ARAWAK WALTON
HOUSING ASSOCIATION LIMITED
(A Charitable Co-operative and Community Benefit Society)

Financial Statements

For the Year Ended 31 March 2026

Contents

Board of Management	Mr Adrian Carridice-Davids (Chair) Mr Rob Brown (Deputy Chair) Ms Elizabeth Webster (Appointed June 2025) Mr Troy Tull Ms Sharon Thomas Mr Samson Chen Ms Anila Khalid Mr Nigel Gloudon Ms Julie Jarman
Secretary	Mrs A Harris, BA (Hons), ACMA
Executive Officers	Mr Ulfat Hussain (Chief Executive) Mrs A Harris, BA (Hons), ACMA (Finance Director) Mr Michael Redford - (Operations Director)
Bankers	Royal Bank of Scotland Plc. 2nd Floor - 1 Spinningfields Square Manchester M3 3AP
Solicitors	Knights plc Riverside Court Wilmslow SK9 1DL
Auditor	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW
Registered office	Margaret House 23 Manor Street Ardwick Manchester M12 6HE
Registration Numbers	L3713 - Regulator of Social Housing 25160R - Co-operative and Community Benefit Societies Act 2014

The Board presents its strategic report and audited financial statements for the year ended 31 March 2026.

Principal activities

The Association's principal activities are the acquisition and management of social housing primarily for the Black and Minority Ethnic communities in the North West.

Legal status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider with charitable status.

The Association is a Public Benefit Entity as defined by FRS102.

Regulation

We are regulated by the Regulator of Social Housing. Our last regulatory inspection was carried out in 2025/26 and grading from which is G1 Governance, V2 Financial Viability and C2 Consumer Standards.

How we operate

Our key governance and committee structure is as follows:

Board of Management and Executive Officers

The Board of Management and Executive Officers of the Association are listed on page 2.

Each member of the Board of Management holds one fully paid share of £1 in the Association. The Executive Officers of the Association hold no interest in the Association's share capital and, although not having legal status of Directors, they act as Executives within the Authority delegated to them by the Board of Management.

Employees

The strength of the Association lies in the quality and commitment of its employees. The Association operates an appraisal system and provides training programmes focused on quality and customer service and seeks employees' views on how to improve systems and on matters of concern.

Details of employees are set out in note 9 of the accounts.

Review of the year

Financial Review

The financial year 2025/26 saw a small change to our stock of homes decreasing by 1 unit taking our total properties owned to 1,120. The Association also continues to manage 58 properties on behalf of the Boaz Trust. Turnover was slightly higher than the 2025 levels at £7.1million. Our operating surplus of £1.6m shows an improved position on 2025 and is as a result of increased income. There was an increase in the total comprehensive income for the year of £742,869 which has taken total reserves to £16,005,362.

The Association continues to prioritise investment in our homes with £891k of works to replace property components such as bathrooms, kitchens, windows and boilers. This investment supports long term asset quality and tenant service delivery.

Cashflow generation has remained strong with £2.3m of cash generated from operations (2025 £2.1m) and a closing cash balance of £790k. The Association now has approximately £20.5 million of loan facilities in place as at 31st March 2026, of which £15.7 million has been utilised. Debt levels remain sustainable and aligned with long-term investment plans.

Operational Performance

Operational performance remained strong across core services, supported by robust key performance indicators.

Percentage of rent collected as a percentage of rent due met our target of >=101% and rent arrears of current tenants as a percentage of rent ended the year below target (>2.97%) at 2.91%.

Customer satisfaction as measured through the annual TSM survey increased from 84% to 87%, supported by ongoing tenant engagement and retention of the Customer Service Excellence accreditation. Voids performance significantly improved, with relatively low turnover of 3.43%, a reduced average relet times of 25 calendar days and void rent loss of 0.27% versus a target of <0.74%.

The Association maintained full compliance across all key statutory health and safety areas, with 100% compliance achieved in gas servicing, electrical safety, fire safety and water hygiene. Investment in asset quality remained significant, with a total investment in repairs, services, and component replacement during 2025/26 of circa £2.4 million (£1.5m on repairs and services; £892k on kitchens, bathrooms, windows, doors, and boilers). Maintaining an approved contractors list and robust procurement processes supported financial control and regulatory compliance. Alongside this, progress in relation to the completion of stock condition surveys continued at pace, increasing from 35% to 80% across 2025/26. The outputs of surveys are now informing future investment priorities.

Community investment and enhanced tenant engagement activity have continued to deliver wider social value, ensuring services remain responsive to tenant needs while maintaining strong overall operational performance.

Future developments

Whilst there has been no new growth during the year, the Association intends to re-start its programme of modest growth. Growth will be through partnerships with other Housing Associations, local authorities and by acquisitions from the open market.

Changes in fixed assets

Details of the movements in fixed assets are set out in note 11 to the accounts.

Principal Risks and Uncertainties

The Board has adopted a comprehensive planning, risk and control framework. It has identified the following as the principal risks and sources of uncertainty which may impact on the Association's plans, and has put in place measures to monitor and, where appropriate, to mitigate these:

Strategic Risk	**Risk Description**	**Risk Appetite**
Political / Economic Risks	A sustained period of volatility and uncertainty in our operating environment caused by external political and economic factors, which may affect our ability to plan and forecast accurately, our capacity to deliver our mission and also may affect our tenants.	Cautious
Legal & Regulatory Compliance Risks (incl governance)	Failure to comply with legal and regulatory requirements and weak/ineffective governance, which may affect our regulatory grading, result in potential prosecution or fines or our inability to achieve our corporate objectives.	Averse
Growth	Growth projects do not achieve positive results (including failure to deliver on quality / cost / time objectives)	Open

Social Purpose	The Association loses connection with stakeholders, values and its core social purpose.	Averse
Business Continuity	Significant interruption to the Association's ability to deliver services.	Cautious
People	Insufficient skilled and motivated people to deliver services effectively.	Balanced
Asset Management	Failure to maintain existing homes to appropriate quality required.	Cautious
Financial Viability	Insufficient funds to deliver services and/or meet funder requirements.	Cautious
Health & Safety	Failure to meet statutory obligations relating to Health & Safety, building and fire safety legislation	Averse

Future Uncertainty

The ongoing impact of geo-political uncertainty can impact the Association's future plans to invest in existing and new homes. Our approach to manage these uncertainties are:

- Regular review of our costs with comparison to our budget and business plan assumptions;
- Stress testing and sensitivity analysis specific to increased costs and interest payments;
- Ensuring our website is kept up to date for our tenants to offer help to access support available;
- Review our rent levels in terms of affordability

The key areas of uncertainty identified are:

Increased borrowing costs	We have prudently planned for further increases in interest costs in our business plan and also stressed test for further increases and mitigation plans. Our annual treasury strategy ensures we are managing the risk of interest rates.
Increased rent arrears	Rent arrears have been a key focus in the past 12 months and have remained relatively stable despite some tenants reporting financial challenges. We will continue to provide support for vulnerable tenants in order that they can access the support that's available to them.
Cashflow implications	Reduced income from an increase in rent arrears and void properties has been modelled through the business plan. The Association has access to £4.8m of undrawn loan facilities.
Loan covenant compliance	The financial plan has been reviewed and demonstrates that all loan covenants can be met.

Statement of the Board's responsibilities in respect of the accounts

The Co-operative and Community Benefit Societies Act requires the Board to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus of the Association for that period. In preparing these accounts 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;
- prepare the financial statements on a going concern basis unless it is inappropriate.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the accounts comply with the Co-operative and Community Benefit Societies Act and the Housing Acts. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Association's accounting records, cash holdings and all its receipts and remittances.

In so far as the Board of Management is aware:-

- there is no relevant audit information of which the Association's auditor is unaware, and;
- the Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of the Board of Management on internal controls

The Board is ultimately responsible for the Association's system of internal control and for reviewing its effectiveness. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Association, that has been in place for the year under review and up to the date of approval of the annual report and accounts, and that this process is regularly reviewed by the Board.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed.

The Board are responsible for the identification and evaluation of significant risks together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

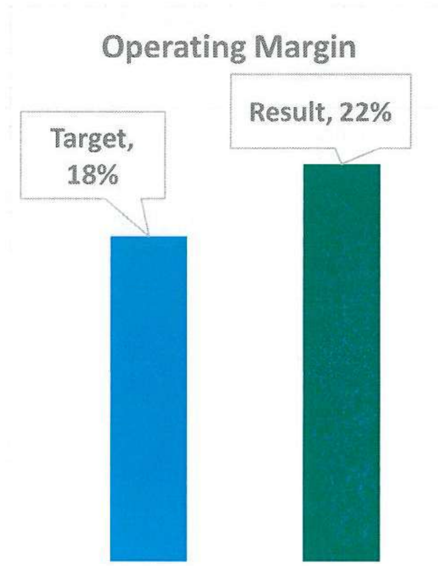
A control self-assessment and hierarchical reporting has been established which provides for a documented and auditable trail of accountability. These procedures are relevant across all operations and provide for successive assurances to be given at increasingly higher levels of management and finally to the Board. This process is facilitated by internal audit that also provide a degree of assurance as to the operation and validity of the system of internal control. Planned corrective actions are independently monitored for timely completion.

The executive officers report regularly on their review of risk and how they are managed to the Board. Internal audit independently review the risk identification procedures and control process implemented by the executive officers and report to the Audit Committee as part of the internal controls framework at least three times a year. The Audit Committee reviews the assurance procedures, ensuring that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit Committee presents its findings to the Board on a regular basis.

The executive officers report to Board on significant changes in the business and the external environment, which affect significant risks. The Executive Team provides the Board with regular financial and operational information, which includes key performance and risk indicators. Where areas for improvement in the system are identified, the Board considered the recommendations made by the delegated Committee.

Executive Summary

Arawak Walton Housing Association (AWHA) has used Acuity and the Regulator of Social Housing's (RSH) VFM metrics and 2025 Global Accounts figures to help understand and compare its performance across a range of value for money metrics and identify priorities for the future. At the time of writing 2025/26 comparative data is not available.



Our operating margin improved during the year with an end of year result of 22% against a target of 18%.

AWHA's headline cost per unit (cpu) for 2025/26 was £5,007 (£4,670 in 2024/25) which is £859 per property lower than our peer's median of £5,866 in 2024/25.

Our approach to VFM is cross-cutting and part of everything we do and has been made more important during the past few years with the impact of increasing costs against the aim to keep rents affordable for our tenants.

A key priority during the year has been the continued embedding of the revised operational structure, designed to strengthen service delivery, enhance engagement with tenants and community stakeholders, and ensure that services are increasingly informed by tenant feedback and insight.

Our achievements during the year include:

- Tenant Satisfaction measures survey completed with 87% overall satisfaction score
- Improved our void relet process which has reduced the time taken to relet our properties and the average cost to bring the properties back up to lettable condition;
- Conducted over 500 property condition surveys to assess the condition of our homes and the priority of our investment plans;
- Reviewed and retendered some scheme services such as gardening and communal utilities - this has saved £36k for our tenants;
- Continued our programme of bi-ennial Home Visits with over 90% of eligible tenants having received a visit;
- The Association retained its Customer Service Excellence accreditation during the year, providing independent assurance of the quality of its customer service and its commitment to continuous improvement;
- Reviewed the provision of tenancy support and commissioned Pocket Power and Golden Centre of Opportunities who have a proven track record of generating direct financial benefits for tenants (e.g. debt relief, bill savings, welfare benefit claims) that often far exceed the cost of the service.

1. Our Value for Money Approach

As a specialist black and minority ethnic (BME) housing provider, Arawak Walton's mission is to champion the provision of quality affordable homes in sustainable multi-cultural communities. We aim to redress the inequity faced by BME communities in accessing good housing, health, education, training and employment. To do this, we work in areas where BME communities predominantly live or aspire to live. We are committed to actively supporting the local economy by employing local personnel and engaging the services of regional contractors and suppliers whenever possible.

Value for money is about delivering our corporate objectives in the most cost-effective way possible. Our Corporate Plan 2025-30 sets out four strategic priorities, all of which rely on effective Value for Money (VfM) practices to succeed:

- **Homes and Growth**

- Evaluate all development and acquisition opportunities for financial and social return.
- Ensure retrofit programmes deliver energy efficiency within cost-effective investment frameworks.
- Use asset performance data to prioritise reinvestment and avoid unviable stock.

- **Customers and Communities**

- Maintain cost-effective, culturally sensitive services.
- Balance investment in digital tools with access for digitally excluded tenants.
- Use VfM indicators such as Tenant Satisfaction Measures (TSMs), repairs satisfaction, and local engagement to assess outcomes.

- **People and Culture**

- Support staff development and retention through effective investment in CPD and wellbeing
- Encourage internal efficiency through staff engagement and inclusion initiatives that reduce absenteeism and turnover.

- **Financial Sustainability**

- Retain strong G1/V2 and aim for V1 through prudent risk and treasury management.
- Embed VfM in procurement, treasury, growth assessment and service delivery.
- Benchmark key indicators annually and take corrective action as needed.

The Board has overall responsibility for the Association's Value for Money Strategy and each year sets annual targets in line with the approval of the Business Plan and KPIs. Value for Money is at the centre of everything we do in terms of achieving our Corporate Plan objectives and targets.
Specific elements of our approach to value for money are:

Managing our costs and assets	Reviewing our services	Monitoring & improving our performance
• Zero-based budgeting, including assessment of priority areas • Annual review of asset management strategy • Annual treasury strategy review • Mid-year Board review of costs to enable flexible allocation of resources • Robust procurement process to ensure best price and quality	• Annual review of our customer profile. • Annual independent tenant satisfaction survey • Service contracts and contractor performance reviews • Complaints & tenant quality panels	• Weekly, monthly and quarterly KPI reporting. • Regular reviews of contractor's performance • Benchmarking with peer associations • Membership of a number of groups & partnerships to enable sharing of best practice and partnership working & cost sharing;

2. Value for Money Metrics

The Association measures 12 key VFM performance indicators which are monitored by Board every quarter.

The table below shows our results and targets for our VFM KPIs and compares these against our peers' data from 2024/25 (2025/26 peer data is not yet available). Whilst we are keen to keep costs as low as possible but know that investing in our properties is key to providing good quality homes for our tenants.

No	Detail	PEER (latest available)		AWHA Previous Yr Actual	AWHA			VFM TARGETS				
		RSH VFM Data (1k - 2.5k units)	ACUITY PEER Median		Target	Actual	Target Achieved?	Year 1	Year 2	Year 3	Year 4	Year 5
			2024/25			2025/26		26/27	27/28	28/29	29/30	30/31
1	Operating Margin (overall)	20%	14%	20%	17.8%	22%	✓	17.5%	19.2%	19.9%	20.4%	21.3%
2	Operating Margin (social Housing)	19%	17%	20%	17.8%	21%	✓	18%	19%	20%	21%	22%
3	Interest Cover (EBITDA MRI) %	136%	185%	136%	134%	167%	✓	135%	144%	143%	141%	140%
4	New Supply Delivered %	0.5%	0%	0%	0%	0%	n/a	0%	1%	1%	0%	0%
5	New Supply Delivered % (non-social)	0.0%	0%	0%	0%	0%	n/a	0%	0%	0%	0%	0%
6 *	Gearing	31%	17%	42%	41%	40%	✓	39%	42%	44%	43%	42%
7	Reinvestment % (new & existing)	4.7%	3%	2.6%	2.0%	2.6%	✓	2.6%	7.9%	7.7%	2.9%	3.2%
8	Return on Capital Employed	2.7%	3.1%	4.1%	3.30%	4.30%	✓	3.4%	3.7%	3.8%	4.0%	4.3%
9	Cost Per Unit	£5,377	£5,866	£4,970	£5,078	£5,007	✓	£5,411	£5,550	£5,633	£5,819	£6,017
10	Customer Satisfaction	72.1%**	84.8%	84%	>84%	87%	✓	>85%	>85%	>85%	>85%	>85%
11	Occupancy	n/a	n/a	100.0%	>99%	100%	✓	>99%	>99%	>99%	>99%	>99%
12	Rent collected	n/a	100.40%	99.9%	>99%	101%	✓	>100%	>100%	>100%	>100%	>100%

Equal to / better than Acuity peer
Within 10% of peer
Below / worse than peer

Notes
* A significant part of AWHA grant (£26m) was gained via stock transfer, which is shown differently in the accounts compared to other HA's grant. If the treatment was consistent our gearing figures would be around 24%.

** RP size from 1k to 5k properties

Our peer data
Our Acuity peer group includes all Registered Providers in the benchmarking group based in the North and Midlands. The group largely consists of smaller RPs from with 0 - 5,000 properties. These results are shown together with the RSH's peer results selected for all North & Midlands based providers under 2,500 properties from the RSH's latest global accounts (click here for RSH's VFM reports for 2025).

3. Summary of Performance

The analysis in this section focuses on the seven key metrics together with our own KPI's as chosen by the Board.

KPI 1 - Operating Margin (overall): 22%

Our 2025/26 operating margin of 22% is higher than our target, largely due to savings achieved over a number of operational areas.

In the year we were able to reduce our arrears levels and also our void relet times, both of which has saved over £100k compared to our budget. Savings were also achieved on staffing due to vacancies within the year. We were also able to achieve savings on professional advice, PR & marketing costs.

In terms of maintenance costs (our highest spend area), we did see an increase in costs on responsive repairs and stock condition surveys, however these were able to be offset by savings achieved on gas repairs and reduced void relet costs.

Our key challenges for the future to ensure Value for Money will be:

- Continue to ensure all properties are safe and warm and damp, mould and condensation is dealt with appropriately and effectively;
- Keeping rent levels as low as possible whilst ensuring that the Association has sufficient funds to provide a quality service to tenants;
- Implementing a carbon reduction programme that is affordable;
- Continuing to grow without compromising the need for investment in our existing properties.

KPI 2 - Operating Margin (social housing): 21%

The majority of the Association's activities relate to social housing therefore our result for this is the same as KPI 1, above.

KPI 3 - Interest Cover: 167%

The Association's interest cover ratio for 2025/26 is 167% which is an improved position from the previous year and also better than our target.

Our operating surplus and interest cost positions were both better than planned during the year, resulting in our Interest Cover being considerably higher than our target of 134%.

We continue to invest in capital improvements to properties and our plan to continue this, together with upgrading properties to improve energy efficiency shows that our interest cover will be around 135-145% in the next 5 five years.

Around 40% of our loans are on variable interest rates and whilst we have benefited in the past from low interest rates, the ongoing relatively high rates have continued with only small reductions during the year, Whilst our Board has appetite to increase our fixed proportion, some of our loans do not currently allow this. During the year a loan restructuring project commenced which will aim to look at our loan portfolio as a whole from a value for money perspective whilst also increasing our capacity to borrow in order to invest in new homes.

KPIs 4, 5 New Supply

During 2025/26 our strategy to grow via acquisitions was put on hold whilst we review and set a new 5 year corporate plan.

Our new corporate plan has set clear goals to grow by around 10 properties each year through opportunities for new housing supply, by way of partnership or section 106 arrangements. (click here for our corporate plan).

Our plans for 2026/27:

- A new growth plan to be approved by Board
- Loan portfolio review - loan restructuring options to be agreed to release financial capacity to grow further

KPI 6 Gearing: 40%

The Association has a gearing figure of 40% as per the RSH's metrics calculation. This is above the 2024/25 median figure of 17% Acuity peer group and 31% RSH peer group. However, it must be noted that with FRS102, any grants received by the Association via acquisition are required to be netted off against fixed asset costs with the result that cost of assets are reduced by £26m. If these grants were added back in, the calculation would show a gearing calculation of 24% which would put the Association more in line with the RSH peer group.

As at 31.3.26 we have £15.75m of loans and undrawn loan facilities of £4.8m which is expected to meet our requirements until early 2029.
Our plans for the year ahead are to conduct a refinancing exercise looking at the VFM of our loans and seek further borrowing to fund our growth plans.

KPI 7 Reinvestment 2.6%

During the year we exceeded our target of 2.0% and invested 2.6% (£961k) on improving our properties in the following ways:

- We spent £279k replacing 37 kitchens;
- We spent £268k replacing 68 bathrooms;
- We spent £215k replacing 84 windows and doors;
- We spent £199k on other property improvements such as boilers and structural upgrades;

Our revised 30 year financial plan incorporates our stock condition data and shows the requirement to increase our investment in this area in the next few years which will increase this percentage, as shown in our future targets. This together with investment in growth will mean our over the next 5 years is that our reinvestment % will be an average of 5%.

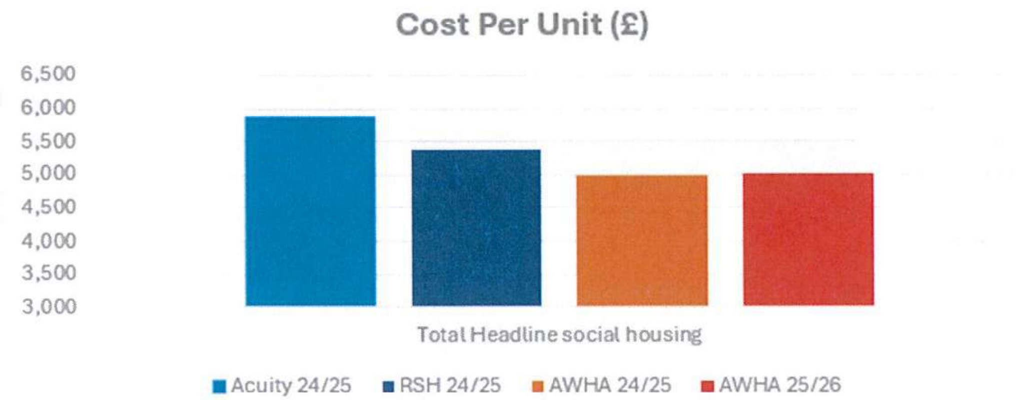
KPI 8 Return on Capital Employed (ROCE) : 4.3%

Our ROCE result for 25/26 of 4.6% is above our target of 3.3% and above our peer median of 3.1% demonstrating a good return on investment for the Association's assets compared to its peers.

Our long term financial plan shows that ROCE will reduce slightly in the short term, returning to 4% by year 5 (2030/31).

KPI 9 Cost Per Unit : £5,007

The chart below shows our cost per unit (cpu) figures for 2025/26 together with our previous year and our peer unit costs for 2024/25.



During the year we:

- Tendered all contracts over £20k in order to seek the best price and quality;
- Increased and improved monitoring and scrutiny of all repairs include better diagnosis and prioritisation and review of quality and timeliness of contractors;
- Tendered our gas servicing programme for a 3 year contract with fixed rates;
- Improved our void relet process which has reduced the time taken to relet our properties and the average cost to bring the properties back up to lettable condition;
- Conducted over 500 property condition surveys to assess the condition of our homes and the priority of our investment plans;
- Reviewed and handed back 6 properties which were managed on behalf of another housing association, which had become financially unviable;
- Reviewed and retendered our internal and external audit functions to ensure we are getting good value for money in assessing and scrutinising our processes and financial accuracy;
- Reviewed and retendered some scheme services such as gardening and communal utilities - this has saved £36k for our tenants;
- Continue to work with other community housing associations (CHP). We share a Policy Officer to enable a more affordable solution to policy updates and keeping up to date with legislative changes.

Our future priorities are :

- Completion of our 100% on stock condition survey in order to complete our investment plans;
- Assess investment requirements to reach EPC for all our properties and consider how best to procure these;
- Implement a Growth Strategy which will aim to grow by c 10 properties per year, prioritising new supply where possible;
- Explore future funding sources and complete a refinancing exercise to enable further capacity to grow within our financial business plan. As part of this we will seek to increase our percentage of fixed loans to bring greater certainty of interest costs and mitigate against any future interest rate rises.

KPI 10 Customer Satisfaction - 87% - Tenants Satisfaction Measure (TSM)

Our latest TSM overall customer satisfaction result is 87% for 2025 (84% 2024), we continue to perform better than our peers.

The full results of our Tenant Satisfaction Survey can be found on our website - see here.

The Association applies a structured and evidence-based approach to reviewing service delivery to ensure services remain effective, responsive and provide value for money. This includes:

- Independent tenant satisfaction surveys (TSMs)
- Ongoing monitoring of contractor and service performance
- Tenant scrutiny through complaints learning forums, tenant panels and service focussed surveys
- Tenant Experience Committee (sub-committee of Board)

KPI 11 Occupancy : 100%

Our Occupancy levels continue to be high with 100% for 2025/26. This is a result of the relatively low turnover of our customer base, improved relet times and no difficult to let properties in our portfolio. Our performance continues to be well above our peers. The Association currently has a waiting list for properties which shows a very high demand for all types of properties in our areas.

KPI 12 Rent Collection ; 99.9%

The amount of rent collected in the year has increased to 101%.

Income management remains a critical area of focus of the operating model with an increased Housing Officer resource and the resulting reduction in patch size, intended to ensure sufficient time is available to manage income effectively. Our approach is built on creating and maintaining sustainability through diligent allocations, early intervention and the provision of appropriate support, either directly or via a third party e.g. Step Change, Pocket Power. Legal enforcement and/or eviction is very much a last resort, and all other options will be pursued prior to seeking an eviction. Arawak Walton complies with all requirements of the Pre-Action Protocol for Possession Claims and approval to pursue an eviction must be obtained from 2 x SMT members.

4. Social Value

The Association is committed to playing a wider role in the community than just housing people. Resources deployed deliver demonstrable social value and align with the Association's social purpose. The Social Value Created Through Community Investment Mechanisms are detailed below:

Community Donations Fund & Strategic Sponsorship

Social value delivered:

- **Community cohesion & identity** - Funding of events such as *Manchester Carnival, Black History Month, and Eid celebrations* fosters cultural pride and cross-community understanding.
- **Strengthening grassroots capacity** Supporting groups like *North Manchester Community Partnership and St Mary's Break Out Space* builds local infrastructure and sustainability.
- **Leveraging local assets (ABCD approach)** Investment aligns with a strengths-based model, mobilising existing community resources rather than imposing external solutions.

Strategic Local Cooperation - Participation in housing partnerships and local networks.

Social value delivered:

- **System-wide influence** Membership of Greater Manchester and local partnerships enhances coordinated responses to housing and community challenges.
- **Resource alignment** Aligns housing, health, and third-sector interventions for greater cumulative impact.

Social Value Through Direct Community Engagement Activities

Cultural & Celebratory Events eg Carnival, Eid, Black History Month, Christmas events.

Social value delivered:

- **Reduced social isolation** Particularly impactful for older tenants and those living alone.
- **Inclusion and diversity** Targeted support for BME communities in a highly diverse city context.
- **Community cohesion** Brings together different demographic groups.

Health & Wellbeing Activities

Examples: McMillan Coffee Mornings, BBQs, fun days, vouchers.

Social value delivered:

- **Improved mental and physical wellbeing** Social interaction and informal support networks improve quality of life.
- **Cost-of-living support** Vouchers and events alleviate financial pressures on vulnerable households.
- **Prevention-focused outcomes** Reduces demand on health and social services by tackling loneliness early.

Social value has been created through a well-rounded, multi-layered approach combining funding, participation, events, and partnerships. The strongest impacts are seen in reducing isolation, strengthening community cohesion, empowering tenants, and supporting diverse communities, with a clear strategic framework underpinning delivery.

Section 5. How will we use Value for Money gains?

Value for money gains which generate a cash saving will be used to reinvest back into our properties, reduce the cost of borrowing and will contribute to the purchase of additional homes.

Section 6. Conclusion

The Association has delivered strong value for money performance in 2025/26, demonstrating effective financial management alongside a continued focus on high-quality services for tenants. The Association exceeded key financial targets, including achieving an overall operating margin of 22% against a target of 18%, while maintaining a cost per unit that remains below peer median levels.

This performance reflects a clear and consistent approach to driving efficiencies, including improvements in void management, procurement, and contract retendering, as well as tighter cost control across operational areas. Importantly, these efficiencies have not been achieved at the expense of service quality, with tenant satisfaction increasing to 87% and occupancy and rent collection levels remaining exceptionally strong.

Benchmarking against sector peers and the Regulator of Social Housing's metrics continues to play a central role in understanding performance and identifying areas for improvement. The Association has used this insight to reinforce a culture of continuous improvement and ensure that resources are directed to areas of greatest impact.

Looking ahead, the Association recognises the challenges associated with maintaining value for money in an environment of rising costs, increased investment requirements, and the need to deliver carbon reduction programmes. Despite these pressures, Arawak Walton remains committed to reinvesting in its homes, strengthening its communities, and delivering sustainable growth in line with its Corporate Plan.

Overall, the Association is well positioned to maintain financial resilience while continuing to deliver its social purpose–providing quality, affordable homes and excellent services to tenants. Arawak Walton Housing Association remains fully compliant with the requirements of the Value for Money Standard and is committed to building on its strong performance in the years ahead.

Statement of Compliance

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

The Board has undertaken a review of the requirements of the Governance and Financial Viability Standard (April 2015) published by the former Homes and Communities Agency, together with the Association's performance against these requirements. Based on this review, the Board certifies its compliance with the requirements of this Standard.

The Board adopted the National Housing Federation Code of Governance (2020) in November 2021. The Board complies with the requirements of the code.

By Order of the Board:

Signed: **Date: 21st July 2026**

Independent Auditor's Report to the Members of Arawak Walton Housing Association Limited

Opinion

We have audited the financial statements of Arawak Walton Housing Association Limited (the "Association") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves and the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 requires us to report to you if, in our opinion:

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

Responsibilities of the Board of Management

As explained more fully in the Board's responsibilities statement set out on pages 5-6, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Association and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the Association, 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 those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP, Statutory Auditor
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date: 24th July 2026

Arawak Walton Housing Association Limited
Statement of Comprehensive Income
For the Year Ended 31 March 2026

	Notes	Year ended 31 Mar 2026	Year ended 31 Mar 2025
		£	£
Turnover	2	7,083,108	6,927,253
Operating expenditure	2	(5,553,690)	(5,555,689)
Surplus on disposal of property, plant and equipment (fixed assets)	4b	58,925	168,260
Operating surplus		**1,588,343**	1,539,824
Interest receivable		6,357	9,057
Interest and financing costs	5	(851,831)	(917,914)
Surplus for the year	6	**742,869**	630,967
Other Comprehensive income			
Actuarial gain/(losses) in respect of pension scheme	10	30,000	53,000
Total Comprehensive income for the year		772,869	683,967

The financial statements on pages 19 to 43 were approved and authorised for issue by the Board on 21st July 2026 and were signed on its behalf by:

Chairperson:	Board Member:	Secretary:
Adrian Carridice-Davids	Mr Rob Brown	Mrs Amanda Harris

The results relate wholly to continuing activities and the notes on pages 23 to 43 form an integral part of these accounts.

Arawak Walton Housing Association Limited
Statement of Financial Position
For the Year Ended 31 March 2026

	Notes	Year ended 31 Mar 2026 £	Year ended 31 Mar 2025 £
Fixed assets			
Tangible fixed assets	11	**38,147,055**	38,212,417
		38,147,055	38,212,417
Current assets			
Trade and other debtors	12	**250,370**	246,137
Cash and cash equivalents	13	**790,300**	820,623
		1,040,670	1,066,760
Less: Creditors: amounts falling due within one year	14	**(1,839,563)**	(1,775,051)
Net current assets/(liabilities)		**(798,893)**	(708,291)
Total assets less current liabilities		**37,348,162**	37,504,126
Creditors: amounts falling due after more than one year	15a	**(21,047,606)**	(21,821,417)
Provisions for liabilities			
Pension - defined benefit liability	10	**(295,176)**	(450,192)
Total net assets		**16,005,380**	15,232,517
Reserves			
Non-equity share capital	18	**18**	24
Income and expenditure reserve		**16,005,362**	15,232,493
Total reserves		**16,005,380**	15,232,517

The financial statements on pages 19 to 43 were approved and authorised for issue by the Board on 21st July 2026 and were signed on its behalf by:

Chairperson:	**Board Member:**	**Secretary:**
Adrian Carridice-Davids	Mr Rob Brown	Mrs Amanda Harris

The notes on pages 23 to 43 form an integral part of these accounts.

	Income and expenditure reserve £
Balance as at 1 April 2024	14,548,526
Surplus for the year	630,967
Other Comprehensive Income	
Actuarial gains in respect of pension scheme	53,000
Balance at 31st March 2025	15,232,493
Surplus for the year	742,869
Other Comprehensive Income	
Actuarial gains in respect of pension scheme	30,000
Balance at 31st March 2026	16,005,362

The notes on pages 23 to 43 form an integral part of these accounts.

Arawak Walton Housing Association Limited
Statement of Cashflows
For the Year Ended 31 March 2026

	Year ended 31 Mar 2026 £	Year ended 31 Mar 2025 £
Net cash generated from operating activities	**2,315,569**	2,085,324
Cash flow from investing activities		
Purchase of tangible fixed assets	**(1,015,591)**	(1,090,301)
Proceeds from sale of tangible fixed assets	**158,854**	294,572
Interest received	**6,357**	9,057
Grant received	-	-
Cash flow from financing activities		
Interest paid	**(875,950)**	(981,984)
(Surrender)/Issue of ordinary shares	**(6)**	1
New secured loans	-	500,000
Repayment of borrowings	**(619,556)**	(628,179)
Net change in cash and cash equivalents	**(30,323)**	(188,490)
Cash and cash equivalents at beginning of the year	**820,623**	632,133
Cash and cash equivalents at end of the year	**790,300**	820,623

	Year ended 31 Mar 2026 £	Year ended 31 Mar 2025 £
Cash flow from operating activities		
Operating surplus for the year	**1,588,343**	1,539,824
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	**951,845**	963,499
(Increase) in trade and other debtors	**(4,233)**	(25,608)
Increase/(Decrease) in trade and other creditors	**100,005**	72,145
(Decrease) in provisions	**(147,016)**	(183,043)
Pension costs less contributions payable	-	-
Adjustments for investing or financing activities:		
Less Surplus on the Sale of fixed Assets	**(58,925)**	(168,260)
Government grants utilised in the year	**(106,306)**	(107,403)
Interest payable	**(8,143)**	(5,830)
Net cash generated from operating activities	**2,315,569**	2,085,324

The notes on pages 23 to 43 form an integral part of these accounts.

Notes to the Financial Statements

Legal Status

Arawak Walton Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator for Social Housing as a Private Registered Provider of Social Housing. The registered office is Margaret House, 23 Manor Street, Ardwick, Manchester M12 6HE.

1. Principal Accounting Policies

Basis of Accounting
The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

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 and are presented in sterling £.

The financial statements have been prepared in compliance with FRS102.

The Association is a Public Benefit Entity.

Going concern
The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Association undertakes an annual review of its Business Plan and its ability to meet its financial covenants together with stress testing and sensitivity analysis. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet 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 amounts recognised in the financial statements.

a. **Development expenditure.** The Association capitalises development expenditure in accordance with the accounting policy described on page 25. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b. **Categorisation of housing properties.** The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals.

c. **Impairment.** The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Principal Accounting Policies (continued)

d. **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 10.

e. The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet 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 amounts recognised in the financial statements.

Other key sources of estimation and assumptions:

a. **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

b. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following the assessment of impairment no impairment losses were identified in the reporting period.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and the RSH, income from the sale of shared ownership and other income and are recognised in relation to the period when the goods or services have been supplied.

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.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. 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.

Principal Accounting Policies (continued)

Service charges
Service charge income and costs are recognised on an accruals basis. The Association operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. 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 by a reduced charge and a deficit being recovered by a higher charge.

Loan interest costs
Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs
These are amortised over the life of the related loan. Loans 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 amortised. 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 account in the year in which the redemption took place.

Taxation
The Association is granted charitable exemptions by HM Revenue and Customs, under reference XR48512, effective from the 19th August 1998.

Value Added Tax
The Association is not registered for VAT. All amounts disclosed in the accounts are inclusive of VAT.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

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 UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Housing properties - new build	100 years	Housing properties - rehab	60 years
Kitchens	20 years	Bathrooms	30 years
Boilers	15 years	Rewire	40 years
Windows & Doors	30 years	Lifts	25 years

The Association depreciates housing properties held on long term 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.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

Fixtures and fittings	15% on cost	Office Equipment	15% on cost
Computer equipment	20-25% on cost	Office improvements (minor)	33% on cost
Office Building	60 years		

Principal Accounting Policies (continued)

Low cost home ownership properties
The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Capitalisation of interest and administration costs
Administration and staffing costs relating to development or property improvement activities are capitalised only to the extent that they are incremental to the process and directly attributable to the works carried out.

Property managed by agents
Where the Association carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income Account.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Association.

In both cases, the assets and associated liabilities are included in the Association's Statement of Financial Position.

Leasing and hire purchase
Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing and other government grants
Where developments have been financed wholly or partly by social housing 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 Account is included as part of Turnover.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant
Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

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 so accrued at the balance sheet date.

Retirement benefits
The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Association participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT').

Consistent with the guidance in FRED 71 paragraph 4 (FRS 102 paragraph 28.11B), the difference between the deficit funding liability and the net defined benefit deficit for SHPS is recognised in Other Comprehensive Income. Further disclosures in this area are included in note 10.

Financial Instruments
Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as loans are held at amortised cost using the effective interest method,

2. Turnover, cost of sales, operating expenditure and operating surplus

	2026		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (note 3)	7,030,687	5,521,435	1,509,252
Other social housing activities			
Supporting people	4,862	4,862	-
Other:			
Managed Associations	21,213	16,346	4,867
Activities other than social housing			
Other	26,346	11,047	15,299
Total	7,083,108	5,553,690	1,529,418

	2025		
	£	£	£
Social housing lettings (note 3)	6,828,883	5,468,587	1,360,296
Other social housing activities			
Supporting people	17,875	17,842	33
Other:			
Managed Associations	58,891	57,075	1,816
Activities other than social housing			
Other	21,604	12,185	9,419
Total	6,927,253	5,555,689	1,371,564

3. Turnover and operating expenditure

	General Housing £	Housing for Older People £	Total 2026 £	Total 2025 £
Income				
Rent receivable net of identifiable service charge	5,501,707	689,332	6,191,039	6,010,274
Service charge income	222,913	506,989	729,902	707,766
Amortised government grants	103,906	2,400	106,306	107,403
Other grants	-	3,440	3,440	3,440
Turnover from Social Housing Lettings	5,828,526	1.202,161	7,030,687	6,828,883
Operating expenditure				
Management	1,377,606	192,679	1,570,285	1,632,254
Service charge costs	226,552	553,814	780,366	742,204
Routine maintenance	1,117,126	142,833	1,259,959	1,440,394
Planned maintenance	566,175	50,979	617,154	341,612
Major repairs expenditure	322,831	33,982	356,813	337,550
Bad debts	11,184	6,221	17,405	52,304
Depreciation of Housing Properties	832,209	87,068	919,277	920,629
Other Costs	176	-	176	1,640
Operating expenditure on Social Housing Lettings	4,453,859	1,067,576	5,521,435	5,468,587
Operating Surplus on Social Housing Lettings	1,374,667	134,585	1,509,252	1,360,296
Void losses	7,999	11,864	19,863	44,991

4a. Accommodation owned, managed and in development

	2026 No. of properties		2025 No. of properties	
	Owned	**Managed**	Owned	Managed
Social Housing				
Under management at end of year:				
General needs housing				
Social Rent	**922**	**3**	**923**	9
Supported housing and housing for older people	**147**	**-**	**147**	-
Affordable Rent	**15**	-	**15**	-
Low-cost home ownership	**5**	**-**	**5**	-
Leasehold Housing	**11**	-	**11**	-
Submarket Rent	**20**	**-**	**20**	-
	1,120	**3**	**1,121**	9
Non-Social Housing				
Under management at end of year:				
Staff Units	**1**	**-**	1	-
Rental Housing	**-**	**58**	-	61
	1	**58**	1	61

4b. Accommodation owned, Right to Acquire property sales

	Right to Acquire 2026 £	Shared Ownership 2026 £	**Total 2026 £**	Total 2025 £
Proceeds of sales	160,000	-	**160,000**	294,573
Less Cost of Sales	(101,075)	-	**(101,075)**	(126,313)
Surplus	58,925	-	**58,925**	168,260

5. Interest and financing costs -

	2026 £	2025 £
On loans repayable within five years	**33,953**	48,082
On loans wholly or partly repayable in more than five years	**729,188**	774,567
Costs associated with financing	**66,690**	67,265
	829,831	889,914
On defined benefit pension scheme		
Deferred Benefit pension charge		
Expected return on plan assets	**(163,000)**	(135,000)
Interest on scheme liabilities	**185,000**	163,000
	851,831	917,914

6. Surplus for the year -

	2026 £	2025 £
The surplus is stated after charging/(crediting):-		
Auditors remuneration (excluding VAT):		
- Audit of the financial statements	**19,500**	10,500
- In respect to other services	**825**	800
Operating lease rentals:		
- Office equipment	**8,249**	11,761
Depreciation of housing properties	**919,277**	920,629
Depreciation of other fixed assets	**32,568**	42,870
Surplus on sale of fixed assets	**58,925**	168,260

7. Taxation

The Association has charitable status and hence is exempt from paying Corporation Tax on its charitable activities.

8. Directors' remuneration

	2026 £	2025 £
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	**26,385**	19,547
The aggregate emoluments paid to or receivable by executive Directors and former executive directors	**329,227**	261,721
The emoluments paid to the highest paid Director excluding pension contributions	**118,165**	98,202
The aggregate compensation paid to or receivable by Directors (key management personnel)	-	-

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a defined benefit scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the Association of £13,438 (2025: £5,916) was paid in addition to the personal contributions of the Chief Executive.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

Non-executive Member Remuneration for the year ends 31st March 2026.

	2026 £	2025 £
Adrian Carridice-Davids (Board)	**5,900**	4,961
Robert Brown (Board)	**3,435**	3,308
Anila Khalid (Board)	**2,165**	1,654
Sharon Thomas (Board)	**2,165**	1,654
Troy Tull (Board)	**2,641**	2,205
Julie Jarman (Board)	**2,165**	884
Nigel Gloudon(Board)	**2,165**	884
Samson Chen (Board)	**2,165**	414
Larry Gold (Audit Committee)	**722**	551
Elizabeth Webster (Board)	**2,320**	-
Jacquiline Wright (Tenant Experience Committee)	**542**	-
Jennifer Thompson (Board)	-	1,378
Rob Wakefield (Board)	-	827
Sally Penni (Board)	-	827
	26,385	19,547

9. Employee information

	2026	2025
	No.	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Office staff	**28**	25
Wardens and cleaners	**3**	3
	31	28

	2026	2025
	£	£
Staff costs		
Wages and salaries	**1,311,791**	1,152,999
Social Security costs	**154,367**	115,329
Other pension costs	**145,867**	105,768
Temporary Staff	**107,002**	167,407
	1,719,027	1,541,503

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the year:	**2026**	2025
	No.	No.
£60,000 - £70,000	**-**	-
£70,000 - £80,000	**-**	1
£80,000 - £90,000	**-**	-
£90,000 - £100,000	**1**	-
£100,000- £110,000	**1**	1
£110,000- £120,000	**-**	-
£120,000- £130,000	**-**	-
£130,000- £140,000	**1**	-
£140,000-£150,000	**-**	-
£150,000-£160,000	**-**	-

10. Pension obligations

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Fair Value of Plan Assets, Present Value of Defined Benefit Obligation, and Defined Benefit Asset (liabilty)

	31 March 2026 (£000s)	31 March 2025 (£000s)
Fair value of plan assets	2,939	2,733
Present value of defined benefit obligation	3,234	3,183
Surplus (deficit) in plan	(295)	(450)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(295)	(450)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(295)	(450)

10. Pensions Obligations (continued)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Year to 31 March 2026 (£000s)	Year to 31 March 2025 (£000s)
Defined benefit obligation at start of year	**3,183**	3,346
Current service cost	**17**	9
Expenses	**10**	7
Interest expense	**185**	163
Members contributions	**11**	15
Actuarial losses (gains) due to scheme experience	**(38)**	191
Actuarial losses (gains) due to changes in demographic assumptions	**25**	-
Actuarial losses (gains) due to changes in financial assumptions	**(60)**	(456)
Benefits paid and expenses	**(99)**	(92)
Liabilities acquired in a business combination	**-**	-
Liabilities extinguished on settlements	**-**	-
Losses (gains) on curtailments	**-**	-
Losses (gains) due to benefit changes	**-**	-
Exchange rate changes	**-**	-
Defined benefit obligation at end of year	**3,234**	3,183

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Year to 31 March 2026 (£000s)	Year to 31 March 2025 (£000s)
Fair value of plan assets at start of year	**2,733**	2,688
Interest income	**163**	135
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	**(43)**	(212)
Employer Contributions	**174**	199
Member Contributions	**11**	15
Benefits paid and expenses	**(99)**	(92)
Assets acquired in a business combination	**-**	-
Assets distributed on settlements	**-**	-
Exchange rate changes	**-**	-
Fair value of plan assets at end of year	**2,939**	2,733

The actual return on the plan assets (including any changes in share of assets) over the year to 31 March 2026 was £120,000.

10. Pensions Obligations (continued)

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SoCI)

	Year to 31 March 2026 (£000s)	Year to 31 March 2025 (£000s)
Current service cost	**17**	9
Expenses	**10**	7
Net interest expense	**22**	28
Losses/ (gains) on business combinations	**-**	-
Losses/ (gains) on settlements	**-**	-
Losses/ (gains) on curtailments	**-**	-
Losses/(gains) due to benefit changes	**-**	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**49**	44

Defined Benefit Costs Recognised in Other Comprehensive Income

	Year to 31 March 2026 (£000s)	Year to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain/ (loss)	**(43)**	(212)
Experience gains and losses arising on the plan liabilities - gain /(loss)	**(38)**	(191)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/ (loss)	**(25)**	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/ (loss)	**60**	456
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/ (loss)	**30**	53
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/ (loss)	**-**	-
Total amount recognised in other comprehensive income - gain/ (loss)	**30**	53

10. Pensions Obligations (continued)

Assets

	31 March 2026 (£000s)	31 March 2025 (£000s)
Global Equity	**326**	306
Liquid Alternatives	**523**	507
Insurance-Linked Securities	**4**	8
Property	**143**	137
Infrastructure	**-**	-
Private Equity	**6**	2
Real Assets	**277**	327
Private Credit	**355**	335
Credit	**117**	105
Investment Grade Credit	**173**	84
Cash	**1**	37
Long Lease Property	**-**	1
Secured Income	**89**	46
Liability Driven Investment	**896**	828
Currency Hedging	**-**	4
Net Current Assets	**29**	6
Total assets	**2,939**	2,733

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.

	31 March 2026 % per annum	31 March 2025 % per annum
Discount Rate	**6.14**	5.87
Inflation (RPI)	**3.29**	3.08
Inflation (CPI)	**3.03**	2.80
Salary Growth	**4.03**	3.80
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	75% of maximum allowance

The mortality assumptions adopted imply the following life expectancies:

	31st March 2026 Life expectancy at age 65 (Years)	31st March 2025 Life expectancy at age 65 (Years)
Male retiring in 2025	**20.9**	20.5
Female retiring in 2025	**23.2**	23.0
Male retiring in 2044	**22.2**	21.7
Female retiring in 2044	**24.6**	24.5

11. Tangible fixed assets

	Housing Properties	Other fixed assets					Total Fixed Assets
	Social Housing Properties for Letting Completed £	Office Improvements £	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Office Buildings £	Total fixed assets £
Cost							
At start of the year	49,132,600	139,591	101,778	34,825	195,577	579,301	50,183,672
Additions	-	-	-	-	18,537	-	18,537
Works to existing properties	961,338	-	-	-	-	-	961,338
Disposals	(315,764)	-	-	-	(4,325)	-	(320,089)
At end of the year	**49,778,174**	**139,591**	**101,778**	**34,825**	**209,789**	**579,301**	**50,843,458**
Depreciation and impairment							
At start of the year	11,389,266	139,591	99,455	34,825	161,645	146,473	11,971,255
Charge for the year	919,277	-	876	-	22,037	9,655	951,845
Disposals	(222,372)	-	-	-	(4,325)	-	(226,697)
At end of the year	**12,086,171**	**139,591**	**100,331**	**34,825**	**179,357**	**156,128**	**12,696,403**
Net book value at 31 March 2026	**37,692,003**	**-**	**1,447**	**-**	**30,432**	**423,173**	**38,147,055**
Net book value at 31 March 2025	**37,743,334**	**-**	**2,323**	**-**	**33,932**	**432,828**	**38,212,417**

Housing Properties comprise:	**2026 £**	2025 £
Freeholds	**24,133,112**	24,195,675
Long leaseholds	**13,558,891**	13,547,659

Cost of properties includes £87,803 (2025 £51,180) for direct administrative costs capitalised during the year

	2026 £	2025 £
Works to existing properties in the year:		
Improvement works capitalised	**69,729**	159,261
Components capitalised	**891,609**	831,565
Amounts charged to expenditure	**973,967**	679,162

Nb The cost figure above is net of grant acquired at transfer amounting to £26.5m (see note 21).

12. Trade and other debtors

	2026 £	2025 £
Rent arrears	**225,170**	231,046
Less: provision for bad debts	**(108,215)**	(101,687)
Other debtors	**14,157**	7,327
Prepayment and accrued income	**119,258**	109,451
Debtors are all due within one year	**250,370**	246,137

13. Cash and cash equivalents

	2025 £	2025 £
Cash at bank	**790,300**	820,623
	790,300	820,623

14. Creditors: amounts falling due within one year

	2026 £	2025 £
Loans and overdrafts (Note 15b)	**631,410**	624,256
Trade creditors	**176,872**	199,377
Rents and service charges paid in advance	**344,495**	269,487
Other taxation and social security payable	**37,585**	31,272
Accruals and deferred income	**520,716**	512,496
Deferred Capital Grant (Note 16)	**106,306**	107,403
Other Grant	**3,440**	3,440
Other creditors	**18,739**	27,320
	1,839,563	1,775,051

Net current liabilities would be funded by available undrawn loan facilities.

15(a). Creditors: amounts falling due after more than one year

	2026 £	2025 £
Loans (Note 15b)	**12,188,910**	12,821,948
Bond (Note 15b)	**3,200,468**	3,240,258
Deferred Capital Grant (Note 16)	**5,532,801**	5,696,575
Other grant	**-**	3,440
Recycled Capital Grant Fund (Note 17)	**125,427**	59,196
	21,047,606	21,821,417

15(b). Debt analysis

	2026 £	2025 £
Loans repayable by instalments:		
Within one year	**631,410**	624,256
In one year or more but less than two years	**614,220**	636,090
In two years or more and less than five years	**1,709,767**	1,768,168
In five years or more	**10,067,505**	10,613,944
Less: issue costs	**(202,582)**	(196,254)
Total loans	**12,820,320**	13,446,204

The loans are repayable monthly/quarterly and half yearly at varying rates of fixed and variable interest rates. The loans are repayable over terms of 15, 25, 30 and 35 years.

All loans are secured by specific charges on the Association's Housing Properties.

	2026 £	2025 £
Bond due for repayment :		
In five years or more	**2,725,000**	2,725,000
Less: issue costs	**(33,591)**	(36,519)
Add: premium costs	**509,059**	551,777
Total loans	**3,200,468**	3,240,258

Arawak Walton Housing Association Limited has a Loan Bond agreement with GB Social Housing Plc which is repayable in February 2038. The agreement is secured by specific charges on the Association's Housing Properties.

The interest rate profile of the Association at 31st March 2026 was:

	Total £	Variable Rate £	Fixed rate £	Weighted Average rate %	Weighted average term Years
Loans	15,747,902	6,316,760	9,431,142	4.5%	13

The amount charged, by charge holder is as follows:

	2026 £	2025 £
Lloyds Bank	**2,501,025**	2,619,860
Newcastle Building Society	**1,507,196**	1,767,624
Royal Bank of Scotland	**3,212,368**	3,295,703
Triodos Bank	**2,003,923**	2,003,923
Orchardbrook	**-**	-
Warrington Borough council	**3,798,390**	3,955,348
GB Social Housing	**2,725,000**	2,725,000
Total Loans and Bonds	**15,747,902**	16,367,458

Arawak Walton Housing Association Limited had total borrowing facilities of £20.6m available at 31st March 2026 of which £4.8m was undrawn.

16. Deferred capital grant

	2026 £	2025 £
At start of the year	5,803,978	5,931,410
Released to income in the year	(106,306)	(107,403)
Grant Received in year	-	-
Grants Recycled	(58,565)	(20,029)
At the end of the year	5,639,107	5,803,978

	£	£
Amount due to be released < 1 year	106,306	107,403
Amount due to be released > 1 year	5,532,801	5,696,575
	5,639,107	5,803,978

17. Recycled capital grant fund

		2026 £	2025 £
Opening balance		59,196	-
Inputs to RCGF:	Grants recycled	65,102	58,788
	Interest accrued	1,129	408
	Transfers from other PRPs	-	-
Recycling of grant:	New build	-	-
	Major repairs and works to existing stock	-	-
	Transfers to other PRPs	-	-
	Other	-	-
Repayment of grant to the Homes England/GLA		-	-
Closing Balance		125,427	59,196
Amount three years or older where repayment may be required		-	-

18. Non-equity share capital

	2026 £	2025 £
Allotted Issued and Fully Paid		
At the start of the year	24	23
Issued during the year	-	3
Surrendered during the year	(6)	(2)
At the end of the year	18	24

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up, and are not redeemable. Each share has full voting rights. All shares are fully paid.

19. Capital commitments

	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements:	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for:	1,072,000	956,000
	1,072,000	956,000
The Association expects these commitments to be financed with:		
Social Housing Grant	-	-
Cash	322,000	456,000
Committed loan facilities	750,000	500,000
	1,072,000	956,000

20. Operating leases

The Association holds office equipment under non-cancellable operating leases. At the end of the year the Association had commitments of future minimum lease payments as follows:-

	2026 £	2025 £
Within one year	7,642	6,749
In one year or more but less than two years	6,432	1,297
In two years or more and less than five years	4,020	-
In five years or more	-	-

21. Grant and financial assistance

	2026 £	2025 £
Net amortised Capital Grant	2,098,339	1,999.272
Obligation to recycle grant on disposal of stock transfers	26,559,066	26,559,066
Deferred Capital Grant (note 16)	5,639,107	5,803,978
Total Obligation to recycle on event of housing property disposal	34,296,512	34,362,316

The Association has received grant from Homes England which was used to fund the acquisition and development of housing properties and their components. The Association is responsible for recycling the grant in the event of the housing properties being disposed of. At 31st March 2026 this amounted to £34,296,512 (2025 - £34,362,316).

22. Contingent Liabilities

Arawak has been notified by the Trustee of the Social Housing Pension Scheme (SHPS) that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items and this process is ongoing with the Court's determination expected after the Court's summer recess (1 August to 30 September), although the exact timing remains uncertain.

Until the Court determination is received, it is unknown whether the full (or any) increase in liabilities will apply and it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. Therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

23. Related parties

The following are related parties:

The Board has tenant co-optee members who hold tenancy agreements on normal terms and could not use their position to their advantage. Rent charged to the Tenant Board member was £4,756 (2025: £4,720). The arrears on the tenancy at the end of the reporting year end was £Nil (2025: £434).

Related party balances are not secured.

24. Financial Instruments

	2026	2025
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and in hand	**790,300**	820,623
Trade Debtors	**116,955**	129,359
Other debtors	**14,157**	7,327
Financial liabilities at amortised cost:		
Loans	**12,820,320**	13,446,204
Bonds	**3,200,468**	3,240,258
Trade Creditors	**176,872**	199,377
Rents and Service charges in advance	**344,495**	269,487
Accruals and deferred income	**520,716**	512,496
Deferred capital Grant	**5,639,107**	5,803,978
Other grant	**3,440**	6,880
Other creditors	**18,739**	27,320
Recycled capital grant fund	**125,427**	59,196
Other taxation and social security payable	**37,585**	31,272