

Karibu Community Homes

Annual Review and Financial Statements

Year Ended 31 March 2025

Karibu
Community Homes



www.karibu.org.uk



ANNUAL REVIEW AND FINANCIAL STATEMENTS

Year Ended 31 March 2025



CONTENTS

Executives and Advisors	4
Chair & Chief Executive's Statement	5
Annual Review of the Board	8
Independent Auditor's Report	35
Statement of Comprehensive Income	40
Statement of Financial Position	41
Statement of Cash Flow	42
Statement of Changes in Equity and Reserves	43
Notes to the Financial Statements	44



EXECUTIVES AND ADVISORS

BOARD OF MANAGEMENT

Dave Baptiste

Chair
(from 1 April 2024)

Jack Stephen

Chair – Audit & Risk Committee

Somayeh Tosi

Chair - Remunerations and
Nominations Committee
(from 1 April 2024)

Chyrel Brown

Chair – Customer Committee
(resigned 30 September 2024)

Katie Wilmot

Chair – Customer Committee
(from 1 August 2024)

Peta Caine**Wasiu Fadahunsi**

Debra Redhead-Allen
(from 1 April 2024)

Samuel Aligbe

(from 1 April 2024 to 27 February
2025)

Darren Alexander

(from 1 April 2024 to 31 January 2025)

Bianca White-Williams

(from 1 April 2024 to 31 March 2025)

Leroy Alphonso McKenzie

(from 1 April 2024 to 30 June 2025)

Ann Otesanya

(appointed 1 May 2025)

Drew Warner

(appointed 1 May 2025)

Jonathan Gregory

(appointed 1 May 2025)

Karen Forbes-Jackson

(appointed 31 July 2025)

Leke Adebiyi

(appointed 31 July 2025)

SENIOR STAFF

Gina Amoh

Chief Executive
(resigned 30 September 2024)

Ricky Scipio

Chief Executive
(appointed 1 October 2024
Managing Director
(until 30 September 2024)

Previn Tailor

Director of Finance & Resources

Gary Clark

Director of Customers & Communities

Eric Nelson-Addy

Interim Director of Resources
(resigned 30 September 2024)

Chris Liffen

Interim Director of Assets
(1 August 2024 to 31 March 2025)

Keith Meredith

Director of Asset Management and
Development
(appointed 1 April 2025)

Stephen Rosser

Company Secretary / Assistant Director,
Governance & Business Assurance

STATUTORY REGISTRATIONS

Co-operative & Community Benefit
Societies Act 2014. No. 25733R

Registered Social Landlord. No. LH3728

PRINCIPAL BANKER

National Westminster Bank
1 The Mall, Ealing, London W5 2PL

AUDITOR

S&W Partners Audit Limited
Onslow House
Onslow Street
Guildford
GU1 4TL

SOLICITORS

Prince Evans
Craven House
40-44 Uxbridge Road
London
W5 2BS

SOLICITORS

Devonshires Solicitors
30 Finsbury Circus
Moorgate
London
EC2M 7DT

REGISTERED OFFICE

Unit 3
8 Kew Bridge Road
Brentford
London
TW8 0FJ

Chair and Chief Executive's Statement

We are pleased to present the Chairman and Chief Executive's report for Karibu Community Homes (KCH) for the financial year ending 31 March 2025. It has been a year of both achievement and challenge, as we continue to navigate a complex economic landscape while maintaining our unwavering commitment to providing safe, affordable, and sustainable homes for our residents.

The merger of Inquilab and Westway in April 2024 formed the largest BME Housing Association in England, and we recognise our role as custodians of these organisations' rich history and lasting legacy.

Over the last 12 months we have consolidated this merger by integrating our people, systems and processes. We have, and are, continuing to strengthen our governance whilst focusing on our financial resilience to deliver much needed services to the communities we serve.

We have the scale to invest and have laid the foundation to deliver significant improvements over the next few years for our customers by investing in their homes and communities in which they live.

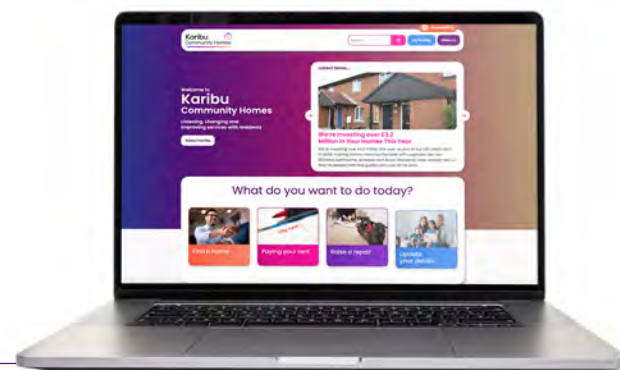
As Karibu we will continue to deliver affordable homes for rent and shared ownership. We are investing more widely in activities and partnerships that provide our residents with access to opportunities to develop their skills, knowledge and support networks.

Over the last 12 months, we have taken the opportunity to learn more about each other and had extensive discussions with our residents and stakeholders across the organisation.

This has been instrumental in the creation of our new Corporate Plan which sets out our ambitions over the next three years for 2025/26, 2026/27 and 2027/28.



We have the scale to invest and have laid the foundation to deliver significant improvements over the next few years for our customers by investing in their homes and communities in which they live.



STRATEGIC OVERVIEW AND PERFORMANCE

We have made solid progress in our first year as Karibu Community Homes, and in delivering on our core mission to provide high-quality, secure, and inclusive housing for people in our communities. Despite the ongoing pressures of inflation, increased regulatory scrutiny, and a tight housing market, we have remained financially resilient and socially responsive.

Regulatory performance is a key part in our role, and we were very pleased to retain our G1 rating from the Regulator of Social Housing in December 2024. Our viability remains V2 reflecting the scale of our investments in our homes and our financial capacity to deal with a reasonable range of adverse scenarios.

The introduction of the Regulator of Social Housing's Tenant Satisfaction Measures has provided us with an opportunity to gain valuable insights into our residents' experiences and perceptions of Karibu.

We are pleased to report that satisfaction has increased across ten of the 12 measured areas, which is an encouraging reflection of our ongoing commitment to service improvement. While we recognise there is still work to be done, we remain focused on driving satisfaction even further, responding to what matters most to our residents and striving for continuous improvement.

Changes in our repairs services saw repairs service satisfaction increase by 6% and time taken to complete a repair increase by 10% from the previous year.

VALUING OUR PEOPLE

We know that staff and resident satisfaction are closely connected. When our colleagues feel supported, recognised, and valued, they are more motivated and committed which directly enhances the experience we provide to our residents.

Over the past year, we have navigated the complexities of integrating two organisations, including restructuring to better deliver services to our communities. Despite these challenges, our people have remained engaged and resilient.

Our end-of-year pulse survey reflects this strength:

- **91% of staff said they would recommend Karibu as an employer.**
- **82% of staff reported feeling recognised and engaged with Karibu Community Homes.**

These results give us a strong foundation to build on as we continue to grow a positive, inclusive, and high-performing workplace culture.

FINANCIAL PERFORMANCE

Providing value for money is fundamental to sustaining high-quality services and a financially resilient organisation.

While we continued to navigate a challenging year within the housing sector, we remained focused on ensuring that every pound spent supports our residents and communities. Karibu Community Homes continues to operate from a position of financial strength.

Driven by the merger and the subsequent increase in our housing portfolio, we achieved a stable rental income of £18.3m (2024: £17.5m combined) for the year ending 31 March 2025.

Our operating surplus stood at £4.3m, while our overall surplus for the year was £1.56m. These results demonstrate prudent financial management, effective cost controls, and strategic investment planning.

During the year, we invested over £4.3 million in maintaining and improving our existing housing stock - a clear demonstration of our commitment to long-term asset management and resident wellbeing.

We maintained a strong balance sheet, with cash reserves and undrawn facilities providing a secure platform for future investment. Our gearing remains within policy limits, and we continue to comfortably meet all our loan covenants.

GOVERNANCE AND RISK

Governance remains a cornerstone of our success and in December 2024 we undertook a governance review by Savills so that we are well placed to strengthen the organisation and meet the challenges faced by the sector.

Our Board has provided robust oversight in an evolving regulatory environment, ensuring that we remain compliant with the Regulator of Social Housing's standards for governance, viability, and value for money.

Our Board receives regular updates on Karibu's risk management activities with our audit and risk committee reviewing Karibu's high level risk causes, and control and actions at each meeting.

RESIDENT ENGAGEMENT

We are resident-focussed and want to ensure that we place residents and the communities they represent at the centre of Karibu's future.

Listening to our residents and co-creating solutions remain key priorities.

Over the past year, we've strengthened our relationship with residents and increased their involvement in shaping our housing services, so that we can improve and enhance our customers' overall housing experience.

We consulted with residents and designed a resident engagement framework providing various channels, panels, and groups to effectively encourage and manage customer feedback. By the end of year, we have 120 residents participating in the framework engagement activities - including surveys, forums, and service co-design.

Residents contributed to key service policy's for Karibu, along with scrutiny on repairs services and developing our new corporate plan. In November 2024, we launched our new Resident Service Plan, which sets out several work streams covering communications and accessibility, service standard and delivery, engagement and transparency, and being a good neighbour and partner.

The plan reflects our residents' priority. It is jointly monitored by the Tenant's Committee and reported to the Customer Committee to ensure accountability and continuous improvement.

Our newly established Tenants' Committee and Resident Scrutiny Panel has become an integral part of our governance structure, contributing to real-time feedback on services.

ACKNOWLEDGEMENTS

As we reflect on the past year, we would like to share our heartfelt thanks to all those who have contributed to our journey and success.

We express our sincere gratitude to Gina Amoh, our former Chief Executive Officer, for her leadership and dedication. Also, we would like to thank Pamela Leonce (Former Chair of Inquilab) for her considerable support and guidance towards the merger. We also thank Eric-Nelson Addy, our former Financial Director, for his steadfast financial stewardship and commitment.

We would also like to extend our thanks to those Board members who have stood down following years of service to the legacy organisations, Inquilab and Westway. We acknowledge Leroy Mackenzie, Bianca White-Williams, Samuel Aligbe, Darren Alexander, and Chyrel Brown for their support and valued contributions, which helped pave the way for Karibu Community Homes.

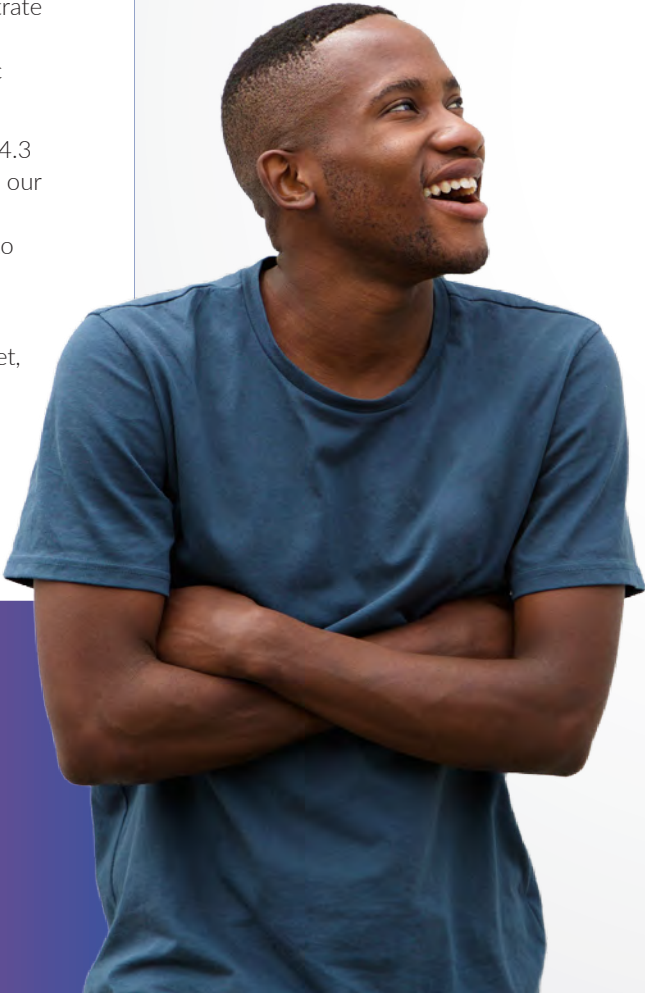
As Chair and Chief Executive, we want to record our thanks to the staff team at Karibu. We are hugely grateful for the exceptional, high-level, commitment they have shown during our integration process, and which they continue to do so, as we develop Karibu's unique culture.

Karibu means "welcome" in Swahili, and we remain committed to building communities where everyone can truly feel at home.

Dave Baptiste
CHAIR



Ricky Scipio
CHIEF EXECUTIVE



Annual Review

The Board is pleased to present the Annual Financial Statements and Report for Karibu Community Homes (formerly Inquilab Housing association) for the year ending 31 March 2025.

This report encapsulates our financial performance, strategic accomplishments, and governance structure, reflecting our ongoing commitment to meeting housing needs and providing community support.

Karibu Community Homes was formed on 1 April 2024 by a Transfer of Engagement following the merger of the former Inquilab Housing Association and Westway Housing Association.

These are Karibu's inaugural financial statements for the financial year 2024-25.

Responsibilities of the Board

The Board is responsible for preparing the Report of the Board and the financial statements in accordance with applicable UK law and regulations.

Co-operative and Community Benefit Society law and UK social housing legislation require the Board members to prepare financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and all relevant law. The Board must not approve the financial statements unless it is satisfied that the statements give a true and fair view of the state-of-affairs of the Association and of the surplus or deficit for that period.

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

- Select suitable accounting policies and 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 for Registered Social Housing Providers (SORP 2018) have been followed, subject to any material departures disclosed, and explained in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that we will continue in business

The Board is responsible for:

- Keeping proper accounting records that are sufficient to show and explain our transactions
- Ensuring the financial statements are prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Statement of Recommended Practice for Registered Social Housing Providers
- Safeguarding our assets and taking reasonable steps to prevent and detect fraud and other irregularities
- The maintenance and integrity of the corporate and financial information included on our website and other publicly accessed channels and materials where Karibu Community Homes is responsible for publishing information and where legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Key aspects of our current governance procedures are as detailed below.



Board Structure

At the heart of our organisation is a robust governance framework, comprising a dedicated board of management and specialised committees. These bodies ensure that we operate with integrity, transparency and accountability, guiding our strategic direction and overseeing our financial control.

Our Board, which has twelve non-executive members, is responsible for setting the strategic vision and providing oversight of Karibu's activities. Comprising experienced professionals from diverse backgrounds, the Board brings a wealth of knowledge and expertise to our governance.

The Board meets regularly to review performance, assess risks, and ensure that our operations align with our strategic objectives. Its dedication and proactive leadership have been instrumental in navigating the challenges of the past year. The Chief Executive, in consultation with the Chair, produces an agenda for each meeting - supported by papers from executive members who present the papers and answer any questions that arise as part of the Board discussion.

The Board has a framework of delegation to committees whose functions are set out below. It also has a number of matters that are reserved to the Board. Authority for implementing the agreed strategy and for general management of Karibu Community Homes is delegated to the Chief Executive.

All board members are briefed and are aware of their responsibilities to bring independent judgement on all issues. On appointment, they are informed of the procedure for obtaining professional advice at Karibu's expense. Regular site visits, presentations, and meetings with senior management and

advisers are arranged to ensure that all board members are kept informed of their responsibilities, our activities and objectives, and our operating environment. In addition, the Chief Executive and senior management team are fully accessible to all board members and maintain regular contact with them.



Board Committees

Supporting the Board is a network of specialised committees, each tasked with overseeing critical areas of our operations.

Together, our Board and the following Committees form the backbone of our governance structure, ensuring that we remain focussed on our mission while adhering to the highest standards of accountability and transparency. These committees are comprised of board members and are supported by executive team members, as appropriate. Their collective efforts enable us to deliver value to our residents and stakeholders, fostering a thriving and supportive community.

The Audit and Risk Committee (ARC)

This Committee has five members and is chaired by the Senior Independent Board member. It normally meets four times a year. It has been set up to support the Board in discharging its responsibilities, particularly in maintaining an effective system of internal control, and ensuring compliance with regulatory requirements.

The Committee's objective is to give assurance to the Board on the effectiveness of the system of risk management and internal control, the integrity of the annual report and accounts, the work of internal and external auditors, and such other matters as may be referred to it by the Board. The external and internal auditors attend key meetings and have direct access to the Committee Chair. The Committee keeps our relationship with the auditors under review and considers their independence.

Remuneration and Nominations Committee (RNC)

This Committee comprises three members and is chaired by a board member. It ensures that our governance practices remain robust and effective. It is responsible for board recruitment, development, the Board member appraisal system, the pay and remuneration of the Board and executive team, and for ensuring our leadership is equipped to meet future challenges.

Customer Committee (CC)

This Committee is made up of four board members and is responsible for overseeing the provision of services to our customers and monitoring resident engagement activities. Two of the board members that sit on this committee are also customers, whom the Board determines have the necessary skills to support the Committee's work. In addition, the Committee monitors compliance with consumer regulation and provides assurance in this area to the Audit and Risk Committee and the Board.



Review of the Business

External Environment

The 2024/25 financial year was another challenging period for the UK social housing sector, defined by ongoing economic pressures, increased demand for affordable homes, and the continued evolution of consumer regulation. Against a backdrop of modest economic recovery, inflation eased but remained above pre-pandemic levels, leaving residents and housing providers still feeling the effects of sustained cost-of-living challenges.

The UK General Election in July 2024 brought a shift in political leadership, with a new administration inheriting a housing system under strain. While the government has signalled renewed interest in long-term investment in housing and public services, real change will take time. In the meantime, constrained capital funding, rising service expectations, and increased regulatory scrutiny continue to stretch the resources of housing associations across the country.

A large proportion of our residents come from lower-income and diverse communities. Many are struggling with high housing and energy costs, food insecurity, and limited access to local services. These inequalities are often more acutely felt in the communities we serve and are compounded by inconsistent discretionary support from local authorities. At the same time, many frontline services face reduced funding despite rising demand.

Although the Bank of England started to ease interest rates towards the end of the financial year, the cumulative effect of high inflation experienced over the past years, coupled with borrowing costs, has had a lasting impact on development viability and repair investment across the sector. Whilst construction costs have stabilised, they remain elevated, and the labour market continues to be marked by shortages in skilled trades.

In the regulatory landscape, 2024/25 marked the first full year of implementation of the Social Housing Regulation Act, with the Regulator of Social Housing rolling out its new consumer inspections programme. Landlords are now required to evidence compliance with the new Consumer Standards - covering safety, quality, transparency, and engagement - with real consequences for non-compliance.

This increased scrutiny has rightly raised expectations across the sector, especially around resident safety, transparency, engagement, complaints handling, and asset data integrity. For Karibu, this has meant embedding a culture of accountability and continuous improvement, and ensuring we are inspection-ready and responsive at all levels.

The Housing Ombudsman also published key findings during the year, drawing attention to recurring systemic issues - such as poor complaint resolution and persistent damp and mould - which have further highlighted the need for landlord responsiveness and cultural change, especially in the areas of maintenance services and resident communication.



National homelessness levels continued to rise sharply, and although legislative changes have widened eligibility, a lack of genuinely affordable housing options remains the critical barrier to long-term solutions. This reinforces the need for targeted investment in social rent homes and wraparound support for those at risk.



For the sector, and for Karibu, this evolving environment has meant recalibrating our business plans and financial forecasts to account for increased compliance costs, higher service delivery standards, investment in existing homes, and renewed expectations from residents, regulators, and stakeholders alike.

Despite these challenges, Karibu has remained resilient and future-focussed. We have made conscious choices to protect our core services, continue investing in resident engagement and safety, and stay aligned with our long-term commitments to decency, net zero, and community impact. The merger of Inquilab and Westway, completed in April 2024 to establish Karibu Community Homes, has reinforced our strategic position, extended our operational reach, and enhanced our capacity to deliver social value at scale.

Our mission remains the same: **To provide high-quality, safe, and affordable homes while actively supporting the wellbeing and aspirations of our residents.** In uncertain times, we remain a trusted and responsive partner for the communities we serve.

About Karibu Community Homes

Karibu is a community benefit society and an exempt charity, regulated by the Regulator of Social Housing (RSH).

The organisation, formerly known as Inquilab Housing Association, was established in 1987 to support people in need of housing and to develop homes for under-represented Black and Minority Ethnic (BME) communities in West London.

Following our merger with Westway Housing Association on 1 April 2024, and through our continued, planned growth, Karibu now owns 1,874 homes and supports more than 5,000 residents across West London and surrounding areas.

This makes Karibu the largest regulated provider of homes for the BME community in the UK.

Karibu Community Homes

We are committed to building and providing high-quality homes at affordable rents, while also addressing the broader social issues that impact our residents and communities.

 **1,874 homes**

 **5,000 residents**

Karibu is more than just a registered charitable housing association

Our guiding principles around people, respect, fairness, and equality shape our values (see page 14) and are deeply embedded in our culture.

We are passionate about the communities we serve.

Beyond providing homes, we actively support and create opportunities for individuals and communities to thrive. We are dedicated to improving the emotional, environmental, and financial wellbeing of our residents, and to helping them lead healthier, more fulfilling lives.

As a not-for-profit organisation, all our income is reinvested to support our charitable and social value objectives.

This includes maintaining and developing affordable homes, and offering vital services such as financial, employment, training, wellbeing, and legal support - especially for our most vulnerable residents.

Residents remain at the heart of Karibu. They are our priority, and our governance structure ensures their voices are heard and valued throughout the organisation. We build relationships based on trust, and we are committed to being locally responsive, working hard to keep our communities safe, vibrant, and sustainable.

To achieve this, our business must remain agile. We adapt quickly to changing market conditions and regulatory requirements, while staying focused on our long-term goals in tackling the housing crisis, addressing climate challenges, and delivering lasting social impact. All of this is underpinned by our financial strength, robust governance, and diverse, forward-thinking leadership.



Highlights for 2024/25

Notwithstanding the economic turbulence and challenges of the year, in the year ending 31 March 2025, we committed to:

- Improving the way we communicate and engage with our residents, including:
 - Our response time to complaints and ensuring we keep our complainants informed
 - Publishing our service standards online
 - Publishing quarterly key performance reports on complaints and Tenant Satisfaction Measures results
 - Launching and offering various options for resident engagement
- Launching a programme of regular Tenant Satisfaction Surveys
- Reviewing and improving the delivery of our repairs service
- Commencing a programme of home visits across our housing portfolio
- Providing easier ways for residents to access services online
- Developing more ways for residents to formally and informally engage with us



Against these commitments, we achieved:

Investment in Communication

After investing in professional resources to oversee our internal and external communications, we are now engaging via six popular social media platforms and using our current website to provide up-to-date and relevant content. We also introduced regular newsletters, designed and tested new App features, and added resources to better manage the volume of enquiries received via telephone.

Fresh Approach to Complaints

We recruited a new senior manager and invested in other resources to provide a more robust approach to dealing with complaints. By analysing the cause and trends of complaints, we are now able to isolate key areas for review and change. We have reviewed our internal processes to better understand opportunities to learn and improve. This includes regular weekly meetings, a new system for capturing the customer complaint journey, and surveying those who had made a complaint to give us deeper insights into their experience.

New Resident Surveys

Alongside the requirement to survey over 300 of our residents during the year using perception-based questions, we also isolated three key areas for specific surveys that our residents told us we need to focus on, and which are key to improving rates of satisfaction. These areas were centred around complaints, communication, and our repairs service. The quarterly reports on the results were presented and used to discuss the changes we needed to make in consultation with our resident scrutiny panel and customer committee. The results of these surveys have resulted in a dynamic rolling action plan, leading to positive changes in these areas.

In addition, and as part of our ongoing priorities, we systematically use resident feedback and views to improve and shape what we do. We have a Customer Engagement Strategy that sets out how, and about what, we engage with our residents, and how we measure and report our progress.

We migrated to the Tenant Satisfaction Measures, and we continue to use transaction surveys to give us opportunities to get immediate feedback from residents and identify and address instances where we have not got things right. This enables us to resolve problems quickly, and to learn and improve the way we deliver our services.



Launched the New Karibu App

Our app extends the options for residents to access our repairs service and manage their rent accounts and make payments. It also allows communication via app messages which can be sent at a time that is convenient. A new website portal is planned for 2025 which will give those preferring to use a laptop or PC to be able to access our online services quickly and more efficiently.

New Engagement Framework

Supported by the sector's leading engagement consultant, the Tenant Participation Advisory Service (TPAS), we designed and launched an engagement structure that provides opportunities for those interested in helping us shape our future services - from formal regular committee meetings and one-off tasks to a wider virtual panel for online engagement on policies and plans.

New Repair Contractors

Following the merger and the establishment of Karibu, it became necessary to review our repairs contractor arrangements to deliver maintenance services to our now 5,000-strong residents. To ensure continuity during this transitional period, we engaged in discussions with the two existing contractors (Chigwell Group Ltd and MNM Property Services) who had previously served Inquilab and Westway. These discussions were successful, and both contractors agreed to continue under newly negotiated contracts.

These initial agreements were intentionally short-term, with the aim of procuring a single, long-term contract to cover all services. The procurement process began in the latter part of the 2024/25 financial year, with full implementation scheduled for April 2026.

We have seen a marked improvement with resident satisfaction over the last year through close working relationships with our contractors and improved service procedures. This will continue to be monitored and improved with the aim to further improve upon meeting residents' expectations.

Knowing our Residents

We recognise the need to get to properly know our residents and neighbourhoods again. We invested in mobile technology to commence a programme of estate, block, and home visits which will continue on a rolling programme. The purpose of this is to get to know our residents and gain a better understanding of the condition of our properties as well as capture any support needs our residents may have. These visits, which commenced in the latter part of 2024, will continue over the next two years so that we are able to build a clear and concise picture of resident need and building safety.

Ongoing Investment

During the year we continued to invest in our existing homes which included planned maintenance, building safety improvements, and major repairs. Over the next 10 years we have plans for further investment in our existing homes.

Our Corporate Strategy

Our mission, vision, and values remain the same, being:

MISSION

To meet housing need and to support sustainable communities

VISION

To deliver reliable services that customers value and trust

OUR VALUES

SERVICE: Delivering services residents value and we are proud of

TRUST: Being open, honest and showing integrity

ACCOUNTABILITY: Taking ownership and responsibility

RESPECT: Showing care, commitment and fairness

STRENGTH: Building on the strength of people, legacy and resources

OUR STRATEGIC PILLARS

Karibu's Corporate Strategy is shaped by the vision of delivering reliable services that our diverse communities value and trust. Our 2025–2028 Corporate Plan outlines four strategic pillars that will guide our priorities and actions over the next three years:



Quality Services and Empowering Communities

We are committed to working in partnership with our residents to ensure their voices influence the services they receive. This includes enhancing resident engagement, strengthening satisfaction measures, and providing improved access to services and information.

Quality and Safe Homes

Investing in existing homes and improving safety remains a core focus. We will deliver energy efficiency upgrades, tackle damp and mould, enhance communal areas, and publish long-term investment plans for our stock.

Great Place to Work

Our people are central to our success. We aim to become an employer of choice by improving staff benefits, embedding a strong and inclusive culture, providing development opportunities that enhance pride and performance, and improving staff benefits.

High Performing Business

We will strengthen our financial resilience, maximise efficiency, and use our surpluses to invest in homes and services. This includes improving our operating margin, controlling costs, and enhancing our digital systems.

This strategy reinforces our founding merger goals: better services for residents, greater investment in homes, and stronger opportunities for staff.

Looking Forward

Our Priorities for 2025/26

In line with our Corporate Plan, our key operational and strategic priorities for the year 2025/26 are:



Resident Engagement and Insight

- Carry out 'Getting to Know You' visits to better understand resident needs
- Conduct an independent resident census to update key household data
- Launch a Community Champions initiative for our blocks and estates

Asset and Property Investment

- Survey the remaining homes and blocks to support our 30-year investment needs plan
- Replace 63 kitchens, 97 bathrooms, 187 sets of windows, and 230 doors
- Revise, and begin implementation of, our Damp and Mould Policy and procedures in line with Awaab's Law

Internal Capacity and Staff Engagement

- Develop a reward system linked to customer satisfaction and safety outcomes
- Begin defining Karibu's workplace culture and launch a community volunteering day for staff
- Review staff benefits and introduce new health-related provisions

Service Delivery Improvements

- Improve Tenant Satisfaction Measure (TSM) scores across all 12 key metrics
- Publish performance indicators and quarterly updates on complaints, repairs, and satisfaction
- Provide more ways to access services including further developing the Karibu app and the launch of a new web portal to help those who want to self-serve

Partnerships and Community Development

- Commission a Housemark insight report into resident needs
- Develop a community investment strategy focused on training, budgeting, employment, and health
- Secure work experience, and employment and training opportunities for our residents

Governance and Resident Voice

- Publish the Tenant Scrutiny Panel's report on repairs and use feedback to inform procurement
- Introduce a variety of options and opportunities for our board to engage with our residents to hear their voice



Financial Overview

RESULTS 2024-25

All 2025 figures are based on the financial performance of Karibu Community Homes for the period 1 April 2024 to 31 March 2025. All 2024 figures are calculated on the joint financial figures associated with Inquilab Housing Association and Westway Homes for the period 1 April 2023 to 31 March 2024.

Turnover

£18.32m
(2024 - £17.46m)

Operating Surplus

£4.32m
(2024 - £4.13m)

Surplus

£1.56m
(2024 - £1.21m)

Operating Margin – Social Housing Lettings

21.95%
(2024 – 22.75%)

EBITDA MRI

119.09%
(2024 – 116.76%)

Total Assets

(less current liabilities)
£199.87m
(2024 - £218.56m)

Voids

1.10%
(2024 – 1.15%)

Rent Collection

99.30%
(2024 – 98.27%)

Social Housing Cost per Unit

£7,298
(2024 - £6,709)



Turnover

Turnover for the year increased by £0.86m to £18.32m (2024: £17.46m), of which 99.43% was generated from our core social housing lettings activities (2024: 97.17%).

The increase in turnover was primarily attributable to annual rent increase in accordance with the regulator’s guidance. The remaining 0.57% (2024: 2.83%) of turnover came from other activities, demonstrating overall closely aligned breakdowns of turnover with previous year performance of the merged organisation..

Operating Surplus and Margins

Operating surplus for the year was £4.32m (2024: £4.13m). This consisted of £4.00m from social housing lettings activities (2024: £3.75m), other-social housing activities generated a small surplus of £0.02m (2024: £0.23m deficit) and property sales contributed £0.30m (2024: £0.50m).

Operating margin overall improved to 21.91% (2024: 21.45%). This is a good result given the difficult external economic market as outlined on page 11 and the additional first-year merger integration costs.

Operating margins on our core business social lettings was 21.95% (2024: 22.75%) and against 2024 peer group median of 15.30% (latest available 2024).

Loan interest payable for the year reduced by £0.337m to £3.384m (2024: £3.721m) reflecting £10.0m repayment of loan under Revolving Credit Facility (RCF), base rate reductions from 5.25% at April 2024 to 4.25% from February 2025, and careful treasury management.

During the year we concluded the Barclays restatement agreement and fully securitised the CAF facility.

Total assets less current liabilities at £199.87m (2024: £218.56m) has reduced due to use of surplus cash to repay a loan under Revolving Credit Facility (RCF) offset by a requirement to refinance a maturing loan within the next twelve months.

We closed the financial year with a net retained surplus £1.56m (2024: £1.21m) which has been transferred to general revenue reserve.

All our surpluses continue to be reinvested into the business, with capital spend on existing homes and on developing more homes across the areas we operate in.

These results underpin our financial robustness, whilst ensuring we stay true to our values and commitment to providing quality, safe, warm homes for our residents, and ensuring our quality standards and internal processes remain paramount.

Summary Statement of Comprehensive Income	2025 (£000)	2024 (£000)
Turnover	18,320	17,460
Operating costs and cost of sales	(14,305)	(13,714)
Surplus on disposal of assets	307	379
Operating surplus	4,322	4,125
Net interest charge and other finance costs	(2,812)	(2,668)
Movement in fair value of investments	(41)	(36)
Other Comprehensive Income	86	(209)
Retained surplus for the year	1,555	1,212
Summary Statement of Financial Position	2025 (£000)	2024 (£000)
Housing properties at cost less depreciation	205,718	206,663
Other tangible fixed assets and investments	2,275	2,335
Net current (liabilities) / assets	(8,120)	9,566
Total assets less current liabilities	199,873	218,564
Loans due after one year	50,389	68,811
Unamortised grant liability	89,164	90,442
Other long-term liabilities	8,545	9,091
Revenue reserve	51,775	50,220
Total long-term liabilities and reserves	199,873	218,564

Financial Position

Our financial strength remains key to delivering our social objective. The business is modelled on generating sufficient income to meet our operating costs, loan repayment, and investment in our homes. We will continue to use our unrestricted surpluses to ensure that we achieve our strategic objectives as outlined on page 14.

Karibu will continue to maintain a robust financial position, reflecting a strong statement of financial position and cash reserves to provide funds for future growth. Cash reserves decreased by £9.58m to £3.78m following the repayment of a loan under RCF resulting in significant savings on loan interest and effectively yielding a better net return on cash balance.

The Association strategically utilises surplus cash to make partial repayments on loans under its RCF. This approach enables the Association to maintain sufficient liquidity while optimising interest savings on outstanding borrowings.

The net current liabilities position as at 31 March 2025 reflects the repayment of a £10m loan under the RCF, alongside the refinancing requirement of a maturing loan facility due within twelve months. Terms for the refinancing have already been received from the lender.

To support this position, the Association has access to £20.2m in undrawn facilities at year-end. As a result of these repayments and other scheduled loan repayments, the Association's long-term loan balance decreased by £18.58m during the year.

Capital Structure and Treasury

The Board annually approves the treasury strategy which details how we mitigate and manage treasury-related risk. This is defined as liquidity risk, credit risk, interest rate risk, covenant risk, and counterparty risk.

The treasury plan supports the delivery of Karibu's strategic objectives and financial plan and to ensure the organisation has sufficient liquidity to fund its operations for a minimum of 24 months; mitigation of the impact of adverse movements in interest rates, ensuring loan covenants are met; and ranking the preservation of capital ahead of returns when making investment decisions.

Karibu is financed by a combination of retained revenue reserves, loan facilities and government grant for social housing. At 31 March 2025, the organisation had total drawn loans of £60.13m (2024: £71.83m) with a further £20.22m available for draw downs. The undrawn facilities are fully secured and includes £10.22m RCF.

Karibu manages its exposure to fluctuations in interest rates with a view to achieving a level of certainty in its net interest costs; the interest rate strategy is focused on achieving the prescribed balance between fixed and floating rate debt at an acceptable level of risk and cost. At 31 March 2025, 90% of Karibu's drawn debt was fixed and 5.19% on variable.

Cash equivalents held at the year-end totalled £3.78m (2024: £13.36m) leaving net debt (excluding any net issue premium and fair value adjustments) at £56.35m (2024: £58.47m). Available liquidity (defined as undrawn loan facilities and available cash that are not secured in held funds) was £23.99m (2024: £25.08m) The weighted average cost of the organisation's drawn debt is 4.80%.



Loan covenants are primarily based on interest cover, gearing ratios, and asset cover. Covenants are regularly monitored in accordance with the governance framework. These were met throughout the year and are forecast to be continually met for all loan facilities across the organisation with a sufficient buffer to remain above risk tolerance levels set by the Board.

Karibu operates a conservative counterparty policy and aims to minimise the risk of financial loss, reputational loss or liquidity exposure linked to any counterparty. Short term investments are well diversified and are kept at a minimum by temporarily repaying revolving credit facilities to manage working capital and the interest budget. As of 31 March 2025, all cash investments are held with counterparties who meet the criteria of our Treasury Policy.

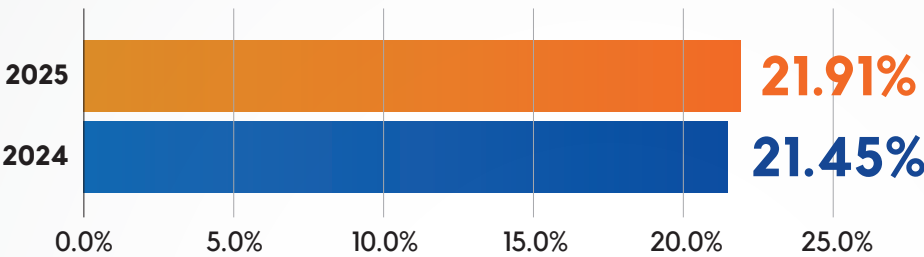


Our financial strength remains key to delivering our social objective. The business is modelled on generating sufficient income to meet our operating costs, loan repayment, and investment in our homes.

Key features of the results were:

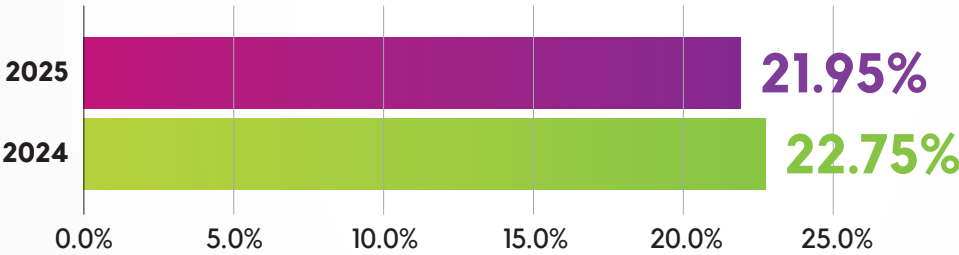
Operating margin (overall) of 21.91% (2024: 21.45%)

Operating Margin (overall)



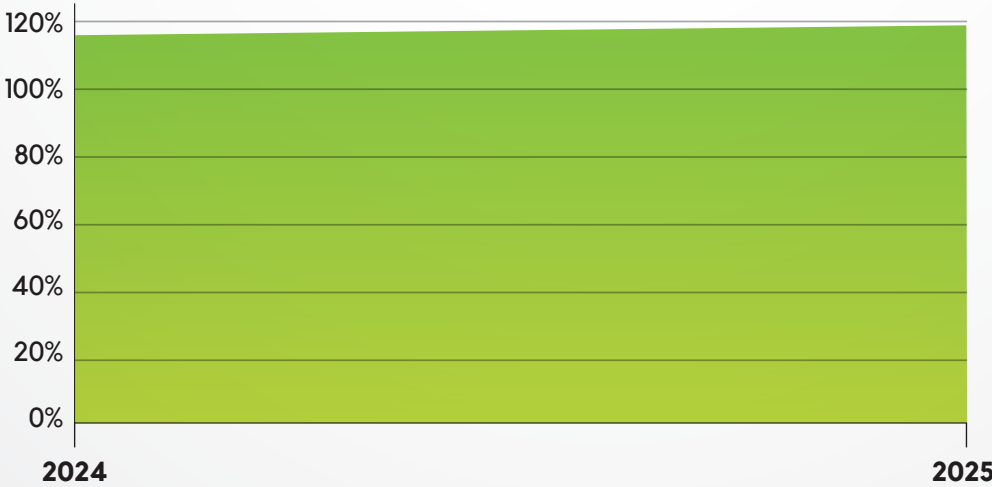
Operating margin (social housing lettings) of 21.95% (2024: 22.75%)

Operating Margin (social housing lettings)



EBITDA MRI 119.09% (2024: 116.76%)

EBITDA MRI



Delivering value for money

Karibu is committed to delivering Value for Money (VfM) in everything that it does for its residents and the communities it serves. This commitment is led by the Board, shared across the whole organisation, and embedded in our Corporate Plan and strategic objectives.

Our approach is delivered by our people. We have a culture of customer service and VfM, supported by strong leadership, training, individual objective setting, and rigorous financial management. Value for Money targets are integrated into our annual planning process and are woven into all that we do.

The Board sets the strategy in which our approach to delivering VfM is embedded into our strategic goals, annual budgets, and operational targets. These are cascaded throughout the organisation.

We have a clear, comprehensive, and strategic approach to achieving VfM which includes:

- Setting budgets which deliver the optimum balance of expenditure between investing in services, new and existing homes, and communities.
- Clearly highlighting activities in our Business Plan which will contribute to improving value for money.
- The measurement and regular reporting of performance against Key Performance Indicators which focuses on the quality and efficiency of services provided.
- Rigorous appraisal of all significant projects, including the potential benefits in alternative delivery models.
- A robust assessment process for development and investment opportunities including alignment with our strategic objectives, likely returns on investment, demand for our products, and external market conditions.
- An established procurement strategy.
- Focus and follow-up on planned improvements by the leadership team and the Board.
- Robust self-assessment of performance against the VfM standard to ensure compliance; this includes an assessment of performance which covers customer satisfaction, new homes built, employee engagement, and operating margin.
- Benchmarking our performance against our peers and the sector as a whole.
- Review of performance over time to identify trends and areas for further scrutiny.



Reporting on Value for Money

This Value for Money Standard requires Karibu Community Homes to publish performance against seven metrics defined by the RSH, our own metrics and targets and, where relevant, to provide a comparison against our peers.



Value for Money Performance

Value for money is a key deliverable across all that we do. It is intrinsic in our aims, objectives, and the measures we put in place to guide the progress we make against our strategy. These are outlined in our Sector Scorecard shown below.

The use of benchmarking information is an important way for us to challenge and understand our performance and costs. We do this by comparing our performance in delivering VfM in the following ways:

- Against other Registered Providers (RPs), through participation in the Sector Scorecard where we compare our performance against the median for all participating Housing Associations and for a peer group of providers who, like Karibu, work across London and Southeast England; and
- Using the Global Accounts, where the performance of the whole sector against the seven metrics contained in the Value for Money Standard is published.

Notwithstanding the fact that a year lag exists between available benchmarks and our published financial results, they nonetheless provide an effective comparison of our performance against that of our peers. The measures included within the Sector Scorecard are grouped into Business Health, Development, Capacity and Supply, Outcomes Delivered, Effective Asset Management, and Operating Efficiencies.

The Sector Scorecard metrics continue to include those contained within the Value for Money Standard, and so we have reported on our performance in a way which is consistent with the Sector Scorecard.

Our performance against other key performance targets and our peer group published in the Housemark data 2024 is shown in the table below. Available benchmarks from Housemark are for the 2024 financial year due to time lag of available published data. A degree of caution is therefore required when drawing conclusions from comparisons of 2025 performance with 2024 performance benchmarks.

Our key financial VfM metrics were generally better than the peer group and on par with our own targets. It should be noted that a significant amount of the return on our assets does not end up as value on our bottom line. Instead, it makes people's lives better and therefore society as a whole.

Looking ahead, we are targeting improvements in our performance health metrics. This includes making use of procurement and other efficiencies to secure value for money in the investment we make to ensure this spend has the biggest impact on our customers and long term viability of Karibu.



Summary	Measure	Our Targets 2025	Actual 2025	Actual 2024	Peer Group 2024
Business health	Operating Margin (overall excluding fixed asset disposals)	22.70%	21.91%	21.45%	12.80%
	Operating Margin (social housing lettings excluding disposal of fixed assets)	24.10%	21.95%	22.75%	15.30%
	EBITDA MRI (as a percentage of interest)	91.40%	119.07%	116.76%	60.00%
	New supply social as a % of total units owned	0.00%	0.00%	0.64%	0.30%
	New supply delivered % (non-Social Housing)	0.00%	0.00%	0.00%	0.00%
	Gearing	29.00%	27.20%	27.90%	46.20%
Outcomes delivered	Resident satisfaction	80%	45%	41%	64%
	Reinvestment	2.07%	1.00%	2.21%	4.20%
	Return on capital employed (ROCE)	1.91%	2.16%	1.89%	1.90%
Effective asset management	Voids	1.00%	1.16%	1.26%	1.27%
	Ratio of responsive repairs to planned maintenance	0.38	0.53	0.47	n/a
	Headline Social Housing Cost Per Unit (SHCPU)	£7,615	£7,298	£6,709	£8,827
Operating efficiencies	Rent collected	101.40%	99.30%	98.27%	100.15%
	Occupancy	99.25%	97.53%	98.02%	98.30%

* The RSH value for money measures are in purple

The key conclusions from this benchmark review are consistent with those communicated in our Financial Statements as follows:

- The business health of Karibu continues to demonstrate strong viability, stability and significant headroom against banking covenants. The organisation performs better than the peer group median benchmarks for operating margin, headline cost per unit, gearing ratio, and rent collection.
- Levels of customer satisfaction and new home development are below the peer group median benchmarks.
- The ratio of responsive repairs to planned maintenance is higher than the targeted level and 2024. This is the result of an increase in the volume of repairs following the appointment of a new contractor. There has been a focus on addressing damp and mould and other health and safety related works.

Operating Margin % (Overall): Measures the profitability of the organisational operating assets. Although the ratio of 21.91% was below our annual target of 22.70%, this was above the peer group median of 12.80%. The decline was mainly driven by the increased expenditure on disrepair compensation claims, damp and mould, temporary accommodation, de commissioning of a previous under-performing contractor and an increase in the volume of responsive works following appointment of a new contractor.

Operating Margin % (Social Housing): Measures the profitability of the social housing operating assets. The ratio of 21.95% was below annual target of 24.10% largely driven by above reasons. Our performance was ahead of the peer group median ratio of 15.30%.

Reinvestment: Measures the investment in properties (existing as well as new supply) as a percentage of the net book value of total properties held. Investment in existing homes was £2.05m compared to £1.94m last year. Our goal for the coming year is to continue investing in existing homes and build / acquire additional new homes through our partnership arrangements. Our ratio of 1.00% compares less favourably against the peer group of 4.20%.

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA-MRI) Interest Cover: A key indicator for liquidity and investment capacity as it seeks to measure the level of surplus generated compared to interest payments. Once major repair spend is included, the level of cover in the calculation was better than our target. This was mainly because of lower interest costs. The ratio for the year was 119.07% compared to our target of 91.40% and the peer group median of 60.00%.



Return on Capital Employed (ROCE): Measures the efficient investment of capital resources. The metric compares the operating surplus to total assets, less current liabilities, and indicates the efficient investment of our capital. Whilst overall ROCE gives an indication of how well we make a financial return on the assets owned; our asset management strategy focuses on improving how the asset base can perform better as well as the qualitative aspect of improving our homes. ROCE for the year to 31 March 2025 was 2.16% (2024: 1.89%). The peer group's score for 2024 was 1.90%.

Headline Social Housing Cost per Unit: This measures the cost per unit (CPU) of managing and maintaining our social housing stock. The CPU over the period to £7,298 (2024: £6,709). The increase in cost is attributable to reasons covered off above. Our performance compares favourably with the peer group median figure of £8,827.

Gearing: Assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. Our ratio of net debt to the carrying value of housing properties reduced to 27.39% (2024: 28.29%) following the repayment of a loan under RCF.

Resident Satisfaction: The overall customer satisfaction has improved to 45% (2024: 41%) and is one that reflects the continued need for change and improvement, which is very much at the heart of our strategic plans. We continue to face significant challenges operationally and in the macro- environment. Improving customer satisfaction continues to be one of Karibu's key priorities. By using the full breadth of management information available to us, we have been able to identify improvements, enabling us to review our service recovery offer. We are setting stretching targets and performance indicators and communicating these to our residents so that they can hold us to account.

Peer Association - Cost per unit comparison

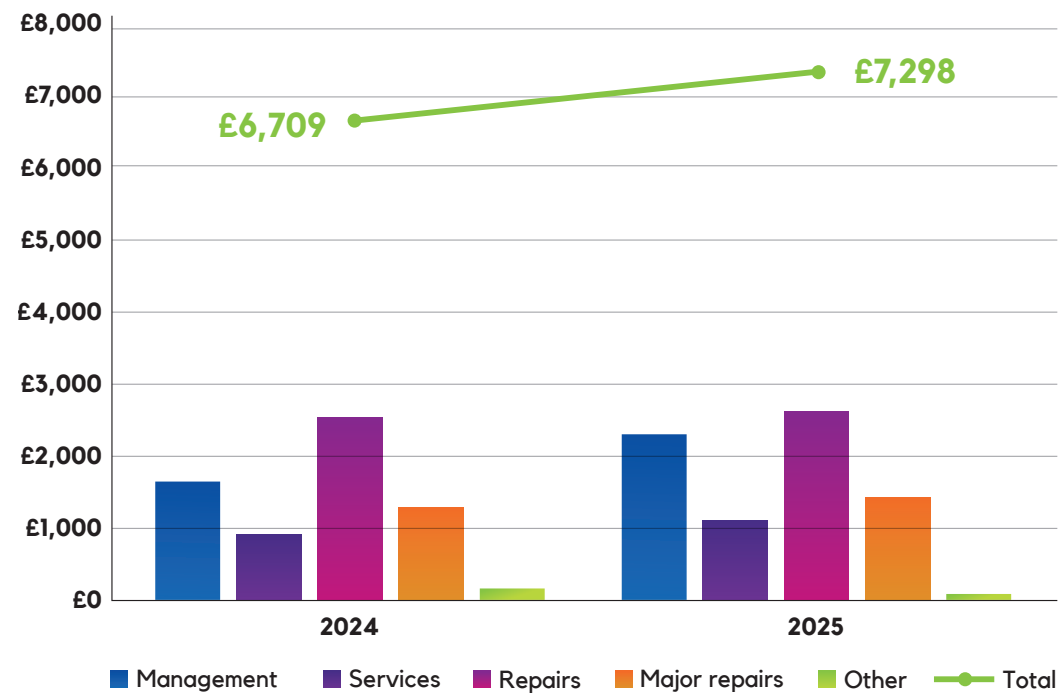
Whilst we have benchmarked ourselves against other peer members, their activities are not an exact match to our diverse range of activities. We continue to work with Housemark to benchmark key elements of our costs, which are in common with Karibu. Housemark benchmarking analysis highlights the two most significant drivers of cost per unit (CPU) as the size of the organisation with larger associations benefitting from economies of scale and revenue mix.

The table opposite shows our performance over the last two years. Our social housing CPU at £7,298 is lower compared with the 2024 peer group median of £8,827. We continue to focus our efforts on further reducing our cost base and continuing the drive towards efficiency and improved performance in our overall social housing cost base. We continue to invest in our communities with an increase in spending across resident training, capacity building, apprenticeships, work placements, and other activities associated with community engagement.

How our customers contribute

We involve our customers and residents in decisions that affect frontline services through our Resident Scrutiny Panel and other panels / groups. These groups have an important role in ensuring we deliver and continue to improve our services. Our resident involvement framework sets out how we engage with the wider resident community to ensure their views are represented.

Our Cost Per Unit (CPU) breakdown in £ Social Housing cost pu



Year to March	Management	Services	Repairs	Major repairs	Other	Total
2025	£2,195	£1,079	£2,634	£1,328	£63	£7,298
2024	£1,788	£965	£2,592	£1,216	£149	£6,709



Compliance

Regulation

In December 2024 Karibu was assessed at the top G1 governance rating from our regulator and a compliant V2 rating for financial viability. This demonstrates the Regulator of Social Housing has confidence in the arrangements Karibu has in place for managing and governing the organisation. The V2 reflects the difficult environment, and the risk attached to providers with development programmes. The Consumer grade has not yet been assessed.

At our June 2025 meeting, the Board reviewed a detailed evidence-based assessment of our compliance with the Regulator of Social Housing's Regulatory Standards. Compliance against the Consumer Standards was reviewed in detail by our Customer Committee, and the Audit and Risk Committee reviewed the detailed evidence of our compliance with the Economic Standards. These reviews were reported to the Board which was satisfied with our continued compliance with regulation, including with the Governance and Viability Standard and all relevant law.



Code of governance

We have adopted the NHF Code of Governance 2020 and, following a detailed assessment against the provisions of the Code, the Board has confirmed its full compliance with the Code.

Compliance with Reporting Standards and Legislation

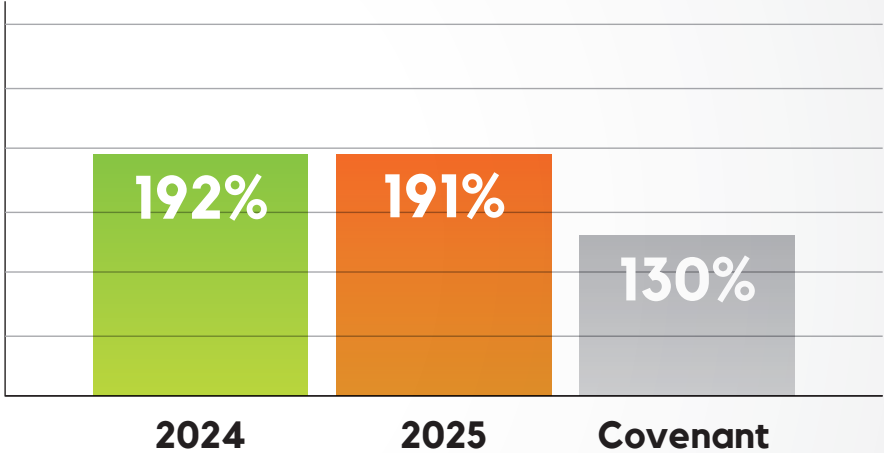
The Board further confirms that this report has been prepared in accordance with the applicable reporting standards and legislation.

Compliance with loan covenants

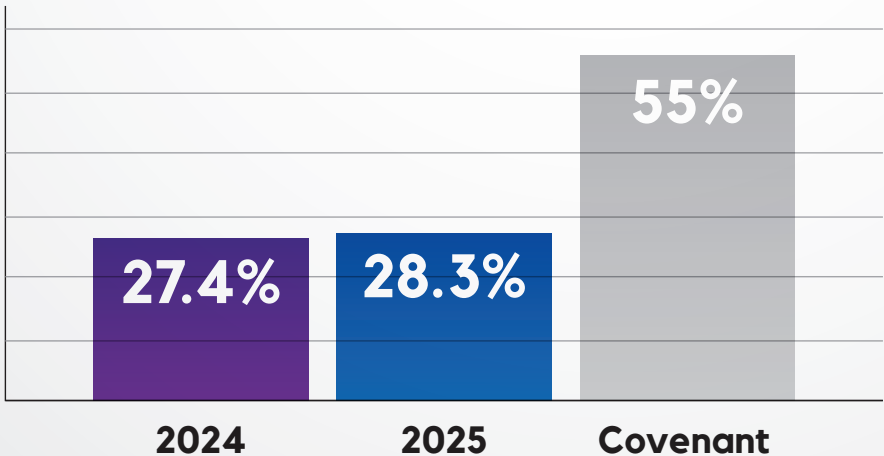
Loan covenants are primarily based on interest cover, gearing ratios, and asset cover. Covenants are monitored regularly in accordance with the governance framework, and which were met throughout the year. These are forecast to be continually met for all loan facilities with a sufficient buffer to remain above risk tolerance levels set by the Board. We continue to operate within the limits set by lenders.



Interest Cover



Gearing Ratio



Principal Risks and Uncertainties

Our Approach

We recognise that an effective risk management framework embedded in practices and behaviours across Karibu is fundamental to achieving our strategic objectives. The Board has overall responsibility for risk management, supported by the Audit and Risk Committee (ARC).

Risk is a standing item at all ARC and Board meetings, with the Executive Team having overall responsible for identifying, evaluating, managing, and reporting all risks.

Risk Appetite

We operate in a complex and evolving economic and political environment. In this context, our risk appetite plays a central role in shaping strategic decisions, improving performance, and guiding how we respond to both opportunities and threats. The Board has clearly defined our risk appetite across key domains - including financial strength, regulatory compliance, development, and operational resilience - and uses this as a foundation for governance and oversight.

The Board is responsible for setting our overall strategic direction and ensuring we operate within a robust and prudent risk and internal control framework.



This year, the Board undertook a thorough review of our risk and control framework, informed by the changing regulatory landscape (including new consumer regulations), macro-economic pressures, and internal performance metrics. This review reinforced our commitment to maintaining strong governance (including adherence to the chosen Code of Governance), financial sustainability, and assurance mechanisms aligned with our defined risk appetite - for instance, minimum interest cover ratios, liquidity requirements, and fixed debt thresholds.

The Board has assessed that the risks outlined in the following table are those most likely to impact our future viability, operational performance, and reputation. We have implemented targeted strategies for each identified risk in line with our stated appetite and tolerance levels. This includes prioritising the quality and safety of our homes, ensuring robust cyber and data security and integrity, maintaining financial covenant headroom, and being selective about growth and development activities. These actions are designed to ensure we remain resilient, compliant, and aligned with our long-term strategic objectives.

Going Concern

Our business activities, current financial position, and factors likely to affect our future operations are set out within our business plan.

The 30-year financial plan is a forward-looking document which is tested against a range of scenarios which could give rise to significant financial exposure.

The Board has assessed the viability of Karibu over a five-year period. The Board's assessment is also supported by the longer 30-year financial forecast shared annually with the regulator and the annual review of the adequacy of resources available to the organisation in preparing the financial statements on a going concern basis. The Board is satisfied that no material nor significant exposures exist, other than as reflected in these financial statements. The Board is, therefore, assured that the plan is appropriately funded and is sufficiently robust to ensure there will be no financial covenant breaches over the 12 months from the date of approval of the financial statements.

No material uncertainties related to events or conditions that may cause significant doubt about the ability of Karibu to continue as a going concern have been identified by the key management personnel after taking into account the relevant facts and circumstances.

Our business has a robust risk and internal control framework, as well as cash reserves, uncharged assets, and adequate resources to finance our future development ambitions and day-to-day operations for the foreseeable future. For these reasons, the going concern principle has been applied in preparing these financial statements.

Cash Flow and Liquidity

Cash flow from operating activities during the year was £6.209m (2024: £5,515m) and a cash balance of £3.78m (2024: £13.36m).

Capital Structure

Our assets are financed by a combination of:

- Social housing grants of £90.32m (45%)
- Private finance (loans) of £59.74m (29%), and
- Internally generated funds of £51.78m (26%)

Rent Policy

In line with the Government's objective of rent harmonisation across social housing stock, our rent policy is regularly reviewed to ensure compliance.

Reserves Strategy

Our policy on reserves is to attain sufficient funds from our income to provide a safe working margin for our business and to produce comfortable cover for all our medium and longer-term loans and other liabilities.

Our policy on major repairs is to set a strategy that matches the build-up of the liability arising from the ageing of our properties over their assumed lives. Our strategy is to therefore use the reserves to:

- Upgrade the current stock in line with return on asset initiatives
- Subsidise the development of new homes
- Improve our service delivery to residents; and
- Invest in our communities



The Board has assessed that the risks in the following table are those most likely to influence our future viability, performance, and reputation. We have put in place strategies against each of the risks identified.

Strategic Risks	Mitigations	Appetite
1. Health and Safety (new and existing homes) Appropriately respond to a major health and safety disaster or safeguarding incident which has implications for Karibu properties, customers, and/or employees	Acknowledgement of inherent risk factors, but with high level of preventative measures in place to avoid a significant event happening. Ensure effective asset / landlord compliance control measures are in place to meet RSH Consumer Standards and legal obligations.	CAUTIOUS
2. Regulatory Judgement: Unforeseen external changes Appropriately responding to changes in government policy or the external / economic environment and meeting all regulatory and legal requirements	Minimise risk of non-compliance by maintaining robust systems of governance, compliance, and internal control, supported by an effective assurance framework, including regular horizon scanning.	CAUTIOUS
3. Strategic Financial Planning Financial viability and sustainability. Ability to manage finances effectively to maximise long term viability and financial capacity, respond to emerging legal or regulatory requirements (eg. around net zero carbon homes) and ensure value for money savings are delivered	Stress test investment decisions and business plans so these do not lead us to contravene our own covenants and golden rules under a wide variety of scenarios and take proactive measures to ensure that income streams are protected.	CAUTIOUS
3(a). Rent Collection The impact of welfare reform on our cashflow is greater than that assumed in our Financial Plan		CAUTIOUS
4. Development Delivery Ability to deliver the homes targets	To be ambitious in delivering our strategic objective to meet housing need and support sustainable communities, but without putting the overall financial viability of the business at risk.	OPEN
5. Customer Engagement/Satisfaction Not providing quality services and failing in our commitment to an improvement in resident satisfaction	High customer satisfaction on quality of service and homes is a key organisational objective. We will be open to opportunities to engage customers and improve satisfaction.	OPEN

Strategic Risks	Mitigations	Appetite
6. Data Integrity and Management Information Insecure processing of personal and corporate data, inaccurate data, thereby not meeting high standards of data integrity	Acknowledgement of inherent risk factors, but with a high level of preventative measures in place to avoid a significant event happening.	CAUTIOUS
7. Asset Management Not achieving good asset performance / meeting sustainability targets (includes having adequate data to respond to any future government requirements around property condition and sustainability e.g. net zero carbon)	Homes must meet regulatory and statutory standards. Good quality homes are fundamental to our business, resident satisfaction, and safety. We have a cautious approach to taking risk in this area. All homes will be built and maintained to current requirements based on age / type of construction. Components will be replaced as surveyed for identified need. Professional stock surveys undertaken per identified need.	CAUTIOUS
8. Staff recruitment/retention Inability to recruit and retain the right people who are motivated, professional, and dedicated to our values	Continue to be forward thinking in terms of embedding a visible culture and shared values. Implement resilient succession planning and people development programmes. Take decisions for the long-term benefit of the organisation	OPEN
9. Leadership and Governance Ability to ensure our Governance arrangements are accountable and effective and the Board possesses the appropriate skills and experience	Adopt and follow good practice in all governance arrangements. Seek to control risks as far as possible.	CAUTIOUS
10. Major Fraud including Theft, Money Laundering & Tenancy Fraud Major fraud incident occurs (including theft, money laundering, and tenancy fraud)	Acknowledgement of inherent risk factors, but with a high level of preventative measures in place to avoid a significant event happening.	CAUTIOUS
11. Contractor Failure Key counter parties unable to deliver on their commitments	Ensure a full awareness of the risks involved by working proactively with partners to deliver key services. There is scope to be innovative in how these services are delivered but we will not risk any failure to deliver key services.	OPEN

Assessment of the Effectiveness of Internal Controls

The Board has overall responsibility for Karibu's system of internal control and for monitoring its effectiveness. Our internal control system is designed to manage, rather than eliminate, the risk of failure to achieve our objectives and can only provide reasonable, and not absolute, assurance that we are not exposed to material mis-statement or loss.

The Audit and Risk Committee (ARC) has been in operation throughout the relevant period and has overseen the effectiveness of the system of internal control by considering risk reports, internal audit reports, management assurances, the external audit management letter, and specialist reviews. Material risk or control matters are reported by ARC to the Board.

The Board confirms that the key processes for identifying, evaluating, and managing the significant risks faced by Karibu Community Homes have been in place throughout the year and reviewed up to, and including, the date of approval of the annual report and financial statements. Some of the key policies and processes that the Board has established to provide effective internal control include:

- Clearly delegated powers to Board committees and the Executive Team
- Robust strategic and business planning processes with detailed financial budgets and forecasts
- Regular reporting to the Board and appropriate committees on key business objectives, targets, and outcomes
- Regular Board review of risk management processes
- Documented policies and procedures for all key operational areas
- Maintaining a fraud register and related processes including the review of the register at ARC meetings
- Adoption of an internal audit programme monitored by ARC
- Board review of the external audit management letter, and ARC members' interview with S&W Partners Audit Limited (external audit) and RSM (internal audit) without staff members present
- Review of all regulatory reports
- Staff being fully conversant with key controls and procedures relating to financial operational systems



We have a suite of probity policies designed to tackle fraud, bribery, corruption, theft, and breaches of regulations. These are reviewed regularly.

ARC has received and reviewed assurance on the effectiveness of the system of internal control for Karibu, together with the annual report of the internal auditor. In the annual report our internal auditors, RSM, concluded that Karibu has an adequate and effective framework for risk management, governance and internal control. Overall, Karibu received a "Reasonable Assurance" assessment from RSM for 2024/25. This resulted from four "reasonable assurance" audit assessments, one "partial" and one "substantial". It has reported its findings to the Board through an annual report to the Board and the minutes of its meetings.



Donations

We made no political donations during the year (2024: £nil).

The Executive Team regularly reviews the risk management and internal control framework and takes appropriate action to develop and implement best practice improvements to the system of internal control to ensure its continued effectiveness. Karibu management team(s) ensure that operational procedures and controls are subject to ongoing review to ensure they remain robust.

The Board confirms that there are no material weaknesses which require disclosure in these financial statements.

Auditors

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

S&W Partners Audit Limited expressed its willingness to continue to act as our external auditors. As part of our commitment to strong governance and transparency, the Audit and Risk Committee has scheduled a review of the external audit service provision during the forthcoming financial year. This will include a competitive tender process to ensure the continued independence, effectiveness, and value for money of the external audit function.



Looking Ahead

As we look to 2025/26 and beyond, Karibu will continue to deliver the ambitions set out in its three-year Corporate Plan. In the years ahead, we aim to:



- Build new affordable homes in our core boroughs, contributing to addressing the housing crisis
- Strengthen the resilience of our services and financial systems amid ongoing regulatory and economic pressures
- Enhance our digital and communication platforms so that residents can interact with us in ways that suit them best
- Maintain our focus on health and safety compliance, energy efficiency, and long-term investment planning
- Deliver further improvements to satisfaction, repairs performance, and estate management based on resident feedback
- Achieve external recognition as a leading employer

Dave Baptiste
CHAIR
Date: 31 July 2025



Independent Auditor's Report

TO THE MEMBERS OF KARIBU COMMUNITY HOMES

Opinion

We have audited the financial statements of **Karibu Community Homes** (the 'association') for the year ended 31 March 2025 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Reserves and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- **give a true and fair view of the state of the association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended.**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.**

Basis for opinion

We conducted our audit in accordance with **International Standards on Auditing (UK) (ISAs (UK)) and applicable law.**

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Review and Financial Statements, other than the financial statements and our auditor's report thereon.

The Board is responsible for the other information contained within the Annual Review and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the responsibilities of the board set out on page 9 the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or has 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained a general understanding of the association's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the association's industry and regulation.

We understand that the association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and the Audit and Risk Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the association's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Association:

- **FRS 102, 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, in respect of the preparation and presentation of the financial statements;**
- **Health and safety regulations; and**
- **Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.**

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- **Performed a review of Board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and**
- **Reviewed any correspondence between the Regulator of Social Housing and the association.**

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- **Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the association's processes and controls surrounding manual journal entries.**

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

Use of our report

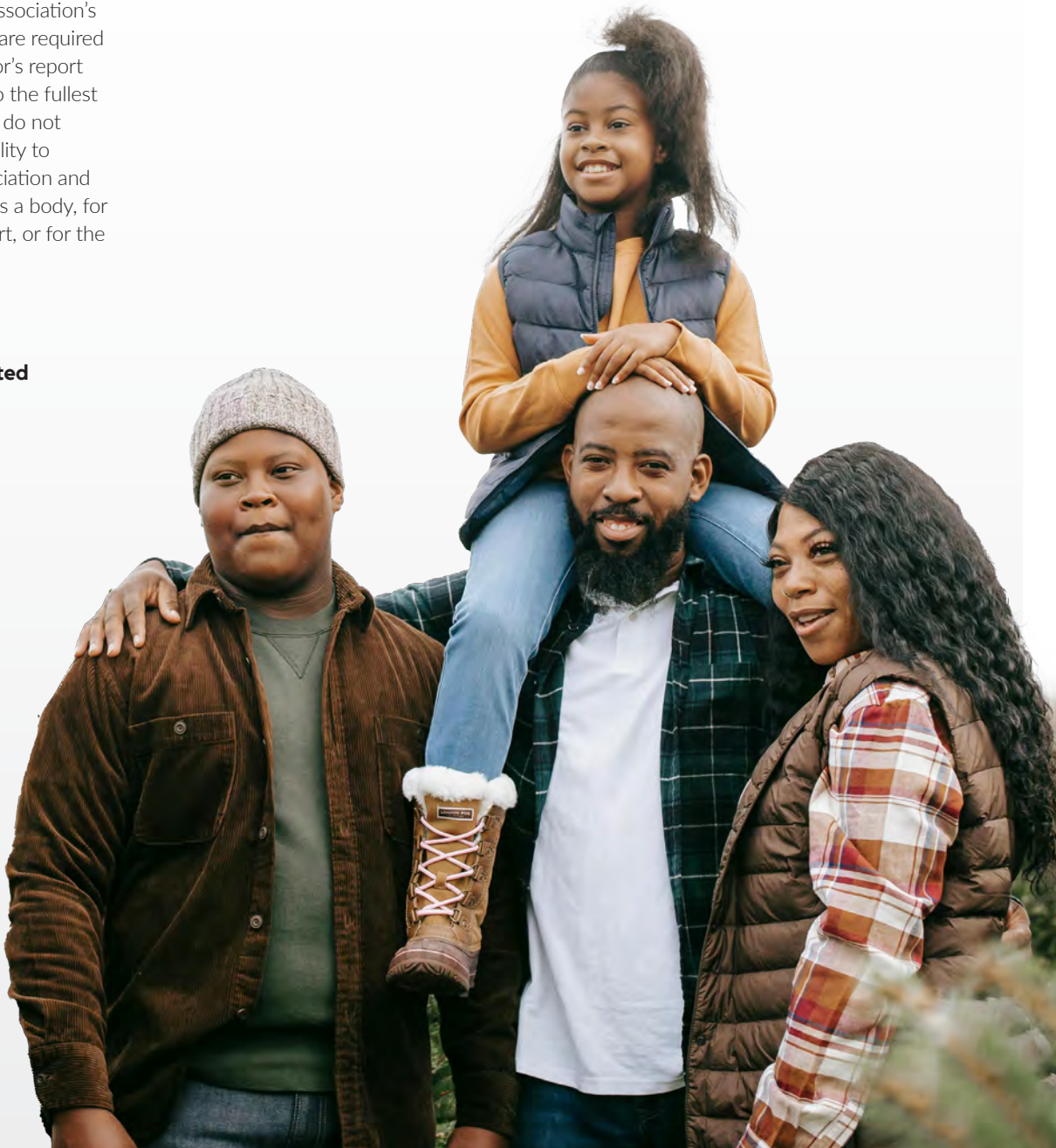
This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014.

Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

S&W Partners Audit Limited
Statutory Auditor
Chartered Accountants

Onslow House,
Onslow Street,
Guildford
GU1 4TL

Date: 18/09/2025.



Statement of Comprehensive Income

Year ended 31 March 2025

	Note	2025 £'000	Combined 2024 £'000
Turnover	2	18,320	17,460
Cost of Sales	2	-	(351)
Operating expenditure	2	(14,305)	(13,363)
Gain on disposal of housing properties	2/5	307	379
Operating surplus	2	4,322	4,125
Interest receivable	6	264	762
Interest payable and financing costs	7	(3,076)	(3,430)
Movement in fair value of investment	11	(41)	(36)
Surplus for the financial year		1,469	1,421
Other comprehensive income			
Actuarial gain/(loss) for the year on defined benefit pension obligation	17	86	(209)
Total comprehensive income for the financial year		1,555	1,212

All amounts relate to continuing activities.

Statement of Financial Position

Year ended 31 March 2025

	Note	2025 £'000	Combined 2024 £'000
Fixed assets			
Housing properties	9	205,718	206,663
Other tangible fixed assets	10	2,275	2,335
		207,993	208,998
Current assets			
Investments	11	1,412	1,361
Trade and other debtors	12	1,460	3,349
Cash & cash equivalent		3,775	13,359
		6,647	18,069
Creditors amounts falling due within one year	13	(14,767)	(8,503)
Net current (liabilities) / assets	13a	(8,120)	9,566
Total assets less current liabilities		199,873	218,564
Creditors: amounts falling due after more than one year	14	(147,543)	(167,557)
Provisions for liabilities			
Pension provision	17	(555)	(787)
Total net assets		51,775	50,220
Reserves			
Revenue reserve		51,775	50,220
Total reserves		51,775	50,220

These financial statements were approved by the Board and signed on its behalf by:

Dave Baptiste
Chairperson

Jack Stephen
Board Member

Stephen Rosser
Company Secretary

Date of approval: 17/09/2025.

Statement of Cash Flow

Year ended 31 March 2025

	2025 £'000	Combined 2024 £'000
Net cash generated from operating activities (see Note 21)	6,211	5,515
Cash flow from investing activities		
Addition to other fixed assets	(58)	(55)
Addition to Housing Properties	-	(2,641)
Component replacements	(2,344)	(1,936)
Proceeds on disposal Housing Properties	936	935
Interest received	253	755
	(1,213)	(2,942)
Cash flow from financing activities		
New Loans	-	7,000
Interest paid	(2,675)	(3,670)
Loans repaid	(11,703)	(10,678)
Grants repaid	(204)	(8)
	(14,582)	(7,356)
Net change in cash and cash equivalents	(9,584)	(4,783)
Cash and cash equivalents at beginning of the year	13,359	18,142
Cash and cash equivalents at end of the year	3,775	13,359

Analysis of debt	Combined 1 April 2024 £'000	Cash flow £'000	Non cash £'000	31 March 2025 £'000
Cash at bank and in hand	13,359	(9,584)		3,775
Current asset investments	1,361	11	40	1,412
Short-term loans	(2,203)	1,870	(9,017)	(9,350)
Long-term loans	(76,583)	9,833	9,127	(57,623)
Net Debt	(64,066)	2,130	150	(61,786)

Statement of Changes in Equity and Reserves

Year ended 31 March 2025

	Share Capital £'000	Retained Earnings £'000	Total £'000
Balance as at 1 April 2024 (combined)	-	50,220	50,220
Total comprehensive income for the year	-	1,555	1,555
Balance at 31 March 2025	-	51,775	51,775

Notes on the Financial Statements

Year ended 31 March 2025

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Legal Status

The Association is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing (RSH).

The Association's principal activities are stated in Report of the Board of Management on page 8.

The Association's registered office is Unit 3, 8 Kew Bridge Road, Brentford, London, TW8 0FJ.

1.2 Accounting basis

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for Registered Social Housing Providers (SORP 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022 ("the Direction"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Association's accounting policies.

In accordance with FRS 102 (3.3A), the Association is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements are presented in sterling (£'000).

On 1 April 2024, the assets, liabilities and activities of Westway Housing Association transferred to Karibu Community Homes (formerly Inquilab Housing Association). The transfer has been treated in line with merger accounting per FRS102 PBE34.80 to PBE34.86. The two entities have been treated as though they were always a singular entity. To comply with this, the 2024 comparatives in the financial statements and notes to the accounts have been combined and restated accordingly. See note 26 for further details.

1.3 Going concern

Our business activities, current financial position, and factors likely to affect our future operations are set out within our business plan. The 30-year business plan is a forward-looking document which is tested against a range of scenarios which could give rise to significant financial exposure. The Business plan was scrutinised and approved by the Board, which was satisfied that no material nor significant exposures exist, other than as reflected in these financial statements. The Board is, therefore, assured that the plan is appropriately funded and is sufficiently robust to ensure there will be no financial covenant breaches over the 12 months from the date of approval of the financial statements.

Our business has a robust risk and internal control framework as well as cash reserves, uncharged assets and adequate resources to finance our future development ambitions, day to day operations for the foreseeable future.

For these reasons, the going concern principle has been applied in preparing these financial statements.

1.4 Significant judgements and estimates

Preparation of the financial statements in conformity with general accepted accounting practices requires management to make significant judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the period.

Judgements

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

Merger Accounting

The Association adopted merger accounting as the most appropriate basis of reflecting the merger of Inquilab Housing Association and Westway Housing Association.

The results of the cash flows of the combining entities have been presented in these financial statements from the beginning of the financial year. The comparative amounts from the previous financial statements and supporting notes have been aggregated and denoted as "combined" accordingly.

The Board exercised judgement in determining that the criteria for merger accounting had been met. Had the Board concluded that those criteria had not been met, the purchase method of accounting would have applied, resulting in the need to identify an acquirer in the combination and for the assets and liabilities of the acquiree to have been recognised at fair value with any gain or loss being recognised through the statement of comprehensive income.

The nature of both entities was the same, being registered providers with charitable tax status and Community Benefit Societies under the regulation of the Financial Conduct Authority. In making the judgement, the Board considered the following:

- Karibu is made up of executives and non-executives from both former entities as of the date of the merger.
- No party to the combination obtained control over the other or seemed to be dominant, i.e., it was a merger of equals.
- Decisions were made by the respective legacy Boards on the basis of consensus.
- There was no change to the class of beneficiaries of the merged organization.

Identification of housing property components

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have material impact on the depreciation charge.

The components selected are those which reflect how the major repairs to the property are managed.

Consideration of impairment indicators

The identification of impairment indicators is a matter of judgement and where an impairment indicator is identified, an assessment is required as to whether an impairment charge arises. An assessment has been carried out in accordance with the Association's accounting policy set out at note 1.15. The assessment has resulted in no charge being made in respect of impairment.

Estimation uncertainty

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

Bad debt provision

The rent debtors balance of £2,186k (2024: £1,830k) and the provision for bad debt amount of £991k (2024: £661k) recorded in the Association's Statement of Financial Position comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Multi-employer pension obligation

Various estimates are used in the calculation of the defined pension liability, such as discount rate, inflation, salary growth rates and mortality rates. The Pensions Trust provided base assumptions which the Association has reviewed for accuracy and appropriateness to the particular circumstance of the organisation. In determining the appropriate discount rate, consideration is made of the interest rates of corporate bonds with at least an AA rating. Inflation is set by considering market expectations, salary growth is set by aligning with the Association's business plan and mortality rates have been adjusted to allow for any expectation of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. The value of the provision is highly sensitive to relatively small changes in assumptions. At 31 March 2025, a liability of £555k (2024: £787k) for pensions is recorded in the Statement of Financial Position.

Useful lives of components

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to any changes to decent homes standard requiring frequent replacement of components. The accumulated depreciation at 31 March 2025 was £41.0 million (2024: £39.10 million).

1.5 Turnover and revenue recognition

Turnover comprises rental and service charge income, income from shared ownership first tranche sales and sales of properties built for sale, fees and revenue grants receivable from local authorities, government grants received for housing properties recognised in income on a systematic basis and other income.

Rental and service charge income is recognised in the period to which it relates net of rent and service charge losses from voids. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Service charge for shared ownership properties and other income are accounted for on the basis of the value of goods or services supplied during the period. Any over or under recovery of variable service charge amounts due is reflected as a creditor or debtor respectively.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. First tranche sales are included within turnover and the related portion of the cost of the asset recognised as cost of sales. The resultant surplus or deficit on first tranche sales is recognised within the income statement.

Government capital grants received are initially deferred and then credited to turnover in the Statement of Comprehensive Income on a straight-line basis over the expected life of the asset which they have funded.

1.6 Short term 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.

1.7 VAT

Since a large proportion of the Association's income, including its rents, is exempt for VAT purposes whilst the majority of its expenditure is subject to VAT that cannot be reclaimed, expenditure is shown inclusive of irrecoverable VAT.

1.8 Interest payable

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

- a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
- b) a fair amount of interest on borrowings of the Association as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the statement of comprehensive income in the year.

1.9 Sale of properties

Sales of housing properties and stock are recognised at the date of completion of each property sold. Grant in respect of sales of housing properties under the Right to Acquire (RTA) are credited to the Recycled Capital Grant Fund in accordance with the Direction. This will be utilised to fund future housing programmes.

Gains or losses arising on the sale of properties are determined as the difference between the sale proceeds and the carrying amount of the property and are recognised as part of the surplus/deficit for the year.

1.10 Taxation

The Association has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities, provided that the surpluses are applied to the charitable objects of the Association.

1.11 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 and are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Where the Association has a mixed tenure development which has more than one element, the Association allocates the cost of the land to each element of the scheme to reflect the respective values of the land for different tenure types.

Where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives. Capitalisation of development staff costs are applied to capital works incurred.

The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

The components selected are those which reflect how the major repairs to the property are managed.

The Association depreciates the major components of its housing properties at the following annual rates:

	Estimated useful life
House structure	100 years
Roof structure and covering	75 to 100 years
Windows and external doors	30 years
Bathrooms	30 years
Kitchens	20 years
Central heating boilers and hard-wired alarms	15 to 20 years
Heating, ventilation and plumbing systems	15 to 20 years
Electrics	40 years
Lifts	20 to 50 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefit is capitalised and the carrying amount of any replaced component or part component is derecognised.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales.

The split is determined by the percentage of the property sold under the first tranche disposal and the remainder retained by the Association. The first tranche proportion is classed as current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

The Association does not depreciate Shared ownership properties as the residual value is estimated to be at least equal to the cost of the properties. Residual value represents the estimated amount which at least would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

The residual values of fixed assets, their useful lives, and their depreciation rates are reviewed at each reporting date and where there is an indication of a significant change since the previous reporting date, they are adjusted prospectively.

1.12 Property, plant and equipment

Property, plant and equipment comprises other fixed assets and are stated at cost less accumulated depreciation.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

Leased Properties are written down over the life of the lease or the useful life of the asset if shorter. The maximum useful life is 100 years.

The principal annual rates used for other assets are:

Furniture, fixtures and fittings	25%
Computers and office equipment	25%

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 as part of the surplus/deficit for the year.

1.13 Financial instruments

Financial assets and liabilities comprise investments, trade and other debtors, cash and cash equivalents, trade and other payables, accruals and loan balances.

Financial assets and financial liabilities are recognised when the Association becomes party to the contractual provisions of the financial instrument.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (normally the transaction price less transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Association intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at

the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Other financial instruments and investments in equity instruments are recognised at fair value with any gains or losses being reported in surplus or deficit.

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,
- the Association transfers to another party substantially all the risk and rewards of ownership of the financial asset, or
- the Association, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments represent a debt service reserve fund which is equivalent to one year's interest on the THFC loan and comprise cash and investment in gilts. Investments are measured at fair value.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits and bank overdrafts which are an integral

part of the Association's cash management. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

1.14 Impairment

Non-financial assets

Non-financial assets comprise housing properties, property, plant and equipment and stock.

Non-financial assets, other than those measured at fair value, are assessed for indications of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use.

Value in use for housing properties which are able to be let in their current condition and which are

fulfilling the social purpose for which they were acquired is based on the value in use for assets held for their service potential, being the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

Financial assets

Financial assets comprise investments, trade and other debtors and cash and cash equivalents.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.15 Government grants

Government grants include grants receivable from the Homes England, Greater London Authority

(the GLA), local authorities, and other government organisations.

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

The unamortised element of the government grant is recognised as deferred income in creditors due within one year or due after more than one year as appropriate in the Statement of Financial Position.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the RSH.

Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors. If unused within a three-year period, grants received from the Greater London Authority or Homes England are repayable, including any accrued interest. The development programme of the Association is such that the recycled grant is expected to be re-used before it becomes repayable. Any unused recycled capital grant held within the recycled capital grant fund is disclosed in the balance sheet, split between creditors falling due within one and after one year. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised in the Statement of Comprehensive Income.

1.16 Pensions

The Association operates a defined benefit scheme and a defined contribution scheme. Most staff in the Social Housing Pension Scheme (SHPS) pension scheme make contributions into the defined contribution scheme. Post-merger, two members of staff from legacy Westway HA continued to make contributions into the defined benefit scheme until 31 March 2025 after which this scheme was closed to them with the option of joining the defined contribution scheme. Contributions to the defined contribution scheme are charged to the statement of comprehensive income as they become payable. The annual employer contributions payable is charged to the income and expenditure account. The SHPS defined benefit scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rate.

The assets of the schemes are held separately from those of the Association.

The Association is part of the Social Housing Pension Scheme, a multi-employer defined benefit (final salary) contributory pension scheme administered

independently by The Pensions Trust. Sufficient information is available for the Association to account for its obligations on a defined benefit basis. As such, the Association recognises in its statement of financial position the present value of its defined benefit obligations less the fair value of plan assets. The current service cost is charged against operating profit. Interest on the scheme liabilities net of the expected return on scheme assets is included in the finance costs.

The defined benefit obligation is calculated at each period end by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating to the terms of the related pension

liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected in the statement of comprehensive income in the period in which they arise.

1.17 Leases

Leases are classified as finance leases where the terms of the leases transfer substantially all the risks and the rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

Rentals paid or receivable under operating leases are recognised to the Statement of Comprehensive Income on a straight-line basis over the term of the lease, including where payments or receipts are not required to be made on a straight-line basis. Lease incentives are similarly spread on a straight-line basis over the relevant lease terms.

Assets held under finance leases are measured initially at the fair value of the leased asset and the corresponding lease liability. Assets held under finance leases are included in tangible fixed assets and depreciated in the same way as owned assets.

1.18 Provisions for liabilities

Provisions for liabilities and charges are recognised when the Association has a present obligation (whether legal or construction) as a result of a past event that can be reliably estimated, and it is probable that a transfer of economic benefit will be required to settle the obligation.

1.19 Revenue reserves

Revenue reserves relate to the cumulative surpluses less amounts transferred to designated and restricted reserves.

2 LETTINGS AND OTHER RELATED INFORMATION

2(a) PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2025			Combined 2024			
	Turnover £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Cost of Sales	Operating expenditure £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 2b)	18,216	(14,217)	3,999	16,966		(13,107)	3,859
Other social housing activities							
First tranche shared ownership sales				468	(351)		117
Gain on disposal of housing properties	-	-	307	-	-	-	379
Other	104	(88)	16	26		(256)	(230)
Total	18,320	(14,305)	4,322	17,460	(351)	(13,363)	4,125

2(b) PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Housing Accommodation £'000	Supported Housing £'000	Shared Ownership £'000	Total 2025 £'000	Combined Total 2024 £'000
Income					
Rents receivable net of identifiable service charges	14,070	573	662	15,305	14,197
Service charges receivable	1,412	62	280	1,754	1,584
Amortised government grants	1,110	10	37	1,157	1,156
Other income					29
Turnover from social housing lettings	16,592	645	979	18,216	16,966
Operating expenditure					
Service charge costs	1,424	210	388	2,022	1,830
Management	3,788	219	107	4,114	3,390
Routine maintenance	3,269	48		3,317	2,924
Major repairs	435			435	370
Bad debts	29			29	26
Planned Maintenance	1,620			1,620	1,994
Depreciation of housing properties	2,455	23		2,478	2,450
Loss on disposals and component replacements	202			202	123
Operating expenditure on social housing lettings	13,222	500	495	14,217	13,107
Operating surplus on social housing lettings	3,370		484	3,999	3,859
Rent losses from voids	193	8	-	201	202

3 BOARD MEMBERS & DIRECTORS' EMOLUMENTS

For the purpose of this note, the directors are defined as the Board Members, the Chief Executive and the Senior Staff Team.

	2025 £'000	Combined 2024 £'000
Aggregate emoluments and expenses payable to the executive directors (including pension contributions and benefits in kind)	508	785
Compensation for loss of office	269	-
Pensions Contribution	29	30
Emoluments paid to the highest paid director of the Association excluding pension contributions	131	148
Pensions contributions in respect of the highest paid director	7	10

Loss of office payments were made to directors who were made redundant during the year following the merger.

The Chief Executive is an ordinary member of the Social Housing Pension Scheme (SHPS), and no enhanced or special terms applied. SHPS is a defined contribution scheme. The employers' contribution rate is currently set at between 6.45% and 7.45%.

Board member remuneration	2025 Total £'000	Combined 2024 Total £'000
Pamela Leonce (resigned March 2025)	-	8.0
David Bapiste	8.0	5.0
Puneet Rajput (resigned May 2023)	-	0.5
Jack Stephen	4.5	4.1
Peta Caine	2.5	2.5
Katie Wilmot	2.5	2.5
Wasiu Fadahunsi	2.5	2.5
Chyrel Brown (resigned July 2024)	1.0	3.2
Rajkoomar Jahanara (resigned March 2024)	-	2.5
Debra Redhead-Allen	2.5	2.5
Samuel Aligbe (resigned February 2025)	2.5	1.5
Somayeh Tosi	3.2	2.5
Darren Alexander (resigned January 2025)	2.5	1.5
Bianca White-Williams (resigned March 2025)	2.5	1.6
Leroy Alphonso McKenzie	2.5	2.5
Karen Harvey (resigned March 2024)	-	2.6
	36.7	45.5

4 EMPLOYEE INFORMATION

	2025 Number	Combined 2024 Number
The average weekly number of persons (including the Chief Executive) employed during the year was (full time equivalents based on 35 hours per week and 37.5 hours for Hostel staff):	40.5	46.7
Staff costs during the year:	£'000	£'000
Wages and salaries	2,262	2,424
Social security costs	250	261
Pension costs	136	153
Termination Payments for loss of office	269	-
	2,917	2,838

Termination payments totalling £0.269m (2024: Nil) were made during the year to employees in respect of loss of office. These payments were made in accordance with contractual obligations and approved by the Board.

Salary banding for key management personnel, considered earning over £60,000 (including salaries, performance related pay, benefits in kind, compensation for loss of office) is set out on a full-time equivalent basis below:

Bands	2025 Number	Combined Number 2024
£60,000 - £70,000	2	2
£70,001 - £80,000	1	3
£80,001 - £90,000	3	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	2	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
Total	10	11

5 SURPLUS ON SALE OF HOUSING PROPERTIES

	2025 £'000	Combined 2024 £'000
Disposal proceeds	936	935
Carrying value of fixed assets	(609)	(500)
Grant amortised	(14)	(46)
Selling cost	(6)	(10)
	307	379

6 INTEREST RECEIVABLE

	2025 £'000	Combined 2024 £'000
Bank interest	252	756
Investment income	12	6
	264	762

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £'000	Combined 2024 £'000
SHPS pension – interest expense	34	31
Loans and bank overdrafts	3,384	3,721
Amortised Cost adjustment	(342)	(322)
	3,076	3,430

8 SURPLUS FOR THE YEAR

	2025 £'000	Combined 2024 £'000
Is stated after charging:		
Auditor's remuneration (excluding VAT):		
- in their capacity as auditor	64	51
- other services	11	8
Operating lease payments	-	87
Depreciation	2,596	2,595

9 HOUSING FIXED ASSETS

Costs of completed properties and properties under construction comprise of materials and direct overheads attributable to the development.

Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value, on a straight-line basis, over their estimated useful economic lives set out in Note 1.11.

	Housing properties held for letting £'000	Housing properties under construction £'000	Shared ownership housing properties £'000	Total £'000
Cost				
At 1 April 2024 Combined	222,568	289	22,893	245,750
Component additions	2,054	290	-	2,344
Disposals	(757)	-	(609)	(1,366)
At 31 March 2025	223,865	579	22,284	246,728
Depreciation and impairment				
At 1 April 2024 Combined	39,086	-	-	39,086
Charged for year	2,478	-	-	2,478
Disposals	(554)	-	-	(554)
At 31 March 2025	41,010	-	-	41,010
Net book value				
At 31 March 2025	182,855	579	22,284	205,718
At 31 March 2024 Combined	183,482	289	22,893	206,664
The cost incurred on improvement works to existing properties during the year is analysed as follows:				
		2025 £'000	Combined 2024 £'000	
Amounts capitalised (all relating to components)		2,054		1,936
Amounts charged to the income and expenditure account		435		1,374
Carrying amount of secured and unsecured properties		2025 £'000	2024 £'000	
Secured properties		79,637		102,398
Unsecured properties		126,081		105,905
		205,718		208,303

10 OTHER TANGIBLE FIXED ASSETS

Depreciation on other fixed assets is charged on a straight-line basis over the expected useful economic lives of the fixed assets to write down the cost less estimated residual values at the following annual rates set out in Note 1.12.

	Long Leased Office Premises £'000	Office Furniture and Equipment £'000	Total £'000
Cost			
At 1 April 2024 Combined	2,345	1,590	3,935
Additions	-	58	58
Disposals	-	-	-
At 31 March 2025	2,345	1,648	3,993
Depreciation			
At 1 April 2024 Combined	164	1,436	1,600
Charge for year	23	95	118
Disposals	-	-	-
At 31 March 2025	187	1,531	1,718
Net book value			
At 31 March 2025	2,158	117	2,275
At 31 March 2024 Combined	2,181	154	2,335

11 INVESTMENTS

The Association deposited £1.30m which is held in trust instead of The Housing Finance Corporation as part of the loan agreement. As at March 2025 the balance including accrued interest was £1.41m (2024: £1.36m). Fair value movement of the investment recognised in the Statement of Comprehensive Income is (£41k): (2024: (£36k).

12 TRADE AND OTHER DEBTORS

	2025 £'000	Combined 2024 £'000
Amounts receivable within one year:		
Rent arrears	2,070	1,672
Housing benefits in arrears	116	158
Less: provision for bad debts	(991)	(661)
	1,195	1,169
Prepayments and accrued income	265	523
Other debtors	-	1,657
	1,460	3,349

13 CREDITORS

	2025 £'000	Combined 2024 £'000
Amounts falling due within one year:		
Trade creditors	1,102	608
Taxation and social security payable	79	123
Loan repayments (note 16)	9,350	2,586
Loan interest	606	152
Other creditors and accruals	1,455	2,868
Recycled Capital Grant Fund (note 18)	292	203
Rent in advance	725	808
Deferred grant income (note 15)	1,158	1,155
	14,767	8,503

The above loan repayment figure of £9.35m includes £7.5m refinancing of an existing loan maturing in December 2025, terms of which have already been received from the lender.

13a The Association uses surplus cash to part repay loans under its Revolving Credit Facility (RCF). Use of this facility allows the Association to maintain adequate cash balances and therefore maximise savings on loan interest payable.

During the year the Association repaid £10m loan under the RCF. At 31 March 2025, the Association had facilities of £20.2m of which £10.2m was RCF. Karibu has sufficient cash reserves to cover the net current liabilities position.

14 CREDITORS

	2025 £'000	2025 £'000	Combined 2024 £'000	Combined 2024 £'000
Amounts falling due after more than one year:				
Deferred grant income (note 15)		89,164		90,442
Housing loans (note 16)	50,389		68,811	
Bond premium amortised cost adjustment	7,233	57,622	7,389	76,200
Recycled Capital Grant Fund (note 18)		757		915
		147,543		167,557

15 DEFERRED GRANT INCOME

Social housing grant (SHG) is initially recognised at fair value as a long-term liability, specifically as deferred government grant income and released through the statement of comprehensive income as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to registered providers of social housing accounting for housing properties at cost. All social housing grant (SHG) is amortised to income over 100 years for social housing properties.

On disposal, SHG associated with those properties is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

	2025 £'000	Combined 2024 £'000
At 1 April	91,598	92,966
Recycled on disposal	(133)	(258)
Released to income in the year	(1,157)	(1,156)
Released on disposal	14	46
At 31 March	90,322	91,598
Amounts to be released within one year	1,158	1,156
Amounts to be released in more than one year	89,164	90,442
	90,322	91,598
	2025 £'000	Combined 2024 £'000
Government grant previously amortised to income	25,213	24,071
Government grant included in deferred income	90,322	91,598
Total government grant received	115,535	115,669

Stock swaps previously entered into by the Association have resulted in associated recognisable grants of £7.81m (2023: £7.81m). These grant liabilities are not recognised within deferred grant income, in line with the related accounting policy, but nevertheless represent a liability for the Association should the respective properties be sold.

16 HOUSING LOANS

Loans from lending institutions are secured by way of a first fixed charge on the Association's housing properties at rates of interest between 3.344% and 6.880% and include asset cover tests based on the ratio of the value of properties secured to the carrying value of the loan. Bank loans include interest cover gearing covenants each of which is tested annually against relevant disclosures within the statement of comprehensive income and statement of financial position. The loans are repayable in instalments due as follows:

	2025 £'000	Combined 2024 £'000
In five years or more	29,827	34,575
Between two and five years	19,601	32,870
Between one and two years	1,350	2,183
Loan finance costs	(389)	(817)
	50,389	68,811
In one year or less	9,350	2,203
	59,739	71,014

17 PENSIONS

The Association 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 significantly reduced deficit of £690 million, down from £1,560 million in 2020. A revised Recovery Plan has been implemented,

maintaining the target date of 31 March 2028 for eliminating the deficit.

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.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 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.

As reported in prior years, the Association has been notified by the Trustee of the Scheme that it had performed a review of the changes made to the Scheme's benefits over the years and the result was that there was uncertainty surrounding some of these changes. The Trustee was advised to seek clarification from the Court on these items so that it has the certainty it needs to properly administer the Scheme. The Court case is still ongoing, and the outcome is not expected until later in 2025 at the earliest. It is recognised that this could potentially impact the value of the scheme liabilities, and the current best estimate of this impact to the Association is currently estimated at £0.088m though until the Court directions are received, this amount cannot be confirmed. No adjustment has been made in these financial statements in respect of this potential issue.

As part of preparing for the Court case, the Trustees have also been considering the outcome of the Court of Appeal judgment in Virgin Media vs NTL Pension Trustees II Limited and have added some questions to the Court documents to gain clarity on the points arising. This process is also on-going,

and the matter is unlikely to be resolved for a number of months. It is recognised that this could also potentially impact the value of the Schemes liabilities, but until the clarification has been provided, it is not possible to calculate the impact of this issues, particularly on an individual employer basis with any

accuracy at this time. Furthermore, the Government has indicated that retrospective legislation may be introduced to remove the potential for the above further liability to arise. No adjustment has been made in these financial statements in respect of this potential issue.

	2025 £'000	2024 £'000
Pension scheme liabilities recognised in the Statement of Financial Position		
Pension obligations recognised as Defined Benefit schemes	555	787
Total pension scheme liabilities	555	787

	2025 £'000	2024 £'000
Statement of Financial Position		
Fair value of plan assets	3,136	3,320
Present value of funded retirement benefit obligations	(3,691)	(4,107)
Net liability	(555)	(787)

Principal actuarial assumptions at the financial position date:	2025 % per annum	2024 % per annum
Discount Rate	5.77%	4.88%
Inflation (RPI)	3.11%	3.18%
Inflation (CPI)	2.78%	2.76%
Salary Growth	3.78%	3.76%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions applied at 31 March 2024 imply the following life expectancies:	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

	2025 £'000	2024 £'000
Amounts recognised in the Income Statement		
Net interest on defined benefit liability	34	31
Expenses paid	5	7
Total expenses	39	38

	2025 £'000	2024 £'000
Amounts recognised in Other Comprehensive Income		
Experience on plan assets	(194)	(221)
Experience gains and losses arising on the Plan liabilities	(131)	(25)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (losses)/gain	411	(2)
Effects of changes in the demographic assumptions underlying the present value of the Plan liabilities	-	39
Total amount recognised in Other Comprehensive Income – gain / (loss)	86	(209)

	2025 £'000	2024 £'000
Reconciliation of movements on the defined benefit obligation		
Defined benefit obligation at the start of the period	4,107	3,925
Current service cost	-	10
Expenses	5	7
Member Contributions	23	35
Interest expense	192	192
Actuarial gains due to scheme experience	131	25
Actuarial losses / (gains) due to changes in demographic assumptions	-	(39)
Actuarial losses / (gains) due to changes in financial assumptions	(411)	2
Benefits paid	(356)	(50)
Defined benefit obligation at the end of the period	3,691	4,107

	2025 £'000	2024 £'000
Reconciliation of movements on the fair value of plan assets		
Fair value of the Plans' assets at the start of the period	3,320	3,205
Interest income	158	161
Experience on plan assets (excluding amounts included in interest income) gains / (loss)	(194)	(221)
Member Contributions	23	35
Employer Contributions	185	190
Benefits paid and expenses	(356)	(50)
Fair value of plan assets at the end of the period	3,136	3,320

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£36,000).

The fair values of each main class of assets held by the Fund and the expected rates of return for the ensuing year are set out in the following table.

	2025 £'000	2024 £'000
Global Equity	351	331
Absolute Return	-	130
Distressed Opportunities	-	117
Credit Relative Value	-	109
Alternative Risk Premia	-	106
Liquid Alternatives	581	-
Emerging Markets Debt	-	43
Risk Sharing	-	195
Insurance-Linked Securities	10	17
Property	157	134
Infrastructure	1	335
Private Equity	3	2
Real Assets	375	-
Private Debt	-	130
Opportunistic Liquid Credit	-	130
Private Credit	384	-
Credit	120	-
Investment Grade Credit	97	-
High Yield	-	-
Opportunistic Credit	-	-
Cash	43	65
Corporate Bond Fund	-	-
Long Lease Property	1	22
Secured Income	52	99
Liability Driven Investment	949	1,351
Currency Hedging	5	(2)
Net Current Assets	7	6
Total assets	3,136	3,320

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

18 RECYCLED CAPITAL GRANT FUND

The Regulator of Social Housing can direct the Association to recycle SHG or to repay the recoverable capital grant back to the Greater London Authority (GLA). Where the grant is recyclable, the recoverable capital grant is credited to the recycled capital grant fund (RCGF), which is included as a creditor due either within one year or after more than one year as appropriate.

	2025 GLA £'000	Combined 2024 GLA £'000
At 1 April	1,118	880
Inputs to RCGF:		
Grants Recycled	133	258
Interest accrued	-	(12)
Repayment of Grant	(203)	(8)
At 31 March	1,048	1,118
Amounts 3 years old or older where repayment may be required	277	203

19 CAPITAL COMMITMENTS

Capital commitments are disclosed in respect of capital expenditure towards fixed assets which have been contracted and predominantly relate to developments where known contractors have been appointed, and which have started on site.

	2025 £'000	2024 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	2,671	2,547
Expenditure authorised but not contracted	-	1,171
	2,671	3,718
The Association expects to finance the above expenditure above by:		
Bank loans & Cash Generation	2,671	3,718

20 SHARE CAPITAL

Allotted, issued and fully paid	2025 £	Combined 2024 £
At 1 April	23	23
As at 31 March	23	23

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

21 NOTES ON THE CASHFLOW STATEMENT

	2025 £'000	Combined 2024 £'000
Surplus for the year	1,469	1,421
Depreciation – Housing Properties	2,478	2,472
Depreciation - Other tangible fixed assets	118	124
Loss on components disposal	202	123
Surplus on sale of tangible fixed assets	(327)	(435)
Amortisation of government grant and disposal adjustment	(1,157)	(759)
Change in debtors	1,285	(253)
Change in creditors	(591)	90
Defined benefit Pension charges	(146)	
Provisions	-	58
Fair value movement	(40)	36
Amortised cost adjustment	108	(352)
Interest paid	3,076	3,752
Interest received	(264)	(762)
Net cash generated from operating activities	6,211	5,515

22 TAXATION

No provision for United Kingdom corporation tax has been made due to the Association's charitable status.

23 UNITS AND BEDSPACES

During the year ending 31 March 2025, five shared ownership leaseholders staircased to a 100%.

	2025 Number	Combined 2024 Number
Homes owned and managed at end of year:		
Owned – Social Rent	1,446	1,446
Owned – Affordable Rent	196	196
Owned – Intermediate Rent	67	67
Owned-Supported housing (Colling Place & Hostel)	40	40
Owned – Temporary Housing	3	3
Owned – Temporary Housing - Shared	6	6
Owned – London Living Rent	18	18
Owned – Shared ownership	87	92
	1,863	1,868
Homes owned and managed at end of year:		
Owned – Social Rent	11	11
Owned – Affordable Rent	-	18
	1,874	1,897

24 RELATED PARTY TRANSACTIONS

Disclosures in relation to the Chief Executive and the Senior Staff Team are set out below:

	2025 £'000	Combined 2024 £'000
Basic salary	488	421
Employers' national insurance	64	56
Pensions contributions	29	30
As at 31 March	581	507

25 FINANCIAL INSTRUMENTS

The Association's financial instruments are summarised below:

	2025 £'000	Combined 2024 £'000
Total financial instruments at fair value	1,412	1,361

Financial assets measured at fair value are valued based upon quoted market prices.

26 TRANSFER OF UNDERTAKING

On 1 April 2024 Karibu Community Homes (formerly Inquilab Housing Association) received a transfer of undertaking from Westway Housing Association.

As required per FRS102 PBE34.86, details of the individual entities for the previous year are shown below.

Analysis of total comprehensive income by principal component for the year ended 31 March 2024	Inquilab £'000 2024	Westway £'000 2024	Combined £'000 2024
Turnover	11,516	5,944	17,460
Cost of sales	-	(351)	(351)
Operating expenditure	(9,215)	(4,148)	(13,363)
Gain on disposal of housing properties	379	-	379
Operating surplus	2,680	1,445	4,125
Interest receivable	661	101	762
Interest payable and financing costs	(2,646)	(784)	(3,430)
Movement in fair value of investment	(36)	-	(36)
Surplus for the financial year	659	762	1,421
Other comprehensive income			
Actuarial (loss) for the year on defined benefit pension obligation	(93)	(116)	(209)
Total comprehensive income for the financial year	566	646	1,212

Aggregate carrying value of the net assets of each company as at 31 March 2024	Inquilab £'000 2024	Westway £'000 2024	Combined £'000 2024
Fixed assets			
Housing properties	151,513	55,150	206,663
Other tangible fixed assets	2,291	44	2,335
	153,804	55,194	208,998
Current assets			
Investments	1,361	-	1,361
Trade and other debtors	2,894	455	3,349
Cash & cash equivalent	11,759	1,600	13,359
	16,014	2,055	18,069
Creditors amounts falling due within one year	(5,092)	(3,411)	(8,503)
Net current assets / (liabilities)	10,922	(1,356)	9,566
Total assets less current liabilities	164,726	53,838	218,564
Creditors: amounts falling due after more than one year	(128,500)	(39,057)	(167,557)
Provisions for liabilities			
Pension provision	(398)	(389)	(787)
Total net assets	35,828	14,392	50,220
Reserves			
Revenue reserve	35,828	14,392	50,220
Total reserves	35,828	14,392	50,220

www.karibu.org.uk

Karibu
Community Homes



Karibu Community Homes

Unit 3
8 Kew Bridge Road
Brentford
TW8 0FJ