

# Better futures

Annual Report & Financial  
Statements **2024-25**



*Better futures*

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Highlights





# Introduction from our Chair

As Chair of B3Living, I am proud to present these financial statements, and I feel they are an embodiment of the collective efforts of our entire business to overcome the challenges faced by us and the wider sector.

The stories and outcomes in these pages demonstrate that B3Living has a team capable to convert strategy into delivery despite headwinds. As my tenure concludes in the autumn of 2025, I am assured that the business is in a strong position to continue to tackle the effects of the housing crisis in the communities we serve.

The obstacles the housing sector continuously encounters have been widely publicised and debated; from increased legislation, heightened fire safety concerns, the urgent need to decarbonise our operations, high interest rates, the need to improve resident experiences, and the effects of recent rent caps.

Despite this, we, at B3Living, continue to believe it is crucial to balance the needs of existing customers with those in need of a place to call home. Therefore, our goal is to provide residents with high-quality, safe, and energy-efficient homes as well as excellent services, whilst remaining resolute in our commitment to build new affordable homes.

With more housing associations rated V2 than V1 and credit ratings across the sector under pressure, the capacity to build these new homes is diminishing. Thus, further support from the Government will be essential, especially in achieving their target of building 1.5 million new homes.

In the UK, there are approximately 4 million social homes. Achieving an annual growth rate of around 2.5% would deliver a third of the Government's annual target. However, in 2023-24, the sector median for

new affordable home supply was just 1.4%, and this is likely to fall in the coming years. This shortfall is a stark reminder of the uphill struggle we all face to deliver more affordable homes for our communities.

For B3Living, 2024-25 represents a record growth year for us with 315 homes added to our portfolio. The majority of these homes, 250, came from a stock acquisition from Orbit. This transaction provided us with an opportunity to increase our presence in local authorities we hope to expand into in the future, while improving the experiences of the transferring residents as they benefit from a local provider. This transaction has not inhibited our development programme; we still plan to start 400 new homes during the 2024-27 corporate strategy period. In 2024-25, we made an excellent start with 267 new homes either started on site or at pre-contract stage, with more opportunities still coming forward.

Serving the needs of existing residents has always been a key driver for me, and I am pleased to see that we have continued to generate sector-leading customer satisfaction levels. This is not something we take for granted. During 2024-25, we complemented our community of engaged customers with a new customer advisory panel that will be integrated into our formal governance structure. This new panel will help the Board better hear the voice of our customers and shape future strategies, ensuring we continue to meet expectations and remain the landlord of choice within our communities.

A key driver for customer satisfaction is having a good quality home that is safe and energy efficient. B3Living has a long history of investing heavily in improving the quality of its homes. In 2023-24, we were in the top 15% in the sector for capital investments in existing homes. In 2024-25, we expect to be in the top 5-10% as we invested over £11.5m (£2.35k per property) in replacing key components, enhancing safety and improving energy efficiency. Having just successfully bid for over £1.1m of government grant to improve the energy efficiency of our homes, we remain on target to bring all our properties that we can access to at least EPC C by the end of 2028.

Finally, I wish to extend my heartfelt thanks to our stakeholders, customers, and colleagues for their unwavering support and dedication. It has been an honour to serve as Chair, and I am confident that B3Living will continue to thrive and make a positive difference in the lives of local people. As B3Living moves forward, it will continue to invest in its homes and communities, ensure that the evolving needs of its residents are met and to pursue the goal of always being the landlord of choice

David Biggs,  
Chair of the  
Board



# Chief Executive's statement

This year was the first year of our Better Futures strategy (2024–27) and it is pleasing to see that we continue to make a significant impact in our local area.

From exceptionally high customer satisfaction rates, through to the largest annual increase in the number of homes that we manage, and keeping our strong financial and governance base, 2024-25 has been another hugely successful year.

At the centre of this is our continued commitment to putting our customers at the forefront of our strategy. Our new Customer Strategy, approved in March 2025 and shaped and designed by our customers, coupled with our new Customer Advisory Panel will be the bedrock for continuing to drive this agenda in the years ahead.

During the year, we changed the way in which we deal with complaints to provide a more responsive and empathetic approach. This has allowed us to not only dramatically increase the number of complaints we respond to within the Ombudsman's timescales, (on occasions reaching 100%) but more importantly to embed learnings and make changes to our service where there is room for improvement.

What complaints and other customer satisfaction insights tells us is that customers want to see investment in our services and their homes. We have continued to strengthen our customer ethos approach while also investing significant amounts of money in our homes to improve quality, safety and energy efficiency.

Such sector-leading levels of investment in new and existing homes would not be possible without a confident financial performance. This report details our

commitment to maintaining high operating margins in order to reinvest into the quality of our stock as well as strong interest cover to secure our forward pipeline of future projects, both positive indicators of our financial health and stability.

Throughout the year, we completed surveys on nearly all our homes allowing us to plan with confidence over the next five years and beyond. This will see us not only ensure that all our homes perform adequately and efficiently but allow us to deliver more comprehensive estate improvements and make sure that we invest our limited resources in the most effective way possible.

Improving the data we collect and how we analyse it is a priority for our business going forward; we see it as key in continuing to innovate and deliver better services. We believe good data management is not just about maintaining data integrity within all our systems but using data in ways that benefit our organisation and our customers. Over the next year, we will improve our data analytics which will help us fulfil our value for money ambitions, be that through making proactive investments to reduce future repairs and customer inconvenience, to moving our decision-making towards a more evidence-base system.

I am proud to say that the success of B3Living is down to the people that work here. Our people care and it is only right that we invest in them to support their development. During the year, we have undertaken

specific work to improve elements of our culture, taken action to encourage cross-team collaboration and heavily invested in leadership training. We also made the decision to relocate to a modern office within the next year which will provide our colleagues a much more suitable working environment.

Over the past year, we have built upon our achievements and focused our operations to become better for our customers and communities. This will continue to be our priority during 2025-26 and in years to come.

Steve Woodcock  
Chief Executive







Maintaining a healthy financial position and a robust governance structure places us in a strong position to invest, grow and make a positive impact on affordable housing and the communities we serve.

# 2024-25: our year in numbers

Key financials	£11.1m Surplus (£9.4m 2023-24)	176% Interest coverage (187% 2023-24)	44% Gearing (41% 2023-24)	G1 V1 Regulator ratings (G1 V1 2023-24)	A3 Moody's rating (A3 2023-24)
Operational performance	85% Customer satisfaction (85% 2023-24)	5,704 Total homes (owned and managed) (5,398 2023-24)	1.32% Total current tenant arrears (0.62% 2023-24)	87% Customers feel treated with fairness and respect (new measure)	
Property performance	14.1% Reinvestment (5.6% 2023-24)	315 (5.68%) New homes growth (53 (1.0%) 2023-24)	83% Customers satisfied with quality of home (82% 2023-24)	100% Gas and electrical safety compliance (100% 2023-24)	
Value for money highlights	£6,138 Social housing cost per unit (£4,992 2023-24)	47.1% Operating margin (social letting) (44.0% 2023-24)	4.9% Return on capital employed (5.1% 2023-24)	80% Customers who think their rent is value for money (84% 203-24)	



# About us

B3Living stands for...

Better Homes | Better Communities | Better Business

## Who we are

We are a not-for-profit housing association operating in some of the least affordable areas to live in in the entire country. In Hertfordshire, average house prices are more than 10 times the average salary. The availability of affordable housing is limited, and many local families end up being priced out of their community.

As one of the only social landlords in the area, our mission is to make a positive, sustainable change to housing provision for our customers and communities. We know that change is more than just building houses. Ultimately, we exist to bring better homes, communities and business to Hertfordshire and Essex.

Every penny of our surplus, and much more, is invested in improving our homes, building new much-needed affordable homes and creating stronger communities.



Our Values

Open  
Communicating and listening inclusively

Our customer ethos

Always honest

Adaptable  
Continuously changing to improve the way we work

Deliver a personalised and inclusive service

One team  
Working together to achieve our goals

Take ownership of every contact

Innovative  
Proactively challenging to maximise opportunities

Find better ways to do things

Commercial  
Creating value and understanding

Actively listen

## Where we work

Though we are originally local to the Borough of Broxbourne, in recent years we have grown steadily and expanded our reach into surrounding areas. We operate across the southeast Hertfordshire-Essex border in East Herts, Epping Forest, Harlow, Uttlesford and Welwyn and Hatfield. We are within a short distance of all our homes, which enables us to stay connected to our communities. Our geography is relatively tight compared to other housing associations; this means that our customers and local partners know who we are and where to find us.





**Our mission** is to make a sustainable, positive change to housing provision for our customers and our communities.



**Building new homes**



**Repairs and maintenance**



**Estate management**



**Tenancy sustainment**



**Independent living**



**Leasehold management**



**Housing support and customer service**

## What we do

There is a great need for affordable housing in our areas of operation, and our job is to alleviate it where we can. We do this by renting, selling and managing affordable homes to local people. Our housing options are available to people at different stages of their lives whether they are looking to rent, get on the property ladder for the first time, or to continue to live independently when they grow older.

Beyond simply providing homes, we maintain them, so our customers are safe and comfortable in the long term. We also work closely with community partners to provide extra services and support, and access to opportunities they may not have had otherwise. In essence, we work to make sure local people have a home they can afford and a community they can thrive in.

Strategic review





# Strategic review

Someone's ability to access a secure home has a big role to play in their overall quality of life. Addressing this challenge for local people on lower incomes has and continues to be our core purpose. Yet an unchanging raison d'être does not leave us without the need for strong strategic direction, both in terms of our own ambitions to enhance our performance and have a greater impact on our community, and as the backdrop against which we work to achieve these things changes.

The launch of our current strategy coincided with a major shift in the country's political landscape. The new Government that followed the 2024 General Election has had housing at the forefront of their agenda, announcing housebuilding targets of 1.5 million new homes by 2029.

While this has signalled the emergence of a more conducive environment for the sector to operate within, the challenges experienced in previous years have persisted: construction costs and interest rates remain high; UK customer satisfaction rates continue to trend downwards; and 2024 brought with it the latest round of new consumer and building regulations for the housing sector with more to come.

Strategic decisions over several years have placed us in a good position to respond to this context. But we seek to be more than resilient. With the 'B' in 'B3Living' standing for 'better', it is in our make-up to look further forward and drive to improve.



## About our strategy

Our current strategy is the second instalment of our Better Futures plan, which was first launched in 2021. Following the success of the initial three years, the 2024-27 chapter has renewed our commitment to making a sustainable, positive change to housing provision for our customers and our communities. Building upon the robust base we have developed in previous years, this strategy set ambitious but realistic goals for our business, summarised under six core themes.

These themes capture the areas we seek to optimise as a business as well as our unique position as a housing provider to support 'big picture' agendas such as sustainability and inclusion. As the coming pages will demonstrate, what this strategy is about is our customers. Many of our targets hinge upon customer satisfaction performance and our goals seek to deliver tangible outcomes that will make a difference for individuals and families in our area.



**Excellent customer experiences**



**Safe, good quality homes and estates: creating pride in our communities**



**Building locally**



**Climate resilience and cutting carbon**



**A great inclusive place to work**



**Our foundations: being a responsible business**



# In summary: progress so far

The first year of our strategy period saw us hit the ground running. Our targets for 2027 are stretching, but 2024-25 proved to be a productive start with progress across all themes and, in some, significant activity and growth.

We are pleased to see consistent healthy performance – as evidenced in our customer satisfaction scores – as well as momentum gathering with our development programme, sustainability standards and governance functions go from strength to strength.

As we explore our Better Futures goals and some of these early achievements in more detail in the following pages, we are proud to report on where our work is already making a positive contribution towards better homes, communities and business locally.



## Excellent customer experiences

### So far, we have...

- > Reached the top 10 in the country for overall customer satisfaction and repairs
- > Identified customer service training for our colleagues
- > Established a Customer Advisory Panel



## Cutting Carbon

### So far, we have...

- > Completed 100% EPC surveys
- > Brought 85% of our homes to EPC C
- > Used Geographic Information System (GIS) to mitigate flood risk in our area
- > Developed a Net Zero Strategy



## Pride in safe homes and communities

### So far, we have...

- > Invested over £11.5m in maintaining our homes
- > Introduced a new neighbourhood policy to improve our approach and presence in our estates
- > Generated social value of £1.5m through our annual Community Day



## A great, inclusive place to work

### So far, we have...

- > Found a long-term office to relocate to within Broxbourne
- > Launched a leadership training programme
- > Reviewed our organisational culture through a culture audit and working group



## Build locally

### So far, we have...

- > Started building 180 homes
- > Acquired 250 new homes through a stock transfer



## Responsible business foundations

### So far, we have...

- > Retained our G1/V1 ratings
- > Developed a data strategy
- > Received positive stakeholder feedback with 100% believing we are easy to work with



# Better homes

Every year, we consult our customers on our rent levels. In recent years, the feedback we have received is that customers are comfortable with their levels of rent because what matters most to them is that their homes are safe, well looked after, and that their landlord is helping them to be more energy efficient at home. This is why our Better Futures strategy places such a strong emphasis upon investing in our existing stock.

Alongside this, the demand for affordable and social housing is incredibly high in our areas of operation. In Broxbourne alone, time on the Housing Register for family-sized homes can reach a staggering 23 years, placing it in the top five longest outside London.

The 2024-25 year saw us straddle the balance between investment in new and existing homes effectively, with noteworthy achievements in both areas.



We invested  
**£11.5m**  
in our homes

By 2027...



Excellent customer experiences

- > Min. 84% satisfaction with repairs



Safe, good quality homes and estates

- > Min. 81% satisfaction with quality of their home
- > Min. 86% satisfaction that home is safe



Building locally

- > 400 new homes
- > Min. 92% satisfaction with new homes



Climate resilience and cutting carbon

- > Min. 97% homes EPC C+
- > 80 SAP rating





## Record investment in the quality and safety of homes

Building homes is essential to address the growing need for housing in our communities but ensuring the longevity of the homes we already have is just as imperative. We want our customers to have more than just a roof over their heads; we want them to be and feel safe, comfortable and supported.

In 2024-25, we spent over £3.2m on safety checks and improvements and £4.0m on decarbonisation works, the latter forming part of an overall £11.5m investment in maintaining our homes for the future. Roughly spending £2.35k per home places us in the top 10% in the sector for investing in existing homes. In comparison with the previous year, our spending on prevention and remediation has nearly doubled despite the financial challenges facing the sector. This represents the highest levels of investment in our existing homes since B3Living was established nearly two decades ago.

Throughout the year, the rates of satisfaction with our in-house repairs service reached 85% overall satisfaction and placing us 11th highest in the country. This reflects the success of our operating model and, subsequently, the impact it has on our customers' day-to-day lives.

Investing above and beyond in building safety and sustainability is something we pride ourselves on and maintaining our track record of upper-quartile reinvestment in property maintenance continues to be a priority for our business.

Over the past few years, building safety has become widely publicised due to grave landlord failings and subsequently, a focal point for the sector. As a social landlord, it is our duty to continuously adapt our service not only to meet new regulatory requirements, but also to ensure the long-term safety and wellbeing of our customers. We aim to offer the right solutions for our customers while taking their individual circumstances into consideration. Our commitment to consistently treat our customers with fairness, respect and empathy remains strong and develops as regulatory changes come into place. With this approach in place, our organisation will be better prepared for Awaab's Law coming into force in October 2025 and any other impending regulations.

## Improving our EPC and SAP ratings

We have carried out extensive surveys and safety checks to review the condition of our homes and identify the works needed to improve them. Many of these were driven by the Social Housing Decarbonisation Fund including carrying out EPC surveys in 100% of our homes. In October 2024, our Board determined our organisation's net zero carbon strategic direction which consolidates our commitment to bringing all our homes to EPC C by 2028 – two years ahead of the government's target.



"I've been impressed with B3Living since I moved into my home. I had an issue with my accessible bathroom railing, and it was repaired really quickly. This meant that I didn't have to go long without being able to use my bathroom properly. And it wasn't half done for a long time either, so I didn't have the headache of ongoing repairs in my house."

**Rachel, a B3Living customer on a recent repair carried out in her home.**





# On the way to 400 new homes

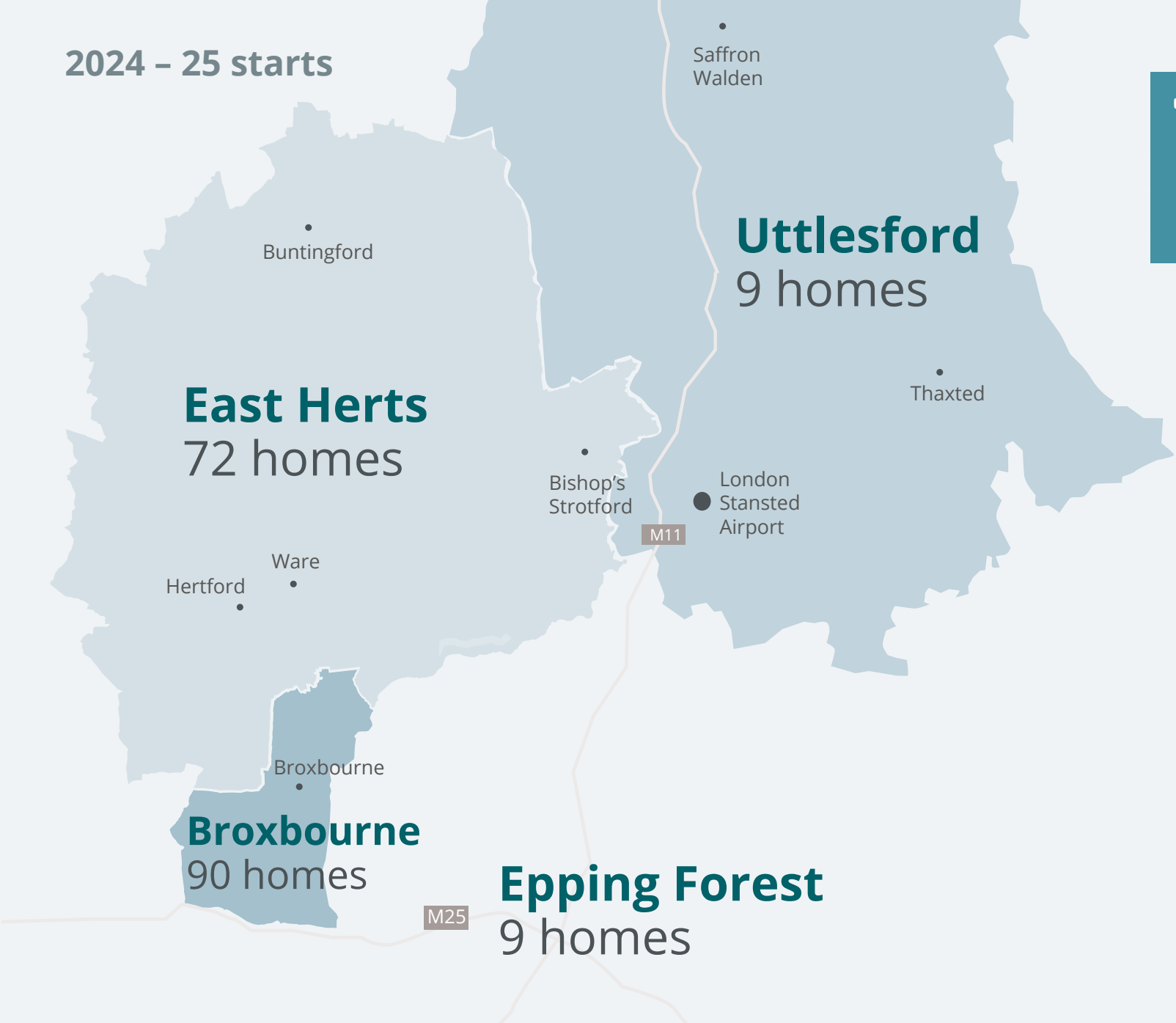
This year, we have already surpassed the halfway mark of our 400 home starts goal, with 267 new homes approved and 180 of these already started on site – 30 more than our goal for the 2024-25.

Amongst a chronic shortage of homes local people can truly afford, increasing our stock means more and more people will have access to a home which places building locally as a key priority for B3Living.

We have worked closely with local authorities to ensure these homes meet local demand and reflect community needs. At the beginning stages of our strategy, 2024-25 saw us on track to maintaining a healthy pipeline of homes built to a high-quality standard.

In the autumn, we completed our Middleton Court scheme formed of nine affordable rent and shared ownership apartments. Located in Loughton, one of Essex's most expensive areas to live in, this scheme presented us with a great opportunity to relieve housing need in our neighbouring boroughs.

We were also pleased to complete the final home in East Hertfordshire out of the nine we were granted funding for through the Local Authority Housing Fund. These homes were all allocated to Afghan and Ukrainian refugee families and will remain as social housing in the future.





New homes completed  
2024 - 25

> 7 affordable rent

> 3 shared ownership





# Better communities

At B3Living, we understand that our neighbourhoods have a direct impact on quality of life which means that our job goes beyond simply providing homes. We take ensuring the safety of our communities seriously by balancing prevention, intervention and enforcement. We collaborate with agencies like the police in supporting initiatives that prevent anti-social behaviour.

We choose to be active members of our communities and look for opportunities to make a difference in our customers' lives. Wherever possible, we do our best to create pride in our estates and consistently deliver excellent customer experiences. A stronger B3Living presence in our estates, giving our customers better access to us when needed, meant that 83% of our customers reported feeling satisfied with their neighbourhood as a place to live and 75% with our contribution to their neighbourhood.



By 2027...



Excellent customer experiences

> Min. 84% overall customer satisfaction



Safe, good quality homes and estates ... creating pride in our communities

> Min. 86% satisfaction that we make a positive contribution to neighbourhoods



Climate resilience and cutting carbon

> SHIFT Gold



Responsible business foundations

> Positive stakeholder feedback





“From the first meeting it was clear that Amanda had my best interests at heart. She understood my mental health and never gave up on me. She is very kind and caring and has gone above and beyond to help me”

**Chloe\*, a customer with high rent arrears who was referred to our Customer Coach, Amanda, to receive extra support.**

\*Name has been changed to protect our customer's identity



## Protecting neighbourhood safety with tighter policies

Throughout the year, we made changes to our neighbourhood policies which allowed our team to ensure our investigations are person-centred and support vulnerable victims. Our policies ensure appropriate actions against perpetrators, and we publicise outcomes to reassure the communities we serve. This balanced approach addresses immediate issues within communities and promotes safe, good quality homes and estates.

## Interventions against poverty in our community

As a housing association, our wider social purpose is to relieve poverty. Our customer base is generally more vulnerable to financial hardship and ongoing instability can exacerbate their difficult conditions. We understand that changes in life can sometimes make it challenging for our customers to sustain their tenancies.

Our Rents and Tenancy Sustainment Advisors work hard to find debt assistance and support for customers experiencing financial issues. In the last year, 24 customers who were facing eviction due to high arrears were referred to our Customer Coach for extra personalised support. Though their individual situations were complex, with our Customer Coach's support, most of them were able to identify and work through their barriers.

Thanks to these interventions, our rent arrears performance exceeded our 2024-25 targets for another consecutive year at 1.32% and evidenced our efforts to support customers to remain in their homes. According to the HACT approach to social value, every £1 invested in tenancy support can yield £3 in savings. Having a dedicated support function within our teams has contributed to the financial resilience of many of our customers and, in turn, improved their living conditions and mental health.



A while back, I experienced a dog attack [...] Kate (B3Living's Neighbourhood Officer) handled it then and now I feel safe to walk around here.

It feels like there is more of a B3Living presence in the block and that it's being kept an eye on. I think people are being more respectful to their neighbours knowing that B3Living are cracking down on issues like anti-social behaviour.

I feel safer and more comfortable in my home and area thanks to the team at B3Living. I'm sure other neighbours feel the same."

**A B3Living customer living at Sir John Cohen.**







## Promoting pride in communities

In 2024-25, we held our annual Community Day which took place at our Wormley estate and provided free advice and support from local agencies, entertainment and activities for local families. The event enabled over 400 customer interactions. According to the HACT model, the tool we use to measure the social value we create, the event generated social value of close to £1.5m for our community through direct wellbeing, health wellbeing including mental health and exchequer savings. This can be attributed to the event providing an opportunity to bring our community together in an engaging way while raising awareness of the support services available to them. Though on a smaller scale, other events delivered through our partnership with Wormley Community Centre and with Peabody Housing Association allowed for similar levels of interaction and were catered for young children and parents.



**Our 2024-25 Community Day generated a social value of**

**£1.5m**

### Our Holdbrook Hub

Reopening our Holdbrook Hub has established a fixed space where local residents can access employability training and courses such as ESOL and SIA. It is operated by the Active in Hope Foundation who also offer a youth club, a homework club and other activities for young people.

## Strong, impactful local partnerships and relationships

Social value donations from our contractors amounting to over £7,000 have enabled us to support a range of community projects. Some of these addressed food poverties, youth interventions and a regeneration of a ball court for children's sports, garden projects in our Independent Living Schemes, and more. We also expanded our community work further into East Herts by working with agencies on a local drop-in service alongside the Food Bank, Citizens Advice and CGL providing drug and alcohol support. Strengthening our local networks has allowed us to maximise our social impact and make a bigger difference to our communities.

Indeed, 2024-25 was a year of celebrating and developing our partnerships. The launch event of our Better Futures 2024-27 strategy brought together many of our partners to recognise the great impact we have made by working together throughout the years and what we look to achieve in the future.



**100%**

of our stakeholders believe our partnership has improved and we're easy to work with



**85%**

of the homes transferred to us performed at an EPC C rating or higher

## Expanding our impact as a local landlord

Perhaps one of the largest measures of growth for B3Living was a stock transfer of 250 homes from the Orbit Group. The acquisition represented nearly 5% stock growth for our business and brought our portfolio close to 6,000 homes. It also supports our net zero carbon ambitions with 85% of the homes transferred coming with an EPC C rating or higher. Located across Bishop's Stortford, Epping, and Waltham Abbey, these homes presented us with an opportunity to consolidate our financially secure position without compromising our focus on being local. Maintaining a relatively tight geography allows us to have better control of our operations, applying local knowledge and a personalised approach which, we have found, enhances satisfaction levels for our customers.

On top of building and acquiring homes, we also took on the management of 83 homes owned by Hertfordshire County Council. They are categorised as supported housing for customers with learning difficulties and mental health issues. Since we took on a 5-year lease, our role in this transaction involves providing intensive housing management including property, asset and compliance services, and tenancy services.

For many of these households, B3Living is the closest landlord which means we are able to offer a personalised service and bring value directly to their doorstep. Strategic partnerships such as this allow us to find the best solutions for residents and ensure they are supported through any changes or disruption.



# Better businesses

Our Better Futures strategy recognises that robust business processes can do much to help us achieve our strategic goals: they ensure our financial stability, as well as our standing amongst our regulators and partners, and, most importantly, they form a key part of the way we work with customers and the experience they have when dealing with us.

Building upon our responsible business foundations is crucial to maintaining the trust our customers, colleagues and partners have placed upon us.



# By 2027..



Excellent customer experiences

- > Min. 73% satisfaction that we listen and act on views
- > Customer service accreditation



A great, inclusive place to work

- > 8.3 colleague engagement score



Responsible business foundations

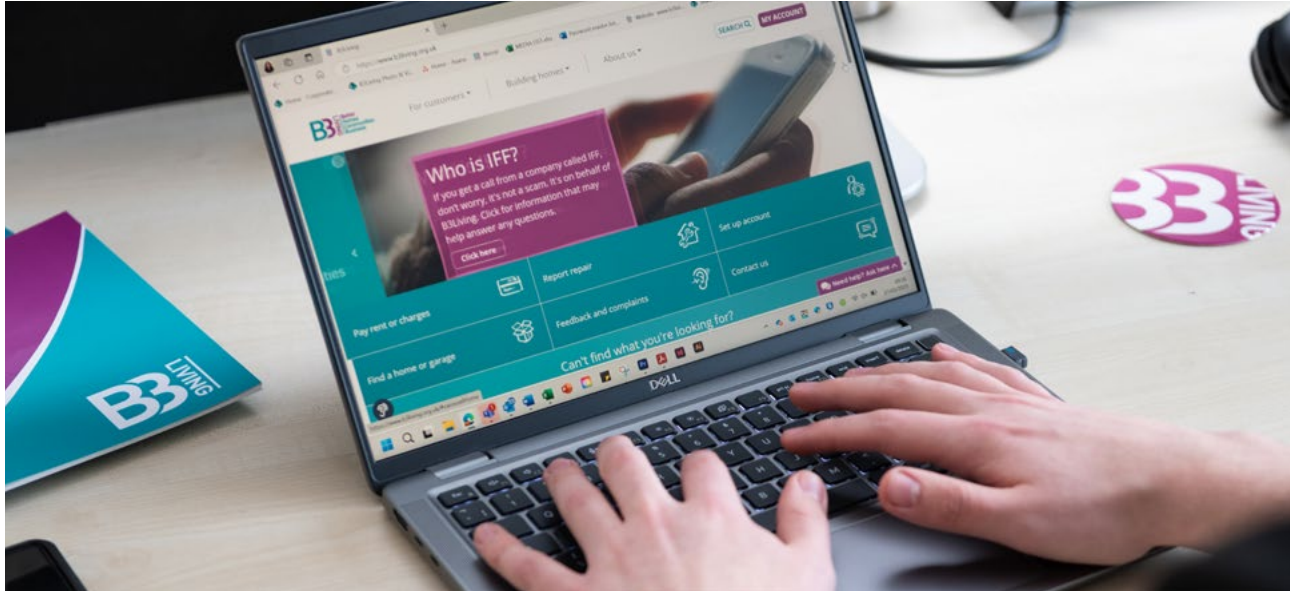
- > G/V1/C1 ratings
- > Financial Golden Rules



# Using data to achieve our customer service and regulatory goals

We were pleased to retain our G1/V1 rating and eagerly welcomed the new consumer standards. We recognise the importance of greater accountability to our customers and have added a new target of a C1 grading to our renewed Better Futures strategy.

Though we aim to achieve this formally by 2027, we have already embarked on strengthening our approach where we feel we can do even more. For instance, we proactively analyse data collected through the Star and TSM surveys to guide our decision-making and identify properties that need to be included in our annual stock condition survey.



## Data strategy

Strengthening our approach to data and risk is one of our strategic targets for the next three years that were set in motion in 2024-25. Upon conducting a data discovery, we identified a range of challenges that required a long-term solution to streamline our operations and, consequently, the delivery of our corporate strategy. In the autumn, our data strategy came into force in order to transform B3Living's approach to data. We want our decision-making to be based upon accurate information. Investing in this will engender long-term benefits including ensuring regulatory compliance, enhancing service delivery and operational performance, improving our financial performance and more.



# Embedding listening into our governance structures

Towards the end of our previous strategy, we took steps to improve our approach to the customer voice; we developed a Customer Community with over 260 members which influenced our Board's Operations Committees among other activities. Through this, we developed a deeper understanding of our customers' thoughts and concerns and included them in our decision-making. In 2024-25, we took a step further and launched a new Customer Advisory Panel. Its purpose is to provide a platform for customers to review our performance and suggest improvements for future decisions.

Customer influence is essential to ensure we perform to a high standard as it will lead to higher satisfaction. Our sector-leading performance in the Tenant Satisfaction Measures (TSMs) is testament that we are going in the right direction as a customer-led business. Our scores reached the top ten in the country for overall customer satisfaction at 85%, as well as for how we handle complaints.



# Centralising complaints to better listen and act on feedback

All our colleagues work hard to ensure our customers receive an excellent service; nevertheless, this success can be partly attributed to the centralisation of our complaints process and the appointment of our Resolution Leads. Improving the structure of our teams with these new roles has enriched customer experience, prevented maladministration cases against our business and boosted efficiency and collaboration among colleagues. Thus, the benefits of investing in our teams are being reaped in close to every aspect of our organisation.



During the Christmas period, we held three customer consultations to gain our customers' insights into our proposed strategies and input into how they are shaped.

# Sticking within our Golden Rules and budget

In 2023-24, the Board challenged our business to maintain costs within the set budgets, prioritising long-term, sustainable decisions. For the second year in a row, we are proud to have met this challenge. Maintaining our financial stability enables the Board to maximise opportunities to deliver our Better Futures objectives. Due to this, the 2024-25 financial year was a period marked by record growth and strong business performance.



Environment  
Social  
Governance





# Environment, social, and corporate governance

As a responsible housing association, we want our customers to be able to live in their homes for as long as they are able to.

The housing sector makes a notable contribution to climate change and, as a landlord, it is our responsibility to mitigate that for the benefit of our customers and communities. Research from 2022 revealed that emissions from residential buildings accounted for a fifth of total greenhouse emissions in the UK. There has been a significant decrease in the last 30 years which indicates that efforts to decarbonise the sector have not been in vain. Nevertheless, the government's target to reach net zero carbon by 2025 calls for stronger commitments and better strategic planning from the housing sector to expedite this progress.

The climate emergency is progressively deepening so the natural course of action for our business has been to ensure all of our new homes are net carbon zero ready while also taking an ethical and conscious approach to our decision-making on how we improve existing ones. Our renewed Better Futures strategy sets out our ambitions to invest in the future of our customers and communities through various decarbonisation measures.

Minimising our environmental footprint has considerable knock-on effects on social aspects of our work such as addressing fuel poverty and improving health outcomes. In this, we recognise the value of visualising the work our teams have carried out through an environment, social, and governance (ESG) lens.

For the fifth year, we have adhered to the Good Economy's Sustainability Reporting Standard for Social Housing (SRSSH). Though we are not formally required to report against ESG, we have found that doing so allows us to showcase our commitment to sustainability while reducing the stigma around social housing. In the past, it has also helped us access ESG linked financing and investment opportunities to meet our cutting carbon targets. In the following pages, we hope to highlight examples of ways in which we have showcased, met, and, at times exceeded our ESG goals to maximise positive outcomes for our customers.





# Environment

Cutting carbon has been a long-term priority for B3Living. Through years of investment in maintaining our homes, we find ourselves in an advantageous position in comparison to other housing associations with consistently high SAP and EPC ratings. All our new homes are net zero carbon ready operating at EPC C or above with a non-fossil fuel heating system. Approximately 85% of our stock is running at EPC C, which places us on track to being net zero carbon ready by 2028 in line with our Better Futures target.

We have made great progress over the years, yet there is a need to address the risk of losing momentum as we grow. Our cutting carbon target was closely considered in our 250-home acquisition in order to prevent backtracking on the progress achieved so far. At 85% EPC C, very few of these homes require retrofitting work, evidence that our growth ambitions reflect our climate efforts.

Understanding environmental performance is key to implementing the right solutions which require holding and managing accurate data. GIS mapping is not an entirely new technology for B3Living, however, over the years, our usage has been developed and refined to better record the condition of our stock. For instance, it helped us identify that 94% of our homes are resilient to flooding and almost 98% are resilient to overheating. Considering the increasing risk of flooding nationally, these figures communicate the effectiveness of our prevention projects and emergency planning in this regard.



86% homes at EPC C

40% reduction in emissions

87% reduction in business mileage

Throughout the year, we carried out extensive surveys and assessments to determine the energy efficiency of our properties – most of which were facilitated by the Social Housing Decarbonisation Fund (SHDF) we received in 2022. We have maintained a fabric first approach to reducing heat loss in our homes and thus improving their environmental performance. Many of the works included wall and loft insulation, solar PV installations, and gas boiler renewals. Funding has historically been a challenge to improve the energy performance of housing and initiatives such as the SHDF have acted as a catalyst for landlords with modest resources like us. To continue driving our plans, we submitted a bid for £1.2m from Wave 3 of the now Warm Homes Fund. With this, we expect to bring 136 homes, this time mostly blocks of flats, to EPC C, bringing us closer to our EPC C+ by 2028 target. Combined with our own annual investment into maintenance as well as data from completing EPC surveys in 100% of our homes, we are confident that we will be improving the energy efficiency and ensuring the longevity of our homes.

Naturally, housing makes up most of our emissions, but we have also sought to reduce an impact through embedding environmentally friendly changes across our operations. For example, encouraging our field-based staff to maintain a high eco-driving score and sourcing recyclable materials for displays and communication campaigns.



## Social

As a social landlord, our values are intrinsically linked to the social aspect of the ESG framework. Over the years, we have made a conscious effort to boost and measure our social impact.

As mentioned in previous pages, our work to help our customers sustain their tenancies goes far. We issued nearly £7,000 in vouchers to help with energy costs and over 270 food parcels which allowed household income to be redirected to other spend areas. Working closely with local organisations such as the Broxbourne Foodbank and the Local Energy Advice Partnership (LEAP) has improved the variety of support available to our customers in need.

Beyond this, we have collaborated with Step2Skills to improve employability skills and provide job skills hubs as well as taken part in the Broxbourne Skills Partnership and local career fairs. Many people living in social housing experience barriers that prevent them or restrict their access to education and better paid jobs. In Broxbourne alone, the rate of unemployment almost doubled from 2023 to 2024 which means our customer base is at risk of struggling with employment. In offering job-related services through our partners, we actively contribute to improving future outcomes for our customers.

Where we can create our own opportunities to benefit from our customers’ insights, we make sure they are attractive and beneficial. For instance, members of the Customer Advisory Panel are offered payment in vouchers for their time and their transport/childcare costs are covered to attend meetings and training.

We know that clean and safe estates are a priority for our customers, so we used our annual plogging event - that is, picking up litter and jogging - to encourage our non-field-based colleagues with our community. Thanks to the social value return tool, we have calculated a social value return of almost £47,000.

Our work has long been aligned with the principles of ESG, and our forthcoming policies and strategies will continue to embed them. The launch of our Customer Strategy in 2025 will help us identify improved ways to make our social impact more meaningful and targeted for our communities.



£7,000 fuel vouchers distributed

£47,000 social value from plogging event

£40,000 reinvested into local community initiatives through our first dedicated Procurement Strategy

A brand-new Customer Advisory Panel

## Governance

We are proud to have retained our G1/ V1 regulatory ratings for another year. We also completed our first dedicated Procurement Strategy (2021-24), fully compliant with the Public Contracts Regulations 2015, and delivered structured, risk-mitigated procurement practices across the organisation, resulting in actual cost savings of £3.3m over a four-year period. Yet, governance is perhaps where we can report the most change over 2024-25. Five of our board members reached the end of their term which called for a new recruitment campaign. We welcomed two new board members, one of them being the Chair Designate who will replace our current Chair in September 2025. Despite these new appointments, our Board continues to be broadly representative of our communities and committed to attracting more diverse applicants in upcoming recruitment processes.



### Our equality, diversity, and inclusion (EDI) progress

EDI is a workstream we are continuously developing and made great progress in 2024-25. Our priorities for the year included reviewing and updating how we collect customer and colleague diversity data and consequently, improving how we respond to vulnerability data. Other actions taken throughout the year to advance our efforts included celebrating key EDI dates, working towards the LGBTQ+ HouseProud pledge, and renewing our EDI strategy.

Progress against our EDI Action Plan 2021-24 was hindered by the turnover in the EDI Manager role. Despite this, with a new EDI manager joining B3Living, our journey towards becoming a more inclusive organisation has been resumed and our progress was overall positive. Though an extensive Action Plan, we’re proud to have made outstanding progress on the following areas:

Action	Progress
Making the recruitment process accessible to all candidates	<div></div> 100%
Increase in proportion of LGBT+ staff	<div></div> 100%
Increase in proportion of staff with a disability	<div></div> 100%
100% of available managers are trained in leading and supporting diverse teams	<div></div> 100%
Increase in proportion of staff from minority ethnic groups	<div></div> 80%
Continue to use interpreters when needed	<div></div> 80%

As we develop our new EDI strategy, we have identified areas where we can improve and will create a new action plan to reflect our pathway for the next few years. Some of these will be developing our diverse talent particularly around increasing the proportion of colleagues under age 30, ensuring we have up-to-date data on customer demographics and fully utilise our EDI accreditations that demonstrate our commitment to inclusion.





Another key change was the decision to relocate to a new office in 2025. Improving our office environment has been explored for a number of years and, ultimately, leaving Scania House was the most cost-effective, long-term solution available. Being local is a core component of B3Living and, by relocating within Broxbourne, we preserve our commitment to our local community. To remain connected with our customers through and beyond our office move, we have taken steps to consult new neighbourhood hubs where they can easily find us and speak directly to one of our colleagues.

As our organisation changes and develops, it is important that our own staff base develops accordingly. We invested in leadership training to empower our leaders and provide them with the skillset and confidence to deliver our goals. Our colleagues represent B3Living and with customer service training and our upcoming service standards launching in 2025 they will be further prepared to take our performance ever higher and ensure every experience our customers have with us is an excellent one.

G1/V1 regulatory ratings

Two new Board members

New leadership training programme

For the full story on our environmental, social and governance impact, B3Living's dedicated ESG report is available via our website, please visit:

<https://www.b3living.org.uk/about-us/publications/>

# Financial review



# Five-year analytical review

The strong financial performance in 2024-25 was predominantly driven by two key factors. Firstly, the work carried out in the previous year to better understand and control our operating costs. This initiative involved a comprehensive review of our expenditure, identifying areas where efficiencies could be made, and reducing ineffective expenditures wherever possible without adversely impacting on our customer’s experiences.

Secondly, the significant rent increases over the last two financial years contributed substantially to revenue growth. As a landlord to some of our communities poorest and most vulnerable people these rent increase decisions were not taken lightly, we have made a conscious effort to ensure that as much of the additional revenue was reinvested back into our customers’ homes as we could.

Delivering sector-leading operating margins and interest cover are key financial targets for B3Living. These metrics are not just indicators of our financial health but are essential for enabling us to deliver sector-leading investment levels in both new and existing homes. Our commitment to maintaining high operating margins ensures that we can reinvest profits into improving the quality, safety, and energy efficiency of our housing stock. This reinvestment directly enhances the quality of life for our customers, resulting in our high levels of customer satisfaction. Additionally, by addressing the need for new housing in our geography, we are actively contributing to tackling the housing crisis, which is central to our mission statement. Similarly, strong interest cover ratios provide the financial stability needed to secure funding for future projects, ensuring that we can continue to grow and meet the housing needs of our community.



- During the year, the Group generated an operating surplus of £18.9m (2024: £17.4m). This surplus was underpinned by the following factors:
- An increase in the surplus from our social letting business £18.6m (2024: £15.8m).
  - A decrease in Shared ownership first tranche sales surplus of £0.4m (2024: £1.2m).
  - A marked increase in the surplus from property disposals of £1.5m (2024: £0.4m).
  - A deficit in the year from other activities of -£2.0m (2024: -£0.3m)

£18.9m

operating surplus

2024: £17.4m

£18.6m

Social letting

2024: £15.8m

£0.4m

Shared ownership first tranche sales

2024: £1.2m

£1.5m

Property disposals

2024: £0.4m

-£2m

Other activities

2024: -£0.3m

## Statement of comprehensive income for the last five years

For the year ended 31 March	March 2025	March 2024	March 2023	March 2022	March 2021
	£000	£000	£000	£000	£000
Turnover	43,676	45,551	42,469	34,535	33,336
Cost of sales	(2,146)	(8,062)	(8,531)	(3,701)	(3,310)
Operating expenditure	(24,116)	(20,424)	(19,364)	(16,724)	(15,988)
Disposal of housing property	1,485	351	669	790	843
Increase/decrease in valuation of investment properties	(23)	0	85	65	91
Operating surplus	18,876	17,416	15,328	14,965	14,972
Share of JV profits	-	-	49	-	-
Net financing costs	(7,856)	(8,057)	(6,309)	(4,940)	(4,744)
Surplus/(deficit) before exceptional items and tax	11,020	9,359	9,068	10,025	10,228
Exceptional items	-	-	(6,542)	-	-
Surplus/(deficit) before tax	11,020	9,359	2,526	10,025	10,228
Taxation	-	-	-	-	-
Actuarial (loss)/gain in respect of pension schemes	69	(99)	587	1,680	(1,297)
Total comprehensive income for the year	11,089	9,260	3,113	11,705	8,931



The core social letting operating surplus is generated by the following three business segments:

- General affordable housing - £15.1m (2024: £13.2m)
- Sheltered housing - £1.6m (2024: £1.0m)
- Low-cost home ownership - £1.8m (2024: £1.6m)

During the financial years 2023-24 and 2024-25, we increased our rents in line with the Rent Standard parameters, by 7% and 7.7% respectively. These significant rent increases were the main factor behind the notable rise in our operating surplus, which grew from a steady £15 million per annum to £19 million in 2024-25. It is also worth noting that in November 2024, we completed our acquisition of 250 homes from Orbit, which added a further £0.9 million to our revenue. While the increase in our operating surplus was also supported by higher existing asset sales, mainly from shared ownership staircasing receipts, this benefit was offset against a decrease in shared ownership sales surplus of a similar amount (around £1 million). The operating surplus of £19 million was an excellent achievement especially as our operating expenditure included one-off costs of around £2 million relating to a land bank impairment (£1.7 million) and some development cost write-offs (£0.2 million). This strong financial foundation enables us to continue to invest in our communities, grow the business and provide excellent customer experiences.

Our turnover experienced a significant increase during the financial years 2021-22 and 2022-23, driven by a sharp rise in our Shared Ownership sales programme. Income from first tranche sales rose from £4.5 million to £10.3 million in each respective year. Shared Ownership sales continued to make substantial contributions to our turnover during

2023-24, accounting for 20.2%. However, sales in 2024-25 fell sharply to £2.5 million (5.8% of turnover), and this trend is expected to continue into the next two financial years. While shared ownership income is anticipated to remain low in the coming years, we expect the profit margin on these sales to increase from approximately 10% to around 30%, as the programme transitions from selling land-led properties to s106 homes. Regarding shared ownership, we have experienced a sharp increase in staircasing activity. In 2024-25, shared ownership sales surpluses increased to £0.7 million from £0.2 million in the previous year. This increase is driven by two factors: firstly, our shared owners have experienced large rent increases in the last two financial years due to the high inflationary environment; secondly, with interest rates coming down, mortgages are becoming more affordable.

Operating costs increased by around 17% to £24.1 million in 2024-25. However, this figure includes a £1.7 million impairment on one of our land bank sites and a £0.2 million development cost write-off. Both of these events are rare for B3Living and are not expected to be repeated in the near future. When adjusted for these one-off events, the operating cost shows a 7% increase compared to 2023-24. Managing our cost base has been a key priority for the business over the last two years, particularly in terms of realising maximum value for money from our repairs and maintenance expenditure. A finance and property working group meets monthly to review our spending and identify improvements in working practices to ensure value for money is achieved. Thanks to these better working practices and analysis, our revenue repairs and maintenance costs have only increased by 5.8% between 2022-23 and 2024-25.

Net interest costs in 2024-25 fell by £0.2 million (2.7%) to £7.9 million, which has positively impacted our overall surplus. Although net interest fell, our interest costs increased marginally by £0.1 million (1.5%), despite our debt increasing by £25 million during the year. This performance was aided by three Bank of England interest rate cuts and debt reductions in the first half of the year. Additionally, loan amortisation fees fell by £0.1 million, while interest receivable and capitalised interest both increased by around £0.1 million. With the economic environment stabilising and our operating surplus increasing in recent years, our appetite to build more affordable homes has grown. As a result, we approved the development of 267 new homes, with 180 starting on site, during 2024-25. This expansion is part of our ongoing commitment to addressing the housing crisis and providing good quality, safe and energy efficient affordable homes for our communities. We believe that these efforts will not only enhance our financial stability but also contribute to the overall well-being of our customers.

## Statement of financial position for the last five years

The table below presents the statements of financial position of the Group over the last five years. It highlights a significant increase in our financial strength between 2021 and 2025. This enhanced financial position demonstrates our resilience in overcoming adverse events and our capacity to capitalise on new opportunities to grow the business. This is evidenced by our recent acquisition of 250 homes from Orbit and the approval of the development of 267 new affordable homes during the year – with 180 of these commencing on site.

For the year ended 31 March	March 2025	March 2024	March 2023	March 2022	March 2021
	£000	£000	£000	£000	£000
<strong>Fixed Assets</strong>					
Housing Properties	372,561	328,954	317,046	295,582	258,487
Other Fixed Assets	3,691	3,616	3,648	3,881	4,054
Investment properties	3,648	3,671	3,366	3,160	4,304
Investments in JVs		-	-	-	730
<strong>Tangible fixed assets</strong>	<strong>379,900</strong>	<strong>336,241</strong>	<strong>324,060</strong>	<strong>302,623</strong>	<strong>267,575</strong>
<strong>Current assets</strong>					
Stock	3,436	2,829	9,461	15,289	12,007
Trade and other debtors	2,221	3,211	1,823	15,862	14,561
Agreement to improve existing properties	1,226	1,323	1,439	1,469	1,537
Cash and cash equivalents	5,609	7,645	7,045	3,335	3,039
	<strong>12,492</strong>	<strong>15,008</strong>	<strong>19,768</strong>	<strong>35,955</strong>	<strong>31,144</strong>
Less: Creditors: amounts falling due within one year	(10,815)	(7,641)	(7,233)	(12,639)	(10,715)
<strong>Net current assets</strong>	<strong>1,677</strong>	<strong>7,367</strong>	<strong>12,535</strong>	<strong>23,316</strong>	<strong>20,429</strong>
<strong>Total Assets less current liabilities</strong>	<strong>381,577</strong>	<strong>343,608</strong>	<strong>336,595</strong>	<strong>325,939</strong>	<strong>288,004</strong>
Creditors: amounts falling due after more than one year	(266,131)	(239,016)	(241,179)	(232,870)	(204,818)
Provisions for liabilities (including pensions)	(1,419)	(1,654)	(1,738)	(2,504)	(4,326)
<strong>Total net assets</strong>	<strong>114,027</strong>	<strong>102,938</strong>	<strong>93,678</strong>	<strong>90,565</strong>	<strong>78,860</strong>
<strong>Reserves</strong>	<strong>114,027</strong>	<strong>102,938</strong>	<strong>93,678</strong>	<strong>90,565</strong>	<strong>78,860</strong>



At the reporting date, our tangible fixed assets had a carrying value of approximately £380 million (2024: approximately £336 million), reflecting the continuing trend over the last five years. Over this period, the Group's tangible fixed assets carrying value has increased by approximately £112 million (42%), demonstrating our successful delivery on the commitment to make sector upper quartile levels of investment in our existing properties and to provide new affordable rent and shared ownership homes for our communities. The year 2024-25 showed a significant increase in growth due to our acquisition of 250 homes from Orbit and the commencement of construction on 267 new affordable homes. Our financial strength was recognised by Moody's and the Regulator in December 2024, as they confirmed our A3 stable outlook and V1 rating respectively. This recognition underscores our resilience and capacity to navigate challenges while capitalising on opportunities to grow and support our communities.

The strength of the business in recent years has been our ability to balance our sector upper quartile investment in new and existing homes with strong operating surpluses and Home England grants to bring our gearing down from 63.3% in 2024 to 59.7% in 2025.

## Key Financial Performance Indicators for the last five years

Financial Golden Rules	Internal limit	2025	2024	2023	2022	2021
Financial Covenant Performance						
Gearing ( <b>covenant 80%</b> )	< <b>65%</b>	44%	41%	44%	48%	52%
*EBITDA MRI Interest Cover ( <b>covenant 110%</b> )	> <b>160%</b>	173%	187%	162%	202%	240%
Managing credit profile						
Social Housing Letting Interest Coverage	> <b>150%</b>	215%	176%	159%	200%	214%
**Operating margin	> <b>35%</b>	40%	36%	34%	40%	42%
Development sales as a % of turnover	< <b>30%</b>	6%	20%	24%	13%	14%
% of HA net asset invested in Everlea Homes	< <b>10%</b>	0%	0%	0%	0%	8%

\*excludes decarbonisation works covered in covenant carve-out agreement

\*\*excludes existing asset sales surpluses



In November 2018, the Group Board agreed to monitor financial performance through a suite of Financial Golden Rules (FGRs). As part of good governance, these FGRs were reviewed by the Board in March 2023. The FGRs are designed to promote financial performance from core activities, maintain appropriate headroom against covenants, manage exposure to the housing market, and retain capacity to protect our social assets in a range of adverse scenarios.

Over the period, we have successfully operated within the parameters of our FGRs, despite the numerous headwinds the business has faced. With an internal focus on maximising value from our expenditure, the business is recovering from a dip in performance during 2022-23. During this period, interest cover, both EBITDA MRI and Social Housing Letting, and operating margins fell sharply. The 2022-23 dip in performance was driven by three key factors: firstly, the economic environment of high inflation, coupled with increased repair and maintenance activities, led to a 17% (£2.8 million) increase in operating costs. Secondly, interest rates rose much faster than estimated in the 2022-23 budget, pushing interest costs up sharply. Thirdly, in 2022-23, we achieved over £10 million in shared ownership sales income, which equates to 24% of turnover. Generally, sales revenues generate lower margins than rental revenues, so the greater the proportion of sales income in our turnover, the lower the overall margin will be.

Performance in 2023-24 and 2024-25 improved due to our low-cost growth, a sharp increase in our stock numbers between 2022-23 and 2024-25, the relatively high rent increase in sub-market rent and shared ownership homes in recent years, and comparatively low levels of debt growth.





# Treasury review

We maintain a robust and comprehensive treasury policy and strategy, which undergoes an annual review by our Executive team, our treasury advisors at Savills, the Treasury Committee, and the Group Board. The Board receives a detailed quarterly treasury report that covers our treasury facilities, security and liquidity positions, on-lending arrangements, compliance with treasury policy, as well as an economic and lending market review.

We maintain a straightforward treasury portfolio consisting of four long-term fixed debt loans and two short-term revolving credit facilities, all of which share similar terms and do not involve interest rate swaps. During 2018-19, we successfully renegotiated the terms within our bank finance agreements to make them less onerous and more focused on the housing association rather than the Group. In 2024-25, we further reduced the restrictive nature of our banking covenants by removing the major repairs element from our interest cover calculation; this will come into force in May 2025. This change provides us with the freedom to invest what is needed to keep our properties safe and energy efficient without the worry of breaching a covenant.

In 2020-21, we raised £65m of new long-term debt to support the delivery of our business plan, increase liquidity, and rebalance the proportion of variable and fixed debt within our treasury portfolio. In October 2021, we raised £35m with a sector debt aggregator, bLEND, a subsidiary of The Housing Finance Corporation, which we opted to defer for one year. bLEND is an A2 Moody's rated lender that predominantly deals with borrowers who have the same rating or better. Despite our A3 credit rating, their credit committee showed confidence in B3Living, our corporate strategy, and management by

agreeing to provide funding. As bLEND is A2 rated and has a comprehensive track record of raising debt, we were able to access funding at an effective rate of 2.60%, significantly cheaper than raising debt in our own name.

Furthermore, in November 2021, B3Living, along with two other housing associations, were the first to take advantage of the government-backed lending scheme run by ARA Venn called the Affordable Housing Guarantee Scheme (AHGS). The AHGS allows registered providers to benefit from the government's lower cost of borrowing to deliver new affordable homes. We raised £30m of new long-term debt via the AHGS at an all-in rate of 1.53%.

The importance of these two transactions has grown significantly in recent years as gilts and interest rates rose sharply during 2022 and 2023 to levels not seen in the UK for a generation. At the time, these transactions brought our percentage of fixed debt within our portfolio to 93%, leaving us well placed to capitalise on new opportunities to grow. This is demonstrated by the completion of the stock acquisition from Orbit Homes in November 2024 and our corporate strategy target of starting 400 new homes between 2024 and 2027.

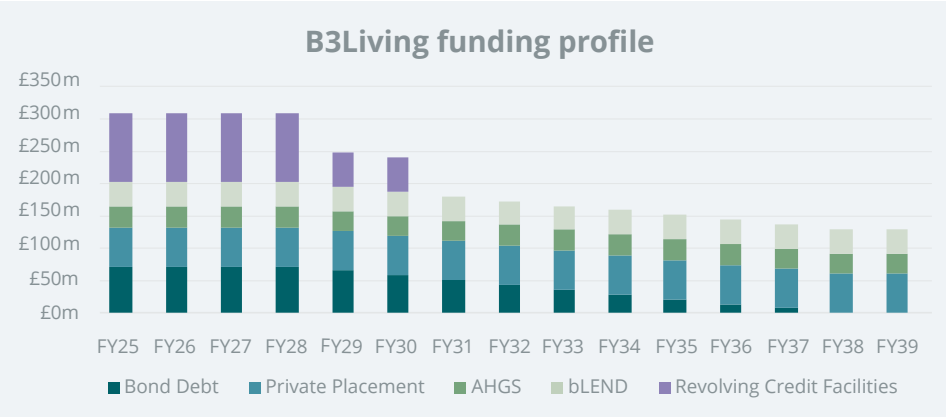
Aside from fixed debt, in February 2025, we agreed with Lloyds to extend a £50m revolving credit facility, which was due to mature in February 2026, by five years. The extended facility, like our other Lloyds facility, is an ESG-linked loan that enables us to benefit from a small saving on the borrowing margin should we deliver against our agreed targets, which are centred on building more affordable homes and reducing our carbon footprint



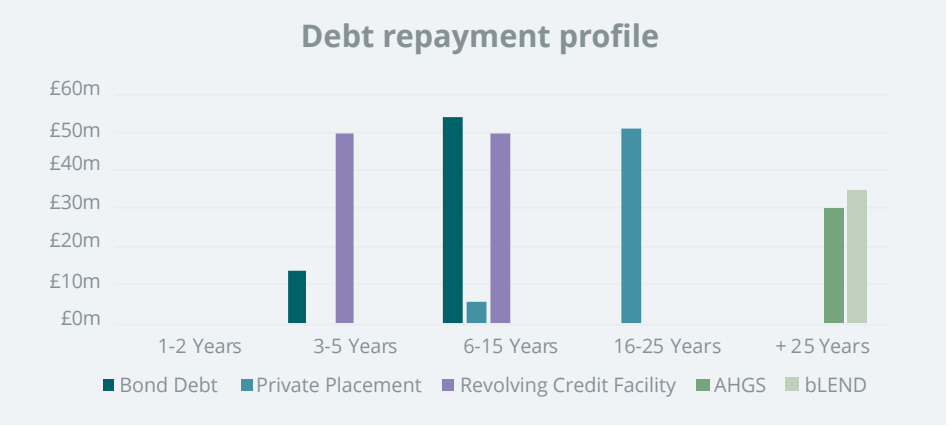
## Debt and liquidity

At the reporting date, our total drawn debt was £230m (2024: £205m) and our loan portfolio totalled £290m (2024: £290m), leaving a combined facilities headroom of £60m (2024: £85m). Of our drawn debt, £190m or 79% (2024: £190m or 93%) is at a fixed interest rate via long term capital markets bond (£68m), private placement (£57m), sector debt aggregator – bLEND - (£35m) and an AHGS loan (£30m). We have two £50m revolving credit facilities with Lloyds which mature in July 2028 and May 2030 (this assumes the successful execution of the agreed Lloyd extension) respectively.

The chart below shows B3Living sources of finance.



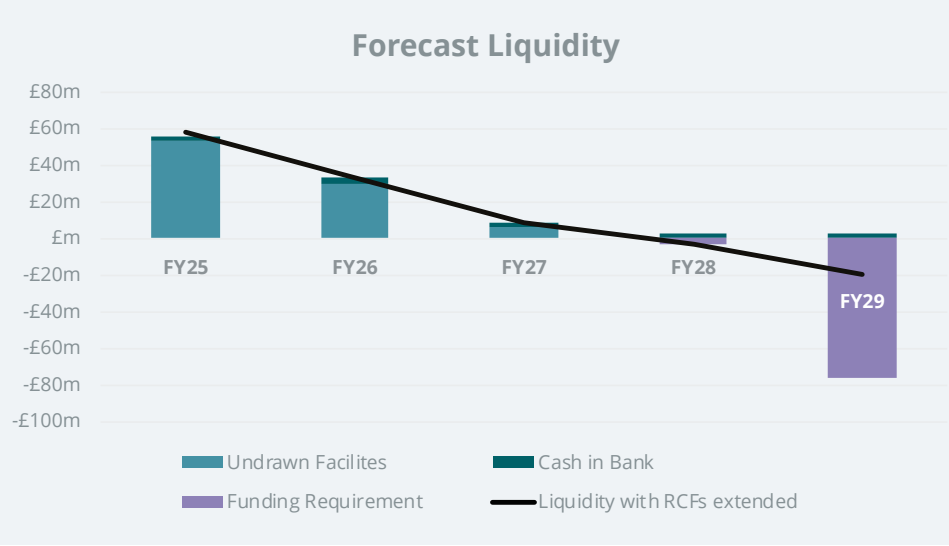
The chart below shows B3Living's debt repayment profile.





The chart shows that we do not have any debt facilities maturing in the near future.

The chart below shows our mid-term forecast for available liquidity. It indicates that we will need to secure additional funding soon to support the investment programme for new and existing homes within the financial plan. The 2025-26 treasury strategy recommends securing approximately £30m of new long-term finance from the Affordable Housing Guarantee Scheme, allowing us to benefit from the government's low credit spread.



Reflective of our prudent approach to treasury management, the treasury policy includes a rigorous liquidity requirement to safeguard the business against economic, housing, or funding uncertainty and disruption. The treasury policy has two key liquidity requirements:

- 1) We will maintain short-term funds in an amount not less than our twelve-month forecast net operational cash outflow, excluding any forecast proceeds from the sale of property assets.
- 2) In line with the Regulator of Social Housing guidance, we will have sufficient funding in place to cover our business plan requirements for the following 18 months. In accordance with that guideline, the Group's policy is that it will either comply or be able to explain that its planned funding arrangements are justifiably well advanced.

### Financial covenants

As at 31 March 2025, the Group has three key loan covenants which it comfortably complies with, and these are set out below:

- **EBITDA-MRI** – (this due to be changed to EBITDA only in 2025-26) – This definition measures the number of times our financing costs can be paid by our operating profit before depreciation for the year but including the costs of major repairs. For the year ending 31 March 2025, the interest cover was 1.76 times (2024: 1.87 times). The loan covenant is 1.1 times.
- **Gearing** – this is a measure of our indebtedness, relative to the EUV-SH of completed housing properties. EUV-SH is a proxy for market values of our homes, and it reflects that the properties are used for social housing. As at 31 March 2025, the gearing ratio (gearing covenant) was 44% (2024: 41%) against a covenant limit of 80%.
- **Asset cover** – this is a measure of the percentage coverage of our EUV-SH or MV-ST of completed assets over our current debt. As at 31 March 2025, the tightest asset cover ratio was 115% (2024: 116%). The asset cover covenant is 113%.



Value for money





# Value for money

Like many housing associations financial resilience, investment capacity and value for money (VFM) have been strategically important topics for B3Living over the last year or more. With the economic uncertainty not likely to settle in the near future, be it due to geopolitical tensions, unstable inflation or elevated interest rates, we, as a business, dedicated a substantial amount of time and effort during 2023-24 to understanding our cost base and seeking ways to control our operational spend.

Managing our cost base to sector median levels is a key goal of our VFM strategy, as we believe in doing this, we can maintain substantial investment capacity in new and existing homes needed to deliver the challenging targets within our Better Futures corporate strategy.

In the 2023-24 VFM assessment, we noted that spend on repairs and maintenance had been significantly over budget in the prior two years, and this cost uncertainty was weighing on the Board's appetite to invest in new homes. These cost overruns were not simply caused by high inflation, but also driven by substantive changes within our operating environment, be it from the introduction of the Building Safety Act, Awaab's Law, the Social Housing Act, the Regulator's new Consumer Regulations, etc.

In 2023-24 we finished marginally over budget on repairs and maintenance, but in 2024-25 we finished within target, this financial control has had a direct

impact on the Board's appetite to capitalise on opportunities to grow the business, be it through new developments or stock acquisitions. For example, in the year we approved the construction of 267 new homes, with 180 of these starting on site, which will help us deliver new affordable homes at upper sector quartile levels in the coming years. Moreover, we were able to buy 250 homes from Orbit, to further increase our presence in our strategy growth areas as well as providing a boost to our operating margins.

Within this VFM assessment it is clear that our growth ambitions have not diluted the Board's commitment to improve the services we provide to our customers, or their resolve to invest heavily in the homes we own, including the commitment to bring all properties we can access to EPC C by the end of 2028, as we believe these activities are central to maintaining our sector leading customer satisfaction levels and ultimately realising value for money for our customers.

We approved the construction of  
**267**  
new homes

**180**  
of these new homes  
starting on site

**250**  
homes bought  
from Orbit

## Our approach

Our approach to value for money is focussed on finding the perfect balance between cost, quality, and performance across all our services, internal and external. We believe we can achieve this by using our resources as effectively as possible to generate strong operating margins and interest cover performance. This way, we can maintain our capacity to invest heavily in our existing homes and build more affordable homes that our communities acutely need.

Given the recent economic and operational challenges, value for money has become a key focus in how we run the business. VFM not only guides our budgetary and financial planning approach but also shapes our relationships with customers, suppliers, and other stakeholders. In essence, our VFM approach aims to deliver top-tier customer satisfaction, above-average investment in new and existing homes, while managing costs to sector median levels. To realise these goals, we prioritise efficient cost management, performance improvement, challenging expenditures, and identifying new investment opportunities and innovative ways of working.

In 2023, the Board approved a revised Value for Money Strategy. This strategy is designed to meet our compliance obligations with the Regulator of Social Housing's VFM standard and to embed value for money within our business culture. Our Value for Money Strategy outlines a nuanced approach to achieving value for money, which includes:

- Improve customer satisfaction.
- Improve the quality of our existing homes and secure their long-term viability.
- Promote a cost aware culture across the business.
- Maintain our financial strength and growth capacity.
- Deliver against the Strategy's value for money metrics.

Our Value for Money Strategy is designed to support our Corporate Strategy by challenging us to achieve a balance between cost, quality, and performance within every area of the business. This strategy is backed by our Customer Strategy and changes to our governance structure, which provides a comprehensive framework to help us understand, from a customer's perspective, what the optimal balance looks like. By better understanding our customers, we can deliver on the VFM Strategy's objective to enhance the customer journey and experience, ultimately improving customer satisfaction to align with the sector's upper quartile.





## Governance and oversight

The Executive team work closely with our Board to ensure our resources are allocated in accordance with their shared priorities. The Board fully understands the importance of our business and the services we provide within our communities and to our customers.

We believe our Value for Money Strategy reflects this understanding, and its delivery will help maximise our impact for existing and future customers as well as the wider community.

The Board takes ownership of the Value for Money Strategy by:

- Setting the business’ risk appetite and Financial Golden Rules to provide operating parameters.
- Setting objectives and targets via the corporate plan.
- Approving the annual budget and business plan which aims to deliver the Value for Money Strategy.
- Setting a robust Investment Policy, Asset Management Strategy and Value for Money Strategy.
- Incorporating value for money into all decision-making processes.
- Monitoring performance and results.

Setting challenging value for money targets increases our capacity to deliver on our strategic objectives, namely to:

- Ensure that our customers receive an excellent service.
- Prioritise investment in our homes.
- Support our customers to sustain their tenancies.
- Bring all our homes to at least EPC C by the end of 2028.
- Provide new homes within the communities we serve.
- Use our values and culture as a foundation for our commitment to corporate responsibility.

## Value for money performance

As outlined in the April 2018 Value for Money Standard and subsequent technical guidance issued by the Regulator, we have measured our performance against the Regulator’s value for money metrics, our peers’ performance, the sector median, and the highest performing sector quartile for each metric (Global Accounts 2024). This comprehensive approach ensures that we are not only meeting regulatory standards but also striving for excellence in every aspect of our operations.

To ensure our peer group offers a good comparison, we selected large scale voluntary transfer (LSVT) housing associations of a similar size, local to our area, which have a low supported housing service exposure. This selection process allows us to benchmark our performance against organisations that operate under similar conditions, providing a more accurate and meaningful comparison. By doing so, we can identify areas for improvement and implement best practices that have proven successful in similar contexts.

- Chelmer Housing Partnership Limited
- Cross Keys Homes Limited
- Eastlight Community Homes Limited
- Thrive Homes Limited
- Watford Community Housing Trust

Our board-approved Value for Money Strategy sets business performance targets in relation to the sector, i.e. sector upper quartile or sector median.

Setting ambitious value for money targets increases our capacity to deliver on our strategic objectives, which are outlined in the Strategic Report to these Financial Statements. But our Board also seek to balance those objectives: for example, for cost per unit our Board-set target is for median performance, in recognition of their wish to support our customers’ quality of life, invest in building safety, sustainability, and upgrading homes more generally.

The value for money metrics and definitions have been provided by the Regulator and, therefore, sometimes differ from measures and covenants stated elsewhere in the Financial Statements.

## Our performance and achievements

The table below illustrates our Board’s value for money targets in comparison to performance across the sector and among our peers. The values listed for our sector align with our Board’s target for each metric. For instance, our Board aims for at least sector median levels of reinvestment; therefore, the table presents the sector’s median performance in 2023-24 (7.80%). Conversely, our target for social housing letting operating margin is the sector’s upper quartile (25.9%), so the figure presented is the sector’s upper quartile score. These benchmarks can be compared with our peers’ metrics for the 2023-24 year and B3Living’s performance in the financial year just closed (2024-25).

It is important to note that our 2024-25 data is being compared to the sector’s median and peers’ performance from 2023-24. Therefore, these might not fully reflect the effects of the turbulent economic and operating environment. We expect our 2024-25 performance to show a stronger position when compared to the sector and our peers’ performance for the equivalent period.

To provide greater context and to help see through one-year peaks and troughs, we also include five-year average performance for the sector, our peers, and B3Living for each metric. This approach allows us to identify trends and make more informed decisions, ensuring that we continue to deliver value for money and achieve our strategic objectives.





	Board set VFM Targets	Sector	Peers*		B3Living		
		Five-year average		Five-year average		Five-year average	
		2020-2024	2023-24	2020-2024	2023-24	2020-2024	2024-25
Value for Money Metrics							
Reinvestment	Median	6.80%	7.80%	10.95%	12.22%	10.61%	14.05%
New supply (social)	Median	1.49%	1.43%	2.44%	2.41%	2.36%	0.16%
New supply (non-social)	Lower quartile	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gearing**	Upper quartile	53.87%	55.07%	57.56%	59.34%	65.21%	59.68%
EBITDA MRI Interest Rate Cover**	Median	147.28%	121.69%	159.62%	129.24%	197.11%	130.09%
Headline social housing cost per unit (£k)	Median	4.21	5.15	4.09	4.87	4.24	6.14
Operating margin (SHL)	Upper quartile	29.24%	25.87%	27.46%	24.75%	43.28%	47.10%
Operating margin (overall)	Upper quartile	25.32%	23.21%	26.92%	24.97%	38.91%	39.87%
Return on Capital Employed (ROCE)	Upper quartile	4.09%	3.36%	3.48%	2.99%	5.80%	4.95%

\*The average performance of our peers \*\*The Regulator’s gearing and EBITDA MRI interest covers calculations are different to B3Living’s loan covenant.

Our mission is to deliver a positive, sustainable change to the housing crisis for our customers and communities. We believe we can make the biggest impact by building more much-needed affordable homes and improving the quality of the homes under our management and the estates in which they are situated. Over the last two financial years, our aspiration has been adversely impacted by the sharp rise in interest rates, which severely undermined the financial viability of new development opportunities. Additionally, the level of uncertainty within our cost base has weighed on our risk appetite. Our cautious approach has sheltered us from the worst effects felt by some Housing Associations. However, with greater certainty on rent growth, coupled with the recent change in Local Housing Allowance and improvements within our cost management, we are well-placed to capitalise on opportunities to tackle the housing crisis in our geography and grow the business.

In 2024-25, our reinvestment was 14%, significantly greater than our VFM target of the sector median (7.8%). This performance is driven by three main factors. Firstly, we have made a strong start in achieving our corporate target of 400 starts on sites between 2024-27. In 2024-25 alone, we started the construction of 180 affordable homes within our existing communities. Secondly, we completed the purchase of 250 homes from Orbit.

Association, all of which were in our strategic geography, predominantly houses with very good EPC ratings. This strategic investment not only supports our mission but also strengthens our position to continue addressing the housing crisis effectively. Thirdly, we made a sector leading investment of £11.5m or £2.35k per property in the improvement of our existing homes.

In recent years, our prudent approach has resulted in new supply (social) performance falling to just 0.2%. However, looking at the 5-year trend, the peaks in previous years mean that our average performance was 2.36%, which is significantly greater than our target and comparable to our peers. We are confident that the new starts on site achieved in 2024-25 will secure strong performance into the future.

To ensure this investment is sustainable, the Board has set sector upper quartile VFM targets for operating margins and aims to manage our cost per unit to sector median levels. These objectives will allow us to produce strong interest coverage and Return on Capital Employed (ROCE) performance.

Our gearing position continues to be one of the highest in the sector at 59.70%, although it has improved substantially over recent years (75.60% in 2019). While our gearing has improved, we have made a conscious decision to continue tackling the housing crisis locally by leveraging our financial strength. Therefore, we expect our gearing to remain between 55-65% in the mid to long-term. To support the levels of investment we are currently making in new and existing homes, we aim to generate surpluses of approximately £10m per annum to ensure our debt growth is sustainable and our financial resilience is maintained. Our funder gearing covenant is based on security value, and our performance is 46% (2024: 41%) against a covenant limit of 80% and our internal Financial Golden Rule limit of 65%.

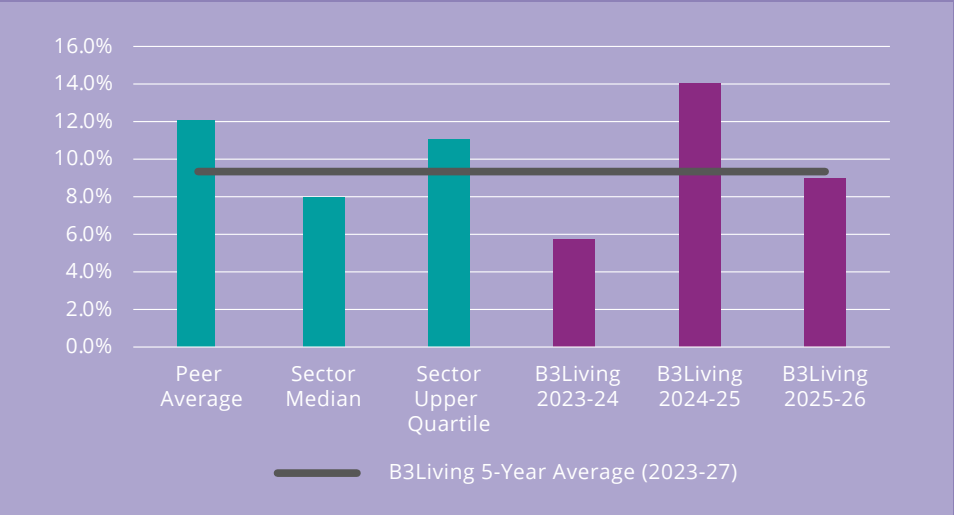






## Detailed review of value for money performance

The charts below compare our historic and forecast performance against our peers, the sector median, and upper quartile from the 2024 global accounts. Each chart also includes B3Living’s rolling five-year average, covering the period from April 2023 to March 2027 – it is important to note that this is a different 5-year period used in the previous section. This approach provides greater context by blending historic and forecast performance, thereby lessening the impact of annual fluctuations caused by the ebbs and flows of the development programme.



### Reinvestment %

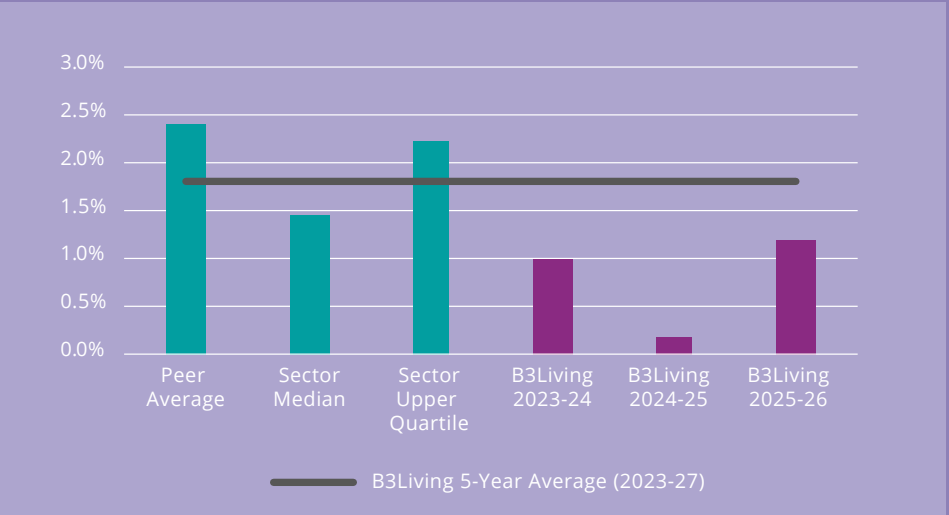
A key ethos within our value for money strategy centres on generating strong operating margins and interest cover to support our investment ambitions in new and existing homes. With the recent uncertainties within our cost base and the challenges within our operating environment the Board chose a sector median reinvestment VFM target.

The positive reaction to the Board’s challenge in 2023-24 to control our cost base coupled with greater certainty on rent growth over the coming years, the Board’s appetite to take more risk to grow the business has resulted in reinvestment levels greater than the sector’s upper quartile level as well as our peer group.

This reinvestment performance is driven by three key elements, firstly, the acquisition of 250 homes from Orbit, secondly, the development team starting the construction of 180 new homes, and lastly, a significant investment in improving the quality, safety and energy efficiency of our customers’ homes.

To ensure this increased level of investment in new and existing homes is sustainable, the Executive and Board are working with the business to maintain the Housing Association’s surplus at around £10m per annum.

In 2024-25 the Group invested around £42.0m in acquiring and building new homes and over £11.5m in existing properties. This record level of investment is expected to fall in 2025-26 to around £30m in new homes and £9m in existing homes.



### New supply of social housing units

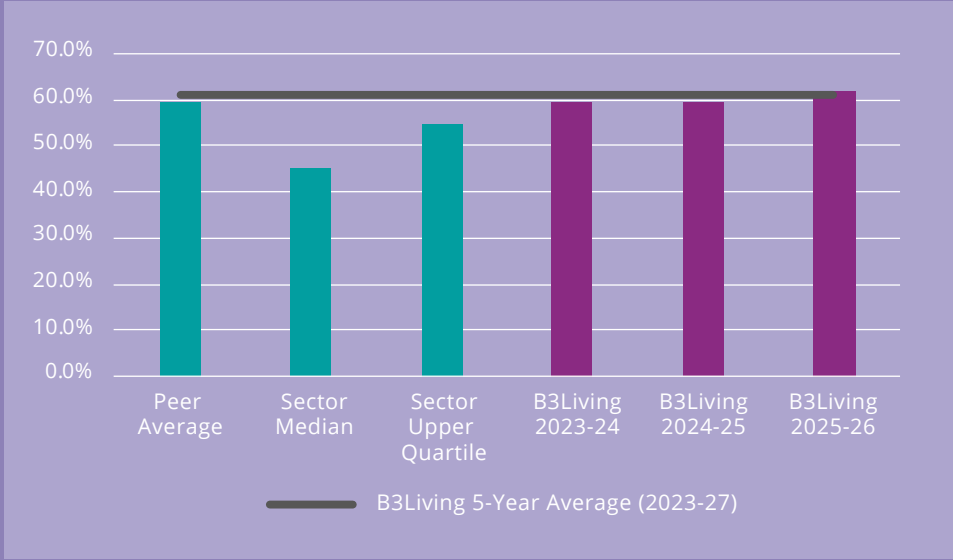
It is important to note that in 2022-23, we delivered a record number of new homes (256), as our largest scheme to date, Cheshunt Lakeside (195 homes), was completed. Our average performance over the last five years has been 2.38% annual growth, which is greater than the sector upper quartile over this period (2.1%) and in line with our peers.

With 180 new affordable homes started on site during 2024-25, we are confident that our performance will start to improve and will exceed the Board’s VFM target of the sector median.

Our ambition for delivering new affordable homes is also being balanced against a unique circumstance where Housing Associations are proactively seeking to dispose of stock outside of their core geography. These stock sales provide smaller Housing Associations, such as B3Living, with a rare opportunity to generate significant growth and strong financial returns.

With the challenges in the sector, we expect new affordable homes supply performance to fall in the coming years as Housing Associations divert investment away from delivering new homes to improving existing stock. B3Living aims to continue to follow a balanced approach towards investing in new and existing homes.



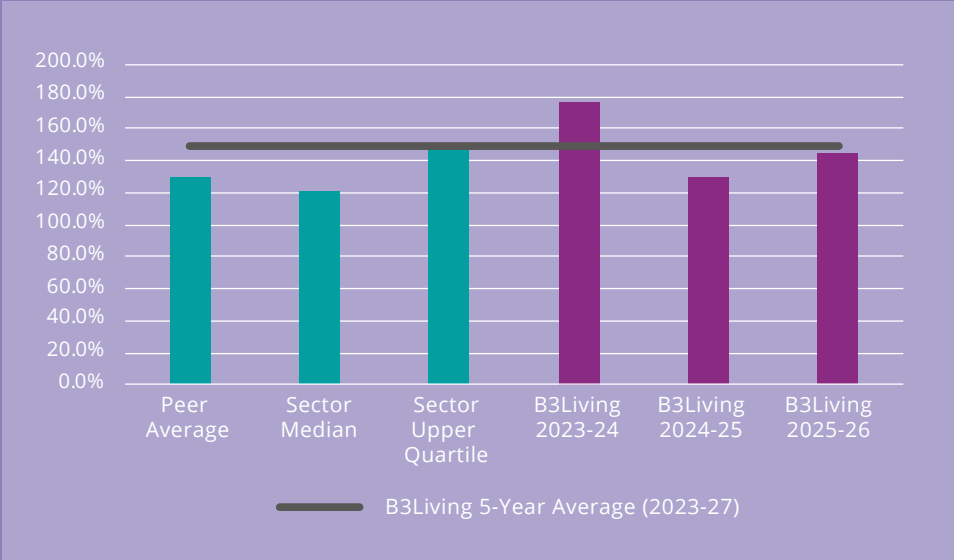


### Gearing %

During the year, our gearing ratio (the relationship between debt and social housing assets) increased marginally by 0.4 percentage points to 59.7%. This reflects the £53 million investments made by B3Living in acquiring stock, starting the construction of new homes, and improving the quality, safety, and energy efficiency of existing homes.

The Board understands that we are operating near the sector’s highest decile for gearing. However, as a social housing provider, it is important that we continue to contribute to the delivery of new affordable homes. Therefore, it is our intention to invest in new and existing homes at least at sector median levels, and above if capacity allows.

To deliver this level of investment and manage our gearing position within a range of around 55-65%, we will need to keep generating annual surpluses of around £10 million. a year. Additionally, we will work with Homes England and other Government agencies to secure grant funding.



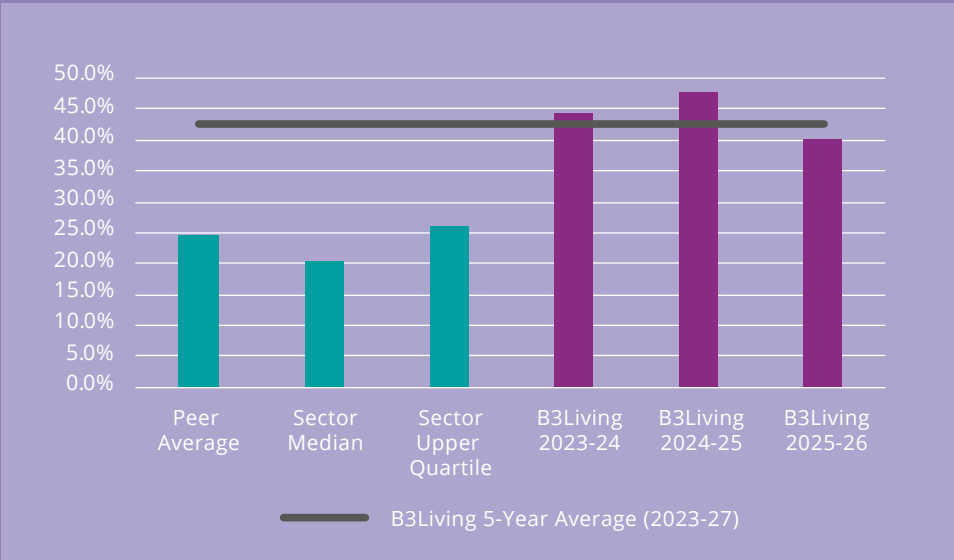
### EBITDA MRI interest coverage %

EBITDA MRI (Earnings Before Interest, Tax, Depreciation, and Amortisation with Major Repairs Included) is a measure of the Group’s ability to cover interest commitments from the cash flows generated by the core business. In 2024-25, our EBITDA MRI interest cover was 130.09%, which is comparable to our peers’ performance in 2023-24 (129%).

In last year’s VFM assessment, we expected our EBITDA MRI interest cover performance in 2024-25 to fall sharply to around 125%. This forecasted decline was driven by the completion of our Social Housing Decarbonisation Fund (SHDF) programme, which required an investment of £3.8 million.

Despite debt rising faster than expected due to a stock acquisition, high interest rates, and the successful completion of the SHDF programme, we managed to outperform expectations and position our performance within the sector’s median and upper quartile.

With interest rates and gilts continuing to remain high, it will be important for B3Living to maintain high interest cover performance to support the viability of building new affordable homes.

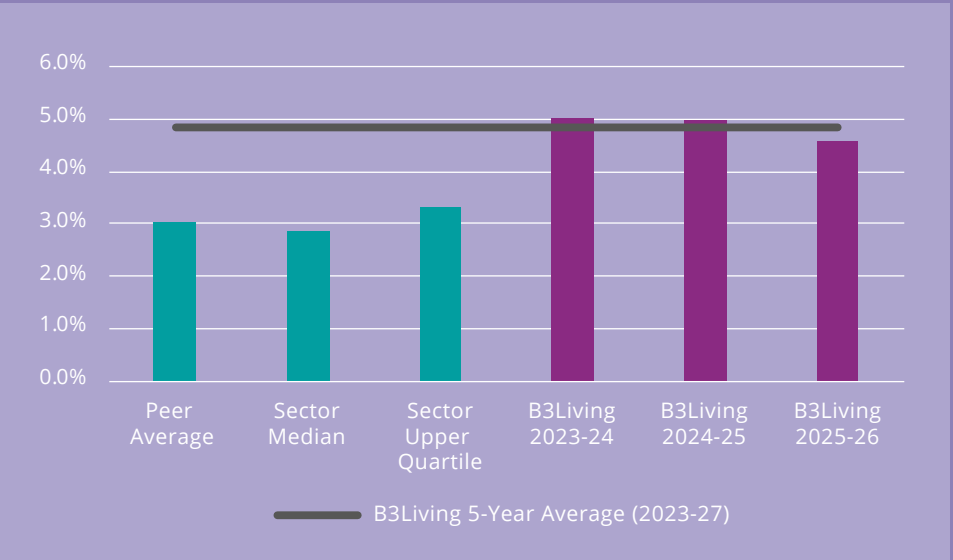


### Social housing operating margin %

A key strength of B3Living is our operating margins. Our performance is driven by several key factors. Firstly, around 24% of our stock is affordable rent, which is approximately twice the sector’s average. Secondly, our proximity to London means our local market rents are higher than many of our peers. Despite these factors, plus two years of significant rent increases, around 80% of our customers believe our rent provides value for money.

Thirdly, we have grown significantly in recent years. In 2022-23, we delivered a record number of new affordable homes, 258, and in 2024-25, we achieved record growth with 315 homes, predominantly driven by a 250-property stock acquisition. These new properties allow us to spread our fixed costs across a greater number of homes, thereby generating efficiencies.

With further global uncertainties, it will be important for B3Living to continue generating strong operating margins to allow us to invest in the improvement of existing homes while seeking to build new affordable homes.



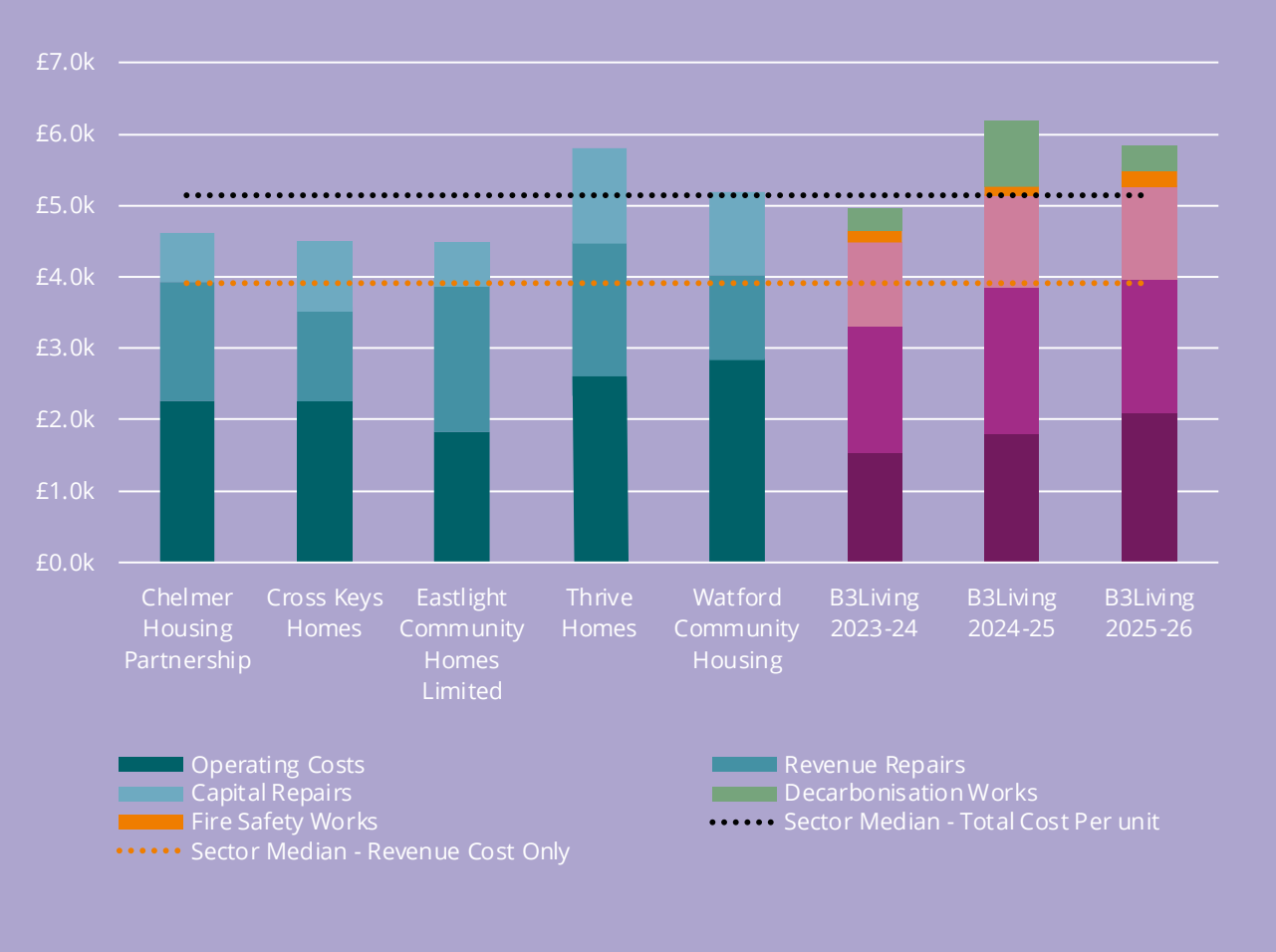
### Return on capital employed %

We are currently outperforming our peers and the sector’s upper quartile. As a Housing Association with a gearing position near the top decile in the sector, it is important that we generate strong surpluses and ROCE performance to allow us to sustainably invest in new and existing homes.

With our strong operating margins, we expect performance to continue between 4%-5%, which exceeds the Board’s value for money target of sector upper quartile level (3.4%).

However, with the elevated cost of new debt, it will be challenging to continue bringing new affordable homes into management without weakening our ROCE. Therefore, it will be important to keep generating strong interest coverage performance to provide meaningful support for our new developments, especially during these challenging times.





Cost per unit\*

Our approach to cost control and our value for money ethos have resulted in solid cost per unit performance, achieving our VFM target of the sector median (£5.13k) in 2023-24, although this was slightly higher than our peers' average (£4.87k), according to the Global accounts 2023-24. Our operating costs are forecast to remain comparable to the best of our peers at approximately £2.07k per unit by 2025-26. This performance has been aided by significant growth in our units between 2023 and 2025. Furthermore, our low operating costs are also a legacy benefit from the Board's decisions in response to the four-year period of rent cuts. During this period, we made substantial operational cost savings by reducing our headcount and investing in new IT to increase productivity. Savings in these back-office areas have allowed the business to increase its investment in our core housing and repairs service without materially impacting overall performance.

The Board recognises the strong correlation between providing well-maintained homes and customer satisfaction. Recent research from the TSM surveys over the past two years, which covered between 20-25% of our rented customers, revealed that 85% of them were satisfied with B3Living services overall. Of this cohort, 92% were satisfied that their homes were well maintained. Conversely, among those dissatisfied with B3Living, 62% were not satisfied with the condition of their homes – where appropriate these customers' homes have been added to our routine stock condition surveys programme for 2025-26 to assure ourselves that the homes are in a good condition.

Our commitment to providing high-quality, safe, and energy-efficient homes means we typically spend around £400-£500 more per property annually on capital repairs compared to our peers. However, in 2024-25,

the £11.5m (£2.35k per unit) investment we made in our existing homes resulted in our capital expenditure being more than twice that of our peers (£0.95k).

Following two consecutive years of significant rent increases, our customers have expressed a desire for increased investment in their homes, particularly in ways that will help them reduce energy bills. Our commitment to increasing the energy efficiency of our least efficient homes is reflected in the level of decarbonisation expenditure per unit. The primary driver for this expenditure is the delivery of our Social Housing Decarbonisation Fund (SHDF) programme in 2024 and 2025, along with the Warm Homes wave 3 programme, which will be implemented between 2026 and 2028. The Board aims to bring all accessible homes to at least EPC C by the end of 2028. To support this goal, we have recently completed energy efficiency surveys on all our homes. In early 2025-26, we will analyse these results and develop a programme to achieve this target, which may result in further cost per unit pressures for the business.

The chart also shows that we spend a further £400-£500 per unit more on revenue repairs. The majority of this additional revenue spend has been driven by two key factors: firstly, the amount we have needed to spend on customer and building safety works; secondly, the introduction of our sector-leading voids standard, which involves decorating and carpeting each property before letting. We believe that, aside from the fire safety works, which are predominantly fire door replacements and a potential building cladding issue, these costs have peaked and will stabilise in future years.





## Our value for money metrics

Alongside the Regulator's metrics, our Board also monitors its own value for money performance indicators (see the table below). These metrics are designed to ensure the Group is meeting its customers' expectations, using its assets effectively, and employing its finite resources in the right areas. In December 2023, the Board modified our VFM metrics to focus more on

customer experiences and perceptions of us. In addition to setting the metrics, the Board has established challenging sector-leading targets. Achieving these targets underpins our corporate strategy, budget setting, and business planning processes.

	B3Living 2022-23 Actual	B3Living 2023-24 Actual	B3Living 2024-25 Actual	B3Living 2025-26 Forecast	Sector Median	Upper Quartile	Board VFM Target
Value for money metrics							
Customer Perception - B3Living Services	85.4%	84.6%	84.7%	86.0%	73.2%	79.5%	Upper Quartile
Customer Perception - Repairs Service	84.0%	84.9%	84.0%	85.0%	73.3%	78.9%	Upper Quartile
Customer Perception - Trust in B3Living	n/a	75.4%	87.7%	87.0%	79.4%	84.7%	Upper Quartile
Customer Perception - Quality of Home	88.1%	82.4%	83.0%	80.0%	72.7%	78.7%	Upper Quartile
Customer Perception - Safe Home	n/a	83.2%	83.8%	85.0%	79.0%	84.6%	Upper Quartile
Customer Perception - Communal Areas Home	n/a	70.9%	70.4%	72.0%	66.8%	72.3%	Upper Quartile
Customer Perception - Rent Level	87.7%	84.3%	80.0%	85.0%	82.0%	86.0%	Upper Quartile
Overheads as a % of turnover	11.1%	16.4%	16.9%	14.5%	14.9%	12.0%	Median
% Spend from Framework agreements	63.0%	74.0%	82.0%	85.0%	n/a	n/a	85.0%

Key

Board VFM target

We strive to generate operational efficiencies to create capacity for investing in the services we provide, such as our repairs service, dealing with anti-social behaviour, and helping customers who are struggling financially. Ensuring we get things right the first time is key. Customer satisfaction data shows a strong correlation between repeat repairs and customer dissatisfaction, and a similar relationship exists when we do not deal with complaints effectively.

In 2024-25, we completed the first full year of our new in-house repairs restructure, where additional resources were recruited to manage the repair teams, promote a customer-focused culture, and drive efficiency gains through better resource allocation and improved repair diagnoses. Furthermore, during 2025-26, we plan to make a series of proactive investments to reduce future response repair demands, with a primary focus on damp and mould and drainage interventions.

In 2024-25, we recruited two resources dedicated to dealing with complaints in line with ombudsman and customer expectations. These new recruits have made a substantial impact, ensuring that every month our complaints are dealt with within the agreed timelines. Additionally, we are committed to enhancing our customer engagement by implementing advanced IT solutions to streamline communication and feedback processes. This will help us better understand and address customer needs, ultimately improving overall satisfaction and service quality.

We believe that a key driver for good customer satisfaction lies in the quality of the homes that our customers live in. B3Living has a long history of investing in our homes at upper sector quartile levels. For example, in 2023-24, we invested £1.55k per property to improve the quality, safety, and energy

efficiency of our homes, compared to the sector's upper quartile investment level of £1.32k. In 2024-25, this investment increased to £2.35k per property, making us one of the largest investors in existing homes in the sector.

The table shows that since 2022-23, our overall customer satisfaction performance has been very consistent, ranging between 84-85%. This consistency should not be seen as stagnant performance, especially when considering the headwinds B3Living and our customers have faced over that period. These challenges include recent negative press towards the sector, especially in relation to damp & mould, and significant changes in our operating environment, such as the heightened role of the Ombudsman, the requirements from the Building Safety Act, Awaab's Law, the Social Housing Act, and the new Consumer Regulations. Additionally, the economic environment has pushed inflation recently into double digits and increased rents by around 7%, twice.

Given these headwinds, it is not surprising that many Housing Associations have seen their customer satisfaction levels fall. For instance, in 2020-21, the sector upper quartile performance for overall customer satisfaction was 91%. This fell to 85% in 2022-23 and further declined to 79% in 2023-24. Therefore, achieving a performance of around 85% is excellent. However, the Board has made it clear that our customer journey is not complete, and we need to continue improving. They have demonstrated this commitment by making “excellent customer experiences” a central theme of the 2024-27 Corporate Strategy - providing a demonstrable link with our VFM goals and corporate targets.





To further enhance customer satisfaction, we are implementing several initiatives. These include developing our network of over 260 engaged customers, reconfiguring our governance structure to incorporate direct customer input on key strategies and policies as well as scrutiny, utilising data, especially from surveys, to better understand our customers and what impacts, positively and negatively, on their experiences. These actions, along with embedding our Customer Strategy and Customer Ethos, will help us continue to meet our customer satisfaction target of sector upper quartile into the future.

We are pleased to see that over 80% of our customers believe their rent level represents value for money, even though this is significantly lower than the 87.7% achieved in 2022-23. We believe the downward trend is driven by a few key factors, firstly, around 24% of our rented homes pay affordable rent, which is generally more expensive than social rented, secondly, against a backdrop of a cost-of-living crisis, our rents increased by 7% and 7.7% in 2023-24 and 2024-25 respectively. During our annual rent consultations with customers regarding the 2024-25 rent increase, they were clear that if rent had to increase at the rates stated, then they wanted to see B3Living using this money to invest in their homes. We believe we have met this challenge with a record £11.5m invested in improving existing homes in the year coupled with the Board's commitment to bring all our homes to EPC C by the end of 2028 – two years ahead of schedule. We monitor customer feedback to see if these investments are changing their views on the rents we charge.

Whilst the Board wants to invest more in our existing homes, they are still keen to ensure we are getting VFM for every pound we spend. Therefore, the Board felt it was important for the business to utilise its procurement function, as tendering is an excellent opportunity to assess what the business and our customers want from our contractors. This way, we can aim to achieve the optimum balance between cost, quality, and performance across the business. In 2021, the business created a procurement function, and since then, we have significantly increased the amount we spend on contracts or framework agreements, whether in our own name or via a third party. Consequently, the Board has set a VFM target of 85% of our expenditure being made via a contract or framework agreement, and this year we have made significant steps towards realising this ambition.

## Value for money into the future

The 2024-25 financial results reflect our commitment to value for money with our core operating margins over 40% and healthy interest coverage. Our Corporate Strategy recognises that cost management is key to us protecting financial resilience whilst doing more for our existing and future customers. The Board understand that reductions in spend in certain areas could adversely impact on customer experiences, therefore we expect to need to tweak or reallocate our expenditure to achieve our cost forecasts to ensure all spend is effective and proactively contributes to our strategic objectives. That said, we will aim to increase efficiency to generate costs savings, but we expect these savings to be reinvested in improving frontline services and existing homes. We expect to deliver savings through:

- Challenging how we work to improve performance and reduce wastage.
- Utilising IT to improve services, data quality and communication.
- The delivery of our new Asset Management Strategy, including disposing of underperforming homes.
- The delivery of our improved approach to procurement.
- The provision of new homes and acquiring, when advantageous, homes from other Housing Associations.

The table below shows our performance against the Regulator's value for money metrics compared to our peers. Our reinvestment levels in 2023-24 were lower than expected due to a challenging market for house builders and high interest rates adversely impacting development viability. Consequently, the business took a cautious approach towards the provision of new homes, especially given the cost uncertainties we were experiencing.

With a better understanding of our cost base, the Board feels more confident in increasing our investment in new and existing homes. For example, during 2024-25, the development team started construction of 267 new affordable homes, and B3Living acquired 250 homes from Orbit. Furthermore, aside from the sector-leading investment of approximately £2.35k per unit in improving existing homes, we plan to invest a further £2k per unit per year in existing homes between 2025-26 and 2028-29. This level of investment will result in us outperforming our VFM target of the sector median for reinvestment and increasing our supply of new social homes to over 2.4% by 2027-28. These annual investments will positively contribute towards providing a property and neighbourhood our customers are proud to call home.

However, it is important to note that this level of investment is only sustainable if we continue to manage our cost base to generate strong operating margins and interest cover performance.

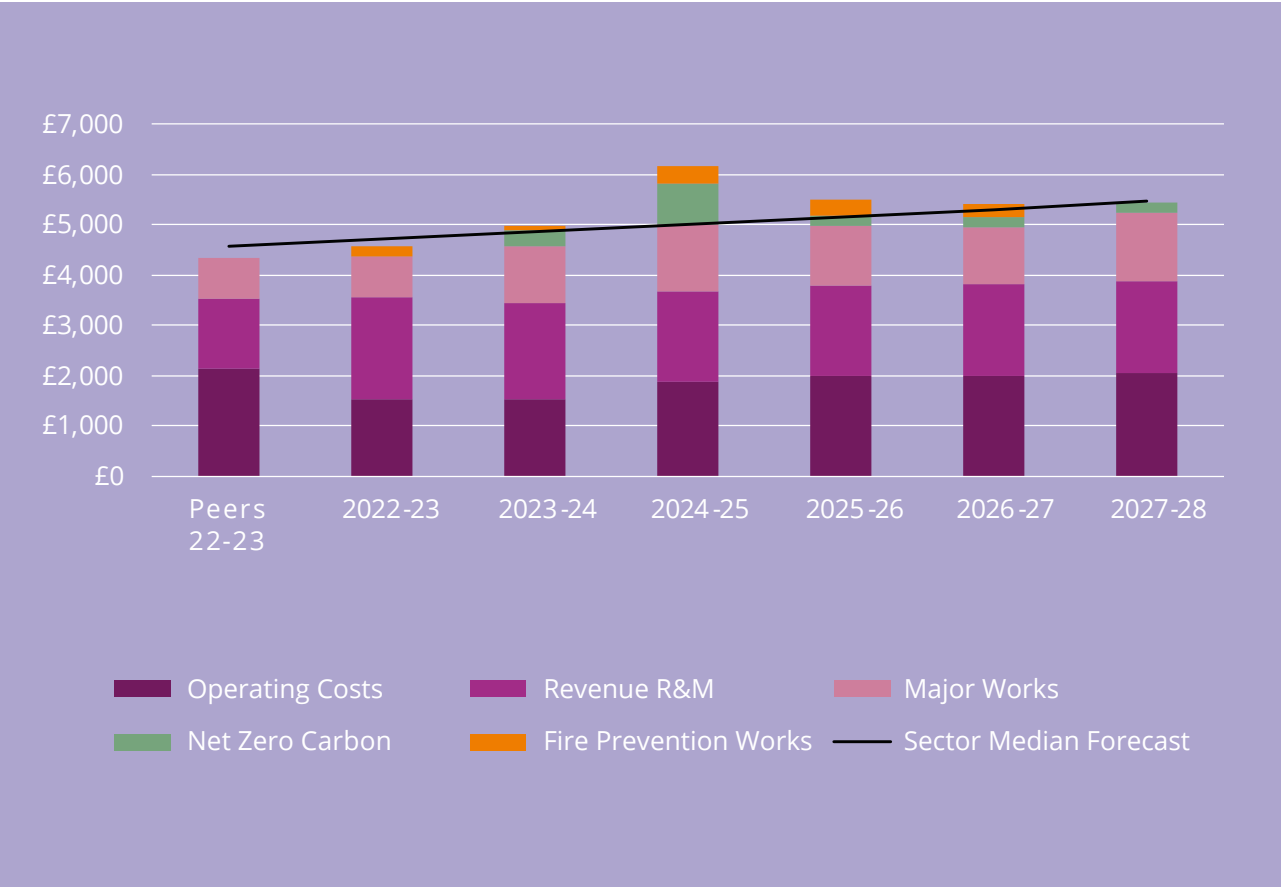
	Peer average	Sector median	Sector upper quartile	Board VFM target	B3Living Actual	B3Living Actual	B3Living Forecast	B3Living Forecast	B3Living Forecast
	2023-24	2023-24	2022-23		2023-24	2024-25	2025-26	2026-27	2027-28
Value for money metrics									
Reinvestment	12.22%	7.80%	11.05%	Sector Median	5.72%	14.05%	8.90%	10.00%	7.59%
New supply (social)	2.41%	1.43%	2.23%	Sector Median	1.00%	0.16%	1.20%	1.58%	2.48%
Gearing	59.34%	45.62%	55.07%	Upper Quartile	59.30%	59.68%	62.80%	62.83%	61.78%
EBITDA MRI Interest Rate Cover	129.24%	121.69%	151.15%	Sector Median	176.20%	130.09%	144.20%	131.48%	159.71%
Headline social housing cost per unit (£k)	4.87	5.15	6.46	Sector Median	4.94	6.14	5.79	6.27	6.03
Operating margin (SHL)	24.75%	20.43%	25.87%	Upper Quartile	43.99%	47.10%	40.73%	40.91%	41.81%
Operating margin (overall)	24.97%	18.33%	23.21%	Upper Quartile	37.46%	39.87%	39.49%	41.02%	40.13%
Return on Capital Employed (ROCE)	2.99%	2.79%	3.36%	Upper Quartile	5.07%	4.95%	4.55%	4.75%	5.06%



As we deliver our energy efficiency upgrades alongside essential fire safety remediation works, our EBITDA MRI performance is temporarily expected to be suppressed, falling to around 130% in 2026-27. However, once the programme has been completed, performance is expected to return to a level well above the sector median and our peer average. Strong interest cover performance is essential to support the financial viability of our new homes, especially as interest rates and long-term gilts remain elevated.

A key efficiency metric is operating cost per unit. The table below shows the cost per unit increasing from approximately £4,940 per unit in 2023-24 to around £6,270 per unit in 2026-27. The chart below breaks down the five key cost components and compares them with the sector median forecast, based on the 2023-24 outturn increasing by 2% per annum, and our peers.

The chart indicates that in the mid-term, our cost per unit is likely to exceed our sector median target. However, the key cost drivers, such as decarbonisation and fire safety, are expected to diminish in the mid-term as we complete the replacement of all our fire doors, finish any cladding remediation works, and bring all our homes to EPC C by the end of 2028. By excluding these two elements, the core cost per unit of the business remains below our sector median target throughout the period.



Cost per unit breakdown

# Governance and controls



# Responsibilities of the Board

The Board is responsible for preparing the Report and Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)).

The Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation in the United Kingdom require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs at B3Living at the end of the year and of the surplus of the Group and Association for the year then ended.

In preparing those financial statements the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit

Society 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.

The Board has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities

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

## Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

## Annual General Meeting

The Annual General Meeting will be held on **September 2025** Scania House, 17 Amwell Street , Hoddesdon, EN11 8TS.

**The Strategic Report was approved on 15 July 2025 and signed on its behalf by:**

**David Biggs**  
Chair of the Board of B3 Living Limited

Dated: 15 July 2025

Registered with the Mutuals Public Register of the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (Number 29876R).

Registered with the Regulator of Social Housing (Number L4455).

# Internal controls

## Internal controls assurance

The Board recognises its overall responsibility for establishing and maintaining a robust system of internal controls and reviewing their effectiveness. While the ongoing review of internal controls is delegated to the Audit and Risk Committee (ARC), the Board receives annual assurance from the ARC before the publication of the Financial Statements.

## Internal controls review process

Each year, the Board conducts a thorough review of the effectiveness of the internal control systems, following a detailed examination by the ARC. The system of internal control is designed to manage and mitigate, rather than eliminate, the risk of failing to achieve business objectives. It provides reasonable, but not absolute, assurance against material misstatement or financial loss. This ensures the preparation and reliability of financial and operational information and safeguards the Group's assets and interests.

Our review of internal controls encompasses our approach to risk management, including setting risk appetite, identifying and managing risks, governance, and the internal control environment. It covers our key strategic risks and how they are managed, as well as the internal and external audit functions.





# Risk management

B3Living is committed to providing much-needed affordable homes, managing our existing housing portfolio, and delivering excellent services to our customers.

All these activities, including those that support them, such as treasury management, data management, and staff management, carry inherent levels of risk, whether reputational, financial, or compliance related. As we cannot eliminate all risks from our business, we maintain a robust risk management framework that enables us to identify, evaluate, and manage the risks we face, ensuring we can achieve our objectives.

The Board holds overall responsibility for establishing and maintaining a sound system of risk management and internal controls, as well as reviewing their effectiveness. In 2023-24 the Board approved its Risk Management Strategy, which was designed to meet the expectations of the Regulator of Social Housing's (RSH) Governance and Financial Viability Standard (2015), which states that Registered Providers (RP) must ensure effective governance arrangements that deliver their aims, objectives, and intended outcomes for tenants and potential tenants in an effective, transparent, and accountable manner.



These include, but are not limited to:

- Being accountable to tenants, the Regulator and relevant stakeholders.
- Safeguarding taxpayers' interests and the reputation of the sector.
- Having an effective risk management and internal controls assurance framework.
- Protecting social housing assets.

In 2024-25, B3Living's internal auditors, TIAA, conducted a review of the Risk Assurance Framework to ensure it provides sufficient, continuous, and reliable evidence of assurance on the organisational management of major risks. This review offered substantial assurance to the Board that B3Living's Risk Framework is both effective and efficient.

As a provider of homes to some of society's most vulnerable people, we have a duty to understand and manage our risks effectively to ensure the long-term availability of our much-needed affordable homes for our customers and community. Failure to understand or manage risk effectively could result in a regulatory downgrade, putting our customers at risk, and/or financial loss, which would cause reputational damage and undermine the confidence of our key stakeholders, including customers, funders, local authorities, partners, and others.

## Risk management framework at B3Living

The risk management framework at B3Living can be broken down into five distinct elements:

- **Risk appetite** - Categorisation of key risk areas to the business and consideration of the amount and type of risk that the organisation is willing to accept to meet strategic objectives and its tolerance levels.
- **Identifying and recording risk** - Categorisation and identification of individual significant risks to the organisation.
- **Evaluating and managing** - Procedures for evaluating risks identified.
- **Governance** – Roles and responsibilities and processes for effective monitoring.
- **Risk management culture** – how the organisation will ensure that risk management thinking is embedded at all levels of the organisation.

## Risk appetite

The Board is responsible for setting the risk appetite of the Group, determining the nature and level of risks that the Board is willing to accept and expose the business to in order to achieve its objectives. Occasionally, it may be appropriate to conclude that a high level of risk is acceptable to achieve greater rewards, embracing the “risk and reward” concept, with the reward being financial and/or social.

Each year, during either a Board awayday or at a Board meeting, members discuss and agree on their risk appetite for the Group. In 2024, the Board not only agreed upon a suite of risk appetite statements for the business but also provided guidance and insight into what was driving their appetite for each risk.

The flow chart below provides an overview of the risk appetite process.

The risk appetite exercise is crucial as it helps set the tone for our organisation. For instance, in December 2024, the Board expressed a reasonably strong risk tolerance towards capitalising on new technologies, activities that help reduce our carbon footprint, and promoting our profile within the sector. Conversely, the Board maintained a low risk tolerance towards commercial activities, cyber security, and data quality. To ensure the business operates within the Board's risk appetite parameters, each Board and Committee paper requires the author to reference the relevant risk statement and how it has been reflected within the report.

In addition to the risk appetite exercise, the Board established a suite of Financial Golden Rules for the business to operate within. These financial parameters reflect the Board's risk appetite in terms of financial performance to achieve its objectives. They are used to help define and quantify the business's investment capacity, such as determining how many new affordable homes B3Living can deliver for the communities it serves.



# Identifying and recording risk

The Executive and Board members are selected based on the skill requirements of the business, providing a robust foundation to support our ability to identify new and emerging risks. To support the identification of emerging risks or changes to existing risks, the Board receives biannual reports on the economic environment and housing market, quarterly reports on the lending market, professional speakers to discuss sector risks, time at Board awaydays to discuss emerging risks and to “Blue Sky” think about potential risks, an analysed review of the Regulator’s annual sector risk profile, an annual presentation of the asset and liability register, and a detailed review of the business plan’s stress testing results.

Members and officers are also encouraged to attend sector conferences and read sector publications. All identified risks are logged on the corporate risk register to be evaluated and managed.

Below is a flow chart showing where B3Living’s risks could come from:

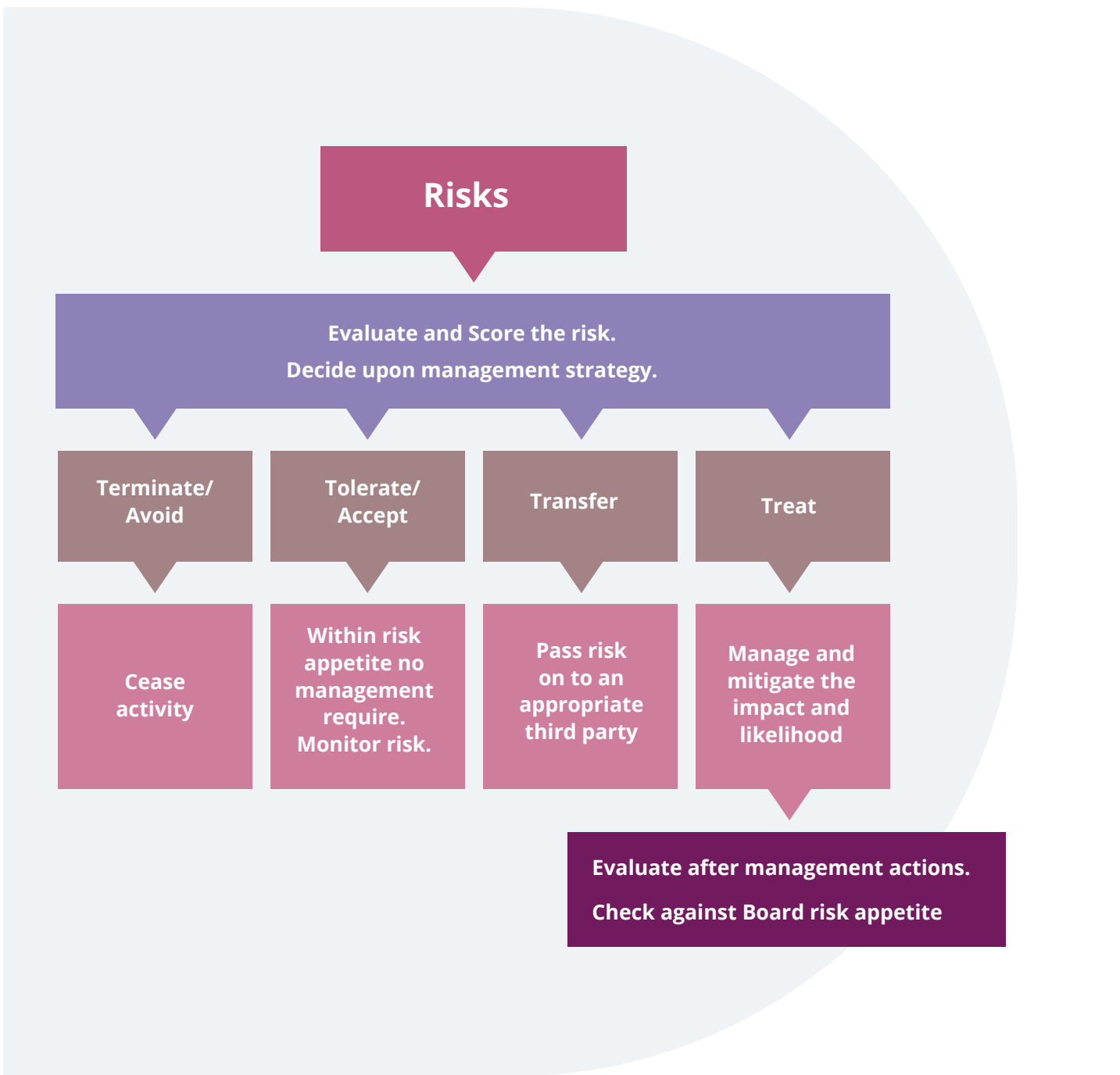


# Evaluating and managing risk

All risks logged on the risk register, either existing or new risks, are evaluated in terms of the likelihood of the risk crystallising and the potential impact if it does. All identified risks are assessed twice. The initial assessment evaluates the uncontrolled risk i.e. the risk the organisation would be exposed to if it did not put any controls in place. Second the ‘residual’ risk assessment which determines the exposure after action(s) have been taken to manage/mitigate it.

Each risk is carefully considered in terms of how, if at all, the risk should be managed, i.e., do nothing and accept it, take actions to reduce the likelihood or impact of the risk crystallising, transfer to a third party or avoid it. We maintain a comprehensive risk register which logs all the identified risks, and their score based on likelihood of materialising and impact of the risk crystallising. The Strategic Risk Register is presented at every Board, ARC, Executive and Leadership team meeting for review and discussion.

The flow chart below provides an overview of the evaluating and risk management process:





## Governance

The Board is responsible for overseeing the framework of delegation and systems of internal control, including risk appetite and strategic risks. The Board reserves certain matters to itself, including determining the long-term business objectives of the Group and any material decisions. The Board has delegated to the ARC the responsibility for reviewing the risk management systems, monitoring the integrity of the Financial Statements, providing oversight of the internal and external audit processes, and reporting their findings to the Board. ARC is required to meet four times a year and once during the year, usually before the approval and publication of the Financial Statements they meet with the external and internal auditors without the presence of officers.

Delegation of authority and financial regulations set a framework for Board committees, the Chief Executive and the Executive team. Board committees provide assurance to the Board on key areas of activity such as safeguarding of assets, the effectiveness of the finance and treasury functions and the delivery of quality services. As part of the system of internal controls, the Board has a policy on fraud which covers prevention, detection and reporting of fraud and the recovery of assets in line with the expectation of the Regulator of Social Housing.

The Board is responsible for ensuring that the business maintains an appropriate risk register. To retain strategic focus at Board meetings, members are only presented with strategic risks with a residual score, based on the multiple of likelihood/probability score (1-5) and impact score (1-5), of 12 or more, the entire risk register is made available at each Board meeting. As the Board predominately focuses on strategic risks it has delegated the responsibility to the ARC to review the whole Risk Register (strategic and operational) at each meeting.

The Board is responsible for ensuring that the business maintains an appropriate risk register. To retain strategic focus at Board meetings, members are only presented with strategic risks with a residual score, based on the multiple of likelihood/probability score (1-5) and impact score (1-5), of 12 or more, the entire risk register is made available at each Board meeting. As the Board predominately focuses on strategic risks it has delegated the responsibility to the Audit and Risk Committee to review the whole Risk Register (strategic and operational) at each meeting.

## Internal controls environment

To support the delivery of the risk management framework we have improved, and will continue to improve, our internal controls environment and framework. A key element of our internal control environment is the need to review, monitor, learn and improve. To this end, we:

- Update the corporate risk register and its sources of assurance on a periodic basis along with deliverable mitigating actions which are designed to protect the business should these risks crystallise. This process is led by the Business Improvement Co-ordinator under the supervision of the Executive Director (Finance).

- Regularly review staff attitudes to risk management and how well it is embedded across the business. This review considers staff at all levels throughout the organisation and includes, but is not limited to, surveys, interviews, working groups, documented knowledge, etc. These reviews are used to determine the need for increased risk training or improved communications.
- Annually present our ‘three lines of defence’ assurance framework to the ARC for review and discussion. The ‘three lines of defence’ framework segregates our sources of assurance into three distinct categories.
  - o The first line is the information received directly from management to indicate how effectively controls are operating (such as policies and procedures, management reports, etc.).
  - o The second line is information provided from independent internal sources (such as independently validated KPIs, internal quality checks, etc.).
  - o The third line of assurance is external bodies who assess the effectiveness of the controls in place. This is often provided by internal audits but can include regulatory reviews or specialist consultants, something we have undertaken in respect of building health and safety compliance and cyber security

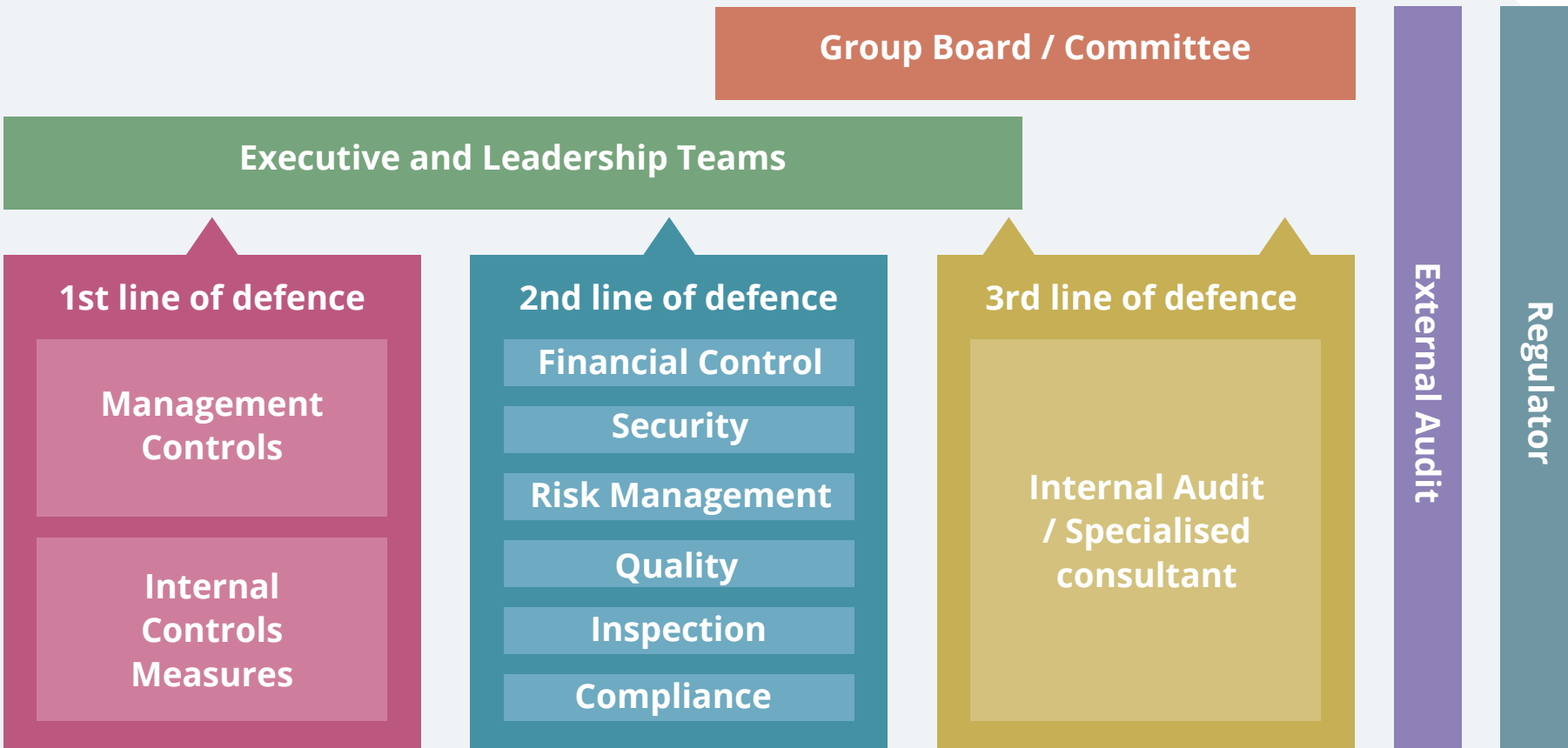
- Annual review of the effectiveness of the internal audit function to the ARC. When approving the annual internal audit plan the Audit and Risk Committee consider how the plan corelates to risks within the corporate risk register and delivery of our Better Futures Strategy. The Committee also considers if certain audits would be better delivered by a specialist third party for assurance rather than our appointed internal auditors, for example we have commissioned Knowledge Industries to review our data governance.

- Annual Risk Maturity review is carried out to assess the robustness of the risk management process. The review aids members and the Executive to understand which areas of the risk management framework are working well and which areas need improvement. For example, the latest review highlighted that we needed to embed the key objectives within the Better Futures strategy across the business, line managers needed to ensure risk management is discussed regularly during team meetings and Board should review the process of how it determines its risk appetite.

- Data integrity. Where possible we utilise creditable external data to inform key decisions or provide Board insight; for example, in our biannual economic and housing report to Board, we rely on data from the Bank of England, Savills, Knight Frank, HM Treasury, GfK, RICS, etc, to inform conclusions. Aside from external data, we are continuously improving our own data, for example, a recent rent and service charge working group cleansed all data required to set rent and service charges, resulting in low levels of customer queries and a substantial assurance from our internal auditors. We also utilised two external consultants to review our approach and data for building safety compliance, one contractor to advise and support, the other to validate our finalise position. We are currently undertaking a similar two contractor approach to our 100% stock condition survey, to satisfy ourselves of data quality. Data quality is a key consideration for the Board, and in 2024-25 we kicked-off a data review, led by an external consultant, which resulted in a new Data Strategy being approved by Board.
- In the year the senior leadership completed a fraud risk assessment exercise which is aimed at documenting all the areas of the business most at risk from fraudulent activities and the controls we have in place, or plan to put in place, to reduce the potential of fraud.







## Strategic risks

Below are the key risks that, if they crystallised, would adversely impact on B3Living’s ability to deliver on its key objectives, such as building new affordable housing, cutting our carbon emissions, providing safe, good quality homes and estates, etc. Our Better Futures strategy is supported by our approved business plan, which is underpinned by a suite of important assumptions. If our operating environment changes or we experience material internal failures then it is unlikely that these assumptions will be realised, which could adversely impact on investment capacity or the business’s ability to meet our strategic objectives.

Strategic risk	Internal controls & mitigations
<b>Cyber-security</b>  A breach of B3Living’s IT security could result in the loss of data, money and/or disruption to IT based services (including externally hosted applications and web sites).	<ul style="list-style-type: none"><li>Multi-factor authentication – meaning access must be verified from a secondary device and maintain effective firewall to protect network.</li><li>Disaster Recovery Plan updated regularly and tested, including a malware/ransomware attach response plan.</li><li>“Cyber Essentials Plus” accreditation plus annual penetration testing.</li><li>Biennial internal audits on cyber-security.</li><li>Cyber-security maturity review by B3Living’s internal auditor completed in 2024-25.</li><li>Policies (DP &amp; IM policy; Access Control policy; Password policy; IT Acceptable Usage Policy).</li><li>Staff training and awareness.</li></ul>
<b>Deteriorating economic conditions</b>  The UK experiences economic uncertainty (e.g. due to national political upheaval or global macroeconomic forces). This could impact on financial performance, investment capacity, undermine the viability of new housing investments, operational costs and increase hardship among our customers.	<ul style="list-style-type: none"><li>A suite of robust Financial Golden Rules to protect against adverse events.</li><li>A comprehensive approach to stress testing and recovery planning.</li><li>A comprehensive economic and housing report to the Board biannually.</li><li>Regular monitoring of the credit profile of key contractors.</li><li>Sector experts presenting to Board on market/ operational risk – Beevers &amp; Struthers (June 24), Ombudsman (Oct 24).</li></ul>
<b>Fire remediation works</b>  B3Living has identified an 18m plus block with structural and cladding issues that may require fire remediation works. There is risk that aside from this block, other lower rise blocks that need remediation works are identified which impacts on the Group investment capacity.	<ul style="list-style-type: none"><li>A suite of robust fire safety documents, such as Fire Management Plan, Fire Risk Management Strategy &amp; Fire Safety Policy.</li><li>Mitigating actions in place to manage current risk as advised by the Fire Brigade, e.g. new fire alarm, fire doors replaced, information box on site etc. Updated March 2025.</li><li>Prudent provisions made within the 2025 Finance Plan.</li><li>External contractor, Franklins, commissioned to validate Fire Appraisal of External Walls (FRAEW) results and potential remediation actions.</li></ul>



Strategic risk	Internal controls & mitigations
<b>Data quality / governance</b>  B3Living's data quality is driving sub-optimal decisions and results in operational failures	<ul style="list-style-type: none"><li>• A Responsible, Accountable, Consulted, and Informed (RACI) review on all the key data sources required to run the business completed in 2020.</li><li>• New Data Strategy agreed by Board Dec 2024, with delivery oversight by ARC.</li><li>• Robust Data Protection policies and procedures in place and embedded across the business.</li><li>• Rent and Service charge data cleansing review – 2021. Internal audit in 2023 gave substantial assurance.</li><li>• External consultants supporting the dedicated Head of Data role to deliver the Data Strategy.</li></ul>
<b>Impairment</b>  Impairment charges coming from land holdings or development schemes caused by cost overruns, falling sales value or poor management.	<ul style="list-style-type: none"><li>• We maintain a robust investment policy that aims to protect against impairment.</li><li>• Provide comprehensive bi-annual Economic and Housing reports to Board.</li><li>• Provide regular development updates to relevant Committees and Board meetings.</li><li>• Carry out robust stress testing, to understand the potential business impacts of adverse development events, such as falls in house prices, cost overruns, etc.</li><li>• Substantial assurance from internal audit on development appraisal and approval.</li></ul>
<b>Changes in government policy</b>  Impacting on B3Living's operating environment and ability to achieve business objectives.	<ul style="list-style-type: none"><li>• We run a suite of severe stress tests to pre-empt the impact of a change in government policy on the business&gt; This includes changes to policy impacting how we set rents.</li><li>• We ensure we have sufficient liquidity in place to overcome a sudden shock to our forecast income.</li><li>• We maintain a prudent approach to business planning to ensure we can deliver the key business objectives in a range of different operating environments.</li><li>• We have a robust suite of mitigating actions available to the business to either increase investment capacity or protect our long-term viability.</li><li>• We report on a semi-annual basis on changes within our operating environment, this includes government policy changes.</li></ul>
<b>Housing market downturn</b>  leading to reduced sales values and/or significant sales delays.	<ul style="list-style-type: none"><li>• We maintain sufficient financial capacity and liquidity to switch the tenure types (e.g. shared ownership to affordable rent).</li><li>• We ensure our financial plan has been modelled correctly by conducting annual third-party reviews.</li><li>• We have a comprehensive approach to stress testing and recovery planning.</li><li>• We closely monitor the housing market via regular housing market reports.</li><li>• Our Financial Golden Rules are designed to manage our exposure to the housing market in any one year.</li><li>• Deep dive presentation from officers to ARC on the sales programme and process</li></ul>

Strategic risk	Internal controls & mitigations
<b>Contractor Failure</b>  Corporate Strategy delivery is adversely impacted by a key contractor ceasing trade.	<ul style="list-style-type: none"><li>• We complete regular financial assessment of all our major suppliers during the on-boarding process and monthly credit checks.</li><li>• Enter into turnkey development agreements with small house builders.</li><li>• Procure via own framework agreements to ensure we have two or three additional suppliers available should the winner cease trading.</li><li>• Regular contractor meetings to create transparent working relationships and to hold contractors to the terms of the contract.</li></ul>

The ARC received the Chief Executive's Annual Report on the effectiveness of the systems of internal control and the annual report of the internal auditor and has reported its findings to the Board.

## Internal Audit

B3Living outsources its internal audit function to ensure there is sufficient independence. Internal Auditors report directly to the ARC, and regular meetings are held between the Chair and TIAA as well as an annual closed session for members and TIAA to discuss the effectiveness of the process.

TIAA work closely with the Group to ensure that a risk-based approach to the monitoring of the control environment is maintained and is effective. TIAA is satisfied that, for the areas reviewed during the year, B3Living has reasonable and effective risk management, control and governance processes in place. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or our ability to meet financial obligations which must

be obtained by B3Living from its various sources of assurance. During the year, TIAA carried out seven internal audits across the business, ranging from rent and service setting, development handover process, fraud awareness, monitoring building health and safety compliance and income collection.

## External Audit

The Financial Statements for the year ended 31 March 2025 were audited by Beever and Struthers. Their audit report is unqualified, and they presented the management letter which contains no material issues of concern to the ARC. The management letter highlights that they found that the Group's systems and internal financial controls were, overall, operating effectively.

## Fraud

During the year, we recorded two incidents of attempted fraud in the Register. These two incidents took the form of phishing emails seeking to either prompt a member of staff to click on a malware link or capture user credentials. Both attacks were prevented through our IT security and internal controls.

The Whistleblowing Policy, Anti-Fraud Policy, Anti-Bribery and Corruption Policy and Anti-Money Laundering Policy were reviewed by the Board and external training was provided to the Board and key staff.

## Going concern

After making enquiries, the Board has a reasonable expectation that the Group and Association have adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. The Board approved long term business plan satisfies lender and investor covenants and demonstrates ability to repay all debt in accordance with contractual commitments for these reasons, the Group and Association continues to adopt the going concern basis in preparing financial statements.



# Governance and viability compliance

## Statements of compliance with the Regulator's Governance and Financial Viability Standard

The Board confirms that the Strategic Report has been prepared in accordance with the principles set out in paragraphs 4.6 and 4.7 of the 2018 Housing SORP for registered social landlords. B3Living has undertaken an assessment of compliance with the Regulator's Governance and Financial Viability Standard for the year ended 31 March 2024, as required by the Accounting Direction for Social Housing in England 2022.

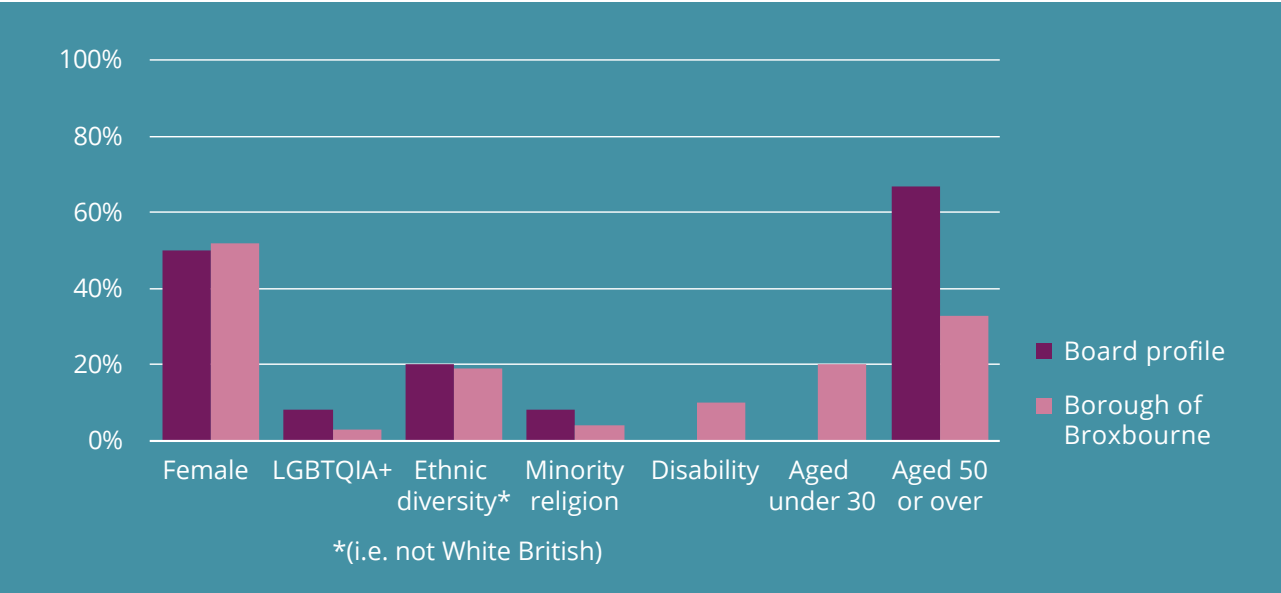
The Board can confirm that during the year in question, B3Living has complied with the Governance and Financial Viability Standard, and during the 2023-24 financial year, B3Living has maintained the top governance and viability ratings of G1 and V1 respectively, awarded in March 2022 following a regulatory in-depth assessment (IDA) and reaffirmed via a desktop stability check in December 2024.

In May 2024, B3Living completed an internal review of its performance against the Regulator's Governance and Viability Standards. This was reported to the Board, which confirmed that B3Living remained compliant with these standards.

## Governance

B3 Living Limited (the Association) is a public benefit entity registered with the Regulator of Social Housing (RSH) as a housing association, a registered provider of social housing. The Association's principal activities relate to the development, acquisition, and management of affordable general needs, sheltered, low-cost home ownership, and supported social housing for those in need, as well as investment in the community.

The Group Board (Board) for the Association and its subsidiaries ordinarily consists of up to twelve members, drawn from wide backgrounds to bring together professional, commercial, and local experience, who are remunerated. B3Living has made efforts in recent years to expand the diversity of its Group Board, and we are pleased to report that our board demographic profile is broadly representative of our local community, except for the age profile and individuals with a disability. Details of the skills, attributes and the profiles of individual members are available on pages 111 to 112 of this report.



Our Board has an agreed skills statement against which we regularly assess our current Board members' skills and attributes and address any gaps through recruitment, training, succession planning and bringing in external expertise, if required. Our Board is made up of members with a wide range of expertise and backgrounds, including banking, governance, property, tax, social housing and real estate.

Board member appointments are made via an assessment of their skills, knowledge, and experience against the skills matrix of the Board in order to support succession planning or to support future business and commercial activities.

The organisation annually publishes information about the appointment of new Board members and about the diversity, skills, and attributes of all of the Board members. This year we welcomed two new members to the Board, including a Chair Designate, bringing a wealth of expertise to the Group. Their backgrounds are outlined on pages 111 to 112, alongside the profiles of existing members, their backgrounds and length of service are available on pages 111 to 112 and on our website (<https://b3living.org.uk/board/>).

The Board meets at least seven times per financial year and is responsible for the overall strategy, direction, and control of the Group. Board members and Executive Directors currently in post are set out on page 112.

The Board has delegated certain responsibilities to five main committees. Of these, four are ongoing from previous years: the Audit and Risk Committee, which meets four times a year, the Remuneration and People Committee, and the Treasury Committee, both of which meet at least once a year. In November 2022, the Board approved the establishment of an Operations Committee, which has agreed to meet three times a year and has been working to further embed the customer voice into our governance structure and to ensure we take a robust approach to customer and building safety.

Finally, in January 2024 following the recommendation made during a legal compliance check, the Board approved the creation of an Investment and Development Committee which has agreed to meet at least once a year.

There are also two subsidiary companies (B3 Living Development Limited and Everlea Homes Limited) with their own boards, which meet three times a year. The Board has delegated approvals of small schemes to the Executive team and the Investment and Development Committee, while approval of the delivery of the scheme sits with our subsidiary, B3 Living Development Limited.



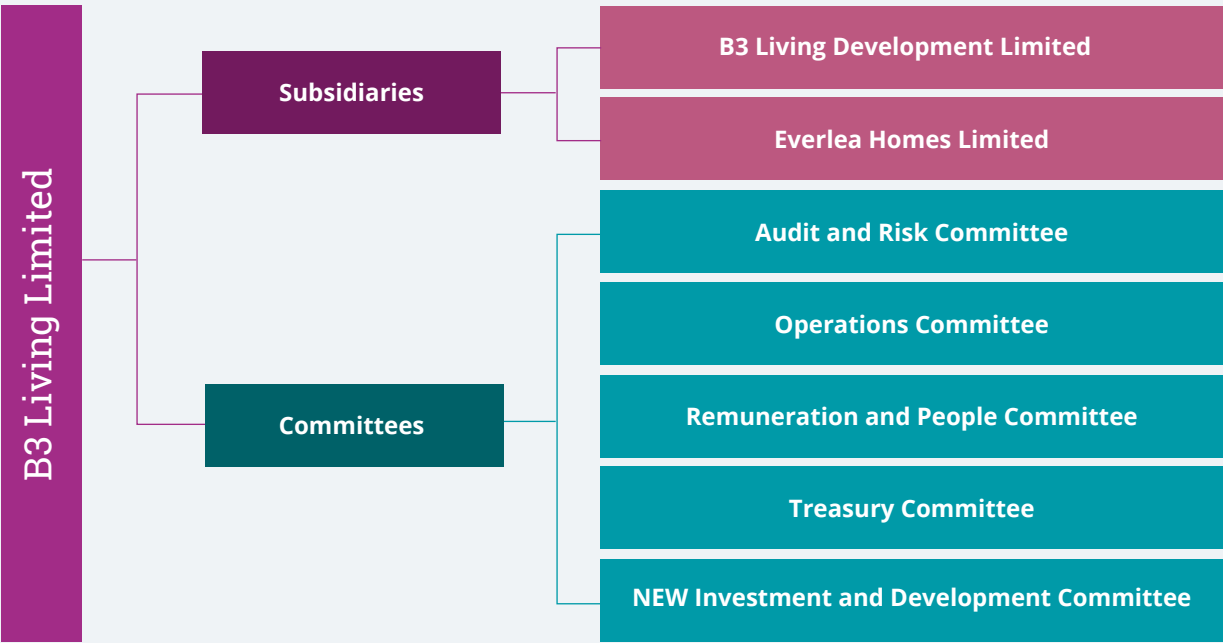


# National Housing Federation (NHF) Code of Governance

B3Living is signed up to the National Housing Federation Code for Mergers, Group Structures and Partnerships as well as NHF Code of Governance 2020.

In May 2024, B3Living completed an internal review of its performance against the NHF Code of Governance 2020, which confirmed that, at that time, B3Living was compliant with all elements within this code.

Five of our Board members reached the end of their term within the year, calling for the implementation of our strategic succession plan. However, due to the transition from nine years to six years we had a number of Board members reaching the end of their tenure simultaneously. Due these exceptional circumstances, and to ensure a smooth transition for our Board and wider organisation, we made the decision to extend three members' terms. Therefore, these members are beyond their six year term, but this is reviewed annually, and the situation is due to resolve itself in due course as we continue to recruit.



Most of our board members have served B3Living for a long time and have a wide knowledge of our organisation; prolonging their term enabled us to keep their valuable influence over our decision-making while we recruited candidates with the necessary skills and experience. Upon a successful recruitment campaign, we appointed a new board member, and a Chair Designate who will replace our incumbent Chair in September 2025. The Code allows for extensions of up to nine years, but our ongoing succession plan will ultimately resolve these extensions as we continue to recruit new members.

Moreover, we continued to follow all other elements of the NHF Code of Governance throughout the 2024-25 financial year.

## Executive team

The Executive team comprises the Chief Executive and four executive directors, who hold no shareholding interest in the Association and act as executives within the authority delegated by the Board.

The Chief Executive and the Executive team have employment contracts with notice periods ranging from three to six months.

Insurance policies indemnify Board members and officers against liability when acting for the Association and its subsidiaries. Details of executive director remuneration packages are included in note 9 to the Financial Statements.

Independent auditor's report



# Independent auditor's report to the members of B3 Living Ltd

## Opinion

We have audited the financial statements of B3 Living Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Group and Association Statement of Changes in Equity, the consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2(a) and 2(b). 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 2025 and of the Group's surplus and the Association's surplus 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor of B3 Living Limited by the Board for the period ending 31 March 2007. The period of total uninterrupted engagement for the Group is for 19 financial years ending 31 March 2025. 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.

## Application of Materiality

Materiality for the Group financial statements as a whole was set at £873,520, determined with reference to a benchmark of Group turnover (of which it represents 2%). We consider group turnover to be the most appropriate benchmark, and more appropriate than a profit-based benchmark, as the Group is a not-for-profit organisation that reinvests all surpluses generated from its activities within the Group and does not make any distributions of profit to external parties.

Materiality for the parent Association financial statements as a whole was set at £764,330, determined with reference to a benchmark of Association turnover (of which it represents 1.75%), based on the same rationale as above.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £655,140 (2024: £683,265) for the Group and £573,248 (2024: £597,857) for the parent Association. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £43,676, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's three reporting components, we subjected all three to full scope audits for group purposes. The work on all components including the audit of the parent Association, was performed by the Group team.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address these matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

## 1. Sales risk and exposure to the property market

**The risk of new development costs being overstated on the Statement of Financial Position was considered to represent a significant audit risk, because, in addition to its being high value, consideration of impairment is a significant management judgement**

The Group recorded turnover from properties developed for first tranche shared ownership sale of £2.4m (2024: £9.3m). Other property sales (such as staircasing, RTB and asset disposals) generated a further surplus of £1,485k (2024: £351k). At 31 March 2025, the balance of work in progress relating to completed unsold properties was £3.4m (2024: £2.8m), with work in progress of £1.9m (2024: £nil) relating to properties for sale under construction.

Refer to page 98 (accounting policies) and page 94 to 97 (financial disclosures).

### Our response

Our procedures included the following tests of detail:

- **Test of detail:** Tested surplus on sale for a sample of property sales in the period.
- **Assessment of recoverability:** Reviewed the carrying value of the Group's stock and work-in-progress at the year-end to ensure it is stated at its selling price less costs to complete and sell. This included an assessment of the profitability on the current schemes.

## Our results

We found no errors in the calculation of surplus on sale of properties. We agreed a sample of property sales in the year against completion statements and other documentation and agreed the cost of sales against the costs capitalised and found that they had been treated appropriately. We also reviewed the latest forecast costs for each development and found that there were no significant cost overruns to the approved budgets and no indication that the carrying value of the properties is overstated at the year end.

To consider the risk that management have overstated the work in progress, we reviewed the stress testing on the business plan to assess the impact on the change in value of stock and work in progress. The Group has stress tested a range of scenarios, including house price fall of 30%, the sales programme being delayed by one year, and having to convert all shared ownership properties in development to affordable rent, and in these scenarios the Group remained able to meet all funders' covenants.



## 2. Housing Properties – capitalisation of new build development costs

**The risk of new development costs being overstated on the Statement of Financial Position was considered to represent a significant audit risk, because, in addition to its being high value there are management estimates applied**

The parent Association capitalised new build development costs of £10.9m (2024: £4.6m). Refer to pages 98 to 106 (accounting policies and notes to the accounts) and pages 94 to 87 (financial disclosures).

### Our response

**Our procedures included the following tests of detail:**

- **Test of detail:** We agreed a sample of development additions in the year to invoice or certificate.
- **Test of detail:** We reviewed and agreed workings for capitalised interest in the year. This included a comparison of the Association's weighted average interest rate applied versus the actual paid for its borrowing and to ensure that capitalisation of interest ends when a development reaches practical completion.
- **Test of detail:** We checked the costs directly related to the development programme. We note that the majority of costs in this regard are the salaries of the development team. We reviewed amounts capitalised in our sample testing to confirm the treatment adopted accords with guidance in FRS 102 and the SORP 2018.

### Our results

Based on the audit procedures performed, we found the capitalisation of new build development costs to be recorded accurately and in line with FRS 102 and the SORP.

## 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. Our evaluation of the Board's assessment of the entity's ability to continue to adopt the going concern basis of accounting included carrying out the following:

- We obtained management's assessment that supports the Board's conclusions with respect to the disclosures around going concern.
- We considered the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management, assessing historical forecasting accuracy and considered the reasonableness of the range of scenarios included in management's consideration of downside sensitivity analysis.
- We challenged management on the suitability of the mitigating actions identified in their downside assessment, including the quantum and period ascribed to these mitigating actions.
- We obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities and covenant headroom calculations. We assessed the facilities and covenant headroom calculations.

- We reviewed the wording of the going concern disclosures and assessed its consistency with management forecasts

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 Report of the Board including 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.

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

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with accounting records and returns; 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 pages 43 to 44, 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 Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or 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 on the basis of these financial statements.

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

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

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

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

- We obtained an understanding of laws 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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, 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 indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

## Use of our Report

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

**Beever and Struthers**  
Chartered Accountants and Statutory Auditors  
150 Minories  
London  
EC3N 1LS

Date:

Financial  
statements



# Statement of comprehensive income

## For the year ended 31 March 2025

	Notes	Group		Association	
		March 2025	March 2024	March 2025	March 2024
		£000	£000	£000	£000
Turnover	3	43,676	45,551	43,676	45,551
Cost of sales	3	(2,146)	(8,062)	(2,205)	(8,243)
Operating expenditure	3	(24,116)	(20,424)	(24,225)	(20,655)
Gains on disposal of housing properties	3	1,485	351	1,485	351
Changes in valuation of investment properties	10c	(23)	-	(23)	-
<b>Operating surplus</b>	<b>5</b>	<b>18,876</b>	<b>17,416</b>	<b>18,708</b>	<b>17,004</b>
Gift Aid		-	-	61	331
Interest receivable	6	203	139	179	128
Interest and financing costs	7	(8,059)	(8,196)	(8,059)	(8,196)
<b>Surplus / (deficit) before tax</b>		<b>11,020</b>	<b>9,359</b>	<b>10,889</b>	<b>9,267</b>
Taxation		-	-	-	-
<b>Surplus / (deficit) for the year</b>		<b>11,020</b>	<b>9,359</b>	<b>10,889</b>	<b>9,267</b>
Actuarial gains/(losses)	27	69	(99)	69	(99)
<b>Comprehensive income for the year</b>		<b>11,089</b>	<b>9,260</b>	<b>10,958</b>	<b>9,168</b>

The Financial Statements were approved and authorised for issue by the Board on 15 July 2025 and were signed on its behalf by:

David Biggs  
**Chair of Board**

Trudi Kleanthous  
**Board Member**

Paul Tyrrell  
**Board Member**

Claire Howe  
**Company Secretary**

The notes on pages 92 to 137 form an integral part of the Financial Statements.

Registered with the Mutuals Public Register of the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (Number 29876R). Registered with the Regulator of Social Housing (Number L4455).

# Statement of financial position

## As at 31 March 2025

	Notes	Group		Association	
		March 2025	March 2024	March 2025	March 2024
		£000	£000	£000	£000
<b>Fixed assets</b>					
Housing Properties	10a	372,561	328,954	372,817	329,320
Other Fixed Assets	10b	3,691	3,616	3,691	3,616
Investment properties	10c	3,648	3,671	3,648	3,671
Investment in subsidiaries	10d	-	-	-	-
<b>Tangible fixed Assets</b>		<b>379,900</b>	<b>336,241</b>	<b>380,156</b>	<b>336,607</b>
<b>Current assets</b>					
Stock	11	3,436	2,829	3,436	2,829
Trade and other debtors	12	2,221	3,211	2,229	3,195
Agreement to improve existing properties	25	1,226	1,323	1,226	1,323
Cash and cash equivalents	13	5,609	7,645	5,594	7,455
		<b>12,492</b>	<b>15,008</b>	<b>12,485</b>	<b>14,802</b>
Less: Creditors falling due within one year	14	(10,815)	(7,641)	(11,288)	(7,894)
<b>Net current assets</b>		<b>1,677</b>	<b>7,367</b>	<b>1,197</b>	<b>6,908</b>
<b>Total assets less current liabilities</b>		<b>381,577</b>	<b>343,608</b>	<b>381,353</b>	<b>343,515</b>
<b>Creditors falling due after more than one year</b>	<b>15</b>	<b>(266,131)</b>	<b>(239,016)</b>	<b>(266,131)</b>	<b>(239,016)</b>
<b>Provisions for liabilities</b>					
Agreement to improve existing properties	25	(1,226)	(1,323)	(1,226)	(1,323)
Pension provision	29	(193)	(331)	(193)	(331)
		<b>(1,419)</b>	<b>(1,654)</b>	<b>(1,419)</b>	<b>(1,654)</b>
<b>Total net assets</b>		<b>114,027</b>	<b>102,938</b>	<b>113,803</b>	<b>102,845</b>
<b>Reserves</b>					
Non-equity share capital	26	-	-	-	-
Income and expenditure reserve		114,027	102,938	113,803	102,845
<b>Total reserves</b>		<b>114,027</b>	<b>102,938</b>	<b>113,803</b>	<b>102,845</b>

The Financial Statements were approved and authorised for issue by the Board on 15 July 2025 and were signed on its behalf by:

David Biggs  
**Chair of Board**

Trudi Kleanthous  
**Board Member**

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**Company Secretary**

The notes on pages 92 to 137 form an integral part of the Financial Statements.

Registered with the Mutuals Public Register of the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (Number 29876R). Registered with the Regulator of Social Housing (Number L4455).



# Statement of changes in equity

## As at 31 March 2025

	Group		Association	
	Share Capital*	Income & Expenditure	Share Capital*	Income & Expenditure
	£000	£000	£000	£000
Balance as at 1 April 2023	-	93,678	-	93,677
Surplus for the year	-	9,359	-	9,267
Actuarial gains/(losses) in respect of pension scheme	-	(99)	-	(99)
Balance as at 31 March 2024	-	102,938	-	102,845
Surplus for the year	-	11,020	-	10,889
Actuarial gains/(losses) in respect of pension schemes	-	69	-	69
Balance as at 31 March 2025	-	114,027	-	113,803

\*The Group and Association have issued share capital of £10 (2024: £11).

The Group and Association had equity at the reporting date of £114,027k (2024: £102,938k) and £113,803k (2024: £102,845k) respectively.

The notes on pages 98 to 137 form an integral part of the Financial Statements.

# Consolidated statement of cash flows

## For the year ending 31 March 2025

	March 2025	March 2024
	£000	£000
Net cash generated from operating activities (see Note 21)	24,589	29,188
Cash flow from investing activities		
Purchase of tangible fixed assets (social housing)	(51,304)	(16,635)
Purchase of other fixed assets	(480)	(573)
Purchase of other investment properties	-	(305)
Proceeds from sale of tangible fixed assets	3,824	1,318
Grants received	4,543	1,095
Investments in JVs	-	-
Investment income received	203	139
	(43,214)	(14,961)
Taxation	-	-
Cash flow from financing activities		
Interest paid	(8,411)	(8,627)
New secured loans	25,000	-
Repayments of borrowings	-	(5,000)
	16,589	(13,627)
Net change in cash and cash equivalents	(2,036)	600
Cash and cash equivalents at beginning of the year	7,645	7,045
Cash and cash equivalents at end of the year	5,609	7,645
	(2,036)	600

The notes on pages 98 to 137 form an integral part of the Consolidated Financial Statements.



# Legal status, accounting policies, and notes to the Financial Statements

## 1. Legal status

B3Living is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 with the registration number 29876R and is also registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing with the registration number L4455. B3Living's registered office is Turnford Place, Great Cambridge Road, Cheshunt, EN10 6NH.

The Group is a public benefit entity as defined in FRS 102, section 34.

## 2. (a) Principal accounting policies

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with Regulator of Social Housing with effect from 1 April 2012 as a registered provider of social housing.

### Basis of accounting

The Financial Statements have been prepared in accordance with Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland ("FRS 102"); the 2018 Statement of Recommended Practice (SORP): Accounting by Registered Social Landlords and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

The accounts are prepared on the historical cost basis of accounting as modified by valuation of investment properties and are presented in £'000, except where specifically stated otherwise. The Group and Association meet the definition of a public benefit entity (PBE).

### Basis of consolidation

The Group Consolidated Financial Statements include the financial statements of the Association, all its subsidiary undertakings, and its joint ventures. A subsidiary is an entity controlled by the Group. Control is construed as the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The Financial Statements have been prepared using the line-by-line consolidation for subsidiaries and the equity method for joint venture entities as appropriate. Group entities are detailed within note 28 to the Financial Statements. The results of joint ventures have been incorporated into the Financial Statements, consolidated from management accounts, as they do not share the same reporting date with the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### Exemptions for qualifying entities under FRS 102

The Association has elected to apply the following reduced disclosures, which are permitted in accordance with FRS 102:

- The exemption to not disclose a separate cash-flow statement in accordance with FRS 102 1.12(b) as the Association is a qualifying entity and the Group prepares a consolidated cash-flow statement.
- The exemption under FRS 102 Paragraph 33.1A to not disclose the details of related party transactions with wholly owned subsidiaries.

### Turnover and revenue recognition

Turnover represents rental income receivable, service charge receivable income, amortised capital grants from government sources, revenue grants from local authorities and Homes England, income from the sale of the first tranche of low-cost home ownership, outright property sales, and other income. Turnover is recognised in relation to the period when the goods or services have been supplied and when the risks and rewards of ownership have transferred from B3Living to the counterparty.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

### Value Added Tax

The Association charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The Financial Statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

The Association operates a VAT shelter arrangement on 91 properties which are part of the stock transfer from the London Borough of Haringey. This was agreed with HM Revenue and Customs, and this facilitates the full recovery of VAT on expenditure falling within the agreed definition of "improvements" to the properties.

At the reporting date only the VAT shelter that was agreed in 2013 and relates to the refurbishment of properties acquired from London Borough of Haringey, was in operation. The Association retains the full VAT recoveries from this VAT shelter agreement.

### Related party transactions

The Group and Association have taken advantage of the exemptions in FRS 102 and have decided not to disclose transactions between regulated entities or between non-regulated entities, except as required by the Accounting Direction 2022. Disclosure requirements for transactions between regulated entities and non-regulated entities are provided in note 28.

### Tangible fixed assets

Tangible fixed assets are made up of housing properties held for social housing, housing and commercial properties classified as investment properties, and other fixed assets such as leasehold offices, freehold offices, furniture, fixtures and fittings, IT and office equipment, motor vehicles, and plant and equipment.

Tangible fixed assets other than investment properties are stated at cost, less accumulated depreciation, less impairment where applicable. Investment properties are carried at their fair value at the reporting date.

Other than investment properties which are not depreciated, tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles, and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### Housing properties

Housing properties are principally properties available for rent and low-cost home ownership. They are held for social benefit purposes and are stated at net historic cost after accumulated depreciation and

accumulated impairment. Historic costs are made up of the acquisition costs of the housing assets, plus unavoidable costs of acquisition when the asset is bought outright by B3Living. Where B3Living develops the property, costs include the cost of acquiring land and buildings, construction costs, capitalised interest charges incurred during the development period, and directly attributable development overhead costs.

Any subsequent major repairs or capital expenditure to existing properties, which replace a component that has been identified separately for depreciation purposes, along with those works that result in enhancing the economic benefits of the properties, are capitalised as improvements. Where a component is replaced, the cost and related depreciation are derecognised from the housing assets. Economic benefits are enhanced if the work performed results in an increase in rental income, a reduction in future maintenance costs or a significant extension to the useful economic life of a property and its components.

Improvements are works which either fall within the definition of the VAT shelter works or result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.



## 2. (a) Principal accounting policies (continued)

Low-cost home ownership properties are split between current and tangible fixed assets based on the anticipated first tranche sale proportion. The first tranche proportion is recognised in the current assets as stock. The remaining fixed asset proportion of low-cost home ownership properties is included in housing properties at cost, less any accumulated impairment. Low-cost home ownership properties are not depreciated.

### Impairment of housing properties

Housing properties and other assets are subject to impairment reviews when a potential trigger for impairment has occurred. Where there are no impairment triggers, no impairment is recognised. Any impairment will be recognised in the Statement of Comprehensive Income in the year it materialises.

Where there is evidence of impairment, the fixed assets are written down to their recoverable amount. Any such write down is charged to the operating surplus. The recoverable amount is the higher of the fair value or value in use (VIU), or value in use – service potential (VIU-SP). The fair value for social housing units is the existing use value for social housing (EUV-SH). VIU is the discounted future cash flow from the housing asset. B3Living assesses VIU-SP as the amount it will cost to replace the housing asset. Impairment is assessed at income generating unit, and B3Living has judged the scheme level to be its income generating unit level.

### Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Interest is capitalised based on the weighted average cost of capital and the costs incurred until practical completion. Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

### Depreciation of housing properties

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group and Association depreciate freehold housing properties by component on a straight-line basis over the estimated useful economic lives of the component categories. Useful economic lives for identified components are as follows:

	Years
Structure – houses	100
Structure – flats	100
Roofs	60
Windows and doors	30
Bathrooms	30
Electrics	30
Lift	30
Adaptations	15
Kitchens	20
Heating	15
Other	15

Land is not depreciated.

The Group and Association depreciate housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

### Other fixed tangible assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. A full year's depreciation is charged in the year of acquisition of the asset. No depreciation is charged in the year of disposal. The principal annual rates used for other assets are:

	Years
Freehold offices	30
Furniture, fixtures and fittings	10
Plant and equipment	10
IT and office equipment	5
Motor vehicles	5

### Long leasehold properties

Long leasehold properties are depreciated over the life of the lease.

### Investment properties

The Group and the Association have properties that have been classified within the scope of FRS 102, section 16, such as market rented properties and commercial buildings. These are carried in the Statement of Financial Position at their fair values, with the changes in fair value being recognised in the Statement of Comprehensive Income, if they are completed properties.

Where investment properties are work in progress, they are carried at cost less impairment. Cost includes the purchase price plus any other acquisition costs, construction costs to date, plus directly attributable development overheads and capitalised interest.

The Group and Association engage an independent valuer to determine the fair value at each reporting date. The independent valuer uses a valuation technique based on a discounted cash-flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 10c.

### Donated land

Donated land from government sources, such as local authorities, is included in the cost at the valuation on donation, which reflects how the land will be used, with the donation treated as a capital grant. Land donated for social housing is valued on donation at the EUV-SH and land.

Donated for non-social housing purposes is valued at the open market value. In the case of Section 106 land, the valuation takes into account all the conditions of sale imposed by the local authority and its value in use to the Association. Where land is donated by a non-government source, it is recognised as income using the performance approach.

When housing properties are to be transferred to another registered provider, the net costs, after Social Housing Grant (SHG), are dealt with in the current assets. In this instance, the SHG follows the property to the association said property is being transferred to.

### Social housing and other government grants

Where developments have been financed wholly or partly by Social Housing grants (SHG) and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model.

SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of turnover. The grant amortisation only commences when the housing asset is practically complete; therefore, grants relating to properties under construction are not amortised.

The accumulated amortised government grants recognised through the Statement of Comprehensive Income represent contingent liabilities to the Group and Association. The grant contingent liability materialises when the relevant property to which the amortised grant relates to ceases to be used for social housing purposes. This is usually due to events such as the disposal of the relevant housing property or change in use of the property from social housing to open market activity. If the property is disposed of or there is a change in use, the grant for the asset needs to be recycled.

### Recycled Capital Grant Fund (RCGF)

RCGF arises when a property funded or part funded by SHG, or a property from a stock transfer which was grant funded, ceases to be used for social housing purposes. Where SHG is recycled, it is credited to a fund which appears as a creditor until it is used to fund the acquisition or construction of new properties. Where recycled grant is known to be repayable, it is shown as a creditor within one year.



## 2. (a) Principal accounting policies (continued)

### Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and thus accrued at the year-end date.

### Pensions

The Group and Association participate in two defined contribution schemes: The Social Housing Pension Scheme (SHPS) and the Group Personal Pension Scheme (GPPS). The Group and Association do not have further future obligations falling due within one year which are paid a month following deductions on each payroll processing, other than those disclosed in the Statement of Financial Position within the creditors.

### Supported housing managed by agencies

Income and expenditure in respect of supported housing projects depend on the nature of the partnership arrangements between the Group and Association, and any managing agents, and on whether the Group and Association carry the financial risk. Where the Group and Association carry the financial risk, these transactions are recognised in the Statement of Comprehensive Income.

The assets and associated liabilities are included in the Group and Association's Statement of Financial Position.

### Property managed by agents

Where the Group and Association carry the majority of the financial risk on property managed by agents, all the income and expenditure arising from that property is included in the Statement of Comprehensive Income.

The assets and associated liabilities are included in the Group and Association's Statement of Financial Position.

### Service charges

The Association operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with its customers. Where variable service charges are used, the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents through a reduced charge, and a deficit being recovered via a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

### Support income and costs, including Supporting People income and costs

Supporting People (SP) contract income received from any administering local authorities is accounted for as SP income in the turnover, note 3. The related support costs are matched against this income in the same note.

Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings, note 3, and matched against the relevant costs.

### Interest receivable and similar income

Interest receivable income is recognised on an accrual basis in the period it relates to using the effective interest rate method. It is included as income in the Statement of Comprehensive Income.

### Interest payable and similar charges

Interest payable is recognised on an accrual basis using the effective interest method. It is included as an expense in the Statement of Comprehensive Income. The Association has elected to capitalise interest on developments under construction.

### Financial instruments

FRS 102 provides for three accounting choices for accounting for financial instruments. The Association has elected to use the option to apply the requirements of FRS 102, sections 11 and 12 when accounting for financial instruments. FRS 102 classifies financial instruments into two classes: basic financial instruments and other financial instruments.

Basic financial instruments are recognised at the transaction price plus transaction costs on initial recognition and subsequently they are accounted at carrying value, which is the amortised cost. Other financial instruments are recognised at the transaction price plus transaction costs on initial recognition and subsequently at their fair value at each reporting date. The Association's financial instruments are classified into either financial assets or financial liabilities.

The Association recognises financial instruments when it becomes party to them and when the risks and rewards of the financial instruments transfer to the Association. Financial instruments are derecognised when an extinguishment event occurs. An extinguishment event occurs when the Association is no longer party to the financial instruments and ceases to have risks or rewards associated with the financial instrument or when there are significant changes to the terms of the financial instrument. Below are the Association's accounting policies for accounting for the following financial instruments:

### Basic financial instruments

#### Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and short-term investments, which can be liquidated at short notice with no loss of capital. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management, are included as a component of cash and cash equivalents for the purpose of the cash-flow statement.

The Group and Association have identified some investments, which meet the definition of cash and cash equivalents but are restricted in their use. These investments have been classified as cash equivalents.

#### Trade debtors, other debtors, trade creditors and other creditors

Trade debtors, including rent arrears and other debtors, are recognised initially at their transaction price less transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses.

In the case of debtors where any arrangement constitutes a financing transaction that ceases to be a normal trading transaction, for example, if a payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors are recognised initially at their transaction price plus transaction costs. Subsequent to initial recognition these financial instruments are measured at an amortised cost.

#### Impairment of debtors

A provision for doubtful bad debt is made for the impairment of current rent debtors based on the average age profile of the relevant rent arrears. The bad debts provision is calculated to reflect the risk of default of the relative tenant arrears or trade debtor. The longer the amount remains due, the higher the provision will be made for the amount owed.

#### Bond issues and housing loans

Bond issues and other interest-bearing borrowings, such as housing loans from lenders, are recognised initially at the transaction price less transaction costs. Subsequent to initial recognition, bond issues and housing loans are stated at the amortised cost using the effective interest method, less any impairment losses where applicable.

#### Concessionary loans

The Association is party to interest-free arrangements or financing arrangements that are not subject to paying or receiving market interest rates: for example, with some customers who are over the normal payment terms, or where the Association is party to a joint arrangement agreement with a development partner.

Where an entity is a public entity member such as the Association, it can elect, in line with FRS 102, section 34, to account for transactions that are not at market interest rates as concessionary loans. The Association has accounted for some tenant arrears and the interest-free loan in the joint arrangement as concessionary loans, and these are, therefore, being carried in the Statement of Financial Position at amortised cost.

#### Liquid resources

Liquid resources are readily disposable current asset investments. This policy is defined in the treasury policy. Liquid resources are accounted under FRS 102, section 11 at an amortised cost less transaction costs using an effective interest rate.

### Other financial instruments

Other financial instruments are financial instruments that do not meet the definition of basic financial instruments in FRS 102, section 11 and are recognised initially at a transaction price less their transaction costs. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised through the Statement of Comprehensive Income. At the reporting date all of the Association's financial assets and financial liabilities met the definition of basic financial instruments under FRS 102, section 11.



## 2. (a) Principal accounting policies (continued)

### Loan finance issue costs

The costs relating to the raising of finance are amortised over the life of the related debt financial instrument, such as a bond issue or housing loan. Debt financial instruments are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts of the issue costs written off. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

### Corporation taxation

B3 Living Limited has charitable status and provides services that are exempt from corporation tax; therefore, it has no taxation liability for corporation tax. The subsidiaries are non-charitable and, as such, are subject to corporation tax.

The subsidiaries sometimes elect to gift aid to the charitable parent. When that happens, gift aid is not accrued in the financial year but in the year when the cash is actually paid to the parent; however, the corporation tax implications are recognised in the year the subsidiary elects to gift aid.

### Stock – properties for sale

Stock – properties for sale include the first tranche element of low-cost home ownership units and properties developed for outright sale. These are accounted for as current assets in the Statement of Financial Position, and they are stated at the lower of cost and fair value, less costs to complete and sell.

Costs include the cost of land, construction costs, directly attributable costs, capitalised interest and direct overheads. Fair value reflects the market value of the stock at the reporting date.

Under the terms of the transfer agreement with the Borough of Broxbourne Council, proceeds from right to buy and low-cost home ownership staircasing sales are shared with the Borough of Broxbourne Council. On completion of a right to buy or relevant low-cost home ownership sale contract, only proceeds attributable to the Association are credited to the Statement of Comprehensive Income.

### Agreements to improve existing properties

Where the Association has entered into agreements to purchase property from a third party and subsequently enters into a subcontracting agreement to carry out improvement works to the properties, the related assets and liabilities are shown at their gross values unless the right of net settlement exists.

### Provisions

Provisions are recognised when the Group and Association have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources from the Association will be required to settle the obligation, and the amount of the obligation can be estimated reliably at the reporting date.

### Segmental reporting

As the Group has issued a listed bond debt which is publicly traded, it is required to disclose information about its operating segments in accordance with IFRS 8. The Chief Operating Decision Makers (CODM) have been identified as the Executive Directors.

The Executive Directors have identified the operating segments as: general needs, sheltered housing, low-cost home ownership, and other, reflecting the way in which the organisation is operated and managed. As the Group has no activities outside of the UK, segment reporting is not required by geographical region.

- **General needs and sheltered housing** segments incorporate all of the Group's social rented housing provision activities, including both social rent and affordable rent properties. Income is derived primarily from rental income and service charges.
- **Low-cost home ownership** is comprised of those properties where the Group has sold a proportion of the equity share to the occupier, while retaining the remaining equity and the freehold of the property. Income is derived from the service charges in respect of the properties and from rent charged on the unsold equity element of the properties.
- **Other** incorporates all income and costs from overhead departments, one commercial property and market rented properties.

The analysis of the Statement of Comprehensive Income by segment is provided in note 3c to these Financial Statements. The management reporting structure does not require analysis of assets and liabilities by segment, and these are, therefore, not included in the analysis of segmental reporting.

## 2. (b) Principal accounting policies, judgements, and accounting estimates

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the Financial Statements.

### i. Critical judgements in applying the Association's accounting policies

The following are the significant management judgements made in applying the accounting policies of the Association which have the most significant effect on the Financial Statements:

#### Classification of housing properties (notes 10a and 10c)

The Association has undertaken a detailed review of the intended use of its housing property portfolio. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals. Where the Association has determined that its housing portfolio is held for social benefit purposes, it has been accounted for under the requirements of FRS 102, section 17. Where the Association has deemed that the properties are not held for social benefit purposes, these properties have been classified as investment properties and therefore have been accounted for under FRS 102, section 16.

#### Capitalisation of property development costs (notes 10a and 10c)

Distinguishing the point at which a project is considered to be more likely to continue and therefore recognised as an asset, thus allowing capitalisation of development costs, requires judgement. After capitalisation, management monitors the project and considers whether events indicate that an impairment review is required. Where a project is considered not to continue and therefore is aborted, the costs relating to that project are expensed within the Statement of Comprehensive Income.

#### Determining whether an impairment review is required (notes 10a and 10e)

Indicators of impairment are applied in determining whether there is impairment in respect of an asset, or association of assets, owned by the Association. Indicators include: changes in government policy, a reduction in the market value of properties where the occupant has the right to acquire, a reduction in the demand for a property, obsolescence of a property, or contamination of a site. Impairment is tested at income generating unit (IGU) level, which is at scheme level.

Impairment on housing properties is assessed by comparing the carrying value of the asset against its recoverable amount. The recoverable amount is the higher of value in use or fair value as represented by existing use value social housing (EUV-SH), value in use (VIU) or value in use service potential (VIU-SP). Determining the EUV-SH, VIU and VIU-SP to be used requires management judgement.

#### Determining whether a debt instrument satisfies the requirement to be treated as basic (note 15)

Judgement is required to determine whether a debt instrument satisfies the requirements in FRS 102, paragraph 11.9 to be treated as basic. For debt instruments to be classified as basic financial instruments, the interest must be a positive amount or positive rate, at market rates. They should not be index linked, excluding RPI, and the lender cannot unilaterally amend interest rates. Debt instruments are used to provide long-term funding for the Association's operations and not used for speculative trading. Facilities with two-way break clauses are judged to be basic. The capital structure of the Association includes bond and loan funding from lenders which are judged to be basic financial instruments.

#### Determining the fair value of other debt instruments (note 15)

Financial instruments that do not meet the definition of being basic under FRS 102 have to be measured at fair value using a hierarchy of estimates which prioritises quoted prices in an active market, then recent transactions of identical assets and finally the use of valuation techniques. In applying this hierarchy, management has to apply a significant amount of judgement and, where applicable, deem the best estimate of fair value of any one debt instrument to be the exit prices quoted by the respective counterparty.



## 2. (b) Principal accounting policies, judgements, and accounting estimates (continued)

### ii. Key accounting estimates and assumptions

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related 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 as follows:

#### Housing property impairment

Housing properties are reviewed for impairment to determine whether an impairment trigger is deemed to have occurred. Where there is an impairment trigger and evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down is charged to the operating surplus. Impairment is assessed by comparing the carrying value to the recoverable amount.

The recoverable amount is the higher of fair value less costs to sell as represented by EUV-SH, VIU, and VIU-SP. If the carrying value is greater than the recoverable amount, then an impairment charge is made. VIU and VIU-SP require management estimates of the timing of cash flows, discount rate and life of the asset and EUV-SH is underpinned by judgements and estimates made by independent valuers (see note 10a).

#### Depreciation of housing properties

Components of housing properties are depreciated over their useful economic life, which is determined by the length of time the individual component will be used before it is replaced. Management judges the estimates of the economic lives of components based on the historic replacement cycles and the historic component performance. Components are determined by management using the largest elements of the properties by cost which can be separately identified as assets in their own right (see note 10a).

#### Housing property cost allocation

Where a scheme under construction is a mixed tenure scheme, the total costs of the scheme are split using a suitable method, such as floor area or rental yield between the various elements, which may include tangible housing asset, investment property and stock. The allocation of the cost of low-cost home ownership schemes under construction between stock and housing properties is determined by looking at the predicted amount to be sold as a first tranche sale. This predicted amount is based on the likely demand for the scheme (see note 10a).

#### Investment properties fair value estimation

The independent valuer uses a valuation technique based on a discounted cash-flow model to ascertain the fair value. The fair value of the investment property is sensitive to annual inflation rates, the level of rent increases, the estimated yield, and long-term vacancy rates. This means that there is a level of volatility in both the carrying amounts disclosed in Statement of Financial Position and the fair value gains or losses disclosed in the Statement of Comprehensive Income. The key assumptions used to determine the fair value of investment property are further explained (see note 10c).

#### Other fixed assets

Other fixed assets are depreciated over their useful economic lives, which are determined by the length of time the asset is expected to be in use (see note 10b).

#### Stock – properties for sale

Stock is carried in the Statement of Financial Position at the lower of cost and fair value less costs to complete to sell. Fair value less costs to sell is based on the estimated selling price, less selling costs such as marketing. Estimated selling prices are based on estimates of similar properties in the same location and traded in an optimum market where demand and supply assume perfect market conditions.

## 3. (a) Group turnover, cost of sales, operating costs, and operating surplus

	Group				
	Turnover	Cost of Sales	Operating expenditure	Operating surplus 2025	Operating surplus 2024
	£000	£000	£000	£000	£000
Social housing lettings (note 3b)	39,461	-	(20,875)	18,586	15,565
Other social housing activities:					
First tranche home ownership sales	2,498	(2,205)	-	293	1,055
Supporting people	95	-	(93)	2	-
Leaseholders	634	-	(634)	-	(62)
Impairment	-	-	(1,699)	(1,699)	-
Other	19	-	(401)	(382)	(137)
Total social housing activities	42,707	(2,205)	(23,702)	16,800	16,421
Activities other than social housing					
Commercial rent	-	-	(22)	(22)	(8)
Market rent	65	-	(56)	9	26
Other	904	-	(445)	459	212
Total non-social housing activities	969	-	(523)	446	230
	43,676	(2,205)	(24,225)	17,246	16,651
Gains on disposal of housing properties	-	-	-	1,485	351
Changes in valuation of investment properties				(23)	-
Operating surplus	43,676	(2,205)	(24,225)	18,708	17,002



3. (a) Association turnover, cost of sales, operating costs, and operating surplus

	Association				
	Turnover	Cost of Sales	Operating expenditure	Operating surplus 2025	Operating surplus 2024
	£000	£000	£000	£000	£000
Social housing lettings (note 3b)	39,461	-	(20,875)	18,586	15,565
<b>Other social housing activities:</b>					
First tranche home ownership sales	2,498	(2,205)	-	293	1,055
Supporting people	95	-	(93)	2	-
Leaseholders	634	-	(634)	-	(62)
Impairment			(1,699)	(1,699)	-
Other	19	-	(401)	(382)	(137)
<b>Total social housing activities</b>	<b>42,707</b>	<b>(2,205)</b>	<b>(23,702)</b>	<b>16,800</b>	<b>16,421</b>
<b>Activities other than social housing</b>					
Commercial rent	-	-	(22)	(22)	(8)
Market rent	65	-	(56)	9	26
Other	904	-	(445)	459	212
<b>Total non-social housing activities</b>	<b>969</b>	<b>-</b>	<b>(523)</b>	<b>446</b>	<b>230</b>
<b>Total</b>	<b>43,676</b>	<b>(2,205)</b>	<b>(24,225)</b>	<b>17,246</b>	<b>16,651</b>
Gains on disposal of housing properties	-	-	-	1,485	351
Changes in valuation of investment properties	-	-	-	(23)	-
<b>Operating surplus</b>	<b>43,676</b>	<b>(2,205)</b>	<b>(24,225)</b>	<b>18,708</b>	<b>17,002</b>

3. (b) Income and expenditure from social housing lettings – Group

	General Housing	Sheltered Housing	Low cost home ownership	Total 2025	Total 2024
	£000	£000	£000	£000	£000
<b>Particulars of income and expenditure</b>					
<b>Income</b>					
Rent receivable net of identifiable service charge	32,855	2,008	2,139	37,002	33,552
Service charge income	1,243	829	-	2,072	1,572
<b>Net rental income</b>	<b>34,098</b>	<b>2,837</b>	<b>2,139</b>	<b>39,074</b>	<b>35,124</b>
Amortised government grants	322	-	65	387	257
<b>Turnover</b>	<b>34,420</b>	<b>2,837</b>	<b>2,204</b>	<b>39,461</b>	<b>35,381</b>
<b>Operating expenditure</b>					
Management Costs	(2,783)	(750)	(184)	(3,717)	(3,790)
Service charge costs	(1,565)	(430)	(173)	(2,168)	(2,319)
Responsive	(5,663)	13	-	(5,650)	(5,245)
Planned cyclical maintenance	(4,024)	(24)	-	(4,048)	(3,525)
Bad debts	(89)	(3)	(0)	(92)	(12)
Depreciation	(5,104)	-	-	(5,104)	(4,817)
Other costs	(94)	-	(2)	(96)	163
<b>Operating expenditure</b>	<b>(19,322)</b>	<b>(1,194)</b>	<b>(359)</b>	<b>(20,875)</b>	<b>(19,545)</b>
<b>Operating surplus</b>	<b>15,098</b>	<b>1,643</b>	<b>1,845</b>	<b>18,586</b>	<b>15,836</b>
Prior period operating surplus	13,442	825	1,569	15,836	
<b>Voids</b>	<b>(218)</b>	<b>(73)</b>	<b>(8)</b>	<b>(299)</b>	<b>(345)</b>







### 3. (e) Accommodation owned and in management

The accommodation in management for each class for Group and Association was as follows:

	April 2024	Acquired/ developed	Sold/ demolished	Other movements	March 2025
	£000	£000	£000	£000	£000
<b>Social housing units</b>					
General Needs	2,702	209	(7)	(3)	2,901
Affordable rental tenure	1,113	33	-	9	1,155
Supported Housing	276	-	-	(1)	275
Specialist Supported	-	55	-	-	55
Intermediate Rent	11	-	-	(2)	9
Social - Managed by others	49	-	-	-	49
Low-Cost Home Ownership	435	9	(9)	4	439
Leaseholders (social managed)	648	9	-	(1)	656
<b>Total social housing units owned and / or managed</b>	<b>5,234</b>	<b>315</b>	<b>(16)</b>	<b>6</b>	<b>5,539</b>
Leased to others - Associations	56	-	-	-	56
<b>Total social housing units</b>	<b>5,290</b>	<b>315</b>	<b>-</b>	<b>16</b>	<b>5,595</b>
Leaseholders (non-social)	103	-	-	2	105
Market rented	5	-	-	(1)	4
Commercial units	2	-	-	-	2
<b>Total non-social units</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111</b>
<b>Total</b>	<b>5,400</b>	<b>315</b>	<b>-</b>	<b>16</b>	<b>5,706</b>

The Group owns and/or manages 5,539 units (2024: 5,234) and the per unit cost of these properties are;

	2025	2024
Remuneration payable to the highest paid Director per unit (£)	33	33
Aggregate amount of remuneration paid to Directors per unit (£)	132	132
Management costs per unit (£)	665	663

### 4. Gains on disposals of property, plant and equipment – Group and Association

	2025	2024
	£000	£000
<b>Right to buy and acquire</b>		
Proceeds	1,591	706
Cost of sales	(1,134)	(593)
	<b>457</b>	<b>113</b>
<b>Staircasing</b>		
Proceeds	1,684	578
Cost of sales	(1,083)	(375)
	<b>601</b>	<b>203</b>
<b>Other Disposals</b>		
Proceeds	549	35
Cost of sales	(122)	-
	<b>427</b>	<b>35</b>
<b>Total surplus</b>	<b>1,485</b>	<b>351</b>

### 5. Operating surplus

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
<b>Operating surplus is stated after charging / (crediting):</b>				
Auditors’ remuneration (excluding VAT):				
In their capacity as auditors	77	53	65	47
Operating lease payments	211	214	211	214
Depreciation:				
Tangible Fixed Assets - housing properties	4,802	4,561	4,802	4,561
Accelerated depreciation on component	302	256	302	256
Other fixed assets	405	605	405	605
Amortisation of grant funding	387	257	387	257
Surplus on sale of fixed assets	1,485	351	1,485	351



## 6. Interest receivable and similar income

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
Interest receivable and similar income	203	139	179	128

Interest receivable is from cash held in bank accounts and from the Liquid reserve fund.

## 7. Interest and financing costs

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
On loans repayable in more than five years	8,390	8,278	8,390	8,278
Costs associated with financing	247	368	247	368
On recycled capital grant fund	5	2	5	2
Less: Interest capitalised*	(598)	(465)	(598)	(465)
	8,044	8,183	8,044	8,183
Deferred benefit pension charge (Note 29)				
Expected return on employer assets	15	13	15	13
Total Interest payable and similar charges	8,059	8,196	8,059	8,196

\*The weighted average rate of interest on borrowing of 5.5% (2024: 4.0%) was used for calculating capitalised interest.

## 8. Tax on surplus

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
(a) Analysis of tax charge in year				
UK corporation tax on surplus	-	-	-	-
(b) Factors affecting tax charge for the year				
Surplus before tax	11,020	9,359	10,889	9,267
Corporation tax rate in the UK of 25%	2,755	2,340	2,069	1,761
Effects of:				
Surplus covered by charitable exemption	(2,755)	(2,340)	(2,069)	(1,761)
Unallowable capital losses	-	-	-	-
Total tax charge	-	-	-	-



## 9. (a) Employee information

Average monthly number of employees expressed in full time equivalents of 37 hours per week:	Group and Association	
	2025 No.	2024 No.
Executive	5	5
Development and sales	6	5
Finance	8	8
Corporate services	25	24
Service delivery	125	124
	169	166

The Association's employees are members of the various pension schemes as detailed in note 29.

Employee costs	Group and Association	
	2025	2024
	£000	£000
Wages and salaries	7,150	6,662
Social security costs	704	661
Pension costs	587	755
Termination payment	92	37
Less: capitalised salaries	(1,205)	(1,046)
	7,328	7,069

Aggregate number of full-time equivalent staff whose remuneration exceeded £60k (including pension) for Group and Association

	Group and Association	
	2025	2024
	£000	£000
£60,000 to £70,000	1	1
£70,000 to £80,000	3	1
£80,000 to £90,000	-	2
£90,000 to £100,000	1	1
£100,000 to £110,000	2	-
£130,000 to £140,000	1	1
£140,000 to £150,000	-	2
£150,000 to £160,000	1	-
£160,000 to £170,000	-	2
£170,000 to £180,000	2	-
£190,000 to £200,000	-	1
£200,000 to £210,000	1	-
	12	11

## 9. (b) Board members and Executive Directors

**Key management personnel remuneration for Group and Association.** Key management personnel comprise of the Executive and Non-executive Directors. Total remuneration amounted to £888k (2024: £876k).

	Group and Association	
	2025	2024
	£000	£000
Wages and salaries (including performance related pay for period)	748	744
Pension contributions	76	73
Total emoluments paid to executive officers	824	817

### Non-executive Board member remuneration for the year ended 31 March 2025

Non-executive Board Member	Group and Association	
	2025	2024
	£000	£000
David Biggs (Chair)	12	11
Paul Tyrrell	7	6
Rosalind Rowe	4	5
Trudi Kleanthous	6	6
Jaine Cresser	3	6
Rebecca Lewis	4	4
Stephen Nunn	6	6
Caroline Abomeli	5	4
Vipul Thacker	4	4
Marianne Davies	4	4
Stephen Glover	5	1
Amanda Tomlinson	1	-
Andy Walder	3	-
	64	59

The Chief Executive is the highest paid director, and his remuneration amounted to £187k (2024: £174k) excluding pension contributions.

The Chief Executive is a member of the Group Personal Pension Plan. He is an ordinary member of the pension scheme, and no enhanced or special terms apply. The Association did not make any further contribution to an individual pension arrangement for the Chief Executive.



## 10. (a) Tangible fixed assets - housing properties - Group

	Completed Social housing properties held for letting	Social Housing properties under construction	Shared Ownership properties under construction	Completed Shared Ownership housing properties	Total 2025
	£000	£000	£000	£000	£000
<b>Cost</b>					
<b>At 1 April 2024</b>	304,546	15,552	5	47,215	<b>367,318</b>
Additions during year	28,138	7,781	3,194	535	<b>39,648</b>
Improvements	7,495	-	-	-	<b>7,495</b>
Net zero carbon	4,011	-	-	-	<b>4,011</b>
Interest capitalised	-	528	70	-	<b>598</b>
Schemes completed in year	2,897	(2,897)	(572)	572	-
Transfers	(417)	-	-	417	-
Disposals	(248)	-	-	(1,159)	<b>(1,407)</b>
Component Disposals	(1,548)	-	-	-	<b>(1,548)</b>
<b>At 31 March 2025</b>	<b>344,874</b>	<b>20,964</b>	<b>2,697</b>	<b>47,580</b>	<b>416,115</b>
<b>Depreciation and impairment</b>					
<b>At 1 April 2024</b>	(38,364)	-	-	-	<b>(38,364)</b>
Impairment charge	-	(1,699)	-	-	<b>(1,699)</b>
Charged in year	(4,802)	-	-	-	<b>(4,802)</b>
Transfers	4	-	-	-	<b>4</b>
Component Disposals	1,246	-	-	-	<b>1,246</b>
Disposals	61	-	-	-	<b>61</b>
<b>At 31 March 2025</b>	<b>(41,855)</b>	<b>-1,699</b>	-	-	<b>(43,554)</b>
<b>Net book value</b>					
<b>At 31 March 2025</b>	<b>303,019</b>	<b>19,265</b>	<b>2,697</b>	<b>47,580</b>	<b>372,561</b>
<b>At 1 April 2024</b>	<b>266,182</b>	<b>15,552</b>	<b>5</b>	<b>47,215</b>	<b>328,954</b>

Additions to the Group's housing properties during the year include capitalised interest of £598k (2024: £464k) and capitalised administration costs of £580k (2024: £505k).

### Existing Use Value - Social Housing

As at 31 March 2025, the valuation for social housing properties on an Existing Use Value - Social Housing (EUV-SH) is £523m (2024: £502m). The carrying amount of these social housing properties is £519m (2024: £498m). The EUV-SH valuation includes £3.7m (2024: £3.6m) for garages.

Below is an analysis of the expenditure on works to existing properties:

Expenditure on works to existing properties	2025	2024
	£000	£000
Amounts capitalised	11,506	7,144
Amounts charged to income and expenditure account	9,698	8,770
<b>Total</b>	<b>21,204</b>	<b>15,914</b>

## 10. (a) Tangible fixed assets - housing properties - Association

	Completed Social housing properties held for letting	Social Housing properties under construction	Shared Ownership properties under construction	Completed Shared Ownership housing properties	Total 2025
	£000	£000	£000	£000	£000
<b>Cost</b>					
<b>At 1 April 2024</b>	304,544	15,920	5	47,215	<b>367,684</b>
Additions during year	28,138	9,299	1,566	535	<b>39,538</b>
Improvements	7,495	-	-	-	<b>7,495</b>
Net zero carbon	4,011	-	-	-	<b>4,011</b>
Interest capitalised	-	528	70	-	<b>598</b>
Schemes completed in year	2,897	(2,897)	(572)	572	-
Transfers	(417)	-	-	417	-
Disposals	(248)	-	-	(1,159)	<b>(1,407)</b>
Component Disposals	(1,548)	-	-	-	<b>(1,548)</b>
<b>At 31 March 2025</b>	<b>344,872</b>	<b>22,850</b>	<b>1,069</b>	<b>47,580</b>	<b>416,371</b>
<b>Depreciation and impairment</b>					
<b>At 1 April 2024</b>	(38,364)	-	-	-	<b>(38,364)</b>
Impairment charge	-	(1,699)	-	-	<b>(1,699)</b>
Charged in year	(4,802)	-	-	-	<b>(4,802)</b>
Transfers	4	-	-	-	<b>4</b>
Component Disposals	1,246	-	-	-	<b>1,246</b>
Disposals	61	-	-	-	<b>61</b>
<b>At 31 March 2025</b>	<b>(41,855)</b>	<b>(1,699)</b>	-	-	<b>(43,554)</b>
<b>Net book value</b>					
<b>At 31 March 2025</b>	<b>303,017</b>	<b>21,151</b>	<b>1,069</b>	<b>47,580</b>	<b>372,817</b>
<b>At 1 April 2024</b>	<b>266,180</b>	<b>15,920</b>	<b>5</b>	<b>47,215</b>	<b>329,320</b>

Additions to the Group's housing properties during the year include capitalised interest of £598k (2024: £464k) and capitalised administration costs of £580k (2024: £505k).

### Existing Use Value - Social Housing

As at 31 March 2025, the valuation for social housing properties on an Existing Use Value - Social Housing (EUV-SH) basis is £523m (2024: £502m). The carrying amount of these social housing properties is £519m (2024: £498m). The EUV-SH valuation includes £3.7m (2024: £3.6m) for garages.

Below is an analysis of the expenditure on works to existing properties:

Expenditure on works to existing properties	2025	2024
	£000	£000
Amounts capitalised	11,509	7,144
Amounts charged to income and expenditure account	9,698	8,771
<b>Total</b>	<b>21,207</b>	<b>15,915</b>



## 10. (b) Tangible fixed assets – other fixed assets - Group and Association

	Offices	Fixtures & Fittings	IT Equipment	Plant & Equipment	Total 2025
	£000	£000	£000	£000	£000
<b>Cost</b>					
<b>At 1 April 2024</b>	2,652	318	3,272	593	<b>6,835</b>
Additions during year	18	24	270	198	<b>510</b>
<b>At 31 March 25</b>	<b>2,670</b>	<b>30</b>	<b>2,147</b>	<b>778</b>	<b>5,625</b>
<b>Depreciation</b>					
<b>At 1 April 2024</b>	(394)	(315)	(2,409)	(99)	<b>(3,217)</b>
Charged in year	(44)	(1)	(335)	(56)	<b>(436)</b>
Disposals	-	312	1,395	-	<b>1,707</b>
<b>At 31 March 25</b>	<b>(438)</b>	<b>(4)</b>	<b>(1,349)</b>	<b>(155)</b>	<b>(1,946)</b>
<b>Net book value</b>					
<b>At 31 March 25</b>	<b>2,232</b>	<b>26</b>	<b>798</b>	<b>623</b>	<b>3,679</b>
<b>At 1 April 2024</b>	<b>2,258</b>	<b>3</b>	<b>863</b>	<b>494</b>	<b>3,618</b>

## 10. (c) Fixed assets – investment properties - Group and Association

	Group and Association		
	Market Rented	Commercial	
	£000	£000	£000
<b>At 1 April 2024</b>	2,068	1,603	3,671
Additions during the year	-	-	-
Fair value movements	(23)	-	(23)
<b>At 31 March 2025</b>	<b>2,045</b>	<b>1,603</b>	<b>3,648</b>

## Market rented

At the reporting date, market rented properties under construction were carried at their costs to date in line with the Association’s accounting policy of carrying work-in-progress investment properties at their development costs to date. Completed investment properties are annually revalued to their fair values by independent valuers. In the current year a fair value gain of £nil (2024: £nil) was recognised and charged to the Statement of Comprehensive Income. The carrying at fair value of investment properties causes volatility to both the carrying value of the investment property and the amount charged to the Statement of Comprehensive Income.

The completed market rented properties were transferred from social housing assets and were valued at year end by independent external valuers. Completed market rented properties were valued by Derrick Wade Waters Chartered Surveyors, in accordance with the Royal Institute of Chartered Surveyors’ Valuation Standards.

The market valuations have been prepared using the comparative method of valuation, which is a market-based method. This approach is consistent with the market approach stated in IVS 230.

The market-based approach used relies firstly on identification of transactional evidence in the market, that is the sales and lettings; secondly, on an interpretation of that evidence; and thirdly, on an application of that evidence, with suitable adjustment per the valuer’s judgement in the valuation of the property.

## Commercial properties

Commercial properties under construction are being held at the cost of developing these properties. These properties will be carried at fair value when construction has been completed. Two recently completed commercial units are also being carried at cost for prudence reasons as they are still void and rental arrangements are not yet finalised. These units are not impaired as the fair valuations undertaken at the reporting date were higher than the reported carrying amounts.

## 10. (d) Investment in subsidiaries

The Group and Association have two 100% owned subsidiaries: Everlea Homes Limited and B3 Living Development Limited, both non-regulated bodies. The results of these subsidiaries have been consolidated in the Group accounts. The Group’s and the Association’s investment into these two subsidiaries are set out below:

	2025 £	2024 £
Everlea Homes Limited	2	2
B3 Living Development Limited	2	2
	<b>4</b>	<b>4</b>



## 11. Stock – properties for sale

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£'000	£'000	£'000	£'000
Shared ownership – completed	1,507	2,829	1,507	2,829
Shared ownership – under construction	1,929	-	1,929	-
	3,436	2,829	3,436	2,829

Stock recognised in cost of sales as an expense was £2,146k (2024: £8,062k) and £8,243k (2024: £8,243k) in the Group and Association respectively.

An impairment charge of £nil (2024: £nil) has been recognised during the year.

None of the stock is pledged as collateral against borrowing (2024: £nil).

## 12. Trade debtors and debtors

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£'000	£'000	£'000	£'000
Rent arrears	717	221	717	221
Less: provision for bad debts	(208)	(157)	(208)	(157)
	509	64	509	64
Prepayment and accrued income	1,060	2,483	1,060	2,483
Other debtors	652	664	614	648
	2,221	3,211	2,183	3,195

## 13. Cash and cash equivalents

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
Cash in hand and at bank	4,402	6,480	4,387	6,290
Liquidity reserve fund	1,083	1,056	1,083	1,056
Cash held for leaseholders and low-cost home ownership	124	109	124	109
	5,609	7,645	5,594	7,455

£124k (2024: £109k) is not available for general use as it is held for leaseholders’ major repairs and includes Epping Council's share of the open market low-cost home ownership units. The liquidity reserve fund of £1,083k (2024: £1,056k) is also not available for general use. This is held in two short-term deposits with Lloyds Bank Corporate Markets.

## 14. Creditors: Amounts falling due within one year

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
Trade creditors	1,308	561	1,281	516
Rent and service charges received in advance	2,536	1,716	2,536	1,716
Taxation and social security	2	183	2	183
Accruals and deferred income	6,197	4,654	5,697	3,575
Deferred grants due to be released in 1 year (note 17)	353	306	353	306
Recycled grants due to be released in 1 year (note 17)	62	-	62	-
Intercompany creditors	-	-	954	1,377
Other creditors	357	221	357	221
	10,815	7,641	11,242	7,894



## 15. Creditors: Amounts falling due after more than one year - Group and Association

	Group and Association	
	March 2025	March 2024
	£000	£000
Debt (note 16)	230,000	205,000
Less Issue costs	(2,047)	(2,293)
	227,953	202,707
Bond Premium*	2,212	2,287
Deferred Capital Grant (note 17)	33,792	33,368
Deferred Social Housing Development Fund (Note 17)	2,124	595
Recycled capital grant fund (note 18a)	50	59
	266,131	239,016

## 16. Debt analysis – Group and Association

	2025	2024
	£000	£000
Analysis of debt (note 15)		
Bond and note purchase agreement	190,000	190,000
Revolving credit facility	40,000	15,000
	230,000	205,000

The Group and Association have a £68m amortising bond issued at 4.823% in January 2013 and a £57m amortising note purchase agreement issued at 3.778% in February 2015. The £68m bond will start to amortise from January 2029 and the £57m note purchase agreement will start to amortise from April 2039. In the 2021-22 financial year, the Group and Association raised two bonds with bLEND for £35m at 3.072%

and ARA Venn via the Affordable Housing Guarantee Scheme for £30m at 1.527%. Both the bLEND and ARA Venn facilities have been fully drawn down. The bonds will amortise on a straight-line basis.

The Group and Association have two revolving credit facility (RCF) agreements with Lloyds Plc of £50m and £50m. At the reporting date, £60m (2024: £85m) of

The Group and Association have £100m (2024: £100m) revolving credit facilities.

At the reporting date, the facilities had an undrawn balance of £60m (2024: £85m).

During the year, the Group and Association had a net drawdown of £25m (2024: (£5m - repayment).

the Lloyds facilities were undrawn. All loan financial instruments are secured against individual properties of the Association and all fall within the scope of FRS 102, section 11; therefore, they are all basic financial instruments. Basic financial instruments are carried at amortised cost.

## 16. Debt analysis – Group and Association (continued)

At 31 March 2025								
	Effective interest rate %	Total carrying amount	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
		£000	£000	£000	£000	£000	£000	£000
RCFs								
Lloyds	1.643	40,000	-	-	25,000	-	15,000	-
Bond stock								
Fixed rate	4.823	68,000	-	-	-	-	6,800	61,200
Fixed rate	3.778	57,000	-	-	-	-	-	57,000
Fixed rate	3.072	35,000	-	-	-	-	-	35,000
Fixed rate	1.527	30,000	-	-	-	-	-	30,000
		230,000	-	-	25,000	-	21,800	183,200

At 31 March 2024								
	Effective interest rate %	Total carrying amount	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
		£000	£000	£000	£000	£000	£000	£000
RCFs								
Lloyds	0.95 over SONIA	15,000	-	-	15,000	-	-	-
Bond stock								
Fixed rate	4.823	68,000	-	-	-	-	-	68,000
Fixed rate	3.778	57,000	-	-	-	-	-	57,000
Fixed rate	3.072	35,000	-	-	-	-	-	35,000
Fixed rate	1.527	30,000	-	-	-	-	-	30,000
		205,000	-	-	15,000	-	-	190,000



## 17. Deferred capital grant – Group and Association

As at 31 March 2025, £257k of capital grants had been amortised (2024: £257k) in the year.

	March 2025	March 2024
	£000	£000
<b>At 1 April</b>	<b>33,674</b>	<b>31,322</b>
Received during the year	905	2,609
RCGF utilised during the year	-	-
Recycled to RCGF	(48)	-
Amortised during the year	(386)	(257)
<b>At 31 March</b>	<b>34,145</b>	<b>33,674</b>
To be released in 1 year	353	306
To be released after 1 year	33,792	33,368
	<b>34,145</b>	<b>33,674</b>

## Deferred Social Housing Development Fund (SHDF) – Group and Association

	March 2025	March 2024
	£000	£000
<b>At 1 April</b>	<b>595</b>	-
Received during the year	1,529	595
<b>At 31 March</b>	<b>2,124</b>	<b>595</b>
To be released in 1 year	-	-
To be released after 1 year	2,124	595
	<b>2,124</b>	<b>595</b>

The Deferred Social Housing Development Fund (SHDF) grant is government funding provided to co-fund works required to achieve net zero carbon targets and to bring units of below EPC C to EPC C or higher.

## 18. Recycled capital grant fund – Group and Association

	March 2025	March 2024
	£000	£000
At start of the year	59	57
<b>Inputs to RCGF:</b>		
Grants recycled during the year	48	-
Interest	5	2
<b>At the end of the year</b>	<b>112</b>	<b>59</b>
To be released in 1 year	61	-
To be released after 1 year	51	59
<b>At the end of the year</b>	<b>112</b>	<b>59</b>

None of the RCGF was due for repayment (2024: £nil)

## 19. Capital commitments – Group and Association

	Group and Association	
	March 2025	March 2024
	£000	£000
Contracted for but has not been provided for in the Financial Statements	28,023	5,934
Authorised by the Board but has not yet been contracted for	24,419	32,639
	<b>52,442</b>	<b>38,573</b>
The Association expects these commitments to be financed by:		
Social Housing Grant	4,439	3,746
Proceeds from the sales of properties	8,074	8,334
Committed loan facilities	39,929	26,493
	<b>52,442</b>	<b>38,573</b>

The expenditure authorised by the Board but not contracted is in respect of new build housing. The Group and Association expect that these commitments will be financed internally from cash generated from trading and grant funding, with the balance coming from the revolving credit facility. The Group and Association had undrawn loan facilities of £60m (2024: £85m); so, the Group and Association have sufficient funding headroom to meet all commitments.



## 20. Operating leases – Group and Association

The Group and Association have commitments of future minimum lease payments as follows:

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£000	£000	£000	£000
<b>Land and buildings</b>				
Within one year	5	5	5	5
Within two to five years	5	5	5	5
	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Other</b>				
Within one year	211	211	211	211
Within two to five years	-	211	-	211
	<b>211</b>	<b>422</b>	<b>211</b>	<b>422</b>
	<b>221</b>	<b>432</b>	<b>221</b>	<b>432</b>

The lease on buildings relates to Holdbrook Court and the other operating leases relate to vans. None of the leases are for five years or more.

## 21. Net cash generated from operating activities

	Group and Association	
	2025	2024
	£000	£000
<b>Comprehensive income for the year</b>	<b>11,089</b>	<b>9,260</b>
<b>Adjustment for non-cash items</b>		
Depreciation of tangible fixed assets	5,811	5,678
Depreciation write-off	(302)	(256)
Government grants utilised in the year	(387)	(257)
Decrease / (increase) in stock	(607)	6,632
(Increase) / decrease trade and other debtors	1,877	985
Decrease / (increase) in trade and other creditors	(1,134)	(592)
Increase / (decrease) in provisions	-	-
Pension gains and losses	(69)	(67)
Surpluses from the sales of fixed assets	(1,485)	(351)
Impairment and Development write offs	1,986	-
FV changes - investment properties	23	(85)
Interest payable	8,059	8,196
Interest received	(203)	(139)
Taxation	-	-
Actuarial Gains/(losses) in respect of pension schemes	-	(587)
<b>Net cash generated from operating activities</b>	<b>24,589</b>	<b>29,188</b>



## 22. Reconciliation of net cash flow to movement in net debt

	Group and Association	
	March 2025	March 2024
	£000	£000
Increase in cash	(2,036)	600
Cash inflow from increase in net debt and lease finance	(25,000)	5,000
<b>Increase in net debt from cash flows</b>	<b>(27,036)</b>	<b>5,600</b>
<b>Total changes in net debt for the period:</b>		
Net debt at 1 April	(197,355)	(202,955)
<b>Net debt at 31 March</b>	<b>(224,391)</b>	<b>(197,355)</b>

## 23. Analysis of net debt - Group and Association

	01-Apr 2024	Cash Flow	31-Mar 2025
	£'000	£'000	£'000
Cash at bank and in hand	£'000	£'000	£'000
Bank overdraft	7,645	(2,036)	5,609
<b>Changes in cash</b>	<b>7,645</b>	<b>(2,036)</b>	<b>5,609</b>
Bonds Issues	(190,000)	-	(190,000)
Housing loans	(15,000)	(25,000)	(40,000)
<b>Changes in debt</b>	<b>(205,000)</b>	<b>(25,000)</b>	<b>(230,000)</b>
<b>Net debt</b>	<b>(197,355)</b>	<b>(27,036)</b>	<b>(224,391)</b>

## 24. Financial liabilities

### Borrowing facilities

The facilities available at 31 March 2025 were as follows:

	Group		Association	
	2025	2024	2025	2024
	£000	£000	£000	£000
Expiring in one year or less	40,000	-	40,000	-
Expiring in more than one year but not more than two years	-	15,000	-	15,000
Expiring in more than two years	190,000	190,000	190,000	190,000
	<b>230,000</b>	<b>205,000</b>	<b>230,000</b>	<b>205,000</b>

At the reporting date, the Group's loan drawn down facilities and bond issued were £230m (2024: £205m). This is made up of £68m bond raised in January 2013, £57m note purchase agreement raised in February 2015, £30m ARA Venn (AHGS) bond, £35m bLEND and £15m revolving credit facility drawn down. The Group had £60m unused revolving credit facility at the reporting date (2024: £85m).

## 25. Group VAT development agreement

The Group and Association was party to a transfer of 91 of housing properties from London Borough of Haringey on 25 March 2013, with an obligation to carry out works pursuant to the agreement. At the point of the transfer of the properties to the Group, the gross values of the balance of £3,581k had been recognised as both an asset and liability in the Statement of Financial Position. At 31 March 2025, the gross values of the balance has been reduced to £1,226k (2024: £1,323k) with VAT arising on the works during the period totalling £97k (2024: £116k).

## 26. Share capital

	Group		Association	
	2025 No.	2024 No.	2025 No.	2024 No.
Shares of £1 each issued and fully paid				
At start of year	11	11	11	11
Issued during year	2	-	2	-
Disposals	(3)	-	(3)	-
At end of year	10	11	10	11

The shares do not have a right to dividend or distribution in a winding up. Each share has full voting rights.

## 27. Income and expenditure reserves

	Group		Association	
	2025	2024	2025	2024
	£000	£000	£000	£000
At 1 April 2024	102,938	93,678	102,845	93,677
Surplus for the year	11,020	9,359	10,889	9,267
Actuarial gains/ (losses)	69	(99)	69	(99)
	114,027	102,938	113,803	102,845

## 28. Subsidiaries, related undertakings, related party transactions and transactions between regulated and non-regulated entities

All the subsidiaries and joint venture entities are non-regulated bodies. The only regulated body in the Group is the parent entity B3 Living Limited. The related undertakings, whose results or financial performance principally affect the figures shown in the Consolidated Financial Statements, are as follows:

Name of subsidiary undertaking	Principal activity	Interest	Legal status
B3 Living Development Limited	A company with non-charitable status undertaking design and build on behalf of B3 Living Limited and its subsidiaries	Wholly owned subsidiary	Company registered by shares and incorporated in England and Wales
Everlea Homes Limited	A company with non-charitable status undertaking market rent and outright sales activities	Wholly owned subsidiary	Company registered by shares and incorporated in England and Wales.

The Association provides management services, professional services and loans at an arm’s length to its subsidiaries. The Association waived its fees to both B3 Living Development Limited and Everlea Homes Limited. Details of transactions between the Association and the non-regulated entities are outlined below.

B3Living has provided on-lending facilities to intra-group entities. When drawn down, these loans are repayable on demand and no guarantees are in place on either loan. Interest is also payable on the loan balances. At the reporting date and prior year, the subsidiaries had £nil drawdowns, therefore; B3 Living Limited charged interest of £nil (2024: £nil) and £nil (2024: £nil) to Everlea Homes Limited and B3 Living Development Limited respectively for the intercompany loans.

B3Living manages the Group’s treasury function centrally. It places excess cash held by both Everlea Homes Ltd and B3 Living Development Limited into high interest earning saving accounts. During the year these saving accounts managed by B3Living generated £15k (2024: £5k) and £9k (2024: £6k) to Everlea Homes Ltd and B3 Living Development Limited.

At the reporting date B3 Living Development Limited elected to pay gift aid of £154k (2024: £61k) to the parent entity B3 Living Limited. The gift aid has not been accrued in the accounts in line with the requirements of FRED 68: Payments by subsidiaries to their charitable parents that qualify for gift aid. The £61k which B3 Living Development Limited elected to pay in the prior financial year was paid in December 2024.

B3 Living Development Limited provided design and build services to B3 Living Limited, the parent entity. During the year B3 Living Development Limited generated £7.6m (2024: £3.2m) from design and build services to the parent. At the end of the reporting period, B3Living owed B3 Living Development Limited £676k (2024: £1,065k) and Everlea Homes Limited £279k (2024: ££270k).

The aggregate emoluments paid to key management personnel are disclosed in note 9.

The Board had no tenant members during the year (2024: nil).



## 29. Pensions

### Group and Association

The Group and Association participate in the Social Housing Pension Scheme (SHPS), which is a funded multi-employer defined benefit scheme. The Group and Association also participate in the Group Personal Pension Scheme, which is a defined contribution scheme. As at the end of the financial year the Group and Association ceased to participate in the Hertfordshire County Council Pension Fund (HCCPF).

### Social Housing Pension Scheme (SHPS)

B3 Living Limited participates in the Social Housing Pension Scheme (SHPS). The scheme is funded and contracted out of the State Pension scheme. The scheme is no longer offered to new employees to B3Living. Below is the net pension provision provided in the Statement of Financial Position.

#### Analysis of the net pension liabilities

	Group and Association	
	2025	2024
	£000	£000
Fair value of plan assets	1,314	1,317
Present value of defined benefit obligation	(1,507)	(1,648)
Net pension surplus (deficit)	(193)	(331)

#### Analysis of the amount charged to the Statement of Comprehensive Income

	Group and Association	
	2025	2024
	£000	£000
Current service cost	-	-
Expenses	(3)	(3)
Total operating charge	(3)	(3)

#### Analysis of net interest charged to the Statement of Comprehensive Income

	Group and Association	
	2025	2024
	£000	£000
Expected return on pension scheme assets	66	65
Interest on pension liabilities	(81)	(78)
Net interest charge	(15)	(13)

#### Analysis of the amounts recognised in Other Comprehensive Income

	Group and Association	
	2025	2024
	£000	£000
Actuarial gains/(losses) on pension scheme assets	(132)	(129)
Actuarial gains/(losses) on scheme liabilities	201	30
Actuarial gain/(loss) recognised in Other Comprehensive Income	69	(99)

#### Movement in surplus/(deficit) during the year

	Group and Association	
	2025	2024
	£000	£000
Association's share of scheme deficit at beginning of year	(331)	(299)
Current service cost	-	-
Employer contributions	87	83
Expenses	(3)	(3)
Net interest charge	(15)	(13)
Actuarial losses/(gains)	69	(99)
Association's share of scheme deficit at end of year	(193)	(331)

## 29. Pensions (continued)

#### Changes in present value of defined benefit obligation are as follows

	Group and Association	
	2025	2024
	£000	£000
Defined benefit obligation at start of period	1,648	1,620
Interest cost	81	78
Expenses	3	3
Actuarial losses/(gains)	(201)	(30)
Benefits paid	(24)	(23)
Closing defined benefit obligation	1,507	1,648

#### Changes in the fair value of plan assets are as follows

	Group and Association	
	2025	2024
	£000	£000
Fair value of plan assets at start of period	1,317	1,321
Expected return on assets	66	65
Contributions by employer	87	83
Actuarial losses/(gains)	(132)	(129)
Benefits paid	(24)	(23)
Closing fair value of plan assets	1,314	1,317

#### Assets

	Group and Association	
	2025	2024
	£000	£000
Global Equity	147	131
Absolute Return	-	51
Distressed Opportunities	-	46
Credit Relative Value	-	43
Alternative Risk Premia	-	42
Liquid Alternatives	244	-
Emerging Markets Debt	-	17
Risk Sharing	-	77
Insurance-Linked Securities	4	7
Property	66	53
Infrastructure	-	133
Private Equity	1	1
Real Assets	157	-
Private Debt	-	52
Opportunistic Illiquid Credit	-	52
Private Credit	161	-
Credit	50	-
Investment Grade Credit	41	-
Cash	18	26
Long Lease Property	-	9
Secured Income	22	39
Liability Driven Investment	398	537
Currency Hedging	2	(1)
Net Current Assets	3	2
Total assets	1,314	1,317

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

	p.a	p.a
Discount Rate	5.94%	4.93%
Inflation (RPI)	3.04%	3.08%
Inflation (CPI)	2.80%	2.79%
Salary Growth	3.80%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

Life expectancy at age 65 (Years)	
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

### 30. Other provisions

At the reporting date, the Group and Association had no other provisions for liabilities.

### 31. Contingent liabilities

The Group and Association has contingent liabilities arising from amortisation of government grants. The Group and Association receive financial assistance from Homes England and the Borough of Broxbourne Council, in the form of government grants.

These government grants are accounted for as deferred income and as long-term liabilities in the Statement of Financial Position and are amortised annually to the Statement of Comprehensive Income, based on the life of the build structure or building fabric that they relate to. The amount amortised represents a contingent liability to the Group and will be recognised as a liability when the properties funded by the relevant government grant are disposed of or when the property ceases to be used for social housing purposes.

Below is the analysis of the assistance from government sources in the form of government grants:

	2025	2024
	£000	£000
Government funding received to date	36,715	35,859
Grant amortised to date (contingent liabilities)	2,124	595
Social Housing Development Fund (SHDF)	(2,570)	(2,185)
Grants via stock transfer from another registered provider	8,684	2,500
Contingent grants via stock transfer	(8,684)	(2,500)
At 31 March	36,269	34,269

### 32. Financial instruments and financial management

#### Financial management

The Group and Association do not have financial assets and liabilities measured at fair value, as all financial instruments meet the FRS 102, section 11 definition for basic financial instruments. The Group and Association's treasury function is responsible for the management of the funds and control of the associated risks. Its activities are governed in accordance with the board-approved treasury policy. The risks related to the Group and Association are detailed in the Report of the Board.

The Group and Association transact in financial instruments (both financial assets and financial liabilities) and as a result of transacting in these financial instruments there are some inherent risks associated with the transactions. These risks have both upside and downside implications to the Group and Association. The financial instruments are set out below:

	Group		Association	
	March 2025	March 2024	March 2025	March 2024
	£'000	£'000	£'000	£'000
Financial assets measured at cost				
Cash and cash equivalents (Note 13)	5,609	7,645	5,594	7,455
Rent arrears (Note 12)	509	64	509	64
Other debtors (Note 12)	652	664	614	648
Prepayment and accrued income (Note 12)	268	2,108	0	2,108
Total financial assets measured at amortised cost	1,429	2,836	1,123	2,820
Total financial assets	7,038	10,481	6,717	10,275
Financial liabilities measured at amortised cost				
Trade creditors (note 14)	1,308	561	1,281	516
Rent and services charges received in advance (note 14)	2,536	1,716	2,536	1,716
Other Creditors	357	221	357	221
Accruals and deferred income (note14)	6,197	4,654	5,697	3,575
Recycled capital grant fund (note 18.a)	112	59	112	59
Debt (note 15)	227,953	202,707	227,953	202,707
Total financial liabilities measured at amortised costs	238,463	209,918	237,936	208,794
Total financial liabilities	238,463	209,918	237,936	208,794



## 32. Financial instruments and financial management (continued)

The Group and Association actively manage the risks arising from financial instruments and the main risks from these financial instruments are:

- Interest rate risk
- Liquidity risk
- Counterparty risk
- Customer credit exposure

### Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument, such as a loan, will fluctuate due to changes in market interest rates.

The Association borrows from bond holders or lenders using long-term financial instruments, such as the use of bond issues or housing loans. The borrowing is undertaken based on the Association's long-term business plans and the Board's assessment of both current and future macro-economic environments: for instance, the Board's view of the future direction of interest rate, future direction of the costs of running the business, assessment of demand, and assessment of the political and legal environment.

To mitigate against interest risk exposure, the Association ensures it has the right balance between fixed and variable loans in its debt portfolio. The Association has also removed some of the variability in interest rates by employing bond finance as part of the capital structure. As a result of this, the Association is not heavily exposed to fluctuations in interest rates, as the loans and bond finance are currently on a fixed rate of interest.

### Liquidity risk

The purpose of managing liquidity risk is to ensure that the Group and Association have sufficient cash resources to meet their financial obligations as and when they fall due; to meet the contracted development commitments; and also, to ensure the Group and Association do not forgo attractive business opportunities due to a lack of liquid resources or cash headroom. As part of liquidity management, the Group and Association ensure there is enough cash headroom, in line with the treasury policy, to fund financial obligations and to take advantage of opportunities when they arise.

The Group and Association meet financial obligations through cash flows from operating activities, such as the underlying cash from rental income streams, grants from government sources and through long-term borrowing from lenders and bond issues. The Group and Association have a treasury policy which is updated annually and approved by the Board. The treasury policy addresses issues such as funding, gearing, liquidity risk, covenant compliance and investment policy.

Cash flows are monitored on a routine basis and remedial action is taken well in advance of adverse events occurring.

### Counterparty risk

The Group and Association's treasury policy sets minimum credit ratings for counterparties on investments to reduce loss from counterparty risk of default. The Group and Association use the primary banker Lloyds, investment counterparties or money market funds. The treasury policy is reviewed annually by the Board.

The Group and Association are exposed to counterparty risk from the potential risk of default by our development partners or joint arrangement or joint venture partners. The Group and Association have a Procurement Policy and strict investment limits and use development arrangements which mitigate this risk. The Group and Association also conducts due diligence exercises on joint arrangement and joint venture partners.

### Customer credit exposure

The Group and Association are exposed to the possibility of some of its tenants not paying their rents in time or defaulting altogether. To mitigate this risk, the Group and Association monitor arrears on a monthly basis and engages with tenants. The Group and Association also collect deposits from tenants when they take out their tenancy agreements to mitigate this exposure.

Members



# Board members, executive directors, funders, advisors and auditors

## Our Board



**David Biggs,**  
Chair of the Board  
*Joined September 2018*

With nearly three decades experience operating as a senior executive, David has worked in property in both private and public sectors. A former Finance Director, he recently stepped down as Managing Director of Network Rail Property after 11 years. His customer-focused approach to placemaking showed how stations can be a catalyst for regeneration - creating a hub for communities and becoming destinations in their own right. Embracing partnerships with developers, David has overseen many commercial ventures such as the landmark £1.4bn Arches portfolio sale, major upgrades at London Bridge station, and the unlocking of land for more than 10,000 homes.



**Trudi Kleanthous,**  
*Joined December 2018*

Trudi has worked in social housing for 40 years within both local authorities and housing associations. Trudi has held a number of Executive Director roles covering both operational and back-office support functions.



**Caroline Abomeli**  
*Joined September 2021*

Caroline is A2Dominion's communications director and brings expertise in communications, marketing, business planning and corporate strategy, business change and digital.



**Jaïne Cresser**  
*Left September 2024*

Jaïne has worked in the social housing sector for over 30 years and is an experienced leader, covering housing management, property and repairs, as well as asset management and investment. Her specific skills are around change management, staff engagement and empowerment and transformation of services. Jaïne is passionate in ensuring that services are customer focused.



**Marianne Davies**  
*Joined January 2023*

Marianne is Global Head of People Services with GSK. She holds a BA (hons) degree in Philosophy and a Diploma in HR Management. She is a Trustee with Youth Action Alliance (YAA) a youth charity, SPANA, an animal welfare charity, and is also an Independent Committee Member for the Equality, Inclusion and Diversity Committee at the Royal College of Obstetricians and Gynaecologists.



**Stephen Glover**  
*Joined January 2023*

Stephen is currently University College London's Director of Financial Planning and Analysis. Prior to joining UCL, Stephen was a Senior Civil Servant at the Department for Work and Pensions. He is a chartered management accountant and CIMA fellow. Stephen is also a Board member of a Multi-Academy Trust in south London and, as a BACP accredited psychotherapist, he runs a private practice specialising in supporting LGBT+ clients. Following university, Stephen trained and worked as a professional actor and has since directed a number of plays and films.



**Rebecca Lewis**  
*Left January 2025*

Rebecca has over 10 years' experience in the real estate sector. With a background as a chartered surveyor, Rebecca has worked at Grainger Plc, spearheading the creation and delivery of Grainger Trust, the first for profit housing association in the UK. Further experience followed at PfP Capital where Rebecca worked for the PRS Joint Venture with the Universities Superannuation Scheme. Rebecca now works at Morgan Sindall Investment Limited, working in joint venture partnerships with local authorities to deliver mixed tenure regeneration schemes.



**Steve Nunn**  
*Joined January 2020*

Steve has worked in the Housing sector for over 30 years across all disciplines including housing management, operations, property services, shared ownership, estate and social regeneration and development.





Rosalind Rowe

Left December 2024

Ros has more than 30 years' experience in property taxation and deals. As a tax partner at a global firm Ros provided advice to housebuilders, housing associations and investors on housing projects while also developing initiatives with Government to increase the supply of housing.



Amanda Tomlinson

Joined January 2025

Amanda has been the Chief Executive of Black Country Housing Group since 2013. Prior to that, she operated at the executive level for over 10 years and has a professional background in finance as a former Finance Director with a CIPFA qualification. Amanda is passionate about addressing inequalities in local communities and works with organisations that create a positive social impact.



Vipul Thacker

Joined September 2021

Vipul is Notting Hill Genesis's group director of central services and has oversight of human resources, health and safety, data protection, equality, diversity and wellbeing, governance, procurement, office accommodation and facilities management. He has experience of inspections and value for money reviews.



Andy Walder

Joined January 2025

With nearly 30 years of experience, Andy has specialised in commercial leadership with a focus on marketing, sales, operations, procurement, asset management and development. He has served as a senior executive across private and public sectors, with prior experience as chair of a housing association board. Andy is motivated by helping and supporting communities to be the best they can be and is driven by securing the best possible outcomes for customers.



Paul Tyrrell

Joined December 2018

Paul is a professional commercial banker with over 35 years' experience in the finance industry. Paul has spent more than 20 years of his career lending to the social housing sector. As well as finance Paul's skills include leadership, collaboration and he is passionate about customer service and teamwork.



Steve Woodcock, Chief Executive of B3Living

Joined September 2019

Steve brings a wide range of experience from working at an executive level at a number of registered providers within the sector, including Network Homes, Clarion and more recently, smaller providers Red Kite and Housing Solutions. He is passionate about providing a quality service to customers and helping to provide more homes to those in the greatest need.

## Executive directors



Steve Woodcock

Chief Executive



Sophia Howells

Executive Director  
(Operations)  
Appointed 5 August 2024



Chris Ellison

Executive Director  
(Operations)  
Resigned 16 April 2024



Jon Hayden

Executive Director  
(Development)



Claire Howe

Executive Director  
(Corporate Services)  
Group Company Secretary



Alex Shelock

Executive Director  
(Finance)



Gerry Doherty

Interim Executive Director  
(Operations)  
Appointed 15 May 2025



## Funders, advisors and auditors

### External auditors

Beever and Struthers  
15 Bunhill Row,  
London, EC1Y 8LP

### Tax advisor

Grant Thornton UK LLP  
The Colmore Building, 20 Colmore Circus,  
Birmingham, B4 6AT

### Bankers

Lloyds Bank Plc  
Corporate Banking, 25 Gresham Street,  
London, EC2 7H

Nationwide Building Society  
Kings Park Road, Moulton Park  
Northampton, NN3 6NW

### Solicitors

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

Trowers & Hamlin LLP  
55 Princess Street  
Manchester, M2 4EW

Winckworth Sherwood LLP  
Minerva House, 5 Montague Close,  
London, SE1 9BB

### Investors and funders

ARA Venn (Saltaire Housing Limited)  
Reading Bridge House,  
Reading, RG1 8LS

bLEND (Affordable Housing Finance Plc)  
17 St Swithin's Lane,  
London, EC4N 8AL

M&G Investment Management Ltd  
5 Laurence Pountney Hill,  
London, EC4R 0HH

Lloyds Bank Plc  
Corporate Banking, 25 Gresham Street  
London, EC2 7HN

### Internal auditors

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### Valuers

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Paul Wallace  
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Savills Plc  
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Haywards Heath, RH16 3BN

### Treasury advisors

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London, W1G 0JD

### Registered office

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17 Amwell Street  
Hoddesdon  
Hertfordshire  
EN11 8TS

#### Registration numbers:

FCA registration number 29876R  
Regulator of Social Housing registration number L4455

Regulator of Social Housing registration no. L4455  
Co-operative and Community Benefit Societies Act  
registration no. 29876R  
HM Revenue and Customs (Charities Division number  
XR92753)

We comply with the National Housing Federation Code  
of Governance and are regulated by the Regulator of  
Social Housing.







[www.b3living.org.uk](http://www.b3living.org.uk)

LinkedIn: B3Living