Co-operative and Community Benefit Society No: 12664R

Registered by the Regulator of Social Housing No: L2424

WILLOW TREE
HOUSING PARTNERSHIP

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WILLOW TREE HOUSING PARTNERSHIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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Front cover shows properties at Ilton, handed over to Willow Tree Housing Partnership Limited on 24 July 2025.

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Legal and Administrative details

Directors, Executive Officers, Advisors and Bankers and Lenders

Board of Directors

Chair	Sarah O'Neill (resigned 15 April 2025) Craig Sullivan (Acting Chair 16 April 2025; Appointed Chair 24 April 2025)
Directors	Devereux Biddlecombe Asad Butt (formally appointed at the 2025 AGM (4 September 2025)) Christopher Brown Stephen Burtchaell Simon Haskell Steven Hayes (appointed Vice Chair 24 April 2025) Susan Lane Amanda Nicholls (formally appointed at the 2025 AGM (4 September 2025)) Wendy Lewis (resigned 4 September 2025) Craig Sullivan (Vice Chair to 15 April 2025) Jennifer Vernon (formally appointed at the 2025 AGM (4 September 2025) Brian Whittaker
Company Secretary	Donna Johnson
Executive officers	
Chief Executive	Donna Johnson
Finance Director	Catherine Davies-Gallagher
Head of Corporate Services	Sue Sparks
Head of Assets and Repairs	Mark Williams (appointed 18 May 2026)
Head of Housing and Customer Experience	Emily Shuttleworth
Other Key Management Personnel	
Interim Head of Assets and Repairs	Wayne Noyes (appointed 30 September 2025, resigned 28 May 2026)
Registered office	Eastbridge House Pill Road Rooksbridge Somerset BS26 2TN
Registered numbers	Co-operative and Community Benefit Society No:12664R

Registered by Regulator of Social Housing Organisation No: L2424

External auditor	Menzies LLP 4th Floor 95 Gresham Street London EC2V 7AB
Principal solicitors	Tozers LLP Broadwalk House Southernhay West Exeter Devon EX1 1UA
	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Bankers and Lenders	National Westminster Bank PLC 10th Floor 250 Bishopsgate London EC2M 4AA
	Triodos Bank UK Deanery Road Bristol BS1 5AS
	The Housing Finance Corporation Limited 3rd Floor 17 St. Swithin's Lane London EC4N 8AL
	Lloyds TSB Bank plc 3rd Floor 25 Gresham Street London EC2V 7HN
	Orchardbrook BCM Global Crown House Crown Street Ipswich IP1 3HS

2025/26 Overview

1,480 properties owned and managed.

Achieved overall tenant satisfaction rate of 64% (Acuity *2025/26 Tenant Satisfaction Measures Survey*).

£4.7M revolving credit facility available to undertake new property development projects

Completed a major stock condition survey of homes in July 2025 and commissioned a rolling survey programme.

11 new homes developed, with more in the pipeline. Poorer performing homes disposed of.

Just under 5,000 home repairs undertaken during the year.

Over £1.0M invested in housing stock improvements during the year (kitchens, bathrooms, heating and similar).

Regulator of
Social Housing

February 2026 Judgement by the Regulator of Social Housing confirmed full compliance with all Regulatory Standards.

Chair's Statement

It is my privilege to present the Chair's Statement for Willow Tree Housing Partnership Limited for the year ended 31 March 2026.

This year has been one of continued progress, reflection and improvement. Across a challenging economic environment, rising costs and increasing expectations within our sector, we have remained firmly focused on our purpose: delivering safe, affordable, and well-maintained homes for our tenants, while building a sustainable organisation for the future.

Putting tenants first

At the heart of our work are the people who live in our homes. We recognise that for many of our tenants, these remain challenging times. The cost of living continues to place pressure on household budgets, and this context has shaped our priorities throughout the year. We have worked to strengthen communication, improve responsiveness, and ensure that tenants feel listened to and supported.

Our tenant satisfaction score of 64% shows that there is still more to do, particularly in areas such as complaints handling and ensuring we consistently act on feedback. However, it is encouraging that we have seen improvements in key service areas, including repairs and perceptions of well-maintained and safe homes. The Board is clear that improving tenant experience remains a top priority, and we have established enhanced governance arrangements, including a dedicated Customer Experience Committee, to maintain focus and accountability.

We have also continued to support those in greatest need. Through hardship funding and community initiatives, we have been able to provide direct assistance to tenants facing financial or personal challenges during the year.

Strengthening our homes and services

A major priority this year has been strengthening our understanding of our housing stock and investing in its quality. We completed a comprehensive stock condition survey across our homes, giving us a much stronger evidence base to plan future investment and ensure compliance with evolving standards, including Awaab's Law.

We have invested over £1 million in improvements, including kitchens, bathrooms, heating systems and renewable technologies, and completed nearly 5,000 repairs during the year. These actions are essential in ensuring that we provide safe, decent homes that tenants can be proud of.

Alongside this, we have continued to develop new homes where there is clear need. Eleven new homes were delivered during the year, and we retain a pipeline of future schemes. Growth remains important, but it will always be balanced with the need to invest in existing homes and services.

Regulatory progress and governance

A significant achievement this year has been the progress we have made in our relationship with the Regulator of Social Housing. Following earlier challenges, we have worked diligently to strengthen our compliance and performance. In February 2026, the Regulator confirmed that we meet all regulatory standards, including an upgrade in our Consumer Standards grading and resolution of prior Rent Standard issues.

This outcome reflects the commitment of the Board, Executive Team and staff to transparency, accountability and continuous improvement. It also demonstrates our willingness to acknowledge where we need to improve and to take decisive action.

Strong governance remains central to our approach. The Board continues to provide clear strategic direction, supported by its committees, and maintains regular oversight of performance, risk and compliance. We have continued to invest in Board development and to ensure that we have the right mix of skills and experience to guide the organisation forward.

Managing risk

The environment in which we operate remains uncertain. Inflationary pressures, interest rates, supply chain challenges and the requirements of net zero carbon all present risks that must be carefully managed. In addition, the ability of tenants to sustain rent payments is an ongoing concern across the sector.

The Board takes its responsibility for risk management seriously. Our long-term business plan is rigorously stress tested against a range of scenarios, and our risk framework actively monitors key threats, including financial viability, service delivery, and external economic factors. Importantly, these processes ensure that we remain resilient while continuing to invest in services and homes.

We are also conscious of our responsibilities in relation to climate change. Progress towards EPC ‘C’ by 2030 and net zero carbon by 2050 will require sustained investment and careful planning. This remains a key strategic priority for the years ahead.

Financial performance and resilience

Despite a more challenging cost environment, the organisation remains financially resilient. Turnover increased during the year and we reported an operating surplus, with strong levels of liquidity and access to undrawn funding. This provides a solid foundation for future investment.

However, increased operating costs, particularly in relation to repairs and maintenance, have reduced margins compared to the prior year. The Board is focused on improving efficiency and value for money, ensuring that resources are directed to where they have the greatest impact for tenants.

Our approach remains prudent, balancing investment in growth with the need to maintain the quality and safety of our existing homes, and to protect the long-term viability of the organisation.

Our people

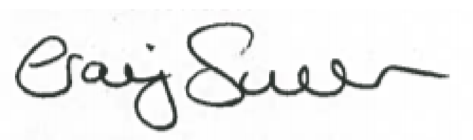
None of this progress would be possible without the dedication and commitment of our staff. I would like to thank colleagues across the organisation for their professionalism, resilience and continued focus on delivering for our tenants.

I would also like to recognise the contribution of our tenants, whose feedback continues to shape and improve our services, and of my fellow Board members, whose insight and support are invaluable.

Looking forward

Looking ahead, we remain committed to delivering on our vision and we will be launching a new corporate strategy across the summer of 2026 to support this. Our priorities are clear: to improve service quality and tenant satisfaction, to maintain and invest in our homes, to continually strengthen compliance and governance, and to ensure that we remain financially strong and sustainable.

We know there is more to do, and we approach the future with humility, determination and a clear focus on our tenants. Together, we will continue to build on the progress made this year and deliver lasting, positive outcomes for our residents and their communities.



Craig Sullivan
Chair of the Board

Strategic Report

A Overview

The Willow Tree Housing Partnership Limited ('WTHP') Board is pleased to present the 2025/26 Strategic Report (including the Report of the Board) and audited Financial Statements.

A.1 Our Business Model

As at 31 March 2026, WTHP owned and managed a total of 1,480 properties and operates two main business streams:

- Homes for rent, primarily by families who are unable to buy or rent at open market rates. These properties are let on affordable, social and intermediate rents and includes WTHP owned, leasehold and managed housing stock. There are 1,376 homes in this group.
- Low cost home ownership i.e. shared ownership properties whereby residents purchase a share of the equity in their homes and pay rent to WTHP on the remainder. Some of these are able to staircase to 100% ownership. There are 104 properties in this category.

The focus for new development remains new homes for rent and low cost home ownership. The Board has agreed its risk appetite and takes all decisions within the agreed risk parameters.

A.2 Group Structure

WTHP is not part of a group but has a 100% owned dormant subsidiary, SWHNC Limited. WTHP owns its registered office in Rooksbridge, Somerset and rents additional office space in Plymouth.

A.3 Our Market

WTHP provides homes in a variety of settings from small market towns and rural areas through to densely populated urban areas such as Plymouth, where it has a significant stockholding. WTHP operates throughout the South West, but the majority of its owned and managed properties are based in Somerset and Devon.

The focus for new development is new homes for rent and low cost home ownership in Somerset and Devon. WTHP is a member of the Wayfarer Partnership, which assists with providing access to grant funding under the Homes England Affordable Housing Programmes (AHP).

A.4 Our Vision, Mission and Values

WTHP had the following vision, mission and values during 2025/26:

Vision: Deliver and grow.

Mission: To build and manage safe and comfortable homes that are truly affordable for people who are not in a position to access the housing market.

Values:

1. Supporting collaboration. Enabling staff and tenants to work together to achieve shared goals.
2. Trust and honesty. Being willing to listen and learn and be open when we need to improved.
3. Respect and understanding. All colleagues and residents can expect mutual courtesy and empathy when times are challenging.
4. Integrity and professionalism. Ensuring, at all times, that we conduct ourselves in a way that reflects the importance of the service we provide.
5. Versatile and innovative. By embracing opportunities and new ways of thinking that will enhance how we deliver.
6. Equal and inclusive. By celebrating difference and ensuring that we do not operate in a way that excludes anyone.

A.5 Business Strategy

The principal activity of the organisation is the provision of affordable rented housing in the South West region of England, in accordance with its rules. At the end of the financial year, WTHP owned and managed 1,480 properties, of which 1,376 were for rent and 104 were for shared ownership and leasehold. WTHP has taken advantage of sales of property and private finance to grow its rental incomes via a net increase in its core property base.

WTHP takes it commitments to ensuring that tenants have a voice in its work, very seriously and there are plans in place to continue to develop in this important area of focus.

WTHP continues to re-assess its development and asset management policy and strategy in the light of Government emphasis on home development, net zero carbon targets and regulations regarding the standard of upkeep required for its properties. During the year, work has continued on Asset Management plans, informed by the results of major investment in a large scale stock condition survey programme and the need to be compliant with Awaab's Law, which applied from 27 October 2025.

WTHP is positioned financially to continue a strategy of appropriate, sustainable growth, having sufficient financial capacity to develop in areas where affordable housing is in great demand. It currently has unutilised funds available for appropriate development opportunities. Growth will be balanced with need to ensure that tenants homes are safe and well maintained and that there are programmes and mechanisms in place to ensure that tenants voices are heard and acted upon.

The impact of economic policy in the United Kingdom ('UK') and the impact of other issues such as war in Ukraine (and elsewhere) has been monitored closely across the financial year.

Notwithstanding the recent, general economic challenges for the UK, WTHP continues to be in a position to ensure that existing tenants live in quality homes and it will invest appropriately to maintain its existing housing stock in good condition for its customers.

A.6 Business Strategy and Risk Management

The 2026/27 financial Business Plan (a 30 year plan) demonstrates that development aspirations, net zero carbon responsibilities, the desire to invest in maintaining existing housing stock to a high standard, and sustainability are affordable into the future. The 2026/27 Business Plan recognises that the WTHP needs to carefully balance these investment needs to ensure its long term financial viability. The Plan is stress tested, to ensure that it can withstand a variety of external threats such as:

- Delays, sales price reductions affecting developments where there are first tranche shared ownership sales expected;
- High and continued inflationary scenarios including the potential impacts of an 'oil-shock' arising from continued hostilities between the US and Iran.
- Higher interest rates;
- Events which result in a single, one-off explosion of operating costs;
- The impact of significant increases to the costs of implementing net zero carbon plans;
- The impact of changes in the general economy; and
- Tenants' ability to pay their rent.

The stress tests are constructed by reference to risks identified on the organisation's strategic risk map and from scenario tests and variables provided by the organisation's treasury management advisors and other strategy and risk management partners.

As a result, WTHP maintains an appetite for developing schemes which contain both homes for rent along with shared ownership properties. WTHP can point to successes with these kinds of development which have been pursued for some time. WTHP has also undertaken limited (but successful) outright sales development projects in the past. The consequent risks that this type of development poses have been recognised and encapsulated in the property sale risk on the risk map (Failure to sell properties developed for sale (shared ownership and outright sale)). Additionally, the Business Plan has been rigorously tested to show that WTHP's financials can withstand the impact of a variety of multi-variable scenarios.

Development and property sale risk are encapsulated on the risk map under the following risk headings:

- Changes in UK economic and political outlook adversely impact WTHP financial viability
- Failure of suppliers of key WTHP services (excluding Rent plus)
- WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.
- Failure to sell properties developed for sale (Shared ownership and Outright sale)
- Financial viability dependency on disposal proceeds from social housing property sales
- Failure to manage property development risk
- Failure of Strategic Planning processes.

The 2026/27 Business Plan was approved by the Board in May 2026 and this included commitments regarding Net Zero Carbon ('NZC') works, post 2030.

The Board approved an increase in rents (for the year from June 2025) in accordance with regulatory requirements early in 2025.

The rental uplift was able to increase WTHP's capacity to develop new homes to some extent, but this change was primarily re-focussed on boosting the effectiveness of its customer engagement, absorption of inflationary pressures on its cost base as well as addressing increasing repairs and maintenance costs including compliance with 'Awaab's Law'.

WTHP is not complacent about its operating costs and continues to seek ways to reduce these and enhance its service delivery to tenants. Loan financing, raised on the security provided by its property portfolio remains the main source of funding for new development. WTHP currently has access to £4.7M of undrawn funding to support this objective, as at 31 March 2026.

WTHP has fully embraced the 'hybrid' working model, allowing staff freedom to work at home and in the office. There are no plans to move away from this model in the foreseeable future and this approach has had other unforeseen benefits in terms of business continuity planning, which is now heavily focussed on cyber-issues, rather than office accessibility.

The organisation recognises that meeting the government's 2050 net zero carbon targets needs to be planned carefully and business plans take account of up to date information about stock condition and property EPC status. WTHP notes the risks around this area on its strategic risk register ('Failure to meet EPC targets by 2030 and Net Carbon Zero targets by 2050').

WTHP will continue to develop a response to climate related issues as this situation evolves. Failure to achieve an EPC 'C' rating on all properties by 2030 and net zero carbon by 2050, leading to climate change impact on residents is incorporated into the 'Failure to deliver high quality services to tenants' on the risk map.

WTHP continues to monitor developments across the sector and notes the work of the Sustainability for Housing (SfH) group and the Sustainability Reporting Standard for Social Housing (SRS). WTHP continues to maintain a focus on this area, as it is anticipated that compliance reporting could become a regulatory requirement in the near future.

A.7 Regulatory Engagement

A.7.1 Introduction

WTHP has worked closely with the Regulator of Social Housing ('RSH') following an initial self-referral to the Regulator regarding a Rent Standard matter and the publication of gradings arising from regulatory inspection which showed WTHP to be compliant with Regulatory Standards regarding Governance (G2) and Viability (V2), but falling below standard respecting the Consumer Standards (C3).

In February 2026, the Regulator issued a revised Judgement as follows:

Area of assessment	Regulatory Grading	Change	Compliance
Governance	G2	Assessed and unchanged	Meets the standard
Financial Viability	V2	Assessed and unchanged	Meets the standard
Consumer Standards	C2	Upgrade	Meets the standard
Rent Standard	Our judgement is that the landlord has addressed the issues in the regulatory judgement dated October 2024 relating to rent setting.	New judgement	Meets the standard

This information is available on the RSH website.

A.7.2 Focus of the organisation, post-Regulatory Judgement

Following the publication of the updated Regulatory Gradings in February 2026, WTHP continues to:

- Engage positively with the Regulator.
- Engage third party expertise to assist in final actions focussed on achieving further regulatory upgrades.

This process is expected to continue into 2026/27.

B Actual Performance for the 2025/26 Financial Year

B.1 CEO's statement

As we close the 2025/26 financial year, I am incredibly proud to reflect on both the progress we have made as an organisation and the foundations we continue to strengthen for the future. Willow Tree Housing Partnership was formed through the merger of South Western Housing Society and Tamar Housing Society in March 2023, driven by a shared vision to 'deliver and grow', and a mission to provide 'safe, comfortable and truly affordable homes for people unable to access the housing market'. Our values—collaboration, trust, respect, integrity, innovation, equality and inclusion—continue to shape every decision we make as a landlord and employer.

Improvement, Stability and Regulatory Progress
This year marked a significant milestone in our regulatory journey. Following a stability check and responsive engagement, the Regulator of Social Housing upgraded our consumer standard grade from C3 to C2, recognising the substantial improvements we have made in understanding the condition of our homes and strengthening performance reporting. The RSH also confirmed the retention of our G2 governance and V2 viability gradings, acknowledging that we continue to meet its governance and financial requirements while managing key risks appropriately.

Equally important, the regulator confirmed in February 2026 that we have addressed the issues previously raised regarding the Rent Standard, acknowledging the effective corrective actions taken and the completion of the process to undertake tenant refunds. This represents a significant organisational achievement and a clear demonstration of our commitment to accountability, transparency and doing the right thing for our residents.

Delivering for Our Tenants
Our focus throughout 2025/26 has been to strengthen service quality, build trust, and enhance transparency. We have taken meaningful steps to improve the accuracy and completeness of our home data, enabling more effective planning, decision-making and investment in our homes. We have strengthened our reporting arrangements, ensuring that our Board and leadership teams have clearer visibility of performance and areas requiring further action. These improvements are also helping us respond more effectively to our responsibilities under the Safety and Quality Standard and the Transparency, Influence and Accountability Standard—areas where the regulator expects further progress.

We remain committed to providing safe, decent homes. Our teams have worked tirelessly to improve responsiveness, support tenants with repairs, and embed a culture of continuous improvement.

Our Mission and Future Direction
Our mission—to build and manage quality homes that are affordable to those who do not have access to the housing market—continues to guide our strategy.

Looking ahead, our priorities remain clear:

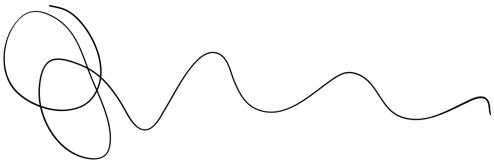
- Continue strengthening compliance and safety, ensuring our homes meet and exceed regulatory standards.
- Enhance tenant engagement, amplifying resident voice through mechanisms such as our Resident Scrutiny Panel.
- Invest in our homes, data, systems and people, building organisational resilience for the long term.

- Drive efficiency, so we can redirect more resources into improving services and supporting tenants.

A Collective Achievement
The progress we have made this year reflects the commitment of our staff, the leadership of our Board, and the feedback and collaboration of our tenants. The upgrade from C3 to C2 is a milestone worth celebrating—not as an end point, but as validation that our improvement journey is delivering results. The regulator's continued active engagement encourages us to keep pushing forward with the same determination and transparency.

Looking Forward
As we move into 2026/27, Willow Tree Housing Partnership will continue working closely with the regulator, our communities and our partners to build on the solid improvements we have made. We are committed to delivering safe, fair, transparent and high-quality services, and to ensuring that every resident feels valued, listened to and well-served.

Thank you to everyone—colleagues, tenants, Board members and partners—for your trust, resilience and commitment throughout the year. Together, we will continue to deliver on our mission and strengthen Willow Tree Housing Partnership for the future.



Chief Executive Officer
Donna Johnson

B.2 Our Service Delivery

The WTHP service delivery model is a 'mixed' model, with delivery of key services undertaken by various external third parties, but managed overall by WTHP. Home repair services, component replacement works and planned maintenance works are carried out by third party contractors, but post works inspections are carried out by in-house staff, for example. Housing management and income collection tasks are undertaken by WTHP staff. Where necessary, specialist third party organisations support activities across the organisation, to undertake tenders, provide legal advice on disrepair cases and where expertise in subject matter is required but not available in house. WTHP recognises that informed, professional third-party advice is essential to ensure that services are delivered correctly, in line with its values and ultimately, for the benefit of its tenants.

B.2.1 Objectives and Strategy

Objectives and strategy are set out in the Corporate Strategy and Business Plan. The 2025/26 Business Plan was approved by the Board in June 2025 and an update to this (the 2026/27 Plan) was approved in May 2026.

A review of the Corporate Strategy was undertaken in the last days of 2025/26, with publication of the updated Strategy expected in the early part of 2026/27. This review allowed for the internal and external environment changes that have taken place both within the sector, the wider macro environment and changes in focus of the organisation, since its original publication in 2024. The financial plan is built around the strategic direction set out in the Strategy and again is subject to approval each year by the Board.

In 2023/24, WTHP adopted the objectives shown in the table below. These have remained in place for 2025/26:

Objectives	Description
People	We will invest in and listen to all voices and seek learning to improve outcomes for all
Property	We will maintain and manage property that we and our tenants are proud of
Place	We will ensure that a positive connection to home as a safe and sustainable place is central to our work
Planet	We will create homes and services that protect the future

In addition, WTHP has also focussed on operational objectives as set out in, and agreed with the Regulator of Social Housing in WTHP's Regulatory Engagement Plan.

B.2.2 Achievements

An overview of the headline achievements against the 2025/26 objectives is shown below with more detail outlined elsewhere in the report:

Objectives 2025/26	Headline Outcomes 2025/26
People	▪ Quarterly, tenant satisfaction surveys undertaken by Acuity (a third party provider of benchmarking and surveys) shows improvements in many areas. ▪ Board focus on tenant matters is being supported by the establishment of a new Board sub-Committee (the Customer Experience Committee) which held its first meeting on 12 November 2025. Nominated Board Members sit on this Committee. ▪ Tenant engagement continues to move forward positively, through the work of the Resident Scrutiny Panel. WTHP actively seeks customer engagement via a range of channels. ▪ The WTHP website promotes tenant engagement activities on an ongoing basis. ▪ WTHP promotes accountability to tenants through the publication of performance information on its website. ▪ Utilisation of WTHP's Hardship and Community funds to support tenants in financial need and local communities.

	▪ Estate walkabouts undertaken also help engage with tenants. ▪ 'Customer Voice' reporting undertaken on a monthly basis. ▪ Active listening and learning reviews conducted to improve how complaints are managed and concerns are resolved.

Property	▪ Completed a significant Stock Condition Survey programme to ensure that WTHP has up to date information about its housing stock. This has informed investment planning in the updated 2026/27 Business Plan.
	▪ Commissioned an ongoing rolling stock condition survey programme with an expert, third party survey provider.
	▪ Additional resourcing added to the Asset Management team with a focus on Consumer Standards and Awaab's Law compliance as well as delivery of improvements in WTHP's repair services.
	▪ New, permanent Head of Assets and Repairs appointed (joins WTHP on 18 May 2026).
	▪ Provided new components for homes:
	    ▪ 24 kitchens.
	    ▪ 25 bathrooms.
	    ▪ 89 boilers.
	    ▪ 20 renewable heating systems
	    ▪ Roof works for blocks of flats at three schemes underway or completed.
	    ▪ Other works completed such as electric heating projects, PV/Solar panels, doors and windows replacements, roof replacements, block door entry systems and sewage pumps.
	▪ Undertook significant investment in planned works programmes.

Place	▪ Completed a scheme in Ilton (3 rental and 2 shared ownership properties). ▪ Completed a scheme in Morchard Bishop (4 rental and 2 shared ownership properties). ▪ Re-instatement of two homes in Totnes, impacted by a catastrophic fire. ▪ Disposed of 5 poorer performing properties, with funds to be re-invested in better quality homes. ▪ A pipeline of development schemes continues to progress.
Planet	▪ WTHP continues to monitor and carefully balance the competing needs of property development, property maintenance and the requirement to move forward on its net zero carbon journey, by regular reviews of its financial position and future plans. ▪ Approximately 83% of WTHP properties now at EPC 'C' or above. ▪ Active promotion of the limitation of carbon impact in workplace activities e.g. reduction in waste generation and the ability to work from home.

WTHP operates across a broad geographic area and monitors its service provision quality and outcomes on a routine basis. The Board is aware of the need to maintain high standards of health and safety and full compliance with regulatory standards. The Board receives updates on areas which are of key concern to tenants at its Board Meetings.

An overview of the services provided during 2025/26 and the resources required to meet its objectives are set out in the following sections:

B.2.3 Customer Voice

WTHP is committed to ensuring that the tenant voice is heard, and that feedback and learnings from tenants are actioned. Progress made in this area, combined with work undertaken to accelerate WTHP's stock condition survey programme were instrumental in the Regulator issuing an upgraded Judgement (from C3 to C2) regarding WTHP's compliance with the Consumer Standards (February 2026). This critical area of focus for the Board is scrutinised by a new Board sub-Committee (the Customer Experience Committee) which met for the first time in November 2025.

B.2.3.1 Tenant Satisfaction
Tenant satisfaction with the services they receive, the homes they live in and the interactions they have with the organisation and its contractors is a vital part of being a good landlord and WTHP takes this responsibility seriously. WTHP supports transparency in these matters and uses its website, newsletter and social media platforms to provide information to tenants about its performance.

As at April 2026, the WTHP website provides a diverse range of performance information, including:

- Annual Report 2024/25.
- Quarterly performance updates regarding repairs, income collection, health and safety, anti-social behaviour, domestic abuse, safe-guarding and investment in home improvements.
- Quarterly Tenant Satisfaction Measures survey results
- Complaints information.
- Corporate Strategy.
- 2024/25 Statutory Accounts.

Tenant Satisfaction Survey 2025/26
WTHP works with Acuity (a housing sector market research organisation) to undertake a suite of satisfaction surveys including those required by the Regulator of Social Housing.

Acuity has undertaken a series of satisfaction surveys for Willow Tree Housing Partnership since 2023. With the quarterly surveys (which incorporate the Tenant Satisfaction Measures (‘TSM’s) from the Regulator of Social Housing (‘RSH’)) complete, the results below represent the year end finding for the LCRA survey for 2025/26.

The surveys were completed quarterly, by telephone interview, sampled using quotas based on local authority, age and tenure to ensure representativeness, with the intention of completing 100 surveys per quarter. In total across 2025/26, there were 400 complete interviews plus a further 15 which are partially complete which are required by the Regulator to be included in the results.

For landlords with less than 2,500 properties, the Regulator requires sufficient response to achieve a sampling error of ±5% at the 95% confidence interval. Responses to the WTHP surveys were high enough to conclude that the findings are accurate to within ±4.08%, well within the required margin of error.

The annual Acuity report noted that whilst overall satisfaction levels remains unchanged on the prior year, there were many areas of improvement.

Headline results for 2025/26 are given in the table below, alongside the annual results for 2023-24 and 2024-25. For the annual figures, those highlighted in green show an improvement on the previous year, amber show no change, and for those highlighted red, satisfaction has fallen. The Regulator of Social Housing’s published average TSMs are also included for comparison:

TSM	23/24 RSH median	24/25 RSH median	23/24 WTHP	24/25 WTHP	25/26 WTHP
TP01 Overall satisfaction	71%	72%	70%	64%	64%
TP02 Repairs in the last 12 months	72%	74%	64%	57%	66%
TP03 Repairs time taken	67%	70%	63%	56%	63%
TP04 Well maintained home	71%	72%	66%	59%	67%
TP05 Safe home	77%	78%	75%	74%	78%
TP06 Listens and acts	60%	62%	52%	54%	50%
TP07 Kept informed	70%	72%	66%	69%	71%
TP08 Treats fairly and with respect	77%	78%	73%	74%	74%
TP09 Complaint handling	35%	36%	34%	26%	34%

TP10 Communal areas	65%	67%	54%	66%	64%
TP11 Neighbourhood contribution	63%	65%	46%	56%	56%
TP12 Approach to ASB	58%	60%	43%	56%	60%

WTHP is keen to build on these improvements and will be developing a new TSM improvement plan based on the findings of the 2025/26 Acuity Annual Report. Progress updates will continue to be made monthly to the executive team as well as to the Resident Scrutiny Panel, the Customer Experience Committee (a sub-Committee of the Board) and to Board, as appropriate.

WTHP takes engagement with its tenants and ensuring that their voice is heard very seriously, in line with consumer regulation and the need to ensure as a landlord, tenants needs are considered in every decision made. The TSM Action Plan focuses on improvements in areas which our tenants have highlighted and this is underpinned by the themes from our complaints.

How are we improving services to tenants?
WTHP has a range of actions currently underway, all focussed on improving services to tenants. As noted previously, a new TSM improvement plan will be drafted now that the 2025/26 survey results are available. Current activities (as at April 2026) include:

Repairs service
- Continuous improvement approach adopted regarding the embedment of new processes within the Business Support team.
- Customer Service training undertaken by all teams.
- Constructive and positive contractor engagement continues.

Communication and complaints
- From March 2026, monthly operational meetings will see staff spend more time looking at complaint trends, themes and learning.

Neighbourhoods
- WTHP housing officers continue to seek community projects to support.

Shared ownership satisfaction
- WTHP is working with its shared owners and is reviewing and developing it communications with this group of tenants.

WTHP is also collating ‘tenant insight’ questionnaire responses from customers. This information will be used to help WTHP tailor services appropriately to its customers’ needs.

Tenant satisfaction with new homes
This year has seen the completion of homes at Ilton and Morchard Bishop. WTHP actively encourages attendance at its site open days. Feedback on new homes is always sought. Feedback forms were sent to all 5 properties at Ilton, but were only completed and returned by the occupier of one property.

This resident confirmed the performance of WTHP and the condition of their new home was good, WTHP had provided all the information and advice needed and the heating system was efficient. They concluded that they would recommend this property to others and made no suggestions on anything they would wish to change.

B.2.3.2 Complaints
The Social Housing (Regulation) Act 2023 placed a duty on the Housing Ombudsman to monitor compliance with the statutory Complaint Handling Code. The Housing Ombudsman is required to ensure that all landlords meet the standards set out in the Code for complaint handling.

WTHP has a Board Member who has the role of a ‘champion’ for complaints. This Board Member reviews a random selection of complaints and the associated WTHP responses, with the CEO on a regular basis. The purpose of this review is to support, promote and drive ongoing organisational learning from this important interaction with our tenants. A WTHP complaints co-ordinator is responsible for tracking and monitoring the complaints and resolution processes on a day to day basis (this also covers tenant communication about progress on issues raised). The complaints co-ordinator provides detailed reports on progress to the Executive Team on a monthly basis.

Performance for 2025/26 compared to the prior year is reported overleaf:

Complaint stage	Total 2025/26	Total 2024/25	2025/26 Full year average response time*
Stage 1:			
Rented	83	84	
Shared ownership	1	3	**9 days**
Other	3	-	
Total	**87**	**87**	
Stage 2:			
Rented	24	13	
Shared ownership	-	2	**18 days**
Other	1	-	
Total	**25**	**15**	
HOS investigations#:			
Rented	4	4	**NA**
Shared ownership	**-**	-	
Total	**4**	**4**	

*Rented and shared ownership combined, excluding agreed extensions
#Housing Ombudsman.

Performance on repairs remains a key theme respecting complaints.

WTHP supports transparency in these matters and uses its website, newsletter and social media platforms to provide information to tenants about its performance.

As at April 2026, the WTHP website provides detailed information about complaint related matters including:

- WTHP Complaints Handling Code Self Assessment 2025.
- WTHP Annual Complaints Performance and Service Improvement Report 2025.

Other information is provided regarding how to make a complaint (WTHP complaints handbook, policy and procedure), how to give feedback and how to make claims for compensation. The website also gives information on how to contact the Housing Ombudsman and more.

B.2.3.3 Disrepair Management
As at March 2026, there were 13 (March 2025: 8) active disrepair cases in progress. These are monitored by the Executive Team on a monthly basis. Reporting is also provided to the Board for consideration. Current cases are being managed by WTHP property maintenance staff with support from solicitors.

B.2.3.4 Anti-Social Behaviour, Safeguarding and Domestic Abuse
Information regarding cases of Anti-Social Behaviour ('ASB'), safeguarding and domestic abuse are reported to the Executive Team on a monthly basis. The Board also receive this information at their meetings. A total of 47 ASB cases (2025: 34) have been reported across the year and at the close of

March 2026, there were just 14 (2025: 9) open cases. Noise and substance abuse were the two biggest drivers of ASB cases during the year. A small number of safeguarding and domestic abuse cases were also dealt with. Domestic abuse cases rose from 3 cases in the prior year, to 7 during 2025/26.

B.2.3.5 Hate Crime
No hate crime cases were reported in the year (2025: Nil).

B.2.3.6 Tenant Engagement
Tenant engagement activities feed into aspects of the current TSM Improvement Plan.

Tenant and Community Support
Understanding the place, nature and size of the communities WTHP serves is important, ensuring that the organisation not only provides quality homes but also helps to invest in community led initiatives.

Community Engagement
WTHP seeks to support tenants that live in its schemes by managing Anti-Social Behaviour ('ASB') cases effectively and by engaging in other ways such offering an open invitation to all residents to join their Housing Officer on an inspection of their neighbourhood every three months.

Community initiatives
WTHP sets funds aside for community initiatives. The donations this year were limited, but meaningful to the communities in receipt of them. This year the community fund made 3 individual grants, totalling just over £1K (2025: £1K). This included £400 funding towards a community defibrillator.

Financial support for tenants
Other one off donations were made from funds to tenants experiencing financial difficulties or other complications which resulted in hardship. The fund has once again proven invaluable to those in need and WTHP has helped tenants with the provision of white goods, flooring and more. For the 2025/26 financial year, 32 payments amounting to £14K (2025: £8K) were made.

B.2.3.7 Resident Scrutiny Panel
A Resident Scrutiny Panel with tenant membership was set up during the 2023/24 financial year and held its inaugural virtual meeting on 5 September 2023.

WTHP continues to support tenants and build capacity to enable them to feel confident and effective in their role. The Resident Scrutiny Panel is an important part of the processes of:

- Holding WTHP to account for the performance of its services to tenants; and
- Development and improvement of services.

B.2.3.8 Cross sector engagement
As well as proactively engaging with its tenants, WTHP routinely engages with a diverse range of organisations across the housing sector including local authorities and the National Housing Federation. WTHP actively participates in Rural Housing Week.

B.3 Key Performance Indicators
B.3.1 Overview
WTHP routinely reports on a wide spectrum of key performance indicators across all areas of the business. These metrics are reported to the Executive Team on a monthly basis and to the relevant Board and Committee meetings. A selection of key indicators is illustrated below:

Indicator	Year End 2026	Target 2026	Year End 2025
Current tenant arrears			
- Owned rental properties	4.19%	4.00%	4.72%
- Shared ownership	0.74%	2.50%	1.01%
- Rentplus managed properties	3.71%	3.00%	3.48%
Lettings end to end time for voids (Average days)	33.5	14.0	36.6

Repairs end to end time (days)	24.59		19.8
Number of repairs undertaken	4,772		4,207

[1] Target values shown are maximum values.

The year saw some changes in arrears levels compared with the previous year. Shared ownership arrears showed an improvement on prior year and target. Rental related arrears fell, but were still marginally over target.

WTHP re-let 70 properties during the year (2025: 45), excluding mutual exchanges and other changes:

Number	Owned Properties	Rentplus	Total
Routine Void Re-lets	52	15	67
Management Void Re-lets	2	1	3
Total	**54**	**16**	**70**

The void performance for year exceeds turnaround target of 14 days for routine standard voids. Generally, lengthened re-let times arise due to challenging voids where there may be extensive works to be undertaken.

Responsive repair volumes saw a substantial increase on the prior year. The responsive repair contracts were re-tendered (with tenant involvement) during 2023, but contractual pricing clauses effective from September 2024, have helped to push up the costs of repair work.

B.3.2 Landlord Health and Safety Responsibilities

The Board take Health and Safety matters very seriously and receive regular updates at Board meetings. As at 31 March 2026, performance on key landlord health and safety compliance was as follows:

Indicator	Year End 2026	Target 2026	Year End 2025*
Gas Safety	100%	100%	100%
Electrical Safety – 5 Year Programme	96.5%	100%	93.5%
Fire Risk Assessments	100%		98.3%

**Data as at 31 March 2025.*

Gas safety compliance is monitored at a variety of levels across the organisation on a routine basis. If compliance is expected to fall below 100%, this is escalated and corrective or preventative action is undertaken, all of which is scrupulously evidenced to ensure no adverse risk to tenants and residents.

As of 31 March 2026, gas safety compliance was at 100% (2025: 100%) with 3 properties capped with relevant certification.

The five-year electrical safety programme is monitored rigorously. As at 31 March 2026, the oldest valid certificate was dated 11 September 2021. A small number of failed and overdue certifications were being actioned.

WTHP policy states that Fire Risk Assessments are undertaken every two years. Remedial actions are undertaken as required by the assessments.

Other areas of Landlord Health and Safety activity (e.g. fire safety remedials, water hygiene, asbestos, disrepair, estate inspections, key remedial works, notifiable incidents, damp and mould cases / Awaab's Law related cases and lift inspections etc.), are routinely monitored and reported to the Exec team and Board on a regular basis.

B.4 Existing Housing Stock

B.4.1 Understanding Our Housing Stock

The housing stock is made up of both owned and managed properties. Development remains a priority for the Board and WTHP manages a pipeline of upcoming development opportunities.

The performance of the existing owned units is reviewed regularly and poorer performing stock is targeted for eventual disposal and replacement.

As at 31 March 2026, WTHP manages 187 (2025:200) properties on a rent to buy basis through Rentplus. This portfolio will decline as the properties are either purchased or handed back, with the final property expected to end the arrangement in 2041/42.

Understanding the condition of its housing stock is a priority for the Board. Rapleys (an asset management specialist third party) were engaged at the end of 2024 calendar year to undertake a project to survey all WTHP properties which did not have a current stock condition survey, by the close of March 2025. Rapleys deployed slower than planned and did not produce a draft report from the surveys, until the end of July 2025.

A final report was issued on 12 January 2026 ('Willow Tree Housing Partnership – Stock Condition Survey: Final Report; 12 January 2026; Ref: MG/24-02808/02').This report noted that:

> '…The survey has identified that the housing stock is in a reasonably good state of repair, but with a need for on-going reinvestment…'

The Rapleys survey programme completed 653 surveys (excluding RentPlus). Rapleys were subsequently commissioned to work with WTHP on:

- The production of a proposed investment proposal programme based on the stock condition data to inform business planning; and
- To undertake an ongoing, rolling programme of stock condition surveys (20% per annum, beginning in 2026/27).

B.4.2 Asset Management – component replacement and planned maintenance

2026 has seen a significant housing stock investment.

WTHP undertook a range of planned component replacement works for items such as kitchens, heating, windows and doors, roofing etc. at a cost of £932k (2025: £1,133k). £30k was spent on communal assets (2025: £31k) and £83k (2025: nil) on work in progress (underway but not completed) relating to roof works and doors and windows projects. The table below gives an analysis of the amounts:

Component	2026 Number Replaced	2025 Number Replaced	2026 Expenditure £000	2025 Expenditure £000
Roof replacements	3	-	59	-
Kitchens	24	10	203	87
Bathrooms	25	54	133	279
Doors and Windows	4	1	35	8
Electric heating	7	32	37	188
Gas boilers	89	160	299	538
Renewable heating systems / Solar and PV panels	21	3	166	31
Total	**173**	**260**	**932**	**1,133**
Communal Assets				
Fire Alarms	-	1	-	5
Door Entry Systems	11	4	26	18
Fire Doors	-	1	-	8

Sewage Pump	1	-	4	-
Total	**12**	**6**	**30**	**31**
Work in Progress				
Work in Progress	**4**	**-**	**83**	**-**
Total All Categories	**189**	**266**	**1,045**	**1,164**

Including the costs of the stock condition surveys, ongoing cyclical servicing works, external decoration works, fencing and much more, WTHP has invested a further £1,223k (2025: £1,228k) during 2026 in planned works on its properties.

During the year, WTHP also updated a number of void properties in preparation for new tenancies at a cost of £293k (2025: £168k) (including mutual exchange costs and decoration vouchers). This includes all the statutory certifications required when re-letting a property.

B.4.3 Awaab's Law

Any issues relating to damp and mould are scrutinised carefully. WTHP tracks and monitors actions and outcomes regarding damp and mould cases to ensure that the organisation remains compliant with the criteria set out in the first phase of 'Awaab's Law' which came into effect on 27 October 2025.

Later in 2026, requirements will expand to a wider range of hazards beyond damp and mould. This will include excess cold and excess heat, falls, structural collapse and explosions, fire and electrical hazards, and domestic and personal hygiene and food safety.

Then in 2027, the requirements of Awaab's Law will expand to apply to the remaining hazards as defined by the Housing Health and Safety Rating System (HHSRS), where they present a significant risk of harm, but excluding overcrowding.

The position on damp and mould is regularly reviewed and monitored with monthly reporting being included with the monthly Executive and Leadership Health and Safety reports to provide overview, scrutiny, and assurance. In addition, this information is reported to the Board along with key metrics regarding the management of cases.

B.4.4 Housing Stock Impairment

WTHP conducts an annual impairment assessment of its housing stock. There were no indications of impairment across the stock.

On 28 October 2024, a catastrophic fire extensively damaged 19 and 20 Bridgewater Gardens, Totnes. The repair and re-instatement of these properties is the subject of an insurance claim which is expected to close soon, as the property re-instatement work completed on 27 March 2026. 19 and 20 Bridgewater Gardens had been written down to zero value in the 2024/25 statutory accounts, but as at 31 March 2026, have been appropriately re-instated.

The pictures below show 19/20 Bridgewater Gardens just after the fire and just prior to the completion of the re-instatement programme.

Fig. 1 After fire.

Fig. 2. Nearing completion of re-instatement.

A further fire occurred at a WTHP managed (Rentplus owned) property at Curlew Path in Yeovil on 16 November 2025, whilst the residents were not at home. The residents were all unharmed and no reports of damage to any neighbouring properties were identified. The residents have been re-homed whilst the fire damage is repaired. All remedial works will be completed by Rentplus, under their insurance.

B.5 Development

The 2025/26 financial year saw properties at schemes in Ilton and Morchard Bishop complete and WTHP continues to maintain a small pipeline of development schemes for progression.

Development and property sale related risk is covered on the organisation's strategic risk register by the following risks:

- Changes in UK economic and political outlook adversely impact WTHP financial viability
- Failure of suppliers of key WTHP services (excluding Rent plus).
- WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.
- Failure to sell properties developed for sale (Shared ownership and Outright sale).
- Financial viability dependency on disposal proceeds from social housing property sales.
- Failure to manage property development risk.
- Failure of Strategic Planning processes.

B.5.1 Ilton

The Ilton site, near Ilminster in Somerset completed in July 2025 and this scheme added 3 rental and 2 shared ownership properties to WTHP's housing portfolio.

Fig. 3. Ilton

B.5.2 Morchard Bishop

The Morchard Bishop scheme near Crediton in Devon is part of a larger development of 20 homes. Development completed in November 2025 and provided WTHP with 4 rental and 2 shared ownership properties.

Fig. 4. Morchard Bishop.

Development opportunities are considered by the Development and Investment Committee as they come up. The Committee makes recommendations to Board as to whether proposals should be progressed.

Going forward, the investment in new homes will lead to the generation of more income that will, in turn support the development of further new homes and improvements to services.

B.6 Property Acquisitions

WTHP did not acquire any 'one off' properties during 2025/26 (2025: Nil). However, one property was completely reinstated following a catastrophic fire which occurred in 2024 (insurance claim).
As at 31 March 2026, three potential property purchases are being considered.

B.7 Property Disposals

The following WTHP owned properties were disposed of during the year (2025: 3):

Completed Property Disposals (Number)	Rental	Shared Ownership	Leasehold	Date
12 Tovey Crescent	-	(1)	-	Jun-25
8 Home Park	(1)	-	-	Jul-25
17 Longfield Drive	-	(1)	-	Aug-25
50 Holmer Down	(1)	-	-	Sep-25
16 Headland Park House	(1)	-	-	Oct-25
49 Mount Gould Road	(1)	-	-	Oct-25
100 Victoria Road	(1)	-	-	Nov-25
15 Little Green Drive	-	(1)	-	Dec-25
Total	**(5)**	**(3)**	**-**	

Funds raised from the property sales help to support the development or acquisition of new properties.

B.8 Rentplus Properties

The Rentplus model allows WTHP to deliver affordable rent-to-buy housing that offers working households the support they need to move into home ownership. It is funded through pension funds and socially responsible investors, without any public grant.

Rentplus homes are leased to WTHP who in turn let the homes to local applicants who have the opportunity to purchase their homes at a future date with a gifted 10% deposit. Tenants are offered a series of fixed term five year tenancies at affordable rents (within the local housing allowance) up to a maximum period of 20 years.

The intention is for the existing tenant to purchase their current home. If this is not possible, arrangements (but not homes) can be swapped with another tenant on the same scheme, if that tenant is able to purchase earlier.

After the expiry of the rental period allocated to the tenant, if they are not in a position to purchase the property it will be handed back to Rentplus (in a specified, saleable condition) unless there are other tenants able to buy. Once handed back to Rentplus, the property will be sold on the open market. WTHP has provisions set aside to complete the handback work. Once the property is handed back to Rentplus there are no further associated risks to the organisation.

Rent is collected by WTHP who hold a full repairing and insuring lease with Rentplus. Additionally, WTHP pays over a percentage of the rents to Rentplus as part of the leasing arrangements.

During the year, no new properties were leased from Rentplus (2024/25: nil) and 13 properties (2025: 13) were purchased or handed back, taking the closing balance of Rentplus managed properties down to 187 (2024/25: 200) for the 2025/26 financial year.

Assuming that properties are sold at the expiry of the lease, and that no new Rentplus properties were to be taken into the portfolio, then the current Rentplus managed stock of 187 (2025: 200) properties is expected to decline to zero by approximately 2041/42.

The Rentplus properties are in Devon, Dorset and Somerset.

Rentplus related risk is noted on the WTHP strategic risk register by the following risk:

- Failure or winding down of Rentplus.

B.9 Organisational Culture and People

Aside from the obvious need for appropriate resourcing, the Board believes that the health of the organisation is also a function of five other factors:

- Culture.
- Values.
- Staff wellbeing.
- Health and Safety.
- Equality, Diversity and Inclusion (EDI).

B.9.1 Culture

A professional, constructive and collaborative culture remains key to the success of the business and underpins its ability to deliver its vision to ‘Deliver and Grow’, supported by a common set of values.

The staff are routinely surveyed about working and cultural matters. The most recent staff engagement survey was launched 1 December 2025, running until 17 January 2026. 34 staff members were surveyed with 27 completions (79%). This completion rate compared very well with similar surveys undertaken by the survey provider. The highest scoring areas were:

- Company and Customers (89%) – understanding how our work fits into the bigger picture and benefits customers.
- Personal performance (89%) – being completely clear about the performance expected from us at work.
- Skills (87%) – having all the necessary skills to do our work.

- Attention (91%) – having positive interactions with our colleagues and manager.
- Common Bond (87%) – we have positive and constructive bonds with others and a sense of team spirit.

There were a small number of lower scoring areas and these areas are being worked on by the management team.

There is a rolling programme of training and staff days which allow teams to meet face to face. These events are valued and of considerable use to staff team who work across the whole of the South West of England.

B.9.2 Values
The staff have played an active part in the process to develop the values adopted by the organisation. These values are seen as a mechanism by which WTHP maintains its professional standing in the world and ensures that employees can feel valued and respected as individuals. The six values chosen are set out at the beginning of this Strategic Report.

B.9.3 Staff wellbeing
Staff wellbeing is important at all times and across recent years, it has been a dominant theme. Staff have had to respond flexibly and quickly to considerable changes in their work and home lives. Management are always looking for ways to promote wellbeing. 2025/26 saw the launch of a new fund for employees to support individual plans and programmes in this important area. There has been a good take up of the scheme.
WTHP operates a healthcare scheme, which is able to provide support for staff in a wide variety of ways.

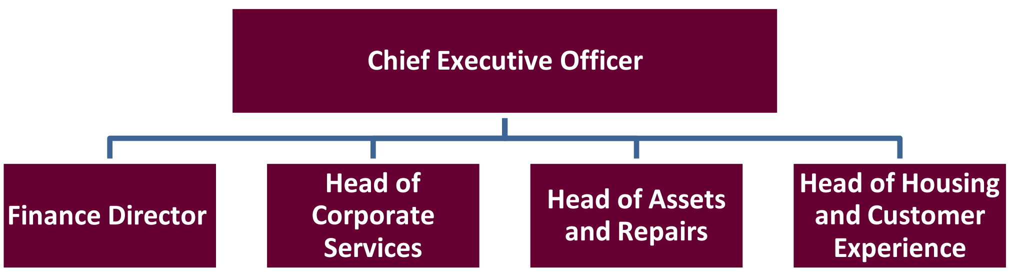
B.9.4 Health and safety
Matters relating to employee health and safety are reported regularly to the Executive Team and to the Board. During 2025/26 there were no minor accidents recorded involving employees (2024/25: 2).

B.9.5 Equality, Diversity and Inclusion (EDI)
WTHP fully supports EDI through its Equality and Diversity Policy. Additionally, WTHP has accreditation under the 'Disability Confident' scheme.

Service delivery is centred on ensuring needs are met for the individual and all staff receive regular training on new and emerging themes such as neurodiversity. WTHP has undertaken a full review of the recruitment process, delivering a reviewed and inclusive Policy and Procedure that is fit for the future of the organisation.

All Board papers consider EDI issues as part of the reporting process and WTHP uses the NHF EDI tool with the aim of identifying and closing gaps that would support a greater Board diversity.

B.9.6 Resourcing
All permanent staff are employed by WTHP. The Executive Team structure, as at 31 March 2026, is shown below:



The Executive Team are all full-time members of staff and work from both the head office in Rooksbridge and the satellite office in Plymouth.

The Executive Team formerly included an Operations Director role. This post became vacant in August

2024, when the employee left WTHP. Following some restructuring, this role has been removed and replaced with two new posts:

- Head of Housing and Customer Experience.
- Head of Assets and Property Repairs.

The Head of Assets and Repairs was held by an interim manager for the eight months to 18 May 2026, when a permanent member of staff took over the role.

WTHP ended the year with a total headcount of 33 staff (2025: 33 staff), based on the March payroll position. The full-time equivalent number was 31.66 (2025: 31.06). As at 31 March 2026, 4 roles were covered by agency staff who were employed on an interim basis (2025: 1).

Absences due to sickness, for the year to 31 March 2026 was 3.60% (2025: 1.73%).

Staff and Board member pay is externally benchmarked by an independent HR consultancy every three years. In the intervening years, the Board may increase remuneration, at their discretion, usually via a general percentage increase.

Board member pay was last benchmarked in 2025 and pay was set at the median level from 2025. Board pay is currently frozen until 2028, thereafter it will return to a triennial benchmarking process. The most recent staff pay benchmarking exercise was completed in the later months of 2023. Salaries were revised in line with the recommended medians from this process. Staff pay was subject to a Board approved inflationary pay increase in April 2026.

Staff have the option to buy and sell annual leave (subject to certain restrictions). This option has been taken up at differing times.

Resourcing decisions are always considered with reference to the stated objectives of the organisation and need to demonstrate that any investment generates benefits for tenants through more efficient, effective and economic working or other quality improvements.

The importance of ensuring that the organisation has good staff to provide excellent services to tenants is highlighted in the following risk on WTHP's strategic risk map:

- Failure to recruit and retain knowledgeable and skilled staff.

B.10 Knowledge and Data Management

WTHP has a Data Governance Framework which seeks to bring together policies regarding a wide range of matters from business continuity through to GDPR compliance, with data related policies which aim to manage and control data quality, usage of open source data and more. This is an area of continued development.

WTHP recognises that its decision making should be made on the basis of data which is appropriate and maintained to high standards of integrity. Any failings in this area could lead to poor outcomes for the organisation and its tenants alike. Consequently, WTHP recognises the importance of this in three risks on its strategic risk map:

- Failure to ensure that data integrity is maintained to a high standard.
- Failure to defend against data and cyber security risks
- Failure to recruit and retain knowledgeable and skilled staff.

B.11 ESG / Climate related issues

B.11.1 Climate and Sustainability - Planning to meet decarbonisation targets

The government has made a commitment that the UK will achieve net zero carbon by 2050 and this is backed by legislation.

In January 2026, the Government announced a range of measures primarily affecting long term rent policy and asset standards, with limited short term impact but significant forward looking business planning implications, particularly around:

- Rent settlement and rent convergence.
- Energy efficiency.
- Housing quality standards.

For the first time, social homes will be subject to a formal Minimum Energy Efficiency Standard (MEES) requirement under a strengthened Decent Homes Standard, for example:

- EPC 'C' on one metric by 2030 (either fabric, clean heat or smart readiness).
- EPC 'C' on a second metric by 2039.
- Housing providers will be expected to plan component replacements based on condition rather than age.

WTHP's Asset Management function is fully aware of these requirements and has responded accordingly:

- During 2025/26, a comprehensive stock condition survey programme was undertaken to assess the condition of WTHP's homes and a rolling update programme has been commissioned.
- An extensive analysis of the EPC status of all properties has also been undertaken.

Business Planning assumptions have been updated for the new 2026/27 Business Plan and this process will continue as new information becomes available. The 2026/27 Business Plan was stress tested for changes in this area.

Risks to WTHP, arising from the requirement to achieve EPC 'C' standards by 2030 and net zero carbon by 2050 are included in a group of risks on the strategic risk map as follows:

- Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments.
- Failure to ensure all homes are maintained at a decent standard at all times and housing issues are responded to promptly.
- Failure to maintain an ongoing programme of stock condition surveys leading to poor understanding of future repair and maintenance requirements.
- Failure to meet EPC targets by 2030 and Net Carbon Zero targets by 2050.
- Failure of Strategic Planning processes.

B.11.2 Sustainability Reporting Standard for Social Housing ('The ESG Standard')

WTHP supports the principles set out in the ESG Standard and recognises that its requirements will become an increasing focus for the future. Some work has been done to review and assess readiness to report on the performance metrics set out by the standard, although this is currently voluntary.

WTHP will continue to maintain a focus on this issue.

B.12 Financial Review

WTHP ends the 2025/26 financial year with an increase in reported turnover, but a fall in total comprehensive income levels versus the prior year.

B.12.1 Statement of Comprehensive Income

Turnover
Turnover for 2026 increased by just over 8.1% (just under £0.8M) on 2025 (£9.8M) to close the financial year at £10.6M. This increase was driven by a change in first tranche shared ownership sales compared to the prior year (up £0.4M) at £0.5M, the recognition of income arising from a significant insurance claim (just under £0.2M), general rent increases and other changes in rental income arising from some change in the housing stock portfolio (new development and existing property sales).

Rental Income
Property rental revenue is WTHP's main income stream. This funds both the services that WTHP provides to tenants on a day to day basis and contributes to supporting inward investment in new homes and the management and maintenance of existing properties.

In setting rent levels, the organisation must act within the scope of existing legislation whilst seeking to:

- Balance its requirement for funds to ensure its long term financial viability and growth;
- Ensure that it is maintaining its properties appropriately, in line with regulation;
- Planning for Net Zero Carbon requirements; and
- Meeting its social purpose of providing affordable homes.

WTHP therefore, grows this primary income stream via rental increases on existing tenancies and by the development of new properties which are then tenanted. This growth is carefully monitored as the portfolio of managed properties will gradually decline over time (Rentplus properties are either purchased by tenants at the end of their leases, purchased by WTHP or are handed back to Rentplus).

Existing tenancies
The standard formula for setting and increasing social rents is set out in the regulatory Rent Standard and associated guidance issued by the Regulator of Social Housing (RSH). Typically, general needs property rents will increase by CPI + 1% and WTHP's shared ownership rents by RPI + 0.5%.

Impact of new development and property acquisitions
WTHP completed work at two schemes during the financial year, adding 7 rental and 4 shared ownership properties into its portfolio (2025: 4 rental units and 1 shared ownerships). The shared ownership sales completed in the financial year. Shared ownership homes (once sold) also generate rental income. No 'one off' rental property purchases were completed during the year (2025: nil properties).

Surplus on the sale of housing properties
WTHP disposed of 5 (2025: 3) poorer performing 'street front' properties during the year:

- 16 Headland Park House
- 8 Home Park
- 50 Holmer Down
- 49 Mount Gould Road
- 100 Victoria Road

Overall, the surpluses on the sale of housing properties for the year amounted to £0.5M (2025: £0.4M).

Other changes
WTHP's housing stock also saw some other changes during the year including the handback/sale of Rentplus properties, staircasing of shared ownerships and the conversion of a leasehold property to a shared ownership. These changes are set out in the Notes to the Accounts.

Operating Costs
Operating costs amounted to just over £9.2M for the year (2025: £8.0M) a growth of £1.2M, reflecting increased maintenance activity and the associated cost. The financial year also saw WTHP complete a major stock condition survey programme, which will be undertaken on a rolling basis from now on.

Operating Surplus
WTHP is pleased to report an operating surplus for the year, which amounted to £1.5M (2025: £2.1M), a decrease on the prior year.

The operating surplus for social housing lettings as a percentage of social housing letting turnover was 10.3% (2025: 18.5%).

WTHP revised its provisioning for bad and doubtful debts at the year end, and in determining the requirement for the closing March 2026 position, reviewed all rent arrears and any other potentially recoverable monies in detail. The net effect of these reviews resulted in an overall decrease-in the bad debt provision balance from £123k at the close of 2025 to £120K for 2026.

£16K of bad debts were written off this year (2025: £16k).

Provisioning for outstanding Rent Standard related issues amounts to £nil (2025: £20k), reflecting the satisfactory resolution of all matters relating to this historical issue.

Interest and Financing
Interest and financing charges of £1.43M showed a fall on the prior year (2025: £1.56M). WTHP has a £6M revolving credit facility from Nat West and as at year end had drawn a total of £1.3M (2025: nil).

WTHP holds both fixed and variable rate debt in its loan portfolio, with facilities held on both repayment and bullet basis. Debt has continued to be paid down during the year.

Efforts have been made across the year to make a declining cash balance generate interest receivable returns and this has been successful.

Surplus for the financial year and total comprehensive income
After interest and other financing costs, the surplus for the financial year was £0.1M (2025: £0.6M).

Total comprehensive income for the year (after minor comprehensive income items relating to the SHPS pension scheme) moved down on the prior year (-£0.6M), to close at £0.1M for the 2026 financial year.

B.12.2 Statement of Financial Position
WTHP is pleased to report that it closes the 2026 financial year with cash balances amounting to £1.2M (2025: £1.3M), undrawn debt facilities amounting to £4.7M and net assets of £39.2M (2025: £39.1M). The historic cost of its completed housing property stock has also grown moving up from £110.6M at the end of 2025, to close the current financial year at £112.6M.

B.12.3 Financial performance over the last five years
WTHP has plans in place to continue the development of new homes, albeit at a modest pace over the near term. Rental income is the primary source of revenue and this will come under increasing pressure as the Rentplus managed properties exit the housing stock as leases end and properties are purchased or handed back to Rentplus by tenants.

WTHP's development ambitions need to be managed in a responsible manner with due regard to other competing requirements for resources, from Net Carbon Zero works through to the management and maintenance of the existing housing stock.

A selection of key financial figures over the last three years is given overleaf:

Accounts highlights, five year summary

For the year ended 31 March	2026 £000's	2025 £000's	2024 £000's	2023 £000's	2022 £000's
Statement of Comprehensive Income					
Total turnover	10,593	9,797	9,737	8,871	9,347
Income from lettings	10,093	9,673	9,242	8,756	8,374
Operating surplus	1,457	2,108	1,910	1,942	1,989
Surplus/(deficit) for the year transferred to reserves	82	655	290	(706)	1,448
Statement of Financial Position					
Housing properties net of depreciation (inc. assets under construction)	92,398	91,904	90,739	88,671	88,074
Other tangible fixed assets	709	706	726	717	802
Intangible fixed assets	12	34	59	91	27
Investments	260	268	260	260	260
Net current assets	(983)	(634)	725	2,426	3,536
Total Assets less current liabilities	92,397	92,278	92,509	92,165	92,699
Creditors (amounts due in more than one year), provisions and Pension Liability	(52,560)	(53,173)	(54,059)	(54,005)	(53,833)
Net Assets	39,187	39,105	38,450	38,160	38,866
Revenue reserves	39,187	39,105	38,450	30,792	31,498
Social Housing properties at year end:					
Owned (All tenures)	1,293	1,288	1,287	1,268	1,271
Managed (Rentplus properties)	187	200	213	231	237
Total	1,480	1,488	1,500	1,499	1,508

B.13 Treasury and Lenders

WTHP ends 2025/26 with financing from five lenders (Nat West, Triodos, Lloyds Bank, THFC and Orchardbrook), unchanged on the prior year. Nat West is the most significant debt provider within this group.

As at 31 March 2026, all facilities with all lenders are fully drawn with the exception of a £6M revolving credit facility provided by Nat West, of which £1.3M has been drawn.

There were no other changes to debt facilities (which comprise a mixture of fixed and variable rate debt) during the financial year, which continued to be serviced and re-paid in line with the relevant financing agreements.

The only valuation completed during the year was the routine, triennial re-valuation associated with the Nat West charged stock. There were no issues arising from this. Following the re-instatement of two properties at 19/20 Bridgewater Gardens in Totnes, following a catastrophic fire in 2024, the Nat West valuation was updated and accepted by Nat West.
WTHP remains committed to maintaining a flexible portfolio of financing which includes fixed and variable rate debt, with repayment dates sensibly staggered. Currently, facilities have varied end dates with the latest being 2044.

The debt portfolio is scrutinised regularly by the Board and WTHP employs professional treasury managers to advise in this area. The Board is kept informed about interest rate risk.

WTHP has a Treasury Policy and a Treasury Strategy, which are reviewed routinely and in conjunction with the Business Plan, stress testing and recovery planning.

Specific treasury related risks are noted on the strategic risk register:

- Changes in UK economic and political outlook adversely impact WTHP financial viability
- Failure to manage lender relationships and risk of covenant breach.
- Failure to successfully acquire new debt from new or existing lending partners, at an acceptable cost and risk profile.
- Failure of Strategic Planning processes.

B.13.1 Financial Covenants

As at the 31 March 2026, the Board is happy to report that WTHP is fully compliant with all its financial covenant obligations, as in the prior year.

B.14 Value for Money Statement and Metrics

Value for money (‘VFM’) is embedded in everything WTHP does. This approach is enshrined in the Value For Money Policy which commits WTHP to the full adoption of the Value for Money Standard and Code of Practice issued by the Regulator of Social Housing.

WTHP’s general approach to value for money is to:

- Consider value for money as part of the decision making process.
- Understand the return on assets.
- Have a performance management and scrutiny function in place that drive and deliver improved value for money performance.
- Understand the costs and outcomes of delivering specific services.
- Consider wider benefits provided from any decision e.g. social, environmental, quality etc. Assessing the outcomes will help refine decision making processes in the future.
- WTHP reviews all its expenditure to ensure that scarce resources are being used to best effect. Savings are generally re-invested.
- Ensure that the organisation has a Value for Money Strategy which is monitored.

B.14.1 Corporate objectives
The objectives of the organisation are as follows:

Objectives	Description
People	We will invest in and listen to all voices and seek learning to improve outcomes for all
Property	We will maintain and manage property that we and our tenants are proud of
Place	We will ensure that a positive connection to home as a safe and sustainable place is central to our work
Planet	We will create homes and services that protect the future

These objectives are set out in the Corporate Strategy and underpinned by a framework of sub-strategies which are robustly evaluated and feed into the organisation's Business Plan. Functional operating plans then support individual elements of the strategies, at a more tactical level, and feed into the yearly Budget process. Planned VFM metrics are produced and included in the Budget and Business Plans reviewed and approved by the Board on an annual basis. The Board also receive reports on Value for Money metric performance across the year, together with benchmarking information and comparisons.

The 2025/26 position has been impacted by the immediate requirement to focus on tasks and actions set out in WTHP's Regulatory Engagement Plan, across the year.

B.14.2 Key strategies

WTHP has a framework of complementary strategies and plans (which includes a Value for Money Strategy), which link to the corporate objectives.

The key strategies and their purpose are set out in the table overleaf. Note that the expected re-launch of an updated Corporate Strategy in the summer of 2026, will impact these supporting documents:

Supporting Strategy	Purpose	Key Areas
Asset management	Ensuring that we invest in existing properties and that they are efficient to maintain for residents.	Focus on stock condition programmes to understand the status of the property portfolio, optimise the allocation of resources going forward to ensure decent homes compliance and improve homes for tenants.
Development	Ensuring we are focused on what, where and how we grow to achieve sustainable communities.	Sustainable and pragmatic growth programme based on need and focussed on the development of high EPC rated homes, for the benefit of tenants and compliance with net carbon zero requirements
Sustainability	Ensuring that we are focused on mitigating our climate change impact.	Strategy to be drafted
Treasury	Ensuring we utilise assets wisely in procuring new funding to build more homes.	Ensures that treasury risk is managed with reference to high expectations about governance and financial viability. Drafted by third party experts for additional assurance.
Risk Management	Ensuring we understand the challenges facing us and mitigating for them.	Ensures that the risks faced by WTHP are visible and that there is active oversight by the Board on such matters.
Resident Involvement	Ensuring that we listen and deliver what matters most.	Deliver corrective action on rent-setting and consumer standard performance. Strengthen all aspects of tenant engagement from an expanded role for the resident scrutiny panel, through to quarterly data gathering of tenant insight data, co-design service improvements with tenants and more.
Equality and Diversity	Ensuring that we recognise and respond to the range of needs presented by different people.	Focus on gaining understanding and responding to needs,
Knowledge and Information Management ('Data')	Ensuring our systems are equipped to be efficient, effective and add value.	Invest in analytics and centralisation of data storage & management to increase effectiveness of decision making, and better allocation of resources. Data Governance Framework approved.
Workforce	Ensuring we attract the best candidates and offer clear opportunities for existing colleagues to grow and develop.	Invest in staff, training and career path and a workforce plan will be produced.
Communications	Ensuring we tell our story and keep people informed appropriately.	WTHP communicates across a wide number of channels from letter to website. Consideration of how WTHP manages its marketing and communication portfolio.
Value for Money Strategy	Recognises the parts played by the above strategies in delivering Value for Money across the organisation	Future expectations of the direction of travel of value for money metrics and approaches.

B.14.3 Performance Monitoring
Collective performance across all these planned activities is monitored at an organisational level by the publication of the actual and planned VFM metrics, which are reported to the Executive Team and the Board across the financial year.

Additionally, the actual results are also benchmarked against the results from other similar organisations, but these comparisons should be approached with a degree of caution (see s.B.14.4). Note that these metrics are prepared in line with the definitions required by the Regulator for Social Housing, for this purpose. The metrics are reported in the tables below:

Comparison with Prior Year, Target, SWBM and RSH Peer Group

Value For Money Metrics	Year End 2026	Target 2026	Year End 2025	2024/25 Acuity SWBM Group	2025 Global Accounts Peer Group
Reinvestment %	**2.80%**	5.31%	3.11%	3.92%	5.80%
New supply delivered % (social housing units)	**0.74%**	1.27%	0.34%	0.11%	1.90%
New supply delivered % (Non-social housing units)	-	-	-		
Gearing %	**34.8%**	35.8%	34.7%	31.8%	34.9%
Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA-MRI) interest cover %	**84%**	95%	118%	167%	213%
Headline social housing cost per unit £K	**£5.77K**	£5.56K	£5.10K	£4.15K	£4.70K
Operating margin %					
▪ Social housing lettings only	**10.3%**	15.7%	18.5%	30.0%	23.5%
▪ Overall	**8.7%**	14.7%	17.1%	24.6%	22.6%
Return on capital employed (ROCE) %	**1.58%**	1.88%	2.28%	2.60%	3.10%

The data shown in the table, under the heading 'Benchmark (Acuity SWBM)', is the latest available median benchmarking data from Acuity for the 2024/25 financial year and it represents the median for smaller housing associations who submit data to Acuity Benchmarking.

The data shown under the heading 'Benchmark (RSH Peers)', is the median data derived from the RSH Global Accounts for 2024/25 respecting WTHP's two most closely matched social housing providers (Cornerstone Housing Limited and English Rural Housing Association Limited).

Comparison with overall RSH Group for 2024/25

Value For Money Metric	WTHP Year End 2026	RSH Global Accounts 2025 VFM Metrics			
		Upper Quartile	Median	Lower Quartile	Weighted Average
Reinvestment %	**2.80%**	10.0%	7.5%	5.3%	7.3%
New supply delivered % (social housing units)	**0.74%**	2.1%	1.3%	0.6%	1.6%
Gearing %	**34.8%**	54.5%	45.5%	34.6%	48.6%
Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA-MRI) interest cover %	**84%**	151%	112%	62%	86%
Headline social housing cost per unit £K	**£5.77K**	£7,229	£5,688	£5,025	£6,278
Operating margin %					
▪ Social housing lettings only	**10.3%**	25.6%	20.0%	15.0%	21.8%
▪ Overall	**8.7%**	23.0%	17.4%	11.8%	17.2%
Return on capital employed (ROCE) %	**1.58%**	3.6%	3.0%	2.3%	2.7%

B.14.4 Key points

B.14.4.1 Reinvestment

Reinvestment closed the year well below the budgeted level of 5.31% (actual 2.80%). The delay at the budgeted East Huntspill scheme (Budgeted completion March 2026) which is now forecast to complete in August 2027 has resulted in the actual being significantly lower than budget. The year-end position of 2.80% is lower than prior year's 3.11% and below the chosen benchmark figures (Acuity peer group: 3.92% and selected Global Accounts group: 5.80%). In regard to the 2025 RSH Global accounts, the actual position would put WTHP in the lower quartile.

B.14.4.2 New Supply Delivered

New supply delivered ended below budget at 0.74% (budget 1.27%). This is due to a delay at the budgeted East Huntspill scheme (Budgeted completion March 2026) which is now forecast to complete in August 2027. Five properties (3 rented and 2 shared ownerships) at the budgeted Ilton scheme completed in July 2025. The Morchard Bishop scheme (4 rented and 2 shared ownerships) is the most recent scheme to achieve practical completion in November 2025. The year end position is an increase on prior years actual position of 0.34%. 0.74% is greater than the Acuity peer group benchmark reported but below the Global accounts group (Acuity peer group: 0.11% and selected Global Accounts group: 1.90%). In regard to the 2025 RSH Global accounts, the forecast position would put WTHP in the lower quartile.

B.14.4.3 Gearing

As of March 2026, Gearing is 34.8%, which is 1.0% below the budgeted position of 35.8%. This is below budget as a result of slower drawdowns of the Nat West Revolving Credit Facility ('RCF'). The delays at the East Huntspill scheme highlighted slowed down the requirement for the drawdown. Gearing remains in a strong position, being in the lower quartile of the 2025 RSH Global Accounts.

B.14.4.4 EBITDA-MRI

EBITDA-MRI (RSH definition) for the financial year 25-26 was below budget at 84% (budget 95%). EBITDA is below budget due to the lower than budgeted operating surplus achieved in the year. Further information can be found in the management accounts pack for March 2026, regarding this. The year end position is lower than prior year's actual of 118% and lower than benchmark comparisons (Acuity peer group: 167% and selected Global Accounts group 213%). In regard to the 2025 RSH Global accounts, the year-end position would put WTHP just below the weighted average of 86%, and between the lower quartile and the median.

Sector declines in this metric have been noted by the Regulator of Social Housing (RSH) for some time. Respecting the December 2025 quarterly survey, the Regulator noted:

- 'Rolling interest cover in the 12 months to December stood at 78%; consistent with the level recorded in the previous quarter.'
- 'Cash interest cover is expected to remain restricted. Forecasts for the year to December 2026 give an estimate of 67%; consistent with the forecasts from the previous two quarters. In the forecast period, 60% of PRPs are forecasting interest cover to be below 100%'

B.14.4.5 Headline Social Housing Cost Per Unit

Headline Social Housing Cost Per Unit finished the year over budget at £5.77K (Budget £5.56K). This is due to the increased expenditure on responsive and planned maintenance. The year-end position is larger than prior years actual of £5.10K per unit and greater than benchmark comparisons (Acuity peer group: £4.15K and selected Global Accounts group £4.70K). However, the Headline Social Housing cost per unit is marginally below the overall weighted average of all providers as shown in the 2025 RSH Global Accounts (Weighted Average £6.3K)
WTHP has a declining stock number (24/25: 1,488 units v 25/26: 1,480 units) due to the handbacks of Rent Plus stock at lease end dates.

B.14.4.6 Operating Margins

Operating Margin (Social Housing Lettings)
Operating Margin (Social Housing Lettings) as a percentage of turnover closed the year at 10.3%, which is below the budgeted position of 15.7%. The driver of this position is overspend in the maintenance areas. This is a decrease on last year's position of 18.5% and falls below the benchmarks (Acuity peer group: 30.0% and selected Global Accounts group: 23.5%). In regard to the 2025 RSH Global accounts, the actual position leaves WTHP in the lower quartile.

Operating Margin (Overall)
The formula for Operating Margin (Overall) closely aligns to the formula for Operating Margin (Social Housing Lettings) bar some exclusions. The factors affecting performance listed above also apply here. As a consequence, the year-end position is 8.7% (budget 14.7%). This is a decrease on last year's position of 17.1% and falls below the benchmarks (Acuity peer group: 24.6% and selected Global Accounts group: 22.6%). In regard to the 2025 RSH Global accounts, the year end position puts WTHP in the lower quartile.

B.14.4.7 Return on Capital Employed
Return on Capital Employed was recorded at 1.58%, which is lower than the budgeted position of 1.88% and lower than prior years actual 2.28%. The year-end position is also below the benchmarks (Acuity peer group: 2.39% and selected Global Accounts group: 3.10%). In regard to the 2025 RSH Global accounts, the actual position puts WTHP in the lower quartile.

B.14.5 Benchmarking
WTHP is a member of the South West Benchmarking (SWBM) group, facilitated by Acuity, and regularly takes part in related benchmarking exercises. The South West Benchmarking group meets regularly to discuss best practice, to understand cost drivers and where practical to share services. It should be noted that the majority of SWBM member organisations are smaller providers and the group's membership is now starting to include providers outside of the South West.

Readers should note the following issues with the benchmarking comparisons reported in the tables above:

- The benchmarking data available relates to the 2024/25 financial year ie. It relates to prior year.
- WTHP continues to manage properties under leasing arrangements with Rentplus. Under this model, WTHP is obliged to pay a proportion of the rent from these properties to Rentplus, as well as undertaking maintenance etc. of the properties. WTHP's chosen benchmarking organisation's do not have such arrangements in place.

B.14.6 Other Points to Note
It is a requirement of the Regulator of Social Housing Value for Money Standard that WTHP assesses Value for Money in line with its strategic objectives. This is achieved by ensuring that key strategies are aligned with its corporate objectives and that performance respecting the VFM metrics is routinely assessed.

WTHP maintains an annual log of all savings generated across the business, which is also reviewed by the Executive Team on a regular basis.

WTHP recognises risks relating to the achievement of value for money objectives on its strategic risk register:

- Failure of Strategic Planning processes
- Failure to deliver efficiencies and value for money.

Risk Management and Principal Risks

C Risk Management and Principal Risks
C.1 Risk Management

The Board considers risk management a priority and has approved a well-rounded risk management framework. It takes the lead in defining the organisation's approach to risk and in agreeing its risk appetites; For WTHP, managing risk is as much about taking advantage of opportunities as it is about managing threats. At each meeting the Board allocates time to consider its key risks and to horizon scan for potential opportunities as well as threats to the organisation and its future viability. The Audit and Risk Committee reviews the risk map, in detail, at its meetings throughout the year and advises the Board of its observations.

The Executive team carries out regular risk reviews which can include a root and branch consideration of each and every risk on the existing risk map, as well as material collated from external sources, which feed into the risk management regime. The process to manage and mitigate risks and update the risk map is undertaken on a routine basis by the whole Executive team, who have individual responsibility for the management of specific risks. This process is undertaken on a hosted risk management system (Riskonnect). The latest risk map is then presented to the next Audit and Risk Committee and Board for discussion and approval.

Risk is also considered by the rest of the management community and from time to time, by the staff, who discuss either the whole risk map, or specific risks at their regular team brief sessions. An operational risk map, focussed on more tactical risks, is managed and maintained by team leaders and managers (also on the Riskonnect system) and is available for review by the Executive team.

The risks arising from wars (in Ukraine and the Middle East) (and elsewhere) and other special situation risks have been considered by the Board (see 'Special Situation Triggers' section of this report). The impact of the 'oil shock' arising from the US-Iran conflict is being especially closely monitored.

The top 10 risks, as at 31 March 2026, are shown overleaf (mitigated risk positions). These risks have been grouped by impact only i.e. classed as 'High', 'Medium' or 'Low'). In all cases, WTHP has chosen to 'Treat the Risk':

Risk Position	Risk Code	Risk Issue	Primary Risk Category	Causes	Consequences	Current Consequence	Current Likelihood	Current Risk Rating
1	W12	Failure to collect rent from tenants	Financial	• Failure to apply policy • Inadequate internal controls. • Lack of staff training. • Out of date policies. • Poor operational management. • Poor organisational culture • Volatile economic outlook	• Adverse tenant impact • Adverse staff impact • Business plan failure. • Covenant breach. • Financial losses above planned limits. • Reduction in tenant satisfaction. • Regulatory intervention. • Future targets in corporate strategy missed.	3.00 Moderate	3.00 Possible	High
2	W7	Failure to ensure all homes are maintained at a decent standard at all times and housing issues are responded to promptly	Tenants	• Failure to apply policy • Inadequate data • Inadequate internal controls.	• Adverse tenant impact • Adverse staff impact • Business plan failure. • Reduction in tenant satisfaction. • Regulatory intervention. • Reputational damage.	3.00 Moderate	3.00 Possible	High
3	W10	WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.	Disruption of Operations	• Contractor insolvency. • Poor assumption setting for business plans and performance indicators. • Poor operational management. • Volatile economic outlook	• Adverse tenant impact • Adverse staff impact • Covenant breach. • Financial losses above planned limits. • Reduction in tenant satisfaction. • Regulatory intervention.	3.00 Moderate	3.00 Possible	High
4	W26	Business turnover limits	Strategic	• Geographic spread of	• Adverse tenant impact	4.00	2.00	High

Risk Position	Risk Code	Risk Issue	Primary Risk Category	Causes	Consequences	Current Consequence	Current Likelihood	Current Risk Rating
		capacity to deliver effective services		property portfolio • Inadequate data • Inadequate internal controls. • insufficient available liquidity • Lack of staff training.	• Adverse staff impact • Business plan failure. • Covenant breach. • Financial losses above planned limits. • Loss of development partner status. • Reduction in tenant satisfaction. • Regulatory intervention. • Reputational damage. • Future targets in corporate strategy missed.	Major	Unlikely	
5	W1	Changes in UK Economic and Political Outlook adversely impact WTHP financial viability	Financial	• Inadequate stress testing. • Ineffective governance structures • New regulation • Poor assumption setting for business plans and performance indicators. • Volatile economic outlook	• Adverse tenant impact • Adverse staff impact • Business plan failure. • Covenant breach. • Financial losses above planned limits. • Loss of development partner status. • Reduction in tenant satisfaction. • Regulatory intervention. • Reputational damage. • Futures in corporate strategy missed.	2.00 Minor	3.00 Possible	Moderate
6	W27	Failure of Strategic Planning processes	Strategic	• Inadequate data • Inadequate stress testing.	• Adverse tenant impact • Adverse staff impact	2.00 Minor	3.00 Possible	Moderate

Risk Position	Risk Code	Risk Issue	Primary Risk Category	Causes	Consequences	Current Consequence	Current Likelihood	Current Risk Rating
				• Ineffective governance structures	• Business plan failure. • Covenant breach. • Financial losses above planned limits. • Regulatory intervention. • Reputational damage. • Future targets in corporate strategy missed.			
7	W4	Failure of suppliers of key WTHP services (excluding Rent plus)	Disruption of Operations	• Contractor insolvency. • Inadequate internal controls. • Ineffective governance structures • Lack of staff training. • Poor operational management. • Volatile economic outlook	• Adverse tenant impact • Adverse staff impact • Financial losses above planned limits. • Reduction in tenant satisfaction. • Reputational damage. • Future targets in corporate strategy missed.	3.00 Moderate	2.00 Unlikely	Moderate
8	W13	Failure to defend against data and cyber security risks	Disruption of Operations	• Action or behaviour of an individual(s) • Failure to apply policy • Inadequate internal controls. • Inappropriate use of Artificial Intelligence • Ineffective governance structures	• Adverse tenant impact • Adverse staff impact • Business plan failure. • Covenant breach. • Financial losses above planned limits. • Reduction in tenant satisfaction. • Regulatory intervention.	2.00 Minor	3.00 Possible	Moderate

Risk Position	Risk Code	Risk Issue	Primary Risk Category	Causes	Consequences	Current Consequence	Current Likelihood	Current Risk Rating
					• Reputational damage. • Future tagets in corporate strategy missed.			
9	W8	Failure to deliver high quality services to tenants	Tenants	• Contractor insolvency. • Customer experience • Failure to apply policy • Inadequate data • Inadequate internal controls. • Lack of staff training. • Out of date policies. • Poor operational management. • Poor organisational culture	• Adverse tenant impact • Adverse staff impact • Reduction in tenant satisfaction. • Regulatory intervention. • Reputational damage.	3.00 Moderate	2.00 Unlikely	Moderate
10	W2	Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments	Tenants	• insufficient available liquidity • New regulation • Volatile economic outlook	• Adverse tenant impact • Adverse staff impact • Reduction in tenant satisfaction. • Regulatory intervention. • Reputational damage. • Future targets in corporate strategy missed.	2.00 Minor	3.00 Possible	Moderate

C.2 Principal Risks

C.2.1 Health and Safety

The Board take their Health and Safety responsibilities very seriously and this sets the tone for the whole organisation on this important issue.

The Head of Assets and Repairs reports monthly to the Chief Executive and the Executive team on the status of key landlord related deliverables which includes, fire risk assessments, electrical safety, gas certification, damp and mould incidents etc., and the status on any relevant corrective action plans. This information is also reported to the Board at their scheduled Board Meetings. Highlights regarding the 2025/26 year end position on landlord health and safety have been included in earlier sections of this report.

WTHP also has health and safety related responsibilities to its staff. In common with landlord reporting, matters relating to employee health and safety are collated by the Head of Corporate Services and reported on a monthly basis, in the same way.

Employees are regularly asked about health and safety matters during scheduled one to one meetings with line management but staff can raise concerns at any time.

Health and safety risk assessments are also completed by all staff (tailored to their role) on an annual basis and these measures are also backed up by a mandatory training regime for staff, on health and safety guidance.

Health and safety risks are recorded on the risk map, as the following risks:

- Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments
- WTHP fails in its Health and Safety obligations
- Failure to ensure all homes are maintained at a decent standard at all times and housing issues are responded to promptly
- Failure to deliver high quality services to tenants
- Failure to recruit and retain knowledgeable and skilled staff.
- Failure to know our tenants and adapt services to meet diverse needs.
- Failure to learn from complaints and act on them.
- Failure to maintain an ongoing programme of stock condition surveys leading to poor understanding of future repair and maintenance requirements.
- Failure of Strategic Planning processes

C.2.2 Pension Scheme Membership

WTHP is a member of the Social Housing Pension Scheme (SHPS). The scheme is accounted for on a defined benefit basis. For 2026 the deficit amounts to £327k (2025: £(477)k).

WTHP contributes to a deficit reduction plan on a monthly basis. Information about the pension scheme is given to the Board and the scheme is subject to actuarial review every three years by the scheme's trustees, which allows the Board to make further judgements about continued membership of the scheme.

Pension related risk has been removed from the strategic risk register at this time. The Board are aware of this risk and routinely commissions a detailed independent review of WTHP's membership of SHPS, by a specialist actuarial firm, who report to the Board on this matter. Along with deficit planning withing the 30 Year business plan, this approach is currently deemed to have effectively minimised the likely impact of this risk, but it remains under review.

Scheme Benefit Review

Verity Trustees (the Trustee of the Scheme) has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. The Trustee received legal advice that there was sufficient uncertainty regarding the effect of some historic benefit changes that the Court should be asked to provide clarity, so that the Trustee had the certainty it needed to properly administer the Scheme benefits.

If the decision of the Court was that some historic benefit changes need to be applied differently, then benefits for some members would need to be increased, which would increase the value placed on Scheme liabilities.

The High Court hearing (Verity Trustees v Wood) was held in the first quarter of 2025. During the hearing, the Court heard different arguments on a series of questions concerning how the Scheme should be administered. Representative parties were appointed to present these alternatives; each with a team of legal advisers. The Court appointed the Trustee to put forward the arguments that, broadly, the Scheme Rules should continue to be applied in the way they are now, with no increases to members' benefits. Generally, this would be in the financial interests of the Scheme's employers.

To put the alternative case which, broadly, would result in increased benefits for members, the Court appointed one member (Ms Wood), to represent the members. This is usual in this type of case.
One individual employer also joined the case, broadly supporting the position presented by the Trustee for the parts of the case that were relevant to its scheme.

TPT (the Scheme's administrator) has advised that the latest understanding is that the Court's judgment could now be received in early 2026.

WTHP has disclosed a contingent liability in respect of this.

C.3 Special Situation Triggers

WTHP expects that there will be continued economic turbulence for the foreseeable future, as the consequences of:

- The spread and extent of armed conflicts in Eastern Europe and in the Middle East.
- Cyber risks.
- The impact of Artificial Intelligence.
- Economic challenges for the UK arising from a broad range of causes:
    - Imposition of global trade tariffs by the United States.
    - The continuing impact of increases to UK employer National Insurance (applied from April 2025.
    - Weak economic growth.
    - Potential changes to government spending priorities and a pivot towards increases in defence expenditure.
    - High energy prices.
    - Inflation increases / bank rate increases,
- The costs of achieving Net Carbon Zero by 2050.

WTHP has considered these events and has concluded that it's risk map sufficiently covers the issues and that separate risks regarding the above are not required.

C.3.1 Economic Challenges for the UK

UK businesses and employers face multiple changes: high energy prices, increased employer National Insurance costs and more. The UK government is also grappling with the current economic position and its commitment to manage the public finances in line with its 'golden rules'.

For WTHP, the most likely impacts will be:

- General changes in the UK economy leading to movements in inflation, impacting tenants' ability to pay their rent.
- Further adverse changes to UK interest rates to hold down inflation.
- Potential changes to housing prices and secured stock valuation (where not secured on an EUV-SH basis) if the general economic picture deteriorates.
- Job cuts throughout the economy in a downturn.

These items are encapsulated in risks on the risk map as follows:

- Changes in UK economic and political outlook adversely impact WTHP financial viability
- Failure of suppliers of key WTHP services (excluding Rent plus)
- Failure or winding down of Rentplus.
- WTHP reliance on third party supply of services leaves it open to cost increases or service disruption if these services experience problems with access to skilled labour.
- Failure to collect rent from tenants
- Failure to sell properties developed for sale (Shared ownership and Outright sale)
- Financial viability dependency on disposal proceeds from social housing property sales
- Failure of Strategic Planning processes.

C.3.2 Costs of Implementing Net Zero Carbon

WTHP has an asset management strategy and is working to ensure that it meets the 2030 target of all its properties having an Energy Performance Certificate rating of ‘C’ or above. WTHP monitors the EPC ratings of its properties closely. Actions required to meet full compliance with net zero carbon legislation by 2050 and other property standards are planned and included in WTHP’s 2026/27 Business Plan.

The risks associated with WTHP’s approach to net zero carbon is included on the strategic risk map under the following risk:

- Failure to deliver on commitments to tenants where there are competing requirements for resources to undertake those commitments
- Failure to meet EPC targets by 2030 and Net Carbon Zero targets by 2050.
- Failure of Strategic Planning processes

C.4 Insurance

WTHP considers insurance cover to be an effective means of mitigating risk by transferring it to an insurer. WTHP works with a well-known insurance broker to gain access to a panel of insurance providers and to ensure that WTHP’s cover is comprehensive, appropriate and in place at all times. Insurance covers include:

- Property Stock.
- Terrorism.
- Office & Computer Combined (including public and employers liability insurance cover).
- Excess Liability.
- Engineering.
- Crime.
- Cyber Liability.
- Directors and Officers.

Corporate Governance Report

D.1 Governance Structure

D.1.1 Governance Bodies

As part of WTHP's Regulatory Engagement Plan, WTHP undertook a review of its governance structure during 2025/26 and made some changes to strengthen and hone oversight on critical areas such as service provision and engagement with tenants, complaints and investment in WTHP's housing stock. These changes were proposed and approved at the Board Meeting on 4 September 2025.

WTHP's governance structure now comprises the following governance bodies:

Governance body	Responsibilities
The Board	Responsible for the overall direction of the organisation, formulating strategies and plans, exercising oversight over the work of the Committees and monitoring the performance of the Executive Team. Ensuring that resources are appropriately allocated and that the organisation operates in accordance with its rules, policies, regulations, laws and statutory requirements etc., The Board (or a nominated sub-Committee or working group) review and approve internal policies.
Board Sub-Committees	
Audit and Risk Committee	Oversees the appointment of internal and external auditors, receives internal audit reports, monitors the WTHP risk management position and framework. Reviews external audit reports and accounts. Assurance.
Customer Experience Committee	The Customer Experience Committee was set up following an external Governance review which made recommendations regarding a re-focussing of the organisation's Committee Structure. The Customer Experience Committee came into existence and met for the first time in November 2025 and its remit is to review and extend oversight over service provision, performance and tenant engagement matters.
Development and Investment Committee	A Development Committee responsible for the review of progress of current developments, assessment of new and proposed development schemes and responsible for making recommendations to Board respecting the approval of new developments has been in place for a considerable time. Following the 2025/26 governance review, Willow Tree Housing Partnership Limited made some changes to its Committee structure and the remit of the Development Committee was extended to include oversight of wider property investment issues (e.g. planned maintenance EPC 'C' related works etc.) The Committee's name was changed to reflect this.
Others	
Director(s) of SWHNC Limited	SWHNC Limited is a 100% owned dormant subsidiary of Willow Tree Housing Partnership Limited. The Chair is currently the only director of this entity.
Executive Team	Executive Directors responsible for the day to day running of Willow Tree Housing Partnership Limited and its subsidiary, including any Other Key Management Personnel, as decided from time to time, by the Chief Executive Officer.

Board Member Responsible for People	A Remuneration and Nominations Committee responsible for matters relating to pay and benefits for staff and board members, as well as related matters such as pensions, board recruitment and succession planning was in place during 2025/26. Following the governance review, WTHP made some changes to its Committee structure and the Remuneration and Nominations Committee was disbanded and replaced with a single Board Member with responsibility for People.
Board Member Responsible for Complaints	This new role came into place during the year and it ensures that review and oversight of Complaints is monitored at the highest level. The Board Member Responsible for Complaints works with the Chief Executive Officer on these matters to ensure that learning from Complaints is embedded and actioned.
Board Member Responsible for Fraud, Corruption, Money Laundering and Terrorist Financing Compliance	Under WTHP's Fraud, Corruption, Money Laundering and Terrorist Financing Policy, the Chair of the Audit and Risk Committee is the nominated the Board member with responsibility for compliance with the regulations respecting this policy.

Each of the governance bodies (the Board and its sub-Committees) has terms of reference which are reviewed and approved on a regular basis. Mechanisms are in place to manage conflicts of interest.

D.1.2 The Board

The Board is responsible for:

- The leadership of WTHP and for setting the strategic direction of the organisation.
- Ensuring that the organisation operates with appropriate and well managed governance arrangements.

The Board ensures that these duties are carried out via their own programme of meetings, training and away days, via the work of sub-committees and others noted above (which report direct to the Board) and the oversight of day to day activities of the Executive Team. Board meetings have specific agendas with papers and reports issued in advance to Board Members for consideration. The Board are also supported by regular presentations from subject experts working with WTHP in fields such as treasury management, pensions, internal and external audit.

Board members undertake the work of the sub-committees.

During 2025/26, Sarah O'Neill was a Board Member and Chair of the Board (up to 15 April 2025). Craig Sullivan was a Board Member and acting Chair, until formally appointed Chair of the Board on 24 April 2025.

The Board met 4 times during the 2025/26 year (2024/25: 5), undertook 2 Board Away Days (2024/25: 3) as well as attending the Annual General Meeting and a housing stock tour day.

D.1.3 The Board Sub-Committees
The Board are currently supported by three sub-Committees. Board Members are allocated to each of these Committees based on professional experience and interests.

As at **31 March 2026**, the membership of the Committees was as follows:

Board Members	Audit and Risk Committee	Customer Experience Committee	Development and Investment Committee
Craig Sullivan (Chair)			
Asad Butt		✓	
Devereux Biddlecombe			✓
Christopher Brown			Chair
Stephen Burtchaell			✓
Simon Haskell	Chair		
Steve Hayes (Vice-Chair)		✓	
Susan Lane		Chair	
Amanda Nicholls		✓	
Jenny Vernon	✓		
Brian Whittaker	✓		

See s. D.2.2 for in year Board Member changes.

D.1.4 Audit and Risk Committee
During the 2025/26 financial year, the Committee met 4 (2025: 3) times and considered a wide variety of topics including: Risk management, internal audit planning and results, external audit and statutory accounting matters, committee work plans, terms of reference and self-assessment, fraud risk assessments and more.

D.1.5 Remuneration and Nominations Committee
The Committee considered a wide range of topics during the year including Board recruitment, effectiveness, training and succession planning, contracts of employment, policies, pension matters, staff survey results and work plans. The Committee met twice during 2024/25, but was dissolved during the 2025/26 year. A Board Member with responsibility for People now considers HR, pay and related matters.

D.1.6 Investment and Development Committee
The Committee met 3 times during 2025/26 (2025: 3), to monitor the general progress of developments and to consider (and recommend Board approval where appropriate) new schemes for development. Note that its remit was originally Development only, but this was expanded to wider property investment matters during the year.

D.1.7 Customer Experience Committee
The Committee met 2 times during 2025/26 (2025: nil), to review and oversee service provision, tenant engagement matters and quarterly performance including housing management, customer voice and repair performance. It met for the first time in November 2025 and has since provided enhanced oversight and scrutiny of customer experience activities.

D.1.8 Executive Team
The Executive Team, led by the Chief Executive Officer manage the day to day affairs of the organisation. The team meets on a monthly basis to consider all aspects of WTHP's activities including customer experience, housing management performance, risk, financial matters, resourcing, assets, repairs, development, corporate services activities, compliance, data governance, health and safety, business planning and more. Other managers attend these meetings as required. The individual Executive Team members are also responsible for their own areas of responsibility and delivery, as well as work in support of other parts of the organisation.

D.2 Report of the Board

The Board of Willow Tree Housing Partnership Limited are pleased to present their report for the financial year to 31 March 2026.

D.2.1 Board members' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.
Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that 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. They are 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.

The Board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

D.2.1 Board of directors and Executive Team

The Board Members and Executive Officers who have served office in the last financial year are set out on page 1.

D.2.2 Board Members

The Board Members are drawn from a wide background, bringing together professional, commercial and local experience. A list of changes which occurred to the Willow Tree Housing Partnership Limited Board, in the 2025/26 financial year, is given in the table below:

Board Member	Change in 2025/26	
	Appointed	Resigned
Devereux Biddlecombe	21 September 2023	-
Asad Butt	4 September 2025 *	
Christopher Brown	19 September 2024	-
Stephen Burtchaell	31 March 2023	-
Simon Haskell	31 March 2023	-
Steve Hayes (Vice Chair)	31 March 2023	-
Susan Lane	31 March 2023	-
Wendy Lewis	31 March 2023	4 September 2025
Sarah O'Neill (Chair)	21 September 2023	15 April 2025
Amanda Nicholls	4 September 2025 *	
Craig Sullivan (Vice Chair, Acting Chair and Chair)	31 March 2023	-
Jenny Vernon	4 September 2025 *	-

Brian Whittaker	31 March 2023	-

*Formerly appointed at the 2025 AGM on 4 September 2025.

Note that many of the above Board members had previously been either co-terminous Board Members of both the pre-merger partners (South Western Housing Society and Tamar Housing Society) or of just one pre-merger partner. The above table recognises that some Board Members were formally appointed to the merged entity, Willow Tree Housing Partnership Limited via this route.

A number of changes to Board positions took place in April 2025, following the resignation of Mrs. Sarah O'Neill. See section D.2.3 for details. Mr. Steven Hayes was appointed Vice Chair at a Board meeting on 24 April 2025.

D.2.3 Chairs

Mrs. Sarah O'Neill was appointed as a Board Member and Chair on 21 September 2023. Mrs. O'Neill subsequently resigned as both Board Member and Chair on 15 April 2025. Mr. Craig Sullivan (Vice Chair) was appointed as Acting Chair on 16 April 2025 and then Chair on 24 April 2025.

D.2.4 Executive Team

The Executive Team consisted of Chief Executive (Donna Johnson), Finance Director (Catherine Davies-Gallagher), Head of Corporate Services (Sue Sparks), Head of Assets and Repairs (Mark Williams – from 18 May 2026. Post occupied by interim manager prior to this) and the Head of Housing and Customer Experience (Emily Shuttleworth).

The Executive Officers hold no interest in WTHP's shares and act as officers within the authority delegated by the Board. The Chief Executive is the Company Secretary.

WTHP has insurance policies that indemnify Board Members and Executive Officers against liability when acting for the organisation.

D.3 Compliance with the Regulator of Social Housing Standards

As expected, WTHP underwent a Regulatory inspection in the summer of 2024. The result of this and a self-referral to the Regulator regarding a Rent Standard matter impacted the Regulatory gradings that were published in October 2024. These gradings showed that WTHP was compliant with Regulatory Standards respecting Governance (G2) and Viability (V2),but falling on the Consumer Standards (C3).

WTHP has maintained a positive and constructive relationship with the Regulator and in February 2026, the Regulator issued a revised Judgement as follows:

Area of assessment	Regulatory Grading	Change	Compliance
Governance	G2	Assessed and unchanged	Meets the standard
Financial Viability	V2	Assessed and unchanged	Meets the standard
Consumer Standards	C2	Upgrade	Meets the standard
Rent Standard	Our judgement is that the landlord has addressed the issues in the regulatory judgement dated October 2024 relating to rent setting.	New judgement	Meets the standard

This information is available on the RSH website.

Following the publication of the updated Regulatory Gradings, WTHP continues to:

- Engage positively with the Regulator.

- Engage third party expertise to assist in final actions focussed on achieving further regulatory upgrades.

This process is expected to continue into 2026/27.

D.3.1 Governance and Financial Viability Standard and Code of Practice
WTHP complies with the Regulator for Social Housing's ('RSH') Governance and Financial Viability Standard and Code of Practice in the following ways:

- Adopted the NHF Code of Governance (2020) from 1 April 2024. WTHP has tested its compliance against this Code during the financial year and was found to be compliant in all areas except respecting the means of Board assurance on how WTHP is meeting its objectives regarding equality of opportunity, diversity and inclusion and the annual publication of related information. WTHP is seeking guidance on the best way to respond to these points.
- A balanced board of management with regular appraisal.
- Adopted the NHF 2015 model rules.
- Standing Orders are in place that set out roles and responsibilities which are reviewed annually by the Board.
- A risk management framework in place with an agreed risk appetite and detailed risk map.
- A long term financial plan in place which has been stress tested.
- Compliance with lenders covenants which the Board monitoring compliance on a quarterly basis.
- Corporate objectives in place which protect housing assets.
- Sufficient liquidity to meet contractual commitments.
- Sufficient headroom to meet development plans.
- An effective system of internal controls is in place which are tested by internal audit.
- An assets and liabilities register is in place.
- A fraud register reviewed by the Audit and Risk Committee.
- Regular assessment of WTHP's membership of the SHPS pension scheme undertaken by external experts.
- A treasury management policy and strategy with regular reporting to board on key business objectives, targets and outcomes.
- Board approved whistle blowing, anti-fraud and corruption policies; and
- Regular monitoring of loan covenants and requirements for new loan facilities.
- Business Planning, stress testing and recovery planning process in place.

As noted above, the Audit and Risk Committee maintains a fraud register for review at all their meetings. During 2025/26 no fraud attempts were identified (2024/25: nil).

See section D.4 for additional information on internal controls.

In addition to this WTHP:

- Has complied with all relevant law.
- Continues to engage with the Regulator of Social Housing regarding the outcome of its regulatory inspection (which took place during 2024/25) and the resulting Regulatory Engagement Plan.
- Acted within its rules.

D.3.2 Rent Standard and Guidance
During the 2023/24 financial year, WTHP commissioned an independent review of its compliance with the Rent Standard. This review highlighted some shortfalls and prompt action was taken to rectify matters, including the reporting of this issue to the Regulator of Social Housing.

Refunds were made to affected tenants and former tenants (where identifiable). In February 2026, the Regulator confirmed that this matter was **resolved**.

WTHP has learnt from this experience and changed its practises. Internal controls around rent matters have been significantly tightened and reporting and oversight enhanced to give the Board assurance on compliance in this area.

D.3.3 Value for Money Standard and Code of Practice
WTHP complies with its obligations under the Value for Money Standard ('VFM') by regular reporting of the VFM metrics, forecasting and budgeting VFM metrics, implementing a range of strategies which support business objectives and which tie in to the metrics and by publication of the year end metrics in the audited accounts. In addition, the published metrics are benchmarked against other similar providers. WTHP also has a Value for Money Strategy and Action Plan.

D.3.4 The Consumer Standards
The Regulator of Social Housing's Consumer Standards came into force on 1 April 2024. The Standards are listed below:

- Safety and Quality Standard.
- Transparency, Influence and Accountability Standard.
- Neighbourhood and Community Standard.
- Tenancy Standard.

WTHP has made significant improvements regarding compliance with these Standards, resulting in the Regulator awarding a 'C2' grading in February 2026.

D.4 Assessment of the effectiveness of Internal Controls
The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing annually its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by WTHP is ongoing and has been in place throughout the period commencing 1 April 2025 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit and Risk Committee;
- clearly defined management responsibilities for the identification, evaluation and control of significant risk;
- multiple level review of financial data on a monthly basis.
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training and development policies for all staff;
- establishment of authorisation and appraisal procedures for all significant new initiatives and commitments;
- a treasury management policy and strategy with regular reporting to board on key business objectives, targets and outcomes;
- Board approved whistle blowing, anti-fraud and corruption policies; and
- Regular monitoring of loan covenants and requirements for new loan facilities.
- External assurance on the effectiveness of WTHP's risk management framework has been provided in the 2025/26 financial year via two independently commissioned risk reviews.
- Business Planning, stress testing and recovery planning process in place.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives the minutes of Audit and Risk Committee meetings. The Audit and Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for WTHP, and the annual report of the internal auditor, and has reported its findings to the Board.

D.5 Going concern

WTHP's business activities, its current financial position, and factors likely to affect its future development and achievement of its objectives are set out within the different sections of the Strategic Report.

WTHP has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the required day to day operations. WTHP also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. As at 31 March 2026 WTHP had available cash balances of £1.2M (2025: £1.3M) and a further £4.7M of secured but undrawn loan facilities that could be drawn at short notice.

The Board's assessment of going concern involves a number of subjective judgements which have been made regarding assumptions feeding into WTHP's financial planning processes which in turn are used to assess going concern. These include, but are not limited to, assumptions about future levels of inflation, interest rates, proceeds from housing property disposals, timing and pricing of first tranche shared ownerships, the future cost of maintaining its homes and the costs of implementing and achieving required energy efficiency standards in its housing stock.

In making its assessment, the Board has considered the strategic risks identified on the strategic risk map and have used these and inputs from external advisors to devise wide-ranging multivariate stress tests to apply to the business plan. Amongst other things, the stress tests have considered the impacts of persistent and higher inflation, the impact of conflict in the Middle East ('oil shock'), higher interest rates and lower house prices. These are all relevant to the organisation, as it operates largely through the buying in of materials, labour and services from third party contractors. The debt portfolio contains a mixture of fixed and variable rate debt, which leaves it with some exposure to interest rate increases. The current Plan assumes that WTHP will gradually dispose of poorer performing stock, so falls in house prices would impact this programme. The sale of planned shared ownership sales could also be affected either through price falls or delays.

The results of the stress tests have been reported to, and reviewed by, the Board at their 28 May 2026 meeting.

Recovery planning outlining mitigating actions to allow WTHP to recover from the conditions set out in a range of stress tests was also reported to the Board. Additionally, the Board also received confirmation that all mitigating actions had been tested to ensure that the recovery planning was sufficient to restore WTHP to covenant compliance and a satisfactory financially viable position. Scenario tests which produced results which could not be recovered were also reported to the Board.

As part of the going concern assessment and conclusion, the Board were satisfied that the stress testing scenarios had incorporated the impact of the special situation risks. Consequently, the Board were able to conclude that the Business Plan was robust and that WTHP would be able to meet its ongoing obligations.

The Board has a reasonable expectation that WTHP has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board has considered the foreseeable future for their going concern assessment to cover the period to 30 September 2027.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

D.6 Events after the end of the reporting period

After the reporting date, RPA1 Limited entered administration. As this event occurred after 31 March 2026 and does not provide evidence of conditions existing at that date, it has been treated as a non-adjusting event. Accordingly, no adjustment has been made to these financial statements. Willow Tree Housing Partnership Limited manages 187 Rentplus properties at the reporting date and continues to monitor developments.

D.7 Auditor

All of the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Menzies LLP have expressed their willingness to continue to act in their capacity as external auditors.

D.8 Annual General Meeting

The Annual General Meeting will be held on 10 September 2026. The location will be published nearer the time of the meeting.

The Report of the Board of Directors was approved by the Board on
and signed on its behalf by:

Craig Sullivan	**Donna Johnson**	**Steven Hayes**
Chair	Company Secretary	Vice Chair

Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLOW TREE HOUSING PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Willow Tree Housing Partnership Limited (the "society") 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 society'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 society 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 society's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The other information comprises the information included in the Strategic Report other than the financial statements and our auditor's report thereon. The Board of management are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLOW TREE HOUSING PARTNERSHIP LIMITED (continued)

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 control over transactions has not been maintained; or
- the society 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
As explained more fully in the Statement of Board's responsibilities set out on page 50, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the society'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 intend to liquidate the society 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.

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

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 Society, 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 2014, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLOW TREE HOUSING PARTNERSHIP LIMITED (continued)

- 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 society's activities and the regulated nature of the society'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 society'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 society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Menzies LLP
0F8E80190A27458...

Menzies LLP
Chartered Accountants
Statutory Auditor

4th Floor, 95 Gresham Street
London
EC2V 7AB

Date: 14 September 2026

Statement of Comprehensive Income
For the year ended 31 March 2026

	Note	2026 £000	2025 £000
Turnover	5	10,593	9,797
Cost of sales	5	(422)	(90)
Operating costs	5	(9,252)	(8,036)
Surplus on the sale of housing properties	6	538	437
Operating surplus	8	1,457	2,108
Interest receivable	11	26	70
Interest and financing charges	12	(1,429)	(1,555)
Surplus for the financial year		54	623
Other comprehensive income			
Actuarial gain/(loss)	28	28	32
Total comprehensive income for the year		82	655

Willow Tree Housing Partnership Limited's results relate wholly to continuing activities.

The financial statements were approved and authorised for issue by the Board on 30 July 2026 and are signed on behalf of the Board by:

Craig Sullivan
Chair

Donna Johnson
Company Secretary

Steven Hayes
Vice Chair

The accompanying notes on pages 65 to 109 form part of these financial statements.

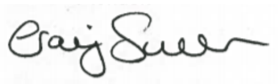
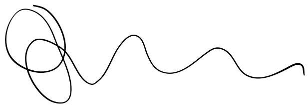
Statement of Financial Position
As at 31 March 2026

	Note	2026 £000	2025 £000
Fixed Assets			
Intangible assets	14	12	34
Tangible fixed assets - housing properties	15	92,399	91,904
Tangible fixed assets - other	16	709	706
Investments	17	260	268
		93,380	92,912
Current Assets			
Properties for sale	18	-	-
Stock	19	-	86
Debtors – due in one year	20	726	750
Cash at bank and in hand		1,248	1,346
		1,974	2,182
Creditors			
Amounts falling due within one year	21	(2,957)	(2,816)
Net current assets		(983)	(634)
Total assets less current liabilities		92,397	92,278
Creditors:			
Amounts falling due after one year	22	(52,234)	(52,127)
Provisions	25	(650)	(569)
Net assets excluding pension liability		39,513	39,582
Defined benefit pension liability	28	(326)	(477)
Net assets		39,187	39,105

Statement of Financial Position (continued)
As at 31 March 2026

	Note	2026 £000	2025 £000
Capital and Reserves			
Share capital	29	-	-
Income and expenditure reserve	30	31,819	31,737
Revaluation reserve	30	7,368	7,368
WTHP's Funds		39,187	39,105

The financial statements were approved and authorised for issue by the Board on 30 July 2026 and are signed on behalf of the Board by:


Craig Sullivan
Chair

Donna Johnson
Company Secretary

Steven Hayes
Vice Chair

The accompanying notes on pages 65 to 109 form part of these financial statements.

Statement of Changes in Reserves
For the year ended 31 March 2026

	Share capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total Reserves £000
As at 1 April 2025	-	7,368	31,737	39,105
Surplus for the year	-	-	54	54
Other comprehensive income: Actuarial (losses) / gains in respect of pension scheme	-	-	28	28
As at 31 March 2026	-	7,368	31,819	39,187

Statement of Changes in Reserves
For the year ended 31 March 2025

	Share capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total Reserves £000
As at 1 April 2024	-	7,368	31,082	38,450
Surplus for the year	-	-	623	623
Other comprehensive income: Actuarial (losses) / gains in respect of pension scheme	-	-	32	32
As at 31 March 2025	-	7,368	31,737	39,105

The accompanying notes on pages 65 to 109 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2026

	Note	2026	2025
		£000	£000
Net cash inflow from operating activities			
Surplus for the year		54	623
Adjustments for:			
Depreciation and impairment of assets - housing properties	15	1,513	1,506
Component write off	15	51	18
Depreciation of other tangible fixed assets	16	29	30
Amortisation of intangibles	14	22	25
Decrease in properties held for sale	18	-	38
Amortised grant	5	(269)	(269)
Interest payable and finance costs	12	1,429	1,555
Interest receivable	11	(26)	(70)
Surplus on sale of houses		(610)	(455)
Carrying amount of tangible fixed asset disposals		451	-
Movement in debtors		24	12
Movement in investments		8	-
Movement in creditors		516	477
Movement in provision		81	(42)
Movement in stock		86	(86)
Difference between net pension expenses and cash contribution		(122)	(117)
Net cash generated from operating activities		3,237	3,245
Investing activities			
Proceeds from sale of fixed assets – housing properties		1,105	561
Purchase of fixed assets - housing properties	15	(2,510)	(2,788)
Purchase of fixed assets - other	16	(32)	(10)
Interest received	11	26	70
Net cash used in investing activities		(1,411)	(2,167)
Financing activities			
Interest paid		(1,429)	(1,555)
Other loans repaid		(11)	(14)
New loans and drawdowns - bank		-	-
Repayment of loans - bank		(484)	(881)
Net cash generated from financing activities		(1,924)	(2,450)
Net (decrease) / increase in cash		(98)	(1,372)
Cash at beginning of year		1,346	2,718
Cash at end of year		1,248	1,346

The accompanying notes on pages 65 to 109 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal Status

Willow Tree Housing Partnership Limited ('WTHP') is registered with the Financial Conduct Authority in England and Wales under the Co-operative and Community Benefits Societies Act 2014 and is registered with The Regulator of Social Housing as a social housing provider. The registered office is given on page 1 and the principal activities can be found in the Strategic Report.

WTHP is a public benefit entity.

2. Accounting policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for WTHP includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared in pounds sterling (£) and are rounded to the nearest thousand pounds.

The following principal accounting policies have been applied:

2.1 Basis of consolidation

Willow Tree Housing Partnership Limited ('WTHP') has one subsidiary (SWHNC Limited) which is registered under the Companies Act. This company is 100% owned by WTHP and is dormant. The exemption from producing consolidated financial statements per paragraph 9.9A of FRS 102 has been taken on the basis that the subsidiary is not material for the purpose of giving a true and fair view.

2.2 Going concern

WTHP's business activities, its current financial position, and factors likely to affect its future development are set out within the Report of the Board.

WTHP has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with WTHP's day to day operations.

WTHP also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

As at 31 March 2026 WTHP had available cash balances of £1.2M (2025: £1.3M) and a further £4.7M (2025: £6.0M) of secured but undrawn loan facilities that could be drawn at short notice.

The Board's assessment of going concern involves a number of subjective judgements which have been made regarding assumptions feeding into WTHP's financial planning processes which in turn are used to assess going concern. These include, but are not limited to, assumptions about future levels of inflation, interest rates, proceeds from housing property disposals, timing and pricing of first tranche shared ownerships, the future cost of maintaining its homes and the costs of implementing and achieving required energy efficiency standards in its housing stock.

In making their assessment, the Board have considered the strategic risks identified on WTHP's risk map and have used these and inputs from external advisors to devise wide-ranging multivariate stress tests to apply to the business plan. Amongst other things, the stress tests have considered the impacts of persistent and higher inflation, higher interest rates and lower house prices. These are all relevant to WTHP, as it operates largely through the buying in of materials, labour and services from third party contractors. WTHP's debt portfolio contains a mixture of fixed and variable rate debt, which leaves it with some exposure to interest rate increases. The current Plan assumes that WTHP will gradually dispose of poorer performing stock, so falls in house prices would impact this programme. The sale of planned shared ownership sales could also be affected either through price falls or delays.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

The results of the stress tests have been reported to, and reviewed by, the Board.

Detailed recovery plans outlining mitigating actions to allow WTHP to recover from the conditions set out in a chosen selection of stress tests have been reported to the Board. Additionally, the Board also received confirmation that all mitigating actions had been tested to ensure that the recovery plans were sufficient to restore WTHP to covenant compliance and a satisfactory financially viable position.

As part of the going concern assessment and conclusion, the Board were satisfied that the stress testing scenarios had incorporated the impact of the special situation risks. Consequently, the Board were able to conclude that the Business Plan was robust and that WTHP would be able to meet its ongoing obligations.

The Board has a reasonable expectation that WTHP has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board have considered the foreseeable future for their going concern assessment to cover the period to 30 September 2027.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

2.3 Turnover and revenue recognition
Turnover comprises property and garage rental income receivable in the year, service charge income, income from shared ownership first tranche sales, other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year, incomes from the electricity feed in tariff, occasional insurance claim receipts, car park lease income and amortisation of grants, receivable in the year.

Rental and service charge incomes (where applicable) are recognised:

- from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids; and
- up to and including the actual closing date for the financial year. As such, this may mean that part of the final, full weekly rent for the financial is deferred to the following financial year.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Income is measured at the fair value of the consideration received or receivable.

Voids are incurred from the date a property becomes vacant up until the date the new tenancy commences. If a property is to be put on the market for sale once it becomes vacant it will be taken out of management.

2.4 Service charge income
Service charge income is recognised as it falls due.

2.5 Employee benefits
Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred (charged to the Statement of Comprehensive Income).

WTHP participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit final salary pension scheme managed by TPT Retirement Solutions that is no longer open to new members.

The scheme assets and liabilities have been separately identified for each employer, and WTHP accounts for the scheme as a defined benefit scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

The current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current accounting period. Interest is calculated on the net defined liability. Re-measurements are reported in other comprehensive income.

2.6 Planned and Responsive Maintenance
The Asset Management Team maintains a rolling Asset Management Strategy and Plan which sets out priorities for planned maintenance and component replacements in the years ahead.

All component replacements and repairs to property which result in an incremental future benefit (as set out in the components section of Note 2), or result in a significant extension of the useful economic life of the property within the business, are capitalised and depreciated in accordance with the housing property Accounting Policies. All other repair and maintenance costs are charged directly to operating costs within the Statement of Comprehensive Income. Such costs are subdivided into responsive maintenance and planned maintenance categories.

Responsive maintenance activities relate to the day-to-day repairs which need attention to keep the property in good order. Typical examples include the repair of water leaks and emergency tree works.

Planned maintenance works relate to works such as external decoration projects, major fencing works and similar programmes.

2.7 Taxation

Corporation Tax
WTHP has adopted charitable rules and is not liable for corporation tax on its charitable activities.

PAYE and National Insurance
PAYE and National Insurance liabilities are incurred based on tax rates and laws in force at the point when the liability was incurred.

2.8 Value added tax
WTHP 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 WTHP and is not recoverable from HM Revenue and Customs. The balance of VAT payable or receivable at the year-end is included as a current liability or asset.

2.9 Interest receivable
Interest receivable on positive cash holdings is accounted for in the Statement of Comprehensive Income in the attributable financial year.

2.10 Interest payable and financing charges
WTHP's loans are classified as basic financial instruments as defined in Section 11 of FRS 102.

Interest payable and financing costs are charged to the Statement of Comprehensive Income over the term of the debt.

Debt issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and debt set up costs and arrangement fees are reported on the Statement of Financial Position. Such costs are amortised over the life of the loan facility and the amortisation is charged to the Statement of Comprehensive Income. Facility non-utilisation costs are charged directly to the Statement

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

of Comprehensive Income.

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- Interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
- Interest on WTHP's borrowings as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

2.10 Interest payable and financing charges
The interest rate used for capitalisation will be the weighted average of rates applicable to WTHP's general borrowings outstanding (excluding any borrowings specifically for obtaining other assets).
For the reporting of results:

- for the 2026 year, the interest rate used for capitalisation was the weighted average of WTHP borrowings.

- for the 2025 year, the interest rate used for capitalisation was the weighted average of WTHP borrowings.

Notional interest has been charged to the Statement of Comprehensive Income regarding the balance on the Recycled Capital Grant Fund in line with the guidance set out in the Capital Funding Guide issued by Homes England. Other interest payable is charged to the Statement of Comprehensive Income.

2.11 Leases
Leases that do not transfer the risks and rewards of ownership are classified as operating leases.

SORP 2018 considers that standard rental agreements for tenanted social housing properties to be operating leases as defined in section 20 of FRS 102. WTHP is the lessor.

Rentals under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

2.12 Intangible assets
Section 18 of FRS 102 states that an intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is identifiable when:
- It is separable.
- It arises from contractual or other legal rights.

FRS 102 also states that the cost of an intangible asset can only be recognised if:
- It is probable that future economic benefits associated with the item will flow into WTHP; and
- The cost of the item can be measured reliably.

Once the intangible asset has been recognised the cost model will be applied which means that the item will be measured at cost less any accumulated amortisation and less any accumulated impairment losses.

Intangible assets – Computer software
Computer software is carried at cost less accumulated amortisation and impairment losses. Costs associated with maintaining computer software are recognised as an operating expense in the Statement of Comprehensive Income as incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

2.12 Intangible assets
Intangible assets - Computer Software Development Costs
Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria is met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and the expenditure attributable to the software during its development can be reliably measured.

Amortisation is charged on a straight-line basis over the expected useful economic life of the software. The expected useful economic life is considered to be five years. The computer software is reviewed for impairment where there are triggers such as technological advancement or changes in market price that indicate that the carrying amount may be impaired.

Intangible assets – Rentplus Costs –
A number of costs associated with bringing Rentplus developments into service with WTHP have previously been capitalised on the basis that the Rentplus developments will produce benefits over some years, even though these properties are not owned by WTHP. These costs are:

- Upfront legal costs for Rentplus properties.

These costs are carried at cost less accumulated amortisation and (if required) impairment. Costs associated with the maintenance of Rentplus properties and the amortisation of these capitalised intangible costs are charged as operating costs in the Statement of Comprehensive Income.
The expected useful economic life is considered to be five years.

2.13 Tangible fixed assets – housing properties
Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent.
Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).
The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition, which may include an appropriate amount for staff costs, and other costs of managing development.

Directly attributable costs of acquisition include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

2.13 Tangible fixed assets – housing properties
Expenditure on major refurbishment to properties is capitalised where works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within fixed assets and accounted for at cost less depreciation.
Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

be sold in first tranche, are included in fixed assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Shared Ownership Properties and Staircasing
Under low-cost home ownership arrangements, WTHP disposes of a long lease on low cost home ownership housing units for a shares generally ranging between 25% and 50% of value. The buyer has the right to purchase further proportions and some up to 100% based on the market valuation of the property at the time each purchase transaction is completed.
Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover. The remaining element, the "staircasing element", is classed as a fixed asset and included in completed housing property at cost less any provision for depreciation and impairment (impairment and depreciation are charged to the Statement of Comprehensive Income). Sales of subsequent tranches are treated as a part disposal of a fixed asset. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Income from first tranche shared ownership sales is included in turnover on completion of the sales contract process in line with paragraph 12.6 of the Housing SORP 2018.

2.15 Depreciation of housing properties
Paragraph 17.16 FRS 102 provides that if the major components of an item of property have sufficiently different patterns of consumption of economic benefits, then each major component must be recognised and depreciated over its individual, economic life (Housing SORP 2018).

Additional consideration may be required by management for any major components as a result of changes in energy efficiency or building and fire safety requirements.

Owned Properties
WTHP separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

2.15 Depreciation of housing properties (continued)
WTHP depreciates the major components of its housing properties at the following annual rates:

Description	Percentage depreciation	Useful economic life
Structure*	0.80%	125 years
Structure	1.00%	100 years
Roofs	1.67%	60 years
Kitchens	4.00%	25 years
Bathrooms	3.33%	30 years
Windows and doors	2.50%	40 years
Heating systems (Gas)	6.67%	15 years
Heating systems (Oil)	5.00%	20 years
Heating systems (Renewable)	6.67%	15 years
Heating systems (Electric)	4.00%	25 years
Solar and Photovoltaics	5.00%	20 years
External property fittings +	4.00%	25 years
Lifts	4.00%	25 years
Log Walls	4.00%	25 years

*Certain former South Western Housing Society properties improved via a rain cladding programme are depreciated over 125 years (0.8% per annum).

+Bargeboards, soffits, fascia, guttering and downpipes associated with certain former Tamar Housing Society properties.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

Freehold land values are measured at historic cost and are not depreciated on account of indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Shared Ownership Properties
WTHP's retained portion of shared ownership properties is measured as the historic cost of the retained element and charges depreciation, so as to write-down the non-land element to its estimated residual value, on a straight-line basis, over its estimated useful economic life, as follows:

Description	Percentage depreciation	Useful economic life
Shared Ownerships	1.00 %	100 years

The land element is not depreciated.

Leasehold properties
SORP 2018 considers that standard rental agreements for tenanted social housing properties to be operating leases as defined in section 20 of FRS 102. WTHP will be the lessor.

Lease agreements for properties leased by WTHP from the owner for a period up to five years will be treated as operating leases as defined in section 20 of FRS 102. WTHP will be the lessee.

Housing Property Impairment
The Housing SORP 2018 paragraphs 14.1 to 14.45 deals with the impairment of assets. Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

The housing property portfolio for WTHP is assessed for indicators of impairment at each Statement of Financial Position date.

Where an indicator of impairment exists then an assessment is undertaken as follows:

- The level at which an impairment is to be assessed is determined (i.e. the asset or cash generating unit).
- The recoverable amount of the asset or cash generating unit is identified.
- The carrying amount of the asset or cash generating unit is calculated.
- The carrying amount is compared to the recoverable amount to determine if an impairment loss has occurred.

Where:

- **Cash Generating Units**

WTHP defines cash generating units as schemes, except where its schemes are not sufficiently large or where it is geographically sensible to group schemes into larger generating units.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

- **Recoverable amount**

The recoverable amount of an asset or cash generating unit is the higher of it's:

- Value in use; and
- Fair value less costs to sell.

The approach taken to the value in use estimate will depend on whether the properties held for service potential can still actually be let. Where service potential remains then WTHP will follow the direction of SORP 2018 paragraph 14.26 and utilise the depreciated replacement cost as an estimate of the value in use.

Where a scheme is currently deemed not to be providing service potential to WTHP, its recoverable amount is its fair value less costs to sell or value in use as set out in SORP 2018 paragraph 14.21.

- **Carrying Amount**

The carrying amount of the asset or cash generating unit is calculated as the net book value less any unamortised grant in the Statement of Financial Position relating to the asset or cash generating unit.

- **Impairment Losses**

An impairment loss occurs when the carrying amount of the asset or cash generating unit exceeds its recoverable amount. This impairment loss must be charged to the Statement of Comprehensive Income as expenditure and is disclosed as a separate line within operating expenditure if material.

- **Reversal of an impairment loss**

An impairment loss for all assets must be reversed in a subsequent period if and only if the reasons for the impairment have ceased to apply (SORP 2018 paragraph 14.38). The reversal of an impairment loss is included in the Statement of Comprehensive Income.

2.16 Other tangible fixed assets
Other tangible fixed assets such as offices, office furniture and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

WTHP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to WTHP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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 economic lives. No depreciation is provided on freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is any indication of a significant change since the last reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

The principal annual depreciation rates used for other assets are:

Description	Percentage depreciation	Economic useful life
Freehold Offices - land	0%	Not applicable
Freehold Offices - buildings	2%	50 years
Office furniture	20%	5 years
Office IT	33%	3 years
Furniture, fixtures and fittings	20%	5 years
Computers & office equipment	33%	3 years
Motor vehicles	33%	3 years
Other Assets	20%	5 years

WTHP capitalises all assets with a historic purchase cost of £500 or more (inclusive of VAT).

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Comprehensive Income.

2.17 Investments
Investments represent monies held by third parties on WTHP's behalf.
Investments are held on the Statement of Financial Position at fair valuation. A discount may be applied if there is a difference between the actual interest rate received and the risk-free rate. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.18 Properties for Sale
Unsold, but completed shared ownership first tranche sale properties and properties developed for outright sale are valued at the lower of cost and estimated selling price less costs to complete and sell (net realisable value).

Cost comprises materials, interest and direct development overheads.

2.19 Stock
Properties under construction are valued at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Cost comprises materials, interest and direct development overheads.

Other stock is stated at the lower of cost and net realisable value.

2.20 Debtors
Debtors with no stated interest rate and receivable within one year are recorded at the transaction price. Any losses from impairment are recognised in the Statement of Comprehensive Income, in operating costs.

Where deferral of payment terms has been agreed and the potential impact of discounting is material, the balance is shown at the present value, discounted at a market rate.

- **Recoverable amount of rental and other trade receivables**

WTHP estimates the recoverable value of rental and other receivables and impairs the debtor by the appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt. The impairment is actioned by the creation and review of provisions for bad and doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

- **Provisions for liabilities - Bad and Doubtful Debts**

The provisioning for bad and doubtful debts is reviewed in detail, on a regular basis and at the reporting date. A wide variety of information is included as part of the assessment.

In the case of tenant arrears, this will include factors such as the state of the tenancy i.e. current or former, payment history, the arrears balance and any payment plans in place.

For non-tenant arrears, a similar exercise is performed.

Based on the information available, management estimate the required level of provisioning required.

Provisions are charged to the Statement of Comprehensive Income and the provision balance is reported on the Statement of Financial Position. Debtor balances are reported net of the appropriate provision.

The level of bad and doubtful debts provisioning is based on judgements about likely debt repayments and is therefore included in Note 3 of the accounts regarding judgements and estimates.

- **Rental and service charge agreements**

WTHP has made arrangements with individuals and households for the payment of rent and service charge arrears. These arrangements are effectively loans granted at nil interest rate.

Where arrangements are made for tenants to repay their arrears beyond normal business terms with no interest rate applied, the liability will be measured at the present value of the future payments discounted at a market rate.

2.21 Cash and Cash Equivalents

Cash and cash equivalents in WTHP’s Statement of Financial Position consist of cash at bank, cash in hand and any retail vouchers which have been purchased for distribution to tenants through various tenancy support activities.

Cash and deposits which are normally payable within one year are recognised at their undiscounted, transaction value.

2.22 Creditors

Short term trade creditors payable within one year with no stated interest rate are measured at the transaction price.

Where deferral of payment terms has been agreed and the impact of discounting is material, the balance is shown at the present value, discounted at a market rate.

2.23 Provisions

Provisions are recognised for legal or constructive obligations for which either the timing or the amount of the future expenditure required to settle the obligation is uncertain. The amount recognised is the best estimate of the settlement amount.

- **Rentplus Provisions**

WTHP has a number of future obligations arising from its decisions to accept the management of Rentplus housing stock on fully repairing leases which contain specific contractual commitments around items such as property handback standards.

As a result of this, provisions are provided for leased Rentplus properties. The provisions are created via a charge to the Statement of Comprehensive Income. The resulting provision is recorded on the Statement of Financial Position within creditors due in more than one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
2. Accounting policies (continued)

Details of the provisions made annually are shown in Notes to the Accounts. The provisions cover three areas:

- Handback costs.
- Cyclical costs
- Major repair costs relating to kitchens, boilers and renewables.

Note 3 of the accounts regarding judgements and estimates sets out the assumptions made in the creation of these provisions.

- **Formula Rent Repayment Provision**

WTHP had obligations to repay rent deemed to have been overcharged by reference to the Regulator of Social Housing's Rent Standard. This matter was referred to the Regulator and an amount expected to be returned to tenants was calculated. The overcharge (£133k) was identified in the 2023/24 financial year (2022: nil). Funds were disbursed across 2024/25 and 2025/26 the final provision value for 2025/26 is £nil (2025: £4k).

2.24 Government Grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations.

They are recognised in the accounts when there is reasonable assurance that the conditions attached to the grants will be complied with and that they will be received. Grants due from government organisations or received in advance are included as current assets or liabilities on the Statement of Financial Position.

Grants will be recognised using the accrual method, as required by FRS 102 and SORP 2018. Grants received to cover costs already incurred with no future related costs will be recognised as revenue when they become receivable. Grants relating to revenue will be recognised in the period in which the related costs are recognised.

2.24 Government Grants

Grants relating to assets will be recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the useful life of the property structure which is 100 years. Grant receivable for a specific component will be recognised in income over the useful life of the component (component lives are noted under the 'Depreciation of housing properties' sections).

Where there is a donation or acquisition of land or other asset at below market value, the difference between the fair value of the land or asset will be recognised as a grant and will be treated in the same way as a grant relating to assets noted above.

On disposal of a grant funded asset, where there is no obligation to repay the grant, any unamortised grant will be derecognised as a liability and recognised as income.

Where there is a requirement to recycle or repay the grant on disposal of an asset, a liability will be included in the Statement of Financial Position. The liability will be the amount required to settle the obligation as required by the terms of the grant agreement.

Grants relating to shared ownership property sales when full staircasing has not taken place will be deferred if the net sale proceeds are insufficient to meet the repayment obligations and will not be recognised as a liability. On subsequent staircasing sales a liability will be recognised once the net sale proceeds are sufficient to cover the liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

2.25 Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

2.26 Financial Instruments

WTHP has chosen to apply FRS 102 Section 11 and Section 12 in full, on the basis that each of its loans meets the criteria of a basic financial instrument as defined in Section 11 of FRS 102.

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

WTHP has not adopted hedge accounting for the financial instruments.

2.27 Contingent Liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on each of:

- Grant repayment that is dependent on the disposal of related property
- Potential liabilities regarding the SHPS Pension Benefit Review

2.28 SHPS ongoing legal proceedings regarding the payment of past pension benefits

WTHP participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit final salary pension scheme managed by TPT Retirement Solutions that has been closed to new members for some years.

The scheme assets and liabilities have been separately identified for each employer and WTHP accounts for the scheme as a defined benefit scheme.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

The current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current accounting period. Interest is calculated on the net defined liability.

Re-measurements are reported in the Statement of Other Comprehensive Income.

As at the year ended 31 March 2026, the net defined benefit pension deficit liability was £326k (2025: £477k).

Detailed information regarding the pension position is set out in the Notes to the Accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

In preparing these financial instruments, key judgements have been made in respect of the following:

3.1 Impairment of Tangible Fixed Assets

Both FRS 102 and the Housing SORP 2018 (paragraphs 14.1 to 14.45) provide indicators that should be considered by at each reporting date, to assess whether there are any indicators of impairment.

Assessments, recoverable amounts and value in use may therefore be subject to estimates and uncertainties. Factors taken into account in reaching such a decision include economic viability and expected future financial performance of the asset where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. WTHP has considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment on a depreciated replacement cost basis.

Other key sources of estimation uncertainty:

3.2 Tangible fixed assets – housing properties

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

The capitalisation of interest regarding active developments, is based on assumptions regarding the overall pooled interest rate to estimate the amounts.

3.3 Components

The cost of replacing components is generally a known, as these items are sourced from third party suppliers who subsequently provide invoicing for the items and/or the work package as a whole. Components have agreed useful economic lives and the lifespans dictate the timing of the replacement programme. However, there may be occasions when it is more cost-effective to replace a component early. For example, housing stock in a given location may have common components that are due to be replaced at differing, but broadly similar points, then it may be operationally and financially beneficial to replace all items at the same time.

3.4 Allocation of costs for shared ownership properties

Costs of the development of mixed tenure schemes may not be easily or directly attributable to specific properties within the scheme. In such cases, WTHP will allocate costs based on a simple basis such as floor area or number of bedrooms.

When shared ownership properties are sold, the cost of the shared ownership is allocated in line with the proportion of the property purchased. These are deemed a fair method of cost allocation but is subject to estimates and uncertainties.

3.5 Useful lives of depreciable assets

Management reviews its estimate of the useful economic lives of depreciable assets at each reporting date based on the expected utility of the assets including any components.

Uncertainties in these estimates relate to a variety of issues including but not limited to technological obsolescence that may change the utility of certain software and IT equipment, changes to the Decent Homes Standards and changes to energy efficiency requirements which may require more frequent replacement of key components. Additionally, there may be occasions when it is more cost-effective to replace a component early. For example, housing stock in a given location may have common

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

components that are due to be replaced at differing, but broadly similar points. In such cases, it may be operationally and financially beneficial to replace all the items at the same time.

Accumulated depreciation of intangible assets as at 31 March 2026 was £264k (2025: £242k) and the carrying amount of the intangible assets was £11k (2025: £34k).

Accumulated depreciation of housing properties as at 31 March 2026 was £20,324k (2025: 19,525) and the carrying amount of the housing properties was £92,398k (2025: £91,904k).

3.6 Service Charges

WTHP operates a 'hybrid' model for service charges, as follows:

3.6.1 Former South Western Housing Society Properties

For these properties, WTHP adopts the variable method for calculating and charging service charges to its tenants, on a scheme-by-scheme basis.

Service charges are set on the basis of budgets. The budget will include an allowance for the surplus or deficit from prior years, with a surplus being returned to residents in the form of a reduced charge for the year and a deficit being recovered via a higher service charge.

Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded on the estimated amounts chargeable. Incomes and costs are recognised up to and including the actual closing date for the financial year i.e. 31 March.

3.6.2 Former Tamar Housing Society Properties

For these properties, WTHP operates both fixed and variable service charge arrangements:

Shared ownership tenants are charged on a scheme-by-scheme basis on a variable basis.

Other tenure types are charged on a fixed service charge basis (on a scheme-by-scheme basis), whereby tenants are charged the actual costs incurred in the twelve months up to and including the 30 September in the current financial year.

Works carried out on properties that are chargeable through the service charge are charged to residents over periods up to 30 years.

Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded on the basis noted above.
Incomes and costs are recognised up to and including the actual closing date for the financial year i.e. 31 March.

A calculation has been carried out to assess any outstanding charges under fair value using a discount rate that WTHP has judged to reflect the potential cost to the resident if they had procured the works elsewhere.

The total cost is not considered to be material and has, therefore, not been included.

3.7 Tenant arrears and payment plans

There are a number of tenants with agreements to repay arrears over future periods. A calculation has been carried out to assess these agreements under fair value using a discount rate that WTHP has judged

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

to reflect the potential cost to the resident if they had procured the agreement elsewhere. The total cost is not considered to be material and has, therefore, not been included.

3.8 Grants

Grants received for the development or purchase of properties are amortised over the life of the relevant property, which is equivalent to the life of its structure component. Component lives are set out in Note 2.

As at 31 March 2026, the accumulated value of grants was £24,275k (2025: £24,468k) and the associated amortisation amounted to £5,051k (2025: £4,578k).

3.9 Provisions

3.9.1 Bad and doubtful debt provisions

The provisioning for bad and doubtful debts is reviewed in detail, on a regular basis and at the reporting date. A wide variety of information is included as part of the assessment.

In the case of tenant arrears, this will include factors such as the state of the tenancy i.e. current or former, payment history, the arrears balance and any payment plans in place.

For non-tenant arrears, a similar exercise is performed.

Based on the information available, management estimate the required level of provisioning required.

Provisions are charged to the Statement of Comprehensive Income and the provision balance is reported on the Statement of Financial Position.

At the close of 31 March 2026, the provision for bad and doubtful debts amounted to £120k (2025: £123k).

3.9.2 Rent plus provisions

Provisions are provided for leased Rentplus properties and are set out in Note 2 Accounting Policies.

Details of the provisions made annually are shown in the Notes to the Accounts. The provisions are made using a number of assumptions:

- Handback costs are based on WTHP’s review of the contractual handback standard provided by Rentplus and current experience of costs.
- Cyclical costs are based on planned programmes, good property management practises and current experience of costs for these activities. External decoration provisions cover a mixture of exterior washing down or repainting.
- Major repair costs. Provisions are made for the replacement of kitchens, boilers and renewables, in line with the agreed asset lives set out in in WTHP’s Accounting Policies (Note 2).

Wherever possible, provisioning is calculated at property level.

The provision balances at the close of the current and prior financial years are shown in the table below:

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Provision balances	2026	2025
	£000	£000
Handback provisions	141	136
Cyclical provisions	126	113
Major repairs	383	301
Total	**650**	**550**

3.10 Pension defined benefit obligation

Information regarding pension liabilities is subject to periodic, professional re-assessment.

WTHP operates defined benefit accounting for the SHPS pension scheme. The financial impact of this has been (and continues to be) provided by the scheme's administrators (TPT Retirement Solutions).

The estimate of the defined benefit obligation is based on a number of critical underlying assumptions made by TPT Retirement Solutions, such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in the Notes to the Accounts).

The impact of any change is recorded through the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Other Comprehensive Income and further information is given in the Notes to the Accounts.

The calculation of the obligation also incorporates the impact of the various High Court rulings; namely McCloud and GMP. Note 29, specifically, provides a comprehensive overview of WTHP's position with respect to the SHPS pension plan.

The net defined benefit pension liability at 31 March 2026 was £326k (2025: £477k). For current employees, WTHP operates a defined contribution scheme.

3.11 Going Concern and the impact of special situation triggers

WTHP's business activities, its current financial position, and factors likely to affect its future development are set out within the Report of the Board.

WTHP has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with WTHP's day to day operations.

WTHP also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

As at 31 March 2026 WTHP had available cash balances of £1.2M (2025: £1.3M) and a further £4.7M (2025: £6.0M) of secured but undrawn loan facilities that could be drawn at short notice.

The Board's assessment of going concern involves a number of subjective judgements which have been made regarding assumptions feeding into WTHP's financial planning processes which in turn are used to assess going concern. These include, but are not limited to, assumptions about future levels of inflation, interest rates, proceeds from housing property disposals, timing and pricing of first tranche shared ownerships, the future cost of maintaining its homes and the costs of implementing and achieving required energy efficiency standards in its housing stock.

In making their assessment, the Board have considered the strategic risks identified on WTHP's risk map and have used these and inputs from external advisors to devise wide-ranging multivariate stress tests to apply to the business plan. Amongst other things, the stress tests have considered the impacts of persistent and higher inflation, higher interest rates and lower house prices. These are all relevant

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

to WTHP, as it operates largely through the buying in of materials, labour and services from third party contractors. WTHP's debt portfolio contains a mixture of fixed and variable rate debt, which leaves it with some exposure to interest rate increases. The current Plan assumes that WTHP will gradually dispose of poorer performing stock, so falls in house prices would impact this programme. The sale of planned shared ownership sales could also be affected either through price falls or delays.

The results of the stress tests have been reported to, and reviewed by, the Board.

Detailed recovery plans outlining mitigating actions to allow WTHP to recover from the conditions set out in a chosen selection of stress tests have been reported to the Board. Additionally, the Board also received confirmation that all mitigating actions had been tested to ensure that the recovery plans were sufficient to restore WTHP to covenant compliance and a satisfactory financially viable position.

As part of the going concern assessment and conclusion, the Board were satisfied that the stress testing scenarios had incorporated the impact of the special situation risks. Consequently, the Board were able to conclude that the Business Plan was robust and that WTHP would be able to meet its ongoing obligations.

The Board has a reasonable expectation that WTHP has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board have considered the foreseeable future for their going concern assessment to cover the period to 30 September 2027.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of turnover, operating costs, cost of sales and operating surplus/(deficit)

2026

	Turnover £000	Cost of sales £000	Operating cost £000	Surplus on disposal of properties £000	Operating surplus/ (deficit) £000
Social housing lettings (*note 5)*	10,093	-	(9,050)	-	1,044
Other social housing activities					
First tranche low-cost home ownership sales	500	(422)	-	-	78
Development costs not capitalised	-	-	(202)	-	(202)
Non social housing activities					
Provision for pension	-	-	-	-	-
Surplus on the sale of housing properties	-	-	-	538	538
	10,593	(422)	(9,252)	538	1,457

2025

	Turnover £000	Cost of Sales £000	Operating Cost £000	Surplus on disposal of properties £000	Operating surplus/ (deficit) £000
Social housing lettings (*note 5)*	9,673	-	(7,883)	-	1,790
Other social housing activities					
First tranche shared ownership sales	124	(90)	-	-	34
Development costs not capitalized	-	-	(153)	-	(153)
Non social housing activities					
Provision for pension	-	-	-	-	-
Surplus on the sale of housing properties	-	-	-	437	437
	9,797	(90)	(8,036)	437	2,108

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Particulars of Income and Expenditure from social housing lettings

	2026			
	General needs housing £000	Shared ownership £000	Rentplus £000	Total £000
Income from lettings				
Rent	7,343	347	1,618	**9,308**
Service charge	296	42	-	**338**
Amortisation of Government grants	269	-	-	**269**
Other income	178	-	-	**178**
Total income from lettings	**8,086**	**389**	**1,618**	**10,093**
Operating costs				
Service charge costs	452	27	-	**479**
Management	1,620	123	325	**2,068**
Routine maintenance	2,052	11	193	**2,256**
Planned maintenance	1,162	-	61	**1,223**
Bad debts	-	-	12	**12**
Depreciation of housing properties	1,440	43	-	**1,483**
Component write off	51	-	-	**51**
Impairment	-	-	-	**-**
Lease payments	-	-	1,256	**1,256**
Social involvement	15	-	-	**15**
Other costs	184	-	-	**184**
Fair Rent Provision	22	-	-	**22**
Total operating costs	**6,998**	**204**	**1,847**	**9,049**
Operating surplus/(deficit) on lettings	**1,088**	**185**	**(229)**	**1,044**
Void Losses	31	-	17	**48**

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Particulars of Income and Expenditure from social housing lettings

	2025			
	General needs housing £000	**Shared ownership £000**	**Rentplus £000**	**Total £000**
Income from lettings				
Rent	7,090	332	1,617	**9,039**
Service charge	291	36	-	**327**
Amortisation of Government grants	269	-	-	**269**
Other income	37	1	-	**38**
Total income from lettings	7,687	**369**	**1,617**	**9,673**
Operating costs				
Service charge costs	419	9	1	**429**
Management	1,325	109	299	**1,733**
Routine maintenance	1,237	-	119	**1,356**
Planned maintenance	1,150	-	78	**1,228**
Bad debts	48	-	9	**57**
Depreciation of housing properties	1,421	42	-	**1,463**
Component write off	50	-	-	**50**
Impairment	20	-	-	**20**
Lease payments	-	-	1,269	**1,269**
Social involvement	8	-	-	**8**
Other costs	254	-	-	**254**
Fair rent provision	16			**16**
Total operating costs	**5,948**	**160**	**1,775**	**7,883**
Operating surplus/(deficit) on lettings	1,739	209	**(158)**	**1,790**
Void Losses	26		26	52

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Surplus on sale of fixed assets

	2026 £000	2025 £000
Disposal proceeds	1,105	561
Carrying value of fixed assets	(495)	(115)
	610	446
Deferred capital grant released on disposal	(72)	(9)
Total surplus on disposal of fixed assets	538	437

The sales relate to the disposal of eight properties (2025: three properties).

7. Units of housing stock

	2026 No	2025 No
General needs housing		
- Social	886	890
- Affordable	298	291
Low-cost home ownership / shared ownership	104	103
Leased	5	4
Rentplus managed properties	187	200
	1,480	1,488
Units under construction	-	6

The net movement in property units for the year is made up of:

	2026
New Properties	
St Katherine’s Close, Ilton, Somerset	
- affordable rent units	3
- low cost home ownership	2
Belstone View, Morchard Bishop, Devon	
- affordable rent units	4
- low cost home ownership	2
Disposals	
Rentplus handbacks/sales	(13)
16 Headland Park House	(1)
8 Home Park	(1)
50 Holmer Down	(1)
49 Mount Gould Road	(1)
100 Victoria Road	(1)
Disposals – Shared Ownership Staircasing	
17 Longfield Drive	(1)

15 Little Green Drive	(1)
Shared Ownership Staircasing to Leasehold	
12 Tovey Crescent – Shared Ownership	(1)
12 Tovey Crescent – Leasehold	1
Written Off - Fire Damage	
19 Bridgewater Gardens	1
Net movement	**(8)**

Property written off in 2025 as a result of Fire Damage. Reinstated as part of an insurance claim

	2026
Units under construction	
	0
	0

As at the 31 March 2026, WTHP leased a total of 187 (2025: 200) properties from RPI 1 Ltd and RPI 2 Ltd on a 20 year lease with a 5 year break clause. No (2025: No) new properties were leased during the year.

	2026 No	2025 No
General needs housing		
5 years remaining	16	72
4 years remaining	73	34
3 years remaining	34	21
2 years remaining	21	37
At the end of the current year	43	36
	187	200

8. Operating surplus

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

	2026 £000	2025 £000
Depreciation		
- housing properties: annual charge	1,483	1,486
- housing properties: accelerated depreciation on replacement components	51	50
-housing properties: impairment	-	20
- other tangible fixed assets	29	30
- amortisation of intangible fixed assets	22	25
Operating lease charges		
- equipment	7	6
- rent of office premises	25	25
- Rentplus lease payments	1,256	1,269
Auditor’s remuneration (excluding VAT)		

- Fees payable to the auditor for the audit of the financial statements	33	27
- Fees payable to the auditor for other services	3	3

9. Employees

The Board recognises that the success of the business depends on the quality of WTHP's managers and staff. A training and development programme is provided for staff as part of their annual appraisal.

The Board is aware of its responsibilities on all matters relating to health and safety. Detailed health and safety policies are in place and staff are provided with training and education on health and safety matters.

Absence from work due to sickness was 3.60% (2025: 1.73%). Our personnel and recruitment policies reflect our commitment to equality, diversity and inclusion.

Staffing costs for the year covering the Executive Team and all other staff, but excluding board members' emoluments were:

	2025 £000	**2025 £000**
Salaries	1,326	1,245
Non-consolidated performance award	-	3
Redundancy Payments	-	3
National Insurance	164	132
Pension costs - defined contribution	84	75
Pension admin tool	9	9
Defined contribution pension assurance premium	8	5
SHPS pension deficit contribution	7	6
Temporary staff	191	54
Other payroll related costs	6	5
	1,796	1,537

There were no settlement payments made in 2026 (2025: none).

The average number of employees including the Executive Team expressed as full-time equivalents, calculated on a standard working week of 35 hours during the year, was as follows:

	2026 No.	**2025 No.**
Housing Management	7.86	7.61
Asset Management & Maintenance	5.27	4.17
Business Support	5.67	6.05
Corporate Services	3.60	2.85
Finance	4.83	4.58
Development	0.60	1.07
Executive Team	4.00	4.00
	31.83	30.33

9. Employees (continued)

Remuneration (representing the total employment cost incurred by the Society) paid to staff earning over £60,000 upwards were as follows:

	2026 No.	2025 No.
£60,001 - £70,000	1	-
£70,001 - £80,000	3	2
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

10. Key management personnel remuneration

As set out in the Accounting Direction for private registered providers of social housing, directors should include the Chief Executive Officer and the executive management team as set out on page 1. Therefore, Key Management Personnel are considered to be the Board and the Executive Team.

	2025 £000	2025 £000
Directors' emoluments	451	344
Benefits in kind	1	1
Employer's national insurance contributions	48	42
Employer's pension contributions	27	26
	527	413

The total amount payable to the highest paid director in respect of emoluments (excluding employer's NIC and pension contributions) was £114,206 (2025: £111,489). As a member of the defined contribution pension scheme, the pension entitlement of the Chief Executive is identical to that of other members, except for two members of staff with different historical employer contribution rates.

Directors' emoluments include £30,780 and £79,579 paid to a third party for the services of two interim Head of Assets and Repairs who served from June 2025 to September 2025, and from October 2025 to March 2026 respectively.

There were no payments in relation to loss of office of a director in 2025/26 or in the prior year.

There were 4 directors in WTHP's defined contribution scheme during the year (2025: 4). None of the directors accrued benefits under the defined benefit pension scheme during the year (2025: none).

Members of the Board of Management received aggregate emoluments of £41,957 (2025: £39,718). The Board of Management overall received £544 (2025: £453) for board expenses (including mileage) during the year, paid to 7 (2025: 5) individuals.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Interest receivable

	2026 £000	2025 £000
Bank interest received	15	57
THFC interest	11	13
	26	70

The interest receivable from The Housing Finance Corporation Limited (THFC) Interest Service Reserve Fund (ISRF) represents interest receivable from investments held by THFC on WTHP's behalf as part of a long-term funding arrangement which was put in place with THFC in February 2020. As part of this arrangement, WTHP was bound to place monies equivalent to one year's interest payment into an ISRF account with the lender.

12. Interest and financing charges

	2026 £000	2025 £000
On loans and borrowings:		
Interest payable on bank loans	1,102	1,220
Interest payable on other loans	332	334
Amortisation of bank loan set up costs	47	48
Amortisation of loan premium	(46)	(45)
Non-utilisation fees	31	35
	1,466	1,592
Other finance costs		
Net interest expense on defined benefit cost	23	27
Interest capitalised on housing properties under construction	(74)	(74)
Recycled capital grant fund notional interest	14	10
Interest and financial charges	1,429	1,555

In the 2025/26 financial year, notional interest has been charged to the RCGF on a basis set out in the Capital Funding Guide issued by Homes England.

13. Taxation

WTHP has charitable status and its activities during the year did not give rise to a Corporation Tax liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Intangible assets

	RentPlus costs	Computer software	Total
	2026	**2026**	**2026**
	£000	**£000**	**£000**
Cost			
At start of year	157	119	276
Additions	-	-	-
At end of year	157	119	276
Amortisation			
At start of year	155	87	242
Charge	1	21	22
At end of year	156	108	264
Net book value			
At end of year	1	11	12
At start of year	2	32	34

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Tangible fixed assets – housing properties

	General needs completed £000	General needs under construction £000	Shared ownership completed £000	Shared ownership under construction £000	Total £000
Cost					
As at 1 April 2025	105,135	551	5,479	130	111,295
Additions:					
- construction costs	-	1,097	-	375	1,472
- replaced components	956	82	-	-	1,038
Completed schemes	1,619	(1,619)	505	(505)	-
Disposals:					
- housing	(370)	-	(209)	-	(579)
- components	(504)	-	-	-	(504)
As at 31 March 2026	106,836	111	5,775	-	112,722
Depreciation and impairment					
As at 1 April 2025	18,787	-	604	-	19,391
Charge for the year	1,470	-	43	-	1,513
Impairment	-	-	-	-	-
Eliminated on disposal:					
- Housing	(113)	-	(15)	-	(128)
- Replaced Components	(453)	-	-	-	(453)
As at 31 March 2026	19,691	-	632	-	20,323
Net Book Value					
At 31 March 2026	87,145	111	5,143	-	92,399
At 31 March 2025	86,348	551	4,875	130	91,904

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Tangible fixed assets – housing properties (*continued)*

The net book value of housing properties may be further analysed as:

	2026 £000	2025 £000
Freehold	88,956	88,359
Long leasehold	3,443	3,545
	92,399	91,904
Expenditure:		
Components capitalised	956	1,159
Charge to income and expenditure	1,223	1,228
Interest capitalisation:		
Interest capitalised in year	74	74
Cumulative interest capitalised	1,325	1,251
	1,399	1,325
Rate used for capitalisation	4.65%	4.84%
Total Social Housing Grant received or receivable to date		
Capital Grant - Housing Properties	24,275	24,468
Recycled Capital Grant - Housing Properties	552	346

The Housing SORP allows capitalisation of components and of other improvement works that result in an incremental future benefit of a housing property. All other expenditure is charged to income and expenditure.

Impairment

WTHP considers each scheme to represent separate cash generating units when assessing for impairment in accordance with the requirement of FRS 102 and Housing SORP 2018.

During the current year WTHP has recognised an impairment loss of £nil (2025: £20k).

The impairment has arisen due to a catastrophic fire at 19/20 Bridgewater Gardens in Totnes, during the year.

Both properties are the subject of an insurance claim.

Properties held for security

WTHP had property with a net book value of £48.7M pledged as security as at 31 March 2026 (2025: £49.0M).

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Other tangible fixed assets

	Freehold land £000	Freehold Offices £000	Office furniture and Equipment £000	Office IT £000	Other assets £000	Total £000
Cost						
Opening	110	752	95	111	33	1,101
Additions	-	5	-	27	-	32
Closing Balance	110	757	95	138	33	1,133
Accumulated depreciation						
Opening Balance	-	201	89	98	7	395
Charge for the year	-	15	1	10	3	29
Closing Balance	-	216	90	108	10	424
Net Book Value – 2026	110	*541*	5	30	23	709
Net Book Value – 2025	110	*551*	6	13	26	706

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Investments

	2026 £000	2025 £000
THFC – interest service reserve fund	260	268
Investment in SWHNC	-	-
	260	268

On receipt of new funding from THFC on 1st February 2019, an Interest Service Reserve fund was immediately created from the funding proceeds and retained by THFC. The ISRF fund must have a minimum balance equivalent to one year's interest payable (£260k) on the THFC loan.

WTHP also has a 100% owned subsidiary called SWHNC Limited. This subsidiary has been dormant for a considerable number of years.

SWHNC Limited's financial year ends on 31 March and it reports the following for the year ended 31 March 2026:

SWHNC Limited Statement of Financial Position	**2026 £**	**2025 £**
Called up share capital not paid	1	1
Net assets	1	1
Issued share capital		
1 Ordinary share of £1 each	1	1
Total shareholder funds	1	1

These financials have not been consolidated with those of WTHP, due to their immateriality.

18. Properties held for sale

	2026 £000	2025 £000
General needs properties for sale	-	-
Shared ownership properties for sale	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Stocks

	2026 £000	2025 £000
Under construction:		
Shared Ownership First Tranche Sales	-	86
Outright sales	-	-
	-	86

As at 31 March 2026, there was £nil (2025: £86k) of Shared Ownership stock under construction.

No (2025: £nil) impairment loss was recognised in the period in respect of inventories.

20. Debtors

	2026 £000	2025 £000
Rent and service charges receivable	290	299
Less: Provision for bad and doubtful debts	(120)	(123)
Net rent and service charges receivable	170	176
Prepayments and accrued income	354	398
Sundry debtors	202	176
	726	750

All debtors are due within one year.

The aggregate amount of social housing rent arrears as at 31 March 2026 was £290k (2025: £299k). The bad debt provision decreased by £4k in the period (2025: £40K increase) and this change was recognised in the Statement of Comprehensive Income. Additionally, £16k of bad debts were written off as irrecoverable during the period (2025: £16K). This resulted in a net charge of £12k (2025: £56k) to the SOCI.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Creditors: amounts falling due within one year

	2026	2025
CURRENT	**£000**	**£000**
Loans and borrowing (note 26)	751	806
Trade creditors	535	921
Rent and service charges received in advance	231	213
Social security and other taxes	37	35
Retentions	42	66
Accruals	832	505
Recycled capital grant (note 24)	260	-
Deferred capital grant (note 23)	269	270
	2,957	2,816

22. Creditors: amounts falling due after one year

	2026	2025
	£000	**£000**
Deferred capital grant (note 23)	18,955	19,343
Loans and borrowing (note 26)	32,986	32,438
Recycled capital grant (note 24)	293	346
	52,234	52,127

23. Deferred capital grant

	2026	2025
	£000	**£000**
As at 1 April	19,613	19,527
Amount transferred from Recycled Capital Grant	-	366
Amount released to Recycled Capital Grant Fund	(192)	(20)
Amortisation	(269)	(269)
Reversal of previous amortisation on disposed properties	72	9
As at 31 March	19,224	19,613

Amounts can be further analysed as follows:

	2026	2025
Due in one year	269	270
Due in more than one year	18,955	19,343
	19,224	19,613

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Recycled capital grant fund

	2026 £000	2025 £000
As at 1 April	346	682
Utilised on new schemes in the year	0	(366)
Transferred from deferred capital grants in the year	192	20
Interest	14	10
As at 31 March	553	346
Amounts due for repayment as follows:		
Due in one year	260	-
Due in more than one year	293	346
	553	346

In the 2025/26 financial year, notional interest has been charged to the RCGF on a basis set out in the Capital Funding Guide issued by Homes England.

25. Provisions

	Rentplus £000	Formula rent £000	Fair rent provision £000	Total £000
At beginning of year	550	3	16	569
Released in the year	(30)	(3)	(16)	(49)
Charged in the year	130	-	-	130
At end of the year	650	-	-	650

<u>Rentplus provisions</u>
Handback costs will be incurred at the end of the five-year lease of the properties leased under the Rentplus contract. These are provided for throughout the life of the lease together with provisions for cyclical and major works. The amounts provided as at 31 March 2026 amount to £650k (2025: £550k). The Rentplus provisions are reviewed, in detail by a joint team consisting of Asset Management and Finance staff. This ensures that the provisions remain up to date and correctly reflect latest expectations about the trajectory of future spending commitments.

26. Loans and borrowing

	2026 £000	2025 £000
Within 1 year		
Bank loans	737	795
Other loans	12	11
Bank loan set-up costs	(42)	(43)
Other set up costs	(4)	(3)
THFC premium	48	46
	751	806
Within 1-2 years		
Bank loans	2,038	737
Other loans	14	12
Bank loan set-up costs	(42)	(42)
Other set up costs	(4)	(4)
THFC premium	50	48
	2,056	751
Within 2-5 years		
Bank loans	12,103	2,341
Other loans	50	45
Bank loan set-up costs	(113)	(123)
Other set up costs	(12)	(12)
THFC premium	160	154
	12,188	2,405
In more than 5 years		
Bank loans	12,382	22,884
Other loans	5,581	5,600
Bank loan set-up costs	(37)	(69)
Other set up costs	(66)	(71)
THFC premium	882	938
	18,742	29,282
Total carrying cost	33,737	33,244

26. Loans and borrowing (continued)

As at 31 March 2026, WTHP has a diverse loan portfolio which includes both fixed and variable rate funding held on both bullet and repayment bases. Maturity dates vary between 2026 and 2044 and interest rates range from 2.66% to 10.83% (2025: 2.66% to 10.83%). Other loans include amounts associated with both THFC and Orchardbrook. A loan premium which arose when the THFC facility was drawn in 2020 is reported under the other loans category.

WTHP ends 2026 with financing from five lenders (Nat West, Triodos, Lloyds Bank, THFC and Orchardbrook). Nat West is now the most significant debt provider within this group.

All loans are secured against the completed housing properties of the organisation. The only valuation completed during the year was the routine re-valuation associated with the Triodos charged stock. There were no issues arising from this.

WTHP remains committed to maintaining a flexible portfolio of financing which includes fixed and variable rate debt, with dates sensibly staggered. Currently, facilities have varied end dates with the latest being 2044. The debt portfolio is scrutinised regularly by the Board and WTHP employs professional treasury managers to advise in this area. The Board is kept informed about interest rate risk, which has increased across the year, following the Bank of England's changes. WTHP has a Treasury Policy and a Treasury Strategy, which are reviewed routinely and in conjunction with the Business Plan, stress testing and recovery planning.

WTHP's treasury management frameworks seek to:

- *Minimise the impact of adverse movements in interest rates; and*
- *Support the development aspirations of WTHP.*

There were no covenant compliance issues during the year.

27. Financial Instruments

	2026 £000	2025 £000
Financial assets measured at cost		
Cash and cash equivalents	1,248	1,346
Investments	260	268
Financial assets measured at amortised cost		
Debtors (excluding prepayments)	372	385
	1,880	1,999
Financial liabilities measured at amortised cost		
Loans payable	33,737	33,244
Trade creditors	534	921
Other creditors and accruals	868	789
	35,139	34,954

The Board govern the treasury activities of the organisation. WTHP retains the services of professional, third party treasury management specialists (2Tix) who advise the Board, CEO and Finance Director on treasury matters.

A treasury management policy and strategy are in place. These were drafted by 2Tix and approved by the Board. The objectives of the policy document are to facilitate the use of financial instruments within a Board approved risk framework. The policy and strategy are subject to regular updates and scrutiny by the Board. The CEO and Finance Director are tasked with enacting the approved treasury management strategy (with assistance from 2Tix) and reporting progress to the Board. The Finance team report on the status of treasury matters and policy compliance on a regular basis to WTHP’s Executive team. The Board also receives this information, as well as treasury reporting from 2Tix, across the financial year.

27. Financial Instruments (continued)

Ultimately, the main risk facing WTHP is that it could be unable to make interest or principal payments when they fall due. This risk arises through the secured funding agreements that it has in place with five lenders (Natwest Bank, Triodos Bank, Lloyds Bank, The Housing Finance Corporation and Orchardbrook). All of the loan facilities are secured by fixed charges on specific completed housing properties belonging to WTHP.

Counterparty risk
The treasury management policy sets out limits on the amount of funds which can be placed in any one institution. Reputable institutions are chosen to hold the organisation's cash balances and the risk of institution failure is deemed low.

Market risk
WTHP's financial assets and liabilities do not create any material exposure to price, foreign exchange or other market risks.

Interest rate risk
The treasury management policy sets out the optimal balance of fixed versus variable interest rate debt to be held in WTHP's borrowing portfolio. The balance is maintained and managed via the agreed actions in the treasury management strategy. WTHP has fixed rate financing in place (to varying degrees) with its lenders. Loans in place with THFC, Lloyds and Orchardbrook are fixed for the duration of the facilities.

Liquidity risk
Liquidity is a key risk which is managed using well established cash forecasting and business planning processes which are regularly stress tested using multi variable scenarios. WTHP's operations are financed through a mixture of generated cashflows, government grants for development activities and loan borrowings. The interest rate strategy is regularly reviewed (as part of the Treasury management policy) and aims to achieve a conservative balance between fixed and variable rate debt at an acceptable level of risk and cost. Covenant compliance and sensitivity analysis of interest rates are monitored on a regular basis.

It is considered that WTHP has sufficient financial resources to make debt repayments and therefore the risk of being unable to meet its financial obligations to its lenders is considered low.

Credit risk
Credit risk, in terms of outstanding monies owed to WTHP by its tenants is monitored at various levels across the organisation (including the Board) on a routine basis.

Detailed scenario planning is used to estimate the impact of any government policy changes on existing and future tenancies. The business plan takes account of these changes and the impact of other influencing factors such as increases in the cost of living, in determining the financial impact of future customer indebtedness.

This risk is mitigated by existing processes to monitor and manage rent arrears. Note 21 sets out the level of bad and doubtful debts provided for at the year end.

Strategic risk
Financial instrument related risks map into two key strategic risks which are held on WTHP's risk register, as follows:

- Failure to manage lender relationships and risk of covenant breach
- Failure to successfully acquire new debt from new or existing lending partners, at an acceptable cost and risk profile.
- Failure of strategic planning processes

The Risk Register is reviewed regularly by the Audit and Risk Committee and the Board. Additional

27. Financial Instruments (continued)

information about WTHP's risk management framework can be found in the Strategic Report.

28. Defined benefit pension liability

WTHP participates in the defined contribution (DC) section of the Scheme, as the defined benefit (DB) part of the scheme has been closed to new members for some years. WTHP continues to have an obligation to contribute to any deficits arising from its DB membership.

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer 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 completed 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 the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 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.

Scheme benefit review SHPS cost estimates

WTHP has been advised that the Trustee of the SHPS is going to court to ask for a ruling on whether SHPS has been paying the correct benefits to members. Depending on the decision, this could lead to an increase in liabilities. This potential change in liabilities arises from uncertainty about what pension increases should be applied to benefits earned by members before December 2003 (pre-2003 benefits).

The Trustee of the SHPS has appointed Linklaters LLP to act on its behalf in this matter.

The last update for SHPS employers was issued by the SHPS Employer Committee (EC) in December 2023, when the EC advised that preparation for the case was progressing to schedule and that the Court had confirmed a window for the hearing during February 2025, with the outcome expected during Q2 2025. TPT also confirmed that, as the outcome will not be known before the 2023 valuation is concluded, no allowance for any potential increase in liabilities will be included in the 2023 valuation.

WTHP has disclosed a contingent liability in respect of this, see note 32.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Defined benefit pension liability (continued)

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 the defined benefit occupational pension schemes in the UK.

	2026	2025
Present value of obligation	**£000**	**£000**
Fair value of plan assets	2,785	2,729
Present values of defined benefit obligation	3,111	3,206
Surplus/(deficit) in plan	(326)	(477)
Pension scheme liability	(326)	(477)
Deferred taxation	-	-
Net pension scheme liability	(326)	(477)

Reconciliation of present value of plan liabilities:

	31 March 2026 £000	31 March 2025 £000
Obligation at start of period	3,206	3,421
Expenses	7	6
Interest expense	179	164
Actuarial losses/(gains)	(68)	(259)
Benefits paid	(213)	(126)
	3,111	3,206

Composition of plan liabilities

	2026 £000	2025 £000
Schemes wholly or partly funded	3,111	3,206

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Defined benefit pension liability (continued)

Reconciliation of fair value of plan assets

	2026 £000	2025 £000
Plan assets at start of period	2,729	2,795
Interest income	156	137
Experience on plan assets (exc. Amounts in interest income) – (loss)	(40)	(227)
Contributions by employer	153	150
Benefits paid	(213)	(126)
	2,785	2,729

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was (£40k) (2025: (£227k)).

Amounts recognised in the Statement of Comprehensive Income (SOCI)

	2026 £000	2025 £000
Operating costs:		
Expenses	7	6
Finance costs:		
Net interest cost	23	27
	30	33

Analysis of (loss) recognised in SOCI

	2026 £000	2025 £000
Experience on plan assets (exc. Amounts in interest) – (loss)	(40)	(227)
Experience gains and losses arising on the plan liabilities – (loss)	74	(90)
Effects of changes in demographic assumptions underlying the PV of the DB obligation – gain	(29)	-
Effects of changes in the financial assumptions underlying the PV of the DB obligation – (loss)/ gain	23	349
Total actuarial gains and losses (before restriction due to some of the surplus not being recognizable) – (loss)/gain	-	-
	28	32

NOTES TO THE FINANCIAL STATEMENTS (continued)
28. Defined benefit pension liability (continued)

Composition of plan assets

	2026 £000	2025 £000
Global equity	309	306
Absolute return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	496	506
Emerging Markets debt	-	-
Risk sharing	-	-
Insurance-linked securities	4	8
Property	136	137
Infrastructure	-	-
Private Equity	6	2
Real assets	262	327
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	336	334
Credit	111	104
Investment grade credit	164	84
Opportunistic Credit	-	-
Cash	1	37
Corporate bond fund	-	-
Liquid Credit	-	-
Long lease property	-	1
Secured income	84	46
Liability driven investment	849	827
Current Hedging	-	4
Net current assets	27	6
	2,785	2,729

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Defined benefit pension liability (continued)

Principal assumptions

	2026 % per annum	2025 % per Annum
Discount Rate	6.02	5.77
RPI	3.33	3.11
CPI	3.02	2.78
Salary growth	4.02	3.78
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Mortality assumptions

	2026 Life expectancy at age 65 (years)	2025 Life expectancy at age 65 (years)
Male retiring in 2026 (2025)	20.9	20.5
Female retiring in 2026 (2025)	23.2	23.0
Male retiring in 2046 (2045)	22.2	21.7
Female retiring in 2046 (2045)	24.6	24.5

29. Share capital

	2026 £	2025 £
As at 1 April	10	9
Shares issued in the year	2	1
Shares redeemed in the year	(1)	-
As at 31 March	11	10

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

30. Reserves

The revaluation reserve was created at WTHP's transition to FRS 102 and represents the uplift on housing properties at fair value.

The income and expenditure reserve represents the cumulative surpluses of WTHP.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. Capital commitments

	2026 £000	2025 £000
Expenditure contracted for but not provided in the accounts		
- Maintenance	-	-
- Construction	-	820
Expenditure authorised by the Board but not contracted		
- Maintenance	-	-
- Construction	2,793	2,038
	2,793	2,858
Financing of capital commitments:		
Undrawn loan facilities	2,793	2,858

Uncontracted construction as at 31 March 2026 relates to scheme development at Shepton Beauchamp and Bridestowe.

As at 31 March 2026, WTHP has £4.7m (2025: £6.0m) of undrawn loan facilities, which will be used to fund capital commitments along with receipts from first tranche shared ownership sales and planned property sales.

32. Contingent Liabilities

The following contingent liabilities are noted:

Increased Pension liabilities dependent on the SHPS Benefit Review Court Case
As set out in note 28, the Trustee of SHPS has applied to Court to clarify the position on payment of historical benefits. SHPS have advised that they have incurred significant costs in preparing for the Court process (which will ultimately be passed on to SHPS employers). The administrators of the SHPS scheme have advised that the legal costs will be charged directly to the Scheme and will be passed on to employers via the existing valuation processes.

Recycled Capital Grant Fund
From time to time, WTHP receives capital grant from Homes England and other similar bodies, which is used to fund the acquisition and development of housing properties and their components. Grant of £24.4M (2025: £24.4M) (excluding RCGF) has been received in respect of housing properties. In certain circumstances, upon disposal of grant funded properties, WTHP is required to recycle this grant by crediting the Recycled Capital Grant Fund (RCGF).

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. Operating leases

The minimum payments under this non-cancellable lease are set out below:

	Other equipment		Land and buildings	
	2026	**2025**	**2026**	**2025**
	£000	**£000**	**£000**	**£000**
Amounts payable:				
- less than one year	5	5	1,364	1,531
- between 2 and 5 years	-	-	2,698	3,241
	5	5	4,062	4,772

WTHP leases a photocopier and a franking machine on rolling operating leases.

WTHP has an operating lease for 187 properties with RPI 1 Limited and RPI 2 Limited. The operating leases are calculated as a percentage of rental income received on the leased properties.

Also included within operating leases on land and buildings is the office space.

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. Analysis of net debt

	At 1 April 2025 £000	Cashflow £000	Interest charge £000	Amortisation of loan costs £000	Premium £000	At 31 March 2026 £000
Cash at bank and in hand	1,346	(98)	-	-	-	1,248
Bank loans	(26,480)	597	(1,102)	(43)	-	(27,028)
Other loans	(6,765)	343	(332)	(3)	46	(6,711)
	(31,899)	842	(1,434)	(46)	46	(32,491)

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Related party disclosures

During the year, the Partnership purchased legal services from Tozers LLP amounting to £78K (2025: £66K). Additionally, Tozers LLP received £811K (2025: £1,120K) in funds to hold in the WTHP's client account (for onward payment for property development). Mr. Stephen Burtchaell (a Board member) is a partner of this firm.

36. Ultimate controlling party

Willow Tree Housing Partnership Limited is jointly controlled by the members. There is no ultimate controlling party.