have audited the financial statements of Thrive Homes Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2026 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2026 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent Auditor's Report to the Members of Thrive Homes Limited

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 43, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or 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 based on these financial statements.

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

Independent Auditor's Report to the Members of Thrive Homes Limited

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

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

Group Report & Financial Statements

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indiv cate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Independent Auditor's Report to the Members of Thrive Homes Limited

Use of our report

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

Menzies LLP

Menzies LLP

Date: 27 August 2026

Chartered Accountants
Statutory Auditor

4th Floor
95 Gresham St
London
EC2V 7AB

Consolidated and Association Statement of Comprehensive Income

	Notes	Group		Association	
		2026	2025	**2026**	2025
		£'000	£'000	**£'000**	£'000
Turnover	2a	**55,625**	58,364	**56,534**	58,212
Cost of Sales- Shared Ownership	2a	**(10,793)**	(13,565)	**(10,793)**	(13,565)
Operating costs	2a	**(33,150)**	(30,532)	**(32,970)**	(30,329)
Gain on disposal of fixed assets	2a	**2,368**	243	**2,368**	243
Impairment of investment in subsidiary	2a	**-**	-	**-**	(669)
Impairment of intangible assets	2a	**(748)**	(2,300)	**(748)**	(2,300)
Gain/(loss) on investment properties	2a	**(2,245)**	180	**(2,245)**	1,030
Operating surplus	2a	**11,057**	12,390	**12,146**	12,622
Interest receivable	3	**1,319**	1,443	**1,293**	1,411
Interest payable and other finance costs	4	**(10,386)**	(9,259)	**(10,386)**	(9,259)
Surplus before tax		**1,990**	4,574	**3,053**	4,774
Taxation	8	**(14)**	(123)	**-**	-
Surplus for the year		**1,976**	4,451	**3,053**	4,774
Actuarial gain/(loss) in respect of scheme of pension scheme	21	**78**	(264)	**78**	(264)
Total comprehensive income for the year		**2,054**	4,187	**3,131**	4,510

The Consolidated and Association's results relate wholly to continuing activities and the notes on pages 53 to 88 form an integral part of these financial statements.

The financial statements were approved by the Board on 20 July 2026 and were signed on its behalf by:

Rachel Hatfield
Interim Chair

Matthew Peak
Non-Executive Director
Chair of Risk & Audit Committee

Lucie Westbury
Interim Company Secretary

Consolidated and Association Statement of Financial Position

	Notes	Group		Association	
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	3,281	2,540	3,281	2,540
Other property, plant and equipment	9a	168	251	168	251
Housing properties	10	401,225	354,407	401,988	352,285
Investment properties	13	23,830	31,360	13,850	21,380
Total fixed assets		428,504	388,558	419,287	376,456
Investments	19	30	30	11,127	11,127
Current assets					
Properties for shared ownership sale	14	8,669	7,998	8,669	7,998
Debtors	15	3,340	5,333	3,531	8,416
Cash and cash equivalents		25,221	20,535	22,107	17,200
		37,230	33,866	34,307	33,614
Creditors: amounts falling due within one year	16	(20,297)	(50,207)	(19,017)	(49,654)
Net current assets / (Liabilities)		16,933	(16,341)	15,290	(16,040)
Total assets less current liabilities		445,467	372,247	445,704	371,543
Creditors: amounts falling due after one year	17	(362,527)	(290,768)	(362,527)	(290,768)
Provision for liabilities	20	(330)	(465)	(193)	(465)
Provision for pension liability	21	457	-	457	-
Net assets		83,068	81,014	83,441	80,310
Capital and reserves					
Called up share capital	18	-	-	-	-
Income and expenditure reserve		83,068	81,014	83,441	80,310
		83,068	81,014	83,441	80,310

The financial statements were approved by the Board on 20 July 2026 and were signed on its behalf by:

Rachel Hatfield
Interim Chair

Matthew Peak
Non-Executive Director
Chair of Risk & Audit Committee

Lucie Westbury
Interim Company Secretary

The Consolidated and Association's results relate wholly to continuing activities and the notes on pages 53 to 88 form an integral part of these financial statements.

Consolidated and Association Statement of Changes in Reserves

	Group			Association		
	Income and expenditure reserve	Revaluation reserve investment properties	Total	Income and expenditure reserve	Revaluation reserve investment properties	Total
	£'000	£'000	£'000	£'000		£'000
At 1 April 2025	81,014	-	81,014	80,310	-	80,310
Surplus for the year	1,976	-	1,976	3,053	-	3,053
Actuarial gain / (loss) on pension scheme	78	-	78	78	-	78
At 31 March 2026	**83,068**	**-**	**83,068**	**83,441**	**-**	**83,441**

	Group			Association		
	Income and expenditure reserve	Revaluation reserve investment properties	Total	Income and expenditure reserve	Revaluation reserve investment properties	Total
	£'000	£'000	£'000	£'000		£'000
At 1 April 2024	76,831	-	76,831	75,804	-	75,804
Surplus for the year	4,447	-	4,447	4,770	-	4,770
Actuarial gain / (loss) on pension scheme	(264)	-	(264)	(264)	-	(264)
At 31 March 2025	**81,014**	**-**	**81,014**	**80,310**	**-**	**80,310**

Income and Expenditure Reserve

The Income and Expenditure reserve represents cumulative surpluses and deficits of the Group and Association.

Consolidated Statement of Cash Flows

Group	Notes	2026		2025	
		£'000	£'000	£'000	£'000
Net cash generated from operating activities	(a)	-	700	-	33,150
Cash flows from investing activities					
Software purchased and developed		(1,889)	-	(1,286)	-
Acquisition and improvement of housing properties, including construction		(36,227)	-	(19,597)	-
Addition to investment properties		(3,415)	-	-	-
Proceeds from sale of properties		13,233	-	3,028	-
Property, plant and equipment purchased		385	-	(97)	-
Construction of shared ownership properties for sale		(18,360)	-	(4,260)	-
Other disposals		10,514	-	243	-
Grants received		13,812	-	1,099	-
Interest received		1,319	-	1,443	-
		-	(20,628)	-	(19,427)
		-	(19,928)	-	13,723
Cash flows from financing activities					
Interest paid		(10,386)	-	(9,259)	-
New loans		35,000	-	-	-
		-	24,614	-	(9,259)
Increase/(decrease) in cash and cash equivalents	(b)	-	4,686	-	4,465
Cash and cash equivalents at beginning of the year		-	20,535	-	16,070
Cash and cash equivalents at end of the year		-	25,221	-	20,535

Group

(a) Reconciliation of surplus to net cash inflow from operating activities

	2026	2025
	£'000	£'000
Surplus for the financial year	2,054	4,187
ADD BACK non-cash items:		
Depreciation and Amortisation	6,012	6,314
Movement in Bond Premium	(1,404)	(1,648)
Movement in Deferred Bond costs	(76)	(121)
Carrying amount of tangible fixed asset disposals	(10,864)	-
Net gain on sale of tangible fixed assets	(2,368)	(2,344)
Movement in Grant Amortisation	(619)	(172)
(Increase)/Decrease in Properties held for sale	(671)	8,944
(Increase)/Decrease in < 1-year debtors	1,993	3,907
Increase/(Decrease) in < 1-year creditors	(5,091)	3,444
Increase/(Decrease) in Provisions	(135)	160
Increase/(Decrease) in Recycled Grants	113	-
Pension re-measurement	78	264
Revaluation (Gain) / Loss on investment properties	2,245	(180)
Intangible asset impairment	748	2,300
Increase in retentions held	153	161
Movement in pension asset	(535)	-
Corporation Tax	-	123
Adjustments for investing or financing activities		
Interest receivable	(1,319)	(1,443)
Interest payable	10,386	9,259
Net cash generated from operating activities	700	33,155

(b) Reconciliation of net cash flow to movement in net debt

	2026	2025
	£'000	£'000
Increase/(Decrease) in cash in the year	4,686	4,465
New loans	(35,000)	-
Loans paid	-	-
Change in net debt	(30,314)	4,465
Net debt brought forward	(237,465)	(241,930)
Net debt carried forward	(267,779)	(237,465)

Group Report & Financial Statements

Group

(c) Analysis of changes in net debt

	At 1 April 2025	Cash flow	At 31 March 2026
	£'000	£'000	**£'000**
Cash at bank	20,535	4,686	**25,221**
Debt due before 5 years	(33,000)	(35,000)	**(68,000)**
Debt due after 5 years	(225,000)	-	**(225,000)**
Total net debt	(237,465)	(30,314)	**(267,779)**

The accompanying notes on pages 53 to 88 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

General information

Thrive Homes Limited (the 'Association') is a Community Benefit Society incorporated and domiciled in the United Kingdom. The address of the registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

The main activities of the Association and its subsidiaries are the provision of affordable homes for rent for people in housing need.

The consolidated Group financial statements are presented in Pounds Sterling, generally rounded to the nearest thousand.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the comparative year.

Basis of Consolidation

The consolidated financial statements include the results of Thrive Homes Limited and its subsidiary undertakings Thrive Homes Finance plc, Thrive Places Limited and Building for Thrive Limited, whose accounts are prepared to the same accounting date.

The financial year represents the 12 months ended 31 March 2026 (prior year, 12 months ended 31 March 2025).

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. Thrive Homes Limited is a public benefit entity, as defined in FRS 102, and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Association's shareholders.

In preparing the Association's individual financial statements, the Association has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures';
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 'Statement of Financial Position'; and

• from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

On the basis that equivalent disclosures are given in the consolidated financial statements; the Association has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

Significant management judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the organisation that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Group must make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. No indicators of impairment have been identified as existing at the year end.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property.

Fixed Asset vs Investment Properties

The Group must decide which properties that would otherwise be shown as social housing properties, meet the definition of investment properties. The Group has determined that all 'market rent' residential properties which earn rental income at market rates will be classified as Investment properties. The Group's social housing properties are not classified as investment properties as they are held for their social benefit, i.e. they are rented out at subsidised rates to eligible tenants.

Valuation of Investment Properties

The Group has confidence in the values disclosed in the financial statements. In the light of the current situation - the Group has discussed the valuations with their valuers and also undertaken internal reviews of the most recent investment property valuations and assessed the financial performance of the portfolio and are confident that when taking into consideration the financial strength of the Group, any potential downturn in the value or financial returns from its investment properties would not have an impact on the Groups long term financial viability.

CBRE Lease and Lease Back

The arrangement with CBRE Affordable Housing Fund (CBRE) is considered a finance lease and an operating lease back. The headlease is the finance lease which is considered a disposal due to the duration of the lease being longer than the life of the properties and also with all risks and rewards transferred over to CBRE. The disposal is included in Note 11 under the heading Other. The sublease is the operating lease and generates a monthly management fee which is recognised as part of turnover and in Note 2.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Bad and doubtful debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on historical experience and future expectations.

Economic life of assets

An estimation of the useful economic life of the organisation's assets are determined by management and disclosed within accounting policies. The estimates are based on industry standards adjusted to reflect our own experience, quality of components and maintenance procedures.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on many factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management uses independent actuaries to advise on suitable estimates for these factors in determining the net pension obligation. The assumptions reflect historical experience and current trends.

Pension assets are restricted to comply with FRS 102 paragraph 28 and recognise a plan surplus as a defined benefit pension asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met at 31 March 2026 and an asset was therefore not recognised, even though the plan reported a surplus

Going Concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Board Report. The Group has in place the proceeds of a bond issue and bank facilities which provide adequate resources to finance the growth aspects of the Group's Strategic Plan.

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

Group Report & Financial Statements

Turnover

Turnover represents rent and service charges receivable in the year (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and Homes England and charitable fees and donations.

Tangible Fixed Assets, Impairment and Depreciation

(a) Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation and reduced by any impairment. Freehold land is not depreciated.

Depreciation of building structure is charged to write down the value of housing properties to their estimated residual value on a straight-line basis over their expected useful economic lives, which are:

Traditional build type	100 years
Non-traditional build type	30 years

No depreciation is charged on housing properties during construction.

(b) Impairment

For all housing properties if there are indicators of impairment, then an impairment review is undertaken. Where there is evidence that impairment has occurred, any shortfall between the carrying costs and the higher of value in use or net realisable value is recognised immediately in the surplus or deficit.

The main indicator of housing property impairment is the existence of long-term voids.

The reversal of past impairment losses is recognised when the recoverable amount of a tangible fixed asset or investment in a subsidiary has increased because of a change in economic conditions or in the expected use of the asset.

(c) Disposal of Housing Properties

The sale of properties under the 'Right to Buy' legislation is treated as disposals of fixed assets. The surplus or deficit arising on disposal is shown net of the share due to Three Rivers District Council, as determined in the Development Agreement which governed the 2008 stock transfer to Thrive Homes.

(d) Components

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Roofs	50 years
Bathrooms	30 years
Central Heating Systems	30 years
Central Heating Boilers	15 years
Windows	25 years
Kitchens	20 years
Doors	20 years
Electrical works	20 years
Building envelope	100 years

Expenditure on housing properties is capitalised where it results in an increase of the economic benefits of the asset in excess of the performance anticipated when the asset was first acquired. Any works which do not result in an increase to economic benefits, e.g. routine and responsive repairs, are charged to the Statement of Comprehensive Income.

(e) Shared Ownership

Shared Ownership properties are valued at the lower of cost and net realisable value. Costs include acquisition and development costs together with interest payable. Net realisable value is based on estimated sales price after allowing for further costs of completion and disposal. Properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset until sold. Sales proceeds are then included in turnover. The unsold balance is classed as a fixed asset with any subsequent sale treated as a disposal of the fixed asset.

Mixed tenure development costs are apportioned by square footage.

(f) Capitalisation of Overheads

Overhead costs which are identifiable to and directly attributable to the creation of assets are capitalised. These costs include legal and professional fees, bought in construction and design services, bought in works programme delivery management and in-house management and administration. With respect to acquisitions, these costs will also include valuation and stock condition survey services.

(g) Other tangible fixed assets

Other tangible fixed assets are stated at cost and are written down to their residual value over their expected useful lives, which are:

Information, technology and communications (ITC) hardware	3 years
Office furniture and equipment and office fixtures and fittings	5 years
Plant, machinery and vehicles	5 years

Social Housing Grant and other Government grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants are written off when properties are sold at market value with the purchaser recognising the grant written off as a contingent liability.

Provision for Bad Debts

The provision for tenant bad debts is based on the age and type of arrear. Arrears in respect of former tenants are fully provided for.

The provision for sales ledger bad debts is based on a review of the age and collectability of each debt.

Financial instruments

Financial assets carried at amortised cost

Financial assets comprise rent and service charge arrears, other debtors, prepayments and cash and cash equivalents. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

Group Report & Financial Statements

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

Financial liabilities carried at amortised cost

Financial liabilities include trade and other creditors and interest-bearing bond issues.

Liabilities which are classed as basic financial instruments are measured at amortised cost using the effective interest method, with interest and related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Bond issue

The amount due to bond holders is stated as at the Statement of Financial Position date as the amount of the issue net of deferred financing costs. Deferred financing costs are written off evenly over the period until the issue is repayable. Further details are set out in Note 17a.

Bond premium

Bond premium is the value above par achieved on bond sales. This is recorded as deferred income and amortised to revenue over the remaining years until the first bond repayment is due. The bond premium resulting from the 2015, 2017 and 2022 bond sales are amortised to 2039 using the discounted cash flow method to reduce the balance to nil at this point.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income as incurred, on the accrual's basis.

Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme, after deduction of Social Housing Grant received in advance. Other interest payable is charged to the Statement of Comprehensive Income in the year.

Pension Costs – Defined Benefit Scheme

For defined benefit schemes, the amounts charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date. The resulting defined benefit asset or liability is presented separately on the face of the Statement of Financial Position.

Pension Costs – Defined Contribution Scheme

Thrive Homes provides a defined contribution stakeholder type pension scheme for employees. The employee chooses their own contribution rate which is enhanced by the employer in the ratio of £2 for every £1 the employee contributes, up to a maximum employer contribution of 10% of salary. The employer contribution to the scheme is charged to the Statement of Comprehensive Income when paid. The assets of the scheme are kept separately from those of Thrive Homes and are invested in independently managed funds as chosen by the employee.

Investments

The Association holds investments in Thrive Homes Finance plc, Building for Thrive Limited, Thrive Places Limited (formerly Thrive Living Limited), and MORhomes PLC. These investments are held at cost less any impairment.

Intangible Assets - Software

Software purchased and developed or developed in house, is an intangible asset. Cost is measured initially at acquisition cost or costs incurred to develop the asset. Development expenditure incurred on an individual project is capitalised only if specific criteria are met including that the asset created will probably generate future economic benefits.

Acquired software and developed software are both amortised over five years.

Taxation

Thrive Homes Limited is not subject to corporation tax on its ordinary activities due to its charitable status. Thrive Homes Finance plc does not have charitable status but was established to on-lend the proceeds of a bond issue to Thrive Homes Limited and is not expected to make either a profit or loss. Profits will be generated from interest received for deposits or cash held. Any profits from Thrive Homes Finance Plc, Building for Thrive Limited and Thrive Places Limited will be either gift-aided to Thrive Homes Limited or offset using group interest relief.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less.

VAT

Thrive Homes is VAT registered but a large proportion of its income, namely rental income, is exempt for VAT purposes. This gives rise to a partial exemption VAT recovery calculation on VAT charges incurred on purchases. Expenditure is recorded inclusive of VAT and the input VAT recovered is credited to the Statement of Comprehensive Income or credited against capital additions as appropriate.

As part of the Development Agreement which governed the stock transfer from Three Rivers District Council at Thrive Homes' inception, there is a VAT sharing agreement referencing a VAT shelter arrangement entered by Thrive Homes and the Council. This enables the full recovery of VAT on costs incurred as Thrive Homes completes qualifying works to the transferred properties. The arrangement requires Thrive Homes to perform works to bring the properties up to an agreed standard for a fixed sum of £70m, equal to the expected cost of the works. The VAT recovered on these qualifying works is shared between the parties as determined in the agreement.

Group Report & Financial Statements

2a. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Group

	Notes	2026					2025				
		Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)	Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2b	41,942	-	(32,432)	-	9,510	39,930	-	(29,746)	-	10,184
Other Social Housing Activities											
SO 1st tranche sales		12,798	(10,793)	-	-	2,005	14,547	(12,638)	-	-	1,909
Development		-	-	(485)	-	(485)	-	-	(585)	-	(585)
Non-Social Housing Activities											
Market Rent		885	-	(233)	-	652	859	-	(201)	-	658
Surplus on disposal of fixed assets		-	-	-	2,368	2,368	3,028	(927)	-	243	2,344
Impairment on intangible assets		-	-	-	(748)	(748)	-	-	-	(2,300)	(2,300)
Revaluation gain/(loss) on investment properties		-	-	-	(2,245)	(2,245)	-	-	-	180	180
Total		55,625	(10,793)	(33,150)	(625)	11,057	58,364	(13,565)	(30,532)	(1,877)	12,390

Included in social housing letting is income and costs for managing units on behalf of other landlords. Income for the year is £242k (2025: £246k).

Association

	Notes	2026					2025				
		Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)	Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2b	42,974	-	(32,432)	-	10,542	39,930	-	(29,746)	-	10,184
Other Social Housing Activities											
SO 1st tranche sales		12,798	(10,793)	-	-	2,005	14,547	(12,638)	-	-	1,909
Development		-	-	(472)	-	(472)	-	-	(570)	-	(570)
Gift Aid received		578	-	-	-	578	530	-	-	-	530
Non-Social Housing Activities											
Market Rent		184	-	(66)	-	118	177	-	(13)	-	164
Surplus on disposal of fixed assets		-	-	-	2,368	2,368	3,028	(927)	-	243	2,344
Impairment of investment in subsidiary		-	-	-	-	-	-	-	-	(669)	(669)
Impairment on intagible assests Fixed Assets		-	-	-	(748)	(748)	-	-	-	(2,300)	(2,300)
Revaluation gain/(loss) on investment properties		-	-	-	(2,245)	(2,245)	-	-	-	1,030	1,030
Total		56,534	(10,793)	(32,970)	(625)	12,146	58,212	(13,565)	(30,329)	(1,696)	12,622

2b. Income and Expenditure from Social Housing Lettings

Group

	2026				2025			
	General Needs	Housing for Older People	Shared Ownership	Total	General Needs	Housing for Older People	Shared Ownership	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Rents	28,726	4,007	4,375	37,108	28,385	4,371	3,913	36,669
Service charges income	1,686	558	750	2,994	1,529	473	469	2,471
Amortised government grant	485	-	-	485	172	-	-	172
Other income	1,355	-	-	1,355	618	-	-	618
Turnover from Lettings	32,252	4,565	5,125	41,942	30,704	4,844	4,382	39,930
Expenditure								
Management	(9,494)	(1,289)	(1,661)	(12,444)	(8,690)	(1,164)	(1,438)	(11,292)
Service charge costs	(1,482)	(488)	(658)	(2,628)	(1,354)	(418)	(415)	(2,187)
Routine maintenance	(7,620)	(1,036)	-	(8,656)	(6,756)	(917)	-	(7,673)
Planned maintenance	(1,845)	(251)	-	(2,096)	(2,150)	(292)	-	(2,442)
Bad debts	(174)	(20)	-	(194)	(148)	(17)	-	(165)
Depreciation, Housing Properties	(5,749)	(665)	-	(6,414)	(5,364)	(623)	-	(5,987)
Operating Costs on Lettings	(26,364)	(3,749)	(2,319)	(32,432)	(24,462)	(3,431)	(1,853)	(29,746)
Operating Surplus	5,888	816	2,806	9,510	6,242	1,413	2,529	10,184
Memo - Voids	491	59	5	555	324	40	4	368

Association

	2026				2025			
	General Needs	Housing for Older People	Shared Ownership	Total	General Needs	Housing for Older People	Shared Ownership	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Rents	28,726	4,007	4,375	37,108	28,385	4,371	3,913	36,669
Service charges income	1,687	558	750	2,995	1,529	473	469	2,471
Amortised government grant	485	-	-	485	172	-	-	172
Other income	2,386	-	-	2,386	618	-	-	618
Turnover from Lettings	33,284	4,565	5,125	42,974	30,704	4,844	4,382	39,930
Expenditure								
Management	(9,494)	(1,289)	(1,661)	(12,444)	(8,690)	(1,164)	(1,438)	(11,292)
Service charge costs	(1,482)	(488)	(658)	(2,628)	(1,354)	(418)	(415)	(2,187)
Routine maintenance	(7,620)	(1,036)	-	(8,656)	(6,756)	(917)	-	(7,673)
Planned maintenance	(1,845)	(251)	-	(2,096)	(2,150)	(292)	-	(2,442)
Bad debts	(174)	(20)	-	(194)	(148)	(17)	-	(165)
Depreciation, Housing Properties	(5,749)	(665)	-	(6,414)	(5,364)	(623)	-	(5,987)
Operating Costs on Lettings	(26,364)	(3,749)	(2,319)	(32,432)	(24,462)	(3,431)	(1,853)	(29,746)
Operating Surplus	6,920	816	2,806	10,542	6,242	1,413	2,529	10,184
Memo - Voids	491	59	5	555	324	40	4	368

As there are publicly traded securities within the Group, it is required to disclose information about the operating segments under IFRS 8. Segmental information is disclosed in notes 2(a) and 2(b) and as part of the analysis of housing properties in note 10. 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 rather than geographical location. As permitted by IFRS 8 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 across all the geographical locations in which the Group operates. The Board does not routinely receive segmental information disaggregated by geographical location.

3. Interest Receivable

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Interest receivable from bank deposits	344	608	318	576
Other finance income from pension scheme	975	835	975	835
	1,319	1,443	1,293	1,411

4. Interest Payable and Other Finance Costs

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
To Thrive Homes Finance (subsidiary)	-	-	9,360	9,541
To Bondholders	9,360	9,541	-	-
Amortised bond premium	(1,404)	(1,648)	(1,404)	(1,648)
On bank loans, overdrafts and other loans	3,417	1,824	3,417	1,824
Other finance costs – pension scheme	591	577	591	577
Other finance costs	258	185	258	185
	12,222	10,479	12,222	10,479
Borrowing costs capitalised	(1,836)	(1,220)	(1,836)	(1,220)
	10,386	9,259	10,386	9,259

Borrowing costs within the Association have been capitalised using a rate of 4.54% (2025: 4.32%), which is the actual rates applicable to the Group's current borrowings outstanding during the year. Borrowing costs are charged to development projects from the date of completion on land acquisition or the date of signing works contracts through to practical build completion of properties.

5. Surplus on Ordinary Activities Before Interest

The surplus on ordinary activities before interest is stated after:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
- Depreciation of housing properties	6,414	5,987	6,414	5,987
- Depreciation of other assets	45	234	45	234
- Amortisation of intangible assets	54	-	54	-
- Operating lease payments				
- land and buildings	331	362	331	362
- other	176	131	176	131
- Auditor's remuneration (excluding VAT):				
- in the capacity of auditor	90	78	60	65
- non-audit services	26	-	26	-

6. Employee Information

Group and Association

	2026			2025
	Staff No.	Non-Exec No.	Total No.	Total No.
Average number of full-time equivalent staff employed during the year (at 37 hours / week)	190	-	190	179
These were categorised as:				
- Support functions	69	-	69	67
- Development	12	-	12	9
- Housing Management	34	-	34	33
- Property Services (including maintenance)	75	-	75	70
	190	-	190	179
	Staff	Non-Exec	Total	Total
	£'000	£'000	£'000	£'000
Salaries and other benefits	9,531	93	9,624	9,250
Social security costs	1,220	5	1,225	912
Pension costs	666	-	666	630
	11,417	98	11,515	10,792
Excluded from the above costs are:				
Compensation for loss of office	109	-	109	35

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The number of full-time equivalent staff whose total remuneration was above £60,000 in the year, by pay band (includes employer's contribution to pension schemes).	2026 Staff No.	Non-Exec No.	Total No.	2025 Total No.
£170,000 +	1	-	1	1
£160,000 - £169,999	-	-	-	-
£150,000 - £159,999	2	-	2	3
£140,000 - £149,999	-	-	-	1
£130,000 - £139,999	1	-	1	2
£120,000 - £129,999	-	-	-	-
£110,000 - £119,999	4	-	4	2
£100,000 - £109,999	-	-	-	2
£ 90,000 - £ 99,999	1	-	1	-
£ 80,000 - £ 89,999	5	-	5	-
£ 70,000 - £ 79,999	10	-	10	2
£ 60,000 - £ 69,999	18	-	18	15
	42	-	42	27

7. Directors' Emoluments

Emoluments paid to the Directors of Thrive Homes (the Board of Management, the Chief Executive, Executive Director - Operations, Executive Director - Growth and Investment, Executive Director – Finance and Executive Director - Corporate Services) are shown below. The key management personnel of the group comprise the Executive Management Team and Board members as named on page 40.

Emoluments are defined as salaries paid plus the employer's contributions to pension schemes.

Group

	2026 Exec £'000	Non-Exec £'000	Total £'000	2025 Total £'000
Salaries and other benefits	689	93	782	891
Social security costs	101	5	106	99
Pension	54	-	54	65
	844	98	942	1,055
Emoluments paid to the highest paid director	211	-	211	185
Excluding pension contribution	194	-	194	172
Total expenses reimbursed to Directors not chargeable to UK income tax	2	-	2	1

Director's emoluments are included in staff costs in Note 6.

During the year remuneration paid to Board Members was:

		Board Meetings Attended	2026 £	2025 £
Kate Still	Chair of the Board	4/4	16,286	14,326
Kate McLeod	Chair of the Board (Resigned May 2024)		-	2,546
Rachel Hatfield	Vice Chair of the Board	4/4	8,594	6,111
Rachel Harrison	Chair of Risk & Audit (Resigned September 2025)	-	4,508	8,315
Jessica Friend	Chair of Business Resilience & Growth	2/2	9,003	8,315
Craig O'Donnell	Chair of Customer, Colleague & Governance	4/4	9,003	8,315
John Tibbitts	Chair of Thrive Places	4/4	9,003	8,315
James Invine	Board Member	3/4	6,418	6,111
David Dahan	Board Member	4/4	6,418	6,111
Graeme Snell	Board Member	4/4	6,418	6,111
John Osborn	Board Member	4/4	6,418	6,111
Matt Peak	Board Member	4/4	7,718	6,171
Yvonne Luu	Associate Board Member	3/4	4,080	4,000
Robert Abraham	Associate Board Member	4/4	4,080	4,000
			97,947	94,858

8. Taxation

Group

	2026 £'000	2025 £'000
Tax on profit on ordinary activities	14	123

	2026 £'000	2025 £'000
Reconciliation of tax charge		
Surplus on ordinary activities before tax & revaluation	4,604	4,394
Total tax on surplus @25% (2025: 25%)	1,151	1,099
Reduction in tax charge due to charitable status	(714)	(968)
Reduction in tax charge due to qualifying charitable donation to parent company	(437)	(8)
Reversal of 2024/25 tax charge	(123)	-
Tax Provision	137	-
Tax charge for the year	14	123

Thrive Homes Limited has been granted charitable status and is not liable to corporation tax on ordinary activities.

Thrive Homes Finance plc, Building for Thrive Limited and Thrive Places Limited are subject to United Kingdom corporation tax on their ordinary activities, but can take advantage of Group Relief surrendered and Gift Aid to donate any taxable profits to Thrive Homes Limited, where sufficient distributable reserves exist.

9. Intangible Assets

Group and Association

	Internally developed software	Acquired software	Total
	£'000	£'000	£'000
Cost			
At 1 April 2025	2,951	862	3,813
Additions in year	1,418	-	1,418
Reclassification from Other Property, Plant and Equipment	382	89	471
Impairment	(748)	-	(748)
At 31 March 2026	**4,003**	**951**	**4,954**
Amortisation			
At 1 April 2025	411	862	1,273
Charge for the year	9	44	53
Reclassification from Other Property, Plant & Equipment	347	-	347
At 31 March 2026	**767**	**906**	**1,673**
Net Book Value			
At 31 March 2026	**3,236**	**45**	**3,281**
At 31 March 2025	2,540	-	2,540

9a. Other Property, Plant and Equipment

Group and Association

	Office Equipment, Fixtures and Fittings
	£'000
Cost	
At 1 April 2025	2,086
Additions	86
Reclassification to Intangible Assets	(471)
Reclassification to depreciation	(40)
As at 31 March 2026	**1,661**
Depreciation	
At 1 April 2025	1,835
Charge for year	45
Reclassification to Intangible Assets	(347)
Reclassification from cost	(40)
As at 31 March 2026	**1,493**
Net Book Value	
As at 31 March 2026	**168**
As at 31 March 2025	251

10. Housing Properties

Group

	Housing Properties Under Construction	Housing Properties Completed	Housing Properties Under Construction	Housing Properties Completed	Total
	For letting	For letting	For shared ownership	For shared ownership	
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025 - restated	14,832	293,658	6,715	90,625	405,830
Additions in year	31,898	-	29,980	-	61,878
Developments completed	(4,455)	4,455	(8,783)	8,783	-
Works to existing properties	-	7,264	-	-	7,264
Transfer to investment properties	(2,909)	-	(506)	-	(3,415)
Transfer to current assets	-	(758)	(11,114)	913	(10,959)
Transfer from grants	(26)	-	-	-	(26)
Disposals	(2)	(542)	-	(1,160)	(1,704)
Component write offs	-	(1,873)	-	-	(1,873)
Other disposals	-	(430)	-	-	(430)
At 31 March 2026	**39,338**	**301,774**	**16,292**	**99,161**	**456,565**
Depreciation					
At 1 April 2025 – restated	-	51,423	-	-	51,423
Charge for year	-	5,914	-	-	5,914
Transfer to current assets	-	(32)	-	-	(32)
Component write-offs	-	(1,342)	-	-	(1,342)
Eliminated on disposal	-	(168)	-	-	(168)
Other disposals	-	(455)	-	-	(455)
At 31 March 2025	**-**	**55,340**	**-**	**-**	**55,340**
Net Book Value					
At 31 March 2026	**39,338**	**246,434**	**16,292**	**99,161**	**401,225**
At 31 March 2025	14,832	242,235	6,715	90,625	354,407

The April 2025 balances for housing property costs and accumulated depreciation have been restated to accurately reflect the allocation between asset cost and depreciation, as well as the classification of assets between completed properties and housing under construction (£1,945k was subtracted from Housing Properties for letting under construction cost and added to Housing Properties for letting completed cost (£1,266k), Housing Properties for shared ownership completed cost (£569k) and Housing Properties for letting completed depreciation (£110k) . This adjustment does not impact the March 2025 net book value, as it represents a reclassification and redistribution of existing balances rather than a change in the overall asset value.

Interest of £1,835k (2025: £1,436k) and own costs of £1,120k (2025: £985k) have been capitalised in the year to 31 March 2026.

Works to existing properties includes costs charged by contractors, external consultants, interest capitalised and related in-house supervision and administration costs which have been capitalised.

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10. Housing Properties (continued)

Association

	Housing Properties Under Construction	Housing Properties Completed	Housing Properties Under Construction	Housing Properties Completed	Total
	For letting	For letting	For shared ownership	For shared ownership	
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2025 – restated	14,231	292,678	6,173	90,626	403,708
Additions in year	33,701	-	31,052	-	64,753
Developments completed	(4,455)	4,455	(8,783)	8,783	-
Works to existing properties	-	7,264	-	-	7,264
Transfer to investment properties	(2,909)	-	(506)	-	(3,415)
Transfer to current assets	-	(758)	(11,114)	913	(10,959)
Transfer from grants	(26)	-	-	-	(26)
Disposals	7	(542)	1	(1,160)	(1,694)
Component write offs	-	(1,873)	-	-	(1,873)
Other disposals	-	(430)	-	-	(430)
At 31 March 2026	**40,549**	**300,794**	**16,823**	**99,162**	**457,328**
Depreciation					
At 1 April 2025 – restated	-	51,423	-	-	51,423
Charge for year	-	5,914	-	-	5,914
Transfer to current assets	-	(32)	-	-	(32)
Component write offs	-	(1,342)	-	-	(1,342)
Eliminated on disposal	-	(168)	-	-	(168)
Other disposals	-	(455)	-	-	(455)
At 31 March 2026	**-**	**55,340**	**-**	**-**	**55,340**
Net Book Value					
At 31 March 2026	**40,549**	**245,454**	**16,823**	**99,162**	**401,988**
At 31 March 2025	14,231	241,255	6,173	90,626	352,285

Interest of £1,835k (2025: £1,463k) and own costs of £1,120k (2025: £985k) have been capitalised in the year to 31 March 2026.

Works to existing properties includes costs charged by contractors, external consultants, interest capitalised and related in-house supervision and administration costs which have been capitalised.

10. Housing Properties (continued)

Association

	2026	2025
	£'000	£'000
Analysis of works to existing properties:		
Capitalised: replacement of components	**7,022**	3,407
Capitalised: improvements (aids and adaptations)	**242**	2,041
	7,264	5,449
Charged to Statement of Comprehensive Income	**2,299**	2,442
	9,563	7,891

Properties held for security

Thrive Homes Limited – Registered social housing provider had property with a total value on a Market Value Tenanted basis of £712m pledged as security as 31 March 2026 (2025: £687m).

11. Disposal of Fixed Assets

Group and Association

	2026			2025
	Right to Buy	Other	Total	Total
	£'000	£'000	£'000	£'000
Proceeds	**820**	**12,413**	**13,233**	4,632
Fees	**(3)**	**(104)**	**(107)**	(582)
Local Authority Clawback	**(794)**	**-**	**(794)**	(1,587)
Costs	**(125)**	**(9,887)**	**(10,012)**	(187)
Depreciation eliminated on disposal	**48**	**-**	**48**	68
Grant Costs	**-**	**(1)**	**(1)**	-
Grant Admin Fee	**-**	**1**	**1**	-
	(54)	**2,422**	**2,368**	2,344

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12. Units in Ownership and Management

Association

	2025	Additions	Disposals	Transfers	2026
	No.	No.	No.	No.	No.
Social Housing					
Owned – General Needs, let at social rents	3,367	-	(3)	(10)	3,354
Owned – General Needs, let at affordable rents	447	13	-	-	460
Owned – General Needs, let at intermediate rents	99	-	-	-	99
Owned – General Needs, let as rent to home buy	78	-	-	4	82
Owned – Housing for Older People	544	-	-	-	544
Owned – Shared Ownership	672	39	(12)	2	701
Managed – General Needs, let at affordable rents	-	-	-	-	-
Managed – General Needs, let at intermediate rents	14	-	-	-	14
Managed – Shared Ownership	-	-	-	-	-
Leasehold Properties	629	-	-	7	636
	5,850	52	(15)	3	5,890
Non-Social Housing					
Market Rented	61	-	-	-	61
Other Dwellings	6	-	-	-	6
Non-Dwellings	11	-	-	-	11
Total	5,928	52	(15)	3	5,968
The above excludes units taken out of rent debit:					
Owned – General Needs, let at social rents	3	-	-	(3)	-
Owned – Other Dwellings	-	1	-	-	1

12. Units in Ownership and Management (continued)

Association

	2024	Additions	Disposals	Transfers	2025
	No.	No.	No.	No.	No.
Social Housing					
Owned – General Needs, let at social rents	3,390	2	(7)	(18)	3,367
Owned – General Needs, let at affordable rents	398	49	-	-	447
Owned – General Needs, let at intermediate rents	99	-	-	-	99
Owned – General Needs, let as rent to home buy	87	-	-	(9)	78
Owned – Housing for Older People	544	-	-	-	544
Owned – Shared Ownership	556	100	(8)	24	672
Managed – General Needs, let at affordable rents	13	7	(20)	-	-
Managed – General Needs, let at intermediate rents	14	-	-	-	14
Managed – Shared Ownership	12	-	(12)	-	-
Leasehold Properties	634	-	(8)	3	629
	5,747	158	(55)	-	5,850
Non-Social Housing					
Market Rented	61	-	-	-	61
Other Dwellings	6	-	-	-	6
Non-Dwellings	12	-	(1)	-	11
Total	5,826	158	(56)	-	5,928
The above excludes units taken out of rent debit:					
Owned – General Needs, let at social rents	6	-	(3)	-	3
Owned – Housing for Older People	27	-	(27)	-	-

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13. Investment Properties

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1 April	31,360	31,180	21,380	20,350
Transfer from housing properties	3,415	-	3,415	-
Disposals	(8,700)	-	(8,700)	-
Release of revaluation reserve	-	-	-	-
Gain/(loss) on revaluation	500	180	500	1,030
Impairment	(2,745)	-	(2,745)	-
At 31 March	23,830	31,360	13,850	21,380

Market rented properties (Private Rented Sector, 'PRS') are treated as investment properties. The company have adopted the provisions under sections 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment. This valuation was carried out by Brasier Freeth Limited and Phoenix and Partners, both firms of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2017 using qualified chartered surveyors who had sufficient current local knowledge of the market and skills and understanding to undertake the valuation competently.

14. Properties for Shared Ownership Sale

Group and Association

	2026			2025
	Completed Units held for sale	Properties under construction	Total	Total
	£'000	£'000	£'000	£'000
At 1 April	7,998	-	7,998	16,942
Transfer from housing properties	3,516	7,384	10,900	2,464
Disposals	(10,229)	-	(10,229)	(11,408)
At 31 March	1,285	7,384	8,669	7,998

15. Debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Due within one year				
Gross rent and service charges arrears	1,988	2,032	1,978	1,979
Less: provision for bad debts	(1,139)	(1,182)	(1,126)	(1,127)
	849	850	852	852
VAT due from HMRC	132	456	-	417
Trade debtors less provision for bad debts	265	291	265	291
Refurbishment obligation	345	2,247	345	2,247
Due from subsidiary undertakings	-	-	476	615
Other debtors	240	173	84	41
Prepayments and accrued income	1,509	1,316	1,509	1,316
	3,340	5,333	3,531	5,779
Due after one year				
Due from subsidiary undertakings	-	-	-	2,637
Deferred expenditure, refurbishment obligation (note 17f)	-	-	-	-
	-	-	-	2,637

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16. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Trade creditors	446	3,716	442	3,531
Rents and service charges received in advance	1,681	1,633	1,678	1,628
Due to Three Rivers District Council – VAT sharing agreement	206	392	206	392
Due to Three Rivers District Council – RTB proceeds share	713	1,604	713	1,604
Taxation and social security costs	764	561	776	573
Other pension creditors	84	91	84	91
Leaseholder sinking funds	1,835	1,730	1,835	1,730
Sundry creditors	3,190	3,456	3,046	3,326
Housing Loan - Other - see Note 17c	–	25,000	–	25,000
Bond Premium Amortisation – see Note 17d	1,404	1,404	1,404	1,404
Government Grants – see Note 17e	353	172	353	172
Refurbishment Obligation – see Note 17f	345	2,247	345	2,247
Recycled Capital Grant Fund – see Note 17g	39	–	39	–
Retentions, due on works to properties	1,028	611	1,028	611
Due to Subsidiary undertakings	–	–	3,349	–
Accruals and deferred income	8,209	7,590	3,719	7,345
	20,297	50,207	19,017	49,654

17. Creditors: Amounts Falling Due After More Than One Year

Group and Association

	2026	2025
	£'000	£'000
Housing loans – Bond, Note 17a	198,082	198,158
Housing loans – Bank loans, Note 17b	60,000	–
Housing loans – Other loans, Note 17c	25,000	25,000
Deferred Income – Bond Premium, Note 17d	33,702	35,106
Deferred Income – Grant, Note 17e	45,355	32,343
Deferred Income – Refurbishment obligation, Note 17f	–	–
Deferred Income – Recycled Capital Grant Fund, Note 17g	74	–
Major Works Retentions	314	161
Total creditors more than one year	362,527	290,768

17a. Housing Loans – Bond

Group

On 24 March 2014, Thrive Homes Finance plc, a subsidiary of Thrive Homes Limited, issued a £200 million fixed rate bond with four equal maturities of 25, 29, 33 and 37 years. The annual coupon rate is 4.68%.

£70 million of the issue was sold to investors on the issue date at par, £30 million was sold on 14 July 2015 at a premium of 3.5 million, £25 million was issued on 26 May 2017 at a premium of £7.7million, £45 million was issued on 31 March 2022 at a premium of £19.6million and the final £30 million tranche was issued on 30 September 2022 at a premium of £11.98million. The premiums arising are being amortized to interest expense within Thrive Homes Limited over the 26-year period to 2051 when the final bond payment is due.

£50 million is therefore repayable on each of 24 March 2039, 24 March 2043, 24 March 2047, and 24 March 2051.

Thrive Homes Finance plc has on-lent the £200 million bond proceeds to Thrive Homes Limited under a guarantee and security trust agreement. Thrive Homes Limited provides the underlying asset security and this is held through a Security Trust arrangement with M&G Plc.

The £200 million debt held by investors is secured by fixed charges over 2,783 Thrive Homes Limited properties (2,122 Affordable and Social Rent, 310 Shared Ownership and 351 leaseholds at Nil value) at Market Value Tenanted (MV-T) of £453.8 million and their Existing Use Value - Social Housing (EUV-SH) of £43.9 million. This reflects the full valuation on 31 July 2024 completed by JLL during the year to March 2025 being the last official valuation, and is net of the disposal of secured properties, e.g., under Right to Buy legislation, since the initial bond issue.

Under the terms of its loan agreement, all Thrive Homes Finance plc costs relating to providing funding services to Thrive Homes Limited are payable by Thrive Homes Limited.

Association

Thrive Homes Limited has loans from its subsidiary Thrive Homes Finance plc. £70 million was put in place on 24 March 2014 with further £30 million on 14 July 2015, £25 million on 26 May 2017, £45 million on 1 April 2022 and a final £30 million on 30 September 2022 to total £200 million. The period of the loans is to 2051 at a coupon rate of 4.68%. Interest is payable by Thrive Homes Limited to Thrive Homes Finance plc half yearly, September and March. Any fees and financing costs incurred by Thrive Homes Finance plc regarding bond issuing, bond sales, and on lending to Thrive Homes Limited are payable by Thrive Homes Limited. These are deferred in the accounts of Thrive Homes Limited and written off over the period of the loan.

Amounts repayable by instalments and not wholly repayable within five years:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Long Term Loan – THF plc	–	–	200,000	200,000
Deferred finance fee – re Bond	(1,842)	(1,721)	(1,842)	(1,721)
Due to bond holders	200,000	200,000	–	–
Repayable after 5 years	198,082	198,158	198,082	198,158

The Statement of Financial Position shows the position net of deferred financing costs.

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17b. Housing Loans – Bank Loans

Group and Association

	2026	2025
	£'000	£'000
Loan	25,000	25,000
Revolving Credit Facilities	35,000	-
At 31 March	60,000	25,000
Due within one year, Note 16	-	25,000
Due after one year, Note 17	60,000	-
	60,000	25,000

The bank loans are drawn from loan facilities of £25m and £100m RCF facilities that mature in 2030. All loans are secured by charges on specific properties.

17c. Housing Loans – Other

Group and Association

	2026	2025
	£'000	£'000
Due within one year, Note 16	-	-
Due after one year, Note 17	25,000	25,000
	25,000	25,000

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17d. Deferred Income – Bond Premium

Group and Association

	2026	2025
	£'000	£'000
At 1 April	36,510	38,158
Amortised in year	(1,404)	(1,648)
At 31 March	35,106	36,510
Due within one year, Note 16	1,404	1,404
Due after one year, Note 17	33,702	35,106
	35,106	36,510

Bond premium is the cash received over and above the bond value, on bond sales. This is amortised to revenue over the remaining years until the first bond repayment is due.

17e. Deferred Income – Grants

Group and Association

	2026	2025
	£'000	£'000
Original Capital Value	67,784	53,973
At 1 April	32,515	31,588
Grant Received	13,812	1,099
Disposals	(108)	-
Transfer from housing properties	(26)	-
Amortisation to Statement of Comprehensive Income	(485)	(172)
At 31 March	45,708	32,515
Due within one year, Note 16	353	172
Due after one year, Note 17	45,355	32,343
	45,708	32,515

Capital grants received are recorded as deferred income and subsequently amortised to turnover within the Statement of Comprehensive Income. The period of amortisation is the remaining years of useful economic life for the building structure from its date of construction, or at the time of its acquisition by Thrive (if this is later).

17f. Refurbishment Obligation

Group and Association

	2026	2025
	£'000	£'000
Debtor Balances	-	-
Original Debt	70,196	70,196
At 1 April	2,247	5,944
Less: works completed in year	(1,902)	(3,697)
At 31 March	345	2,247
Due within one year, Note 15	345	2,247

Group and Association

	2026	2025
	£'000	£'000
Creditor Balances	-	-
Original Liability	70,196	70,196
At 1 April	2,247	5,944
Less: works completed in year	(1,902)	(3,697)
At 31 March	345	2,247
Due within one year, Note 16	345	2,247

This represents the Association's liability to carry out refurbishment works under the Development Agreement with Three Rivers District Council. As work within the agreement is undertaken, this liability is reduced. This agreement is a sub agreement to the principal 2008 transfer agreement. The value and scope of these works is part of the agreement, and the total value was invoiced by the Association to the council in 2008 – the income being deferred. The requirement to carry out the works is a contractual obligation and is therefore treated as a liability. The equal and opposite side of the liability is recognised as a debtor (prepayment) as this is effectively deferred expenditure.

17g. Recycled Capital Grant Fund

Group and Association

	2026	2025
	£'000	£'000
At 1 April	-	-
Grant recycled	110	-
Interest	3	-
At 31 March	113	-
Due with one year, Note 16	39	-
Due after one year, Note 17	74	-
	113	-

18. Called Up Share Capital

Association

	2026		2025	
	No.	£	No.	£
Issued and fully paid shares of £1 each:				
At beginning of year	10	10	12	12
Issued during the year	1	1	-	-
Cancelled during the year	-	-	2	2
At end of the year	11	11	10	10

The share capital of the Association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When the shareholder ceases to be a member, that person's share is cancelled, and the amount paid up thereon becomes the property of the Association. All shareholdings relate to non-equity interests; there are no equity interests in the Association.

No shareholders have any rights in the residual interest in the assets of the Association after deducting all liabilities.

19. Investments

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Thrive Finance plc (08902717)	-	-	50	50
Building for Thrive Limited (10471305)	-	-	1	1
MORHomes Plc (10974098)	30	30	30	30
Thrive Places Limited (12292058)	-	-	11,046	11,046
At 31 March	30	30	11,127	11,127

20. Provision for Liabilities

The Group recognises provisions and liabilities of uncertain timing or amounts. Provision is made for specific and quantifiable liabilities, measured at the best estimate of expenditure and only where probable that it is required to settle a legal or constructive obligation that existed at the Statement of Financial Position date.

Total

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1 April	465	625	465	625
Increase in provision	137	–	–	–
Release of provision	(272)	(160)	(272)	(160)
At 31 March	330	465	193	465

An analysis of the movement in each provision is set out below:

Remedial works

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1 April	410	410	410	410
Increase in provision	–	–	–	–
Release of provision	(272)	–	(272)	–
At 31 March	138	410	138	410

Corporation Tax

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1 April	–	–	–	–
Increase in provision	137	–	–	–
Release of provision	–	–	–	–
At 31 March	137	–	–	–

Other

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At 1 April	55	215	55	215
Increase in provision	–	–	–	–
Release of provision	–	(160)	–	(160)
At 31 March	55	55	55	55

Other provision consists of amounts provided in respect of disputes.

21. Retirement Benefit Schemes

Group and Association

Defined Benefit Scheme

Thrive Homes Limited is an admitted member of the Hertfordshire County Council Pension Fund, which is part of the Local Government Pension Scheme (LGPS) – a funded defined benefit scheme based on final salary. Entry to the scheme for new employees was closed in November 2009. Thrive Homes' contribution rate over the year was 20.6% of pensionable salary (2025: 20.6%). Effective from 2026/27, the primary rate will be set at 16.3%, with an equivalent secondary rate of -16.3%, resulting in a net minimum employer contribution requirement of 0%.

The assets and liabilities of the LGPS were moved to Three Rivers District Council (TRDC) under a subsumption agreement during 2021/22, which did not affect the financial treatment of the fund. The most recent actuarial valuations of scheme assets and the present value of the defined obligation were carried out at 31 March 2026. The present value of the defined benefit obligation related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used by the actuaries for FRS102 purposes were:

	2026	2025
	%	%
Financial Assumptions		
Pension increase rate	2.90	2.90
Salary increase rate	3.90	3.90
Discount rate	6.10	5.80

Mortality

Life expectancy assumptions are based on the S4PA mortality tables, with future mortality improvements modelled using the CMI 2025 model, incorporating a long-term improvement rate of 1.5% per annum and a smoothing parameter of 7.0. The assumed life expectancies at age 65, based on these assumptions are set out below:

	Males Years	Females Years
Current pensioners	**22.8**	24.6
Future pensioners	**24.3**	26.3

Amounts recognised in the Statement of Comprehensive Income in respect of this scheme are as follows:

	2026 £'000	2025 £'000
Current service cost	**(23)**	(34)
Net increase cost	**1**	258
Administration expenses	**(22)**	-
	(44)	224
Actuarial gain/(loss) recognised in other comprehensive income	**78**	(264)
Total gain/(loss) relating to defined benefit scheme	**78**	(264)

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of this scheme is as follows:

	2026 £'000	2025 £'000
Present value of defined benefit obligation	**(10,790)**	(10,464)
Fair value of Fund assets (bid value)	**18,487**	17,069
	7,697	6,605
Impact of asset ceiling	**(7,240)**	(6,605)
Net (liability)/asset recognised in Statement of Financial Position	**457**	-

Movements in the present value of defined benefit obligations are as follows:

	2026 £'000	2025 £'000
At 1 April	**(10,464)**	(12,153)
Service cost	**(23)**	(34)
Interest cost	**(591)**	(577)
Actuarial gains	**(261)**	1,786
Contributions from members	**(13)**	(12)
Benefit paid (paid net of transfers in)	**562**	526
At 31 March	**(10,790)**	(10,464)

Movements in the fair value of scheme assets are as follows:

	2026 £'000	2026 £'000
At 1 April	**17,069**	17,447
Interest on assets	**975**	835
Return on assets less interest	**819**	(739)
Other actuarial gains/(losses)	**155**	-
Administration expenses	**(22)**	-
Contributions from employer	**40**	40
Contributions from members	**13**	12
Benefits paid	**(562)**	(526)
At 31 March	**18,487**	17,069

The analysis of the scheme assets at the Statement of Financial Position date are:

	2026 %	2025 %
Equity instruments	**60**	59
Bonds	**24**	23
Property	**14**	15
Cash	**2**	3
At 31 March	**100**	100

Effective 1 April 2026, the employer contribution rate will be 0%, as the -16.3% secondary rate fully offsets the 16.3% primary rate (2025: 20.6%).

Defined Contribution Scheme

Thrive Homes provides a defined contribution stakeholder type pension scheme for employees which is administered by Royal London (formerly Scottish Life). The assets of the scheme are kept separately from those of Thrive Homes and are invested in independently managed funds chosen by the employee.

The employers' contributions to all scheme charged to the Statement of Comprehensive Income for the year ended 31 March 2026 were £666k (2025: £630k).

Thrive Homes' contribution ranges from 6% to 10%, being twice the employee's own personal contribution. The minimum contribution levels are compliant with 'Automatic Enrolment' legislation.

Employee members at 31 March 2026 were 164 (2025: 162).

22. Capital Commitments

Group and Association

	2026 £'000	2025 £'000
Capital expenditure contracted for but not provided in the financial statements	**77,623**	14,019
Capital expenditure authorised by the Board but not yet under contract	**16,520**	59,189

23. Other Financial Commitments

Group and Association

At the reporting date there were outstanding commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

	2026			2025		
	Land and buildings	Office equipment	Total	Land and buildings	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expiring:						
Not later than one year	366	9	375	366	9	375
Later than one year but not later than five years	366	36	402	732	36	768
After five years	-	33	33	-	13	13
	732	78	810	1,098	58	1,156

24. Contingent Liabilities

At the 31 March 2026 Thrive Homes Limited had a contingent liability with respect to capital grants associated with social housing properties acquired by way of stock transfer, that may be repayable should the units that the grants are attached to be disposed or otherwise no longer be properties for social housing letting. The contingent liability at year end is £18.7m (2025: £18.9m).

25. Legislative Provisions

Thrive Homes is a registered society under the Co-Operative and Community Benefit Societies Act 2014, registered number 30398R.

It is also registered with the Regulator for Social Housing, Number L4520, and subject to its Regulatory Framework.

26. Related Party Transactions

Resident Board Members - Tenants

During the year, there was no Tenant Member of the Board.

Tenant Board member tenancies are on normal terms and they are not able to use their position on the Board to their advantage. During the year, rent and related charges to tenant Board members amounted to nil (2025: nil). Arrears charges outstanding at year end, for tenant Board members amounted to nil (2025 nil).

Resident Board Members - Leaseholders

During the year there was no Leasehold Member who served as a member of the Board.

During the year, service charge costs charged to leasehold Board members amounted to nil (2025: nil). Balances outstanding at year end for leasehold Board members, relating to the costs of major works being paid in instalments, amounted to nil (2025: nil).

Development Agreement with Three Rivers District Council

The Development Agreement covers the long-term refurbishment of the housing stock following its transfer to Thrive Homes in 2008 and includes a VAT shelter arrangement whereby 'savings' generated are shared between both parties.

The Development Agreement also includes some proceeds sharing agreement when properties are disposed of under the 'Right to Buy' legislation. Annual values can be seen in note 16.

27. Subsidiary Undertakings

Thrive Homes Finance plc

Thrive Homes Finance plc is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 50,000 £1 ordinary shares in Thrive Homes Finance plc.

Thrive Homes Finance plc, registered England & Wales 08902717, was incorporated on 19 February 2014. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to source funds on behalf of Thrive Homes Limited directly from the capital markets and to on-lend the proceeds to Thrive Homes Limited.

Transactions and balances with Thrive Homes Finance plc are as follows:

	2026 £'000	2025 £'000
Statement of Comprehensive Income		
Interest payable	9,360	9,361
Outstanding balances as at 31 March		
Debtors, less than 1 year, Gift Aid	26	31
Creditors, greater than 1-year, long term loan	(200,000)	(200,000)

Building for Thrive Limited

Building for Thrive Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 1,000 £1 ordinary shares in Building for Thrive Limited.

Building for Thrive Limited, registered England & Wales 10471305 was incorporated on 9 November 2016. It commenced trading in December 2024. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to carry out design and build activities for Thrive Homes Limited development activities.

Transactions and balances with Building for Thrive Limited are as follows:

	2025 £'000	2024 £'000
Statement of Comprehensive Income		
Administrative Services	(12)	(113)
Design & Build Services	(26,044)	(3,374)
Balances as at 31 March		
Debtor, loan to Building for Thrive Limited	-	2,637
Debtor, less than one year, Gift Aid	1,289	55
Creditors	(3,349)	-

Thrive Places Limited (formerly Thrive Living Limited)

Thrive Places Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 1,000 £1 ordinary shares in Thrive Places Limited.

Thrive Places Limited, registered England & Wales 12292058 was incorporated on 31 October 2019. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is the letting and operating of own or leased real estate.

Transactions and balances with Thrive Places Limited are as follows:

	2026 £'000	2025 £'000
Statement of Comprehensive Income		
Interest payable	-	-
Balances as at 31st March		
Creditors, less than one-year	(103)	(30)
Debtors, less than 1 year, Gift Aid	419	-

28. Financial Instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Financial assets				
Measured at undiscounted amount receivable				
Deferred expenditure - refurbishment obligation (note 17f)	345	2,247	345	2,247
Rent arrears and other debtors (note 15)	1,486	1,770	1,677	2,216
Cash	25,221	20,535	22,107	17,200
	27,052	24,552	24,129	21,663
Financial liabilities				
Measured at amortised cost				
Loans payable (note 17a-17c)	283,082	248,158	283,082	248,158
Measured at undiscounted amount payable				
Refurbishment obligation (note 17f)	345	2,247	345	2,247
Trade and other creditors (note 16)	18,195	21,384	16,915	20,831
Amounts owed to related undertakings (note 27)	-	-	-	(615)
	301,622	271,789	300,342	270,621

The Group and Association's income, expense, gains and losses in respect of financial instruments were £nil (2025: £nil).

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