



Karibu Community Homes

Annual Review and Financial Statements

Year Ended 31 March 2026





ANNUAL REVIEW
AND FINANCIAL
STATEMENTS

Year Ended 31 March 2026

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

Registered Social Landlord
No. LH3728

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EXECUTIVES AND ADVISORS

BOARD OF MANAGEMENT

Dave Baptiste
Chair

Jack Stephen
Senior Independent Director
(Chair – Corporate, Finance, Treasury
and Investment Committee)

Somayeh Tosi
Chair – Remunerations and
Nominations Committee

Katie Wilmot
Chair – Customer Committee
(retired 30 June 2026)

Peta Caine
(retired 30 June 2026)

Wasiu Fadahunsi

Debra Redhead-Allen
(retired 31 July 2025)

Leroy Alphonso McKenzie
(resigned 30 June 2025)

Ann Otesanya
(appointed 1 May 2025)
Chair – Customer Committee
(appointed 1 July 2026)

Andrew Warner
(appointed 1 May 2025)
Chair – Audit & Risk Committee

Jonathan Gregory
(appointed 1 May 2025)

Adeleke Adebisi
(appointed 31 July 2025)

Karen Forbes-Jackson
(appointed 31 July 2025)

Edith Parker
(appointed 1 July 2026)

Edith Stokes
(appointed 1 July 2026)

Mica Joseph
(appointed 1 July 2026)

SENIOR STAFF

Ricardo Scipio
Chief Executive

Previn Tailor
Director of Finance & Resources

Gary Clark
Director of Customers & Communities

Keith Meredith
Director of Asset Management
and Development
(resigned 7 October 2025)

Dennis Evans
Interim Director of Assets
(appointed 8 October 2025;
resigned 2 December 2025)

Chris Liffen
Interim Director of Assets
(appointed 3 December 2025;
resigned 13 July 2026)

Jeffrey Boateng
Director of Assets & Development
(appointed 14 July 2026)

Stephen Rosser
Company Secretary / Assistant Director,
Governance & Business Assurance
(resigned 25 October 2025)

Andrew Nankivell
Interim Assistant Director
of Governance
(appointed 26 October 2025)

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

Crowe U.K. LLP
55 Ludgate Hill
London
EC4 7JW

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



The 2025/26 financial period has been another significant year for Karibu, marked by both progress and challenge as we continued to embed the merger and strengthen our foundations for the future.

The social housing sector continues to operate in a demanding environment, with ongoing inflationary pressures, increasing repair and maintenance costs, enhanced building safety requirements and growing demand for affordable housing. Despite these challenges, Karibu has maintained a strong financial position, enabling continued investment in homes, services and communities while ensuring long-term financial sustainability.

Throughout the year, we remained focused on improving the services that matter most to residents. Repairs and maintenance continued to be a key priority and we made significant progress in procuring a new long-term repairs, planned works and estate services contract.

This will provide a stronger platform for service delivery, improved performance management and better outcomes for residents.

The integration of our merged organisation has continued at pace. Significant work has been undertaken to align systems, processes and ways of working while maintaining continuity of service. As a larger organisation, we are better placed to invest in technology, strengthen our use of data and improve operational resilience, enabling us to deliver more effective services for customers.

People remain at the heart of our success. During the year we approved a new People and Culture Strategy which will help ensure we have the skills, leadership and organisational culture required to deliver our ambitions and reflect the diverse communities we serve.

Equally important is ensuring that residents remain at the heart of our decision-making. Through our strengthened Tenant Committee and wider resident engagement activities, we continue to listen to and act upon customer feedback, helping to shape services and drive continuous improvement.

Throughout the year, we remained focused on improving the services that matter most to residents.



DELIVERING OUR CORPORATE PLAN

Following the launch of our Corporate Plan 2025–2028, we began implementing a programme of operational improvements aimed at enhancing the customer experience.

During the year we reviewed a range of services, policies and processes, focusing particularly on those that have the greatest impact on residents. While meaningful change takes time, we are encouraged by early signs of improvement, including increased customer satisfaction. Although performance remains below some of our target measures, we have established clear plans to continue driving improvements throughout the life of the Corporate Plan.

RESIDENT ENGAGEMENT

Resident engagement remains central to our approach. Through the Tenant Committee, Scrutiny Panel, Community Champions, Complaints Panel, Virtual Panel and Procurement Panel, residents have helped shape service reviews, policies, communications and procurement decisions.

This engagement has directly influenced improvements in complaint communications, anti-social behaviour processes and repairs follow-up

arrangements. We have also engaged residents through surveys, consultations, estate walkabouts and community events, helping us better understand customer priorities and experiences.

Our focus remains on strengthening the connection between resident feedback, service improvement and organisational decision-making, ensuring residents can see how their views influence change.

REGULATORY JUDGEMENT

During the year we received our first regulatory judgements as Karibu from the Regulator of Social Housing.

The Regulator confirmed our **V2 grading**, recognising our continued financial resilience and capacity to invest in homes and services. We also received a **C2 grading** against the Consumer Standards and a **G2 grading** for Governance.

While the judgements recognised the progress made since merger, they also identified areas where further improvement is required, particularly within repairs and complaints services. Since publication of the judgements in March 2026, we have worked closely with the Regulator to develop and implement a comprehensive improvement programme. Good progress has already been made, and this work will remain a key priority during 2026/27.

PEOPLE AND CULTURE

Approved during the year, our People and Culture Strategy provides a framework for ensuring Karibu remains both a great place to work and a high-performing organisation.

The strategy focuses on strengthening leadership capability, embedding a positive and accountable culture, and enhancing recruitment, retention and talent development. Together, these initiatives support our strategic objectives, strengthen organisational resilience and ensure we continue to deliver positive outcomes for customers.

FINANCIAL PERFORMANCE

Karibu maintained a strong financial position during 2025/26. Turnover increased to £18.81m (2025: £18.32m), while operating surplus is lower at £3.86m (2025: £4.32m). We generated a retained surplus of £1.34m (2025: £1.56m), reflecting the strength of our core social housing activities and continued focus on financial efficiency.

Our strong balance sheet and effective treasury management provide a solid platform for future investment, enabling us to continue investing in existing homes, building safety and service improvements while supporting our long-term ambitions for growth.

INVESTING IN HOMES AND SERVICES

Providing safe, well-maintained homes remains our highest priority.

During the year we continued to invest in planned maintenance, major repairs, compliance and building safety programmes while strengthening our approach to asset management and future investment planning. We also enhanced our response to damp and mould, resident safety and compliance, ensuring our homes meet evolving regulatory requirements and customer expectations.

We progressed the procurement of a new long-term repairs and maintenance contract, designed to deliver improved service quality, stronger performance management and better outcomes for residents. Alongside this, we strengthened contract management arrangements and oversight of contractor performance.

GOVERNANCE

Strong governance remains fundamental to our success.

During the year we welcomed eight new Board members, strengthening expertise across asset management, development, human resources, audit and risk, and customer services.

The Board has maintained robust oversight of regulatory compliance, organisational performance and customer outcomes. Working closely with the Audit and Risk Committee, the Board has closely monitored progress against improvement plans, scrutinised key risks and ensured effective governance arrangements are in place to support delivery.

This oversight reflects our commitment to continuous improvement, strong accountability and placing residents at the centre of decision-making.

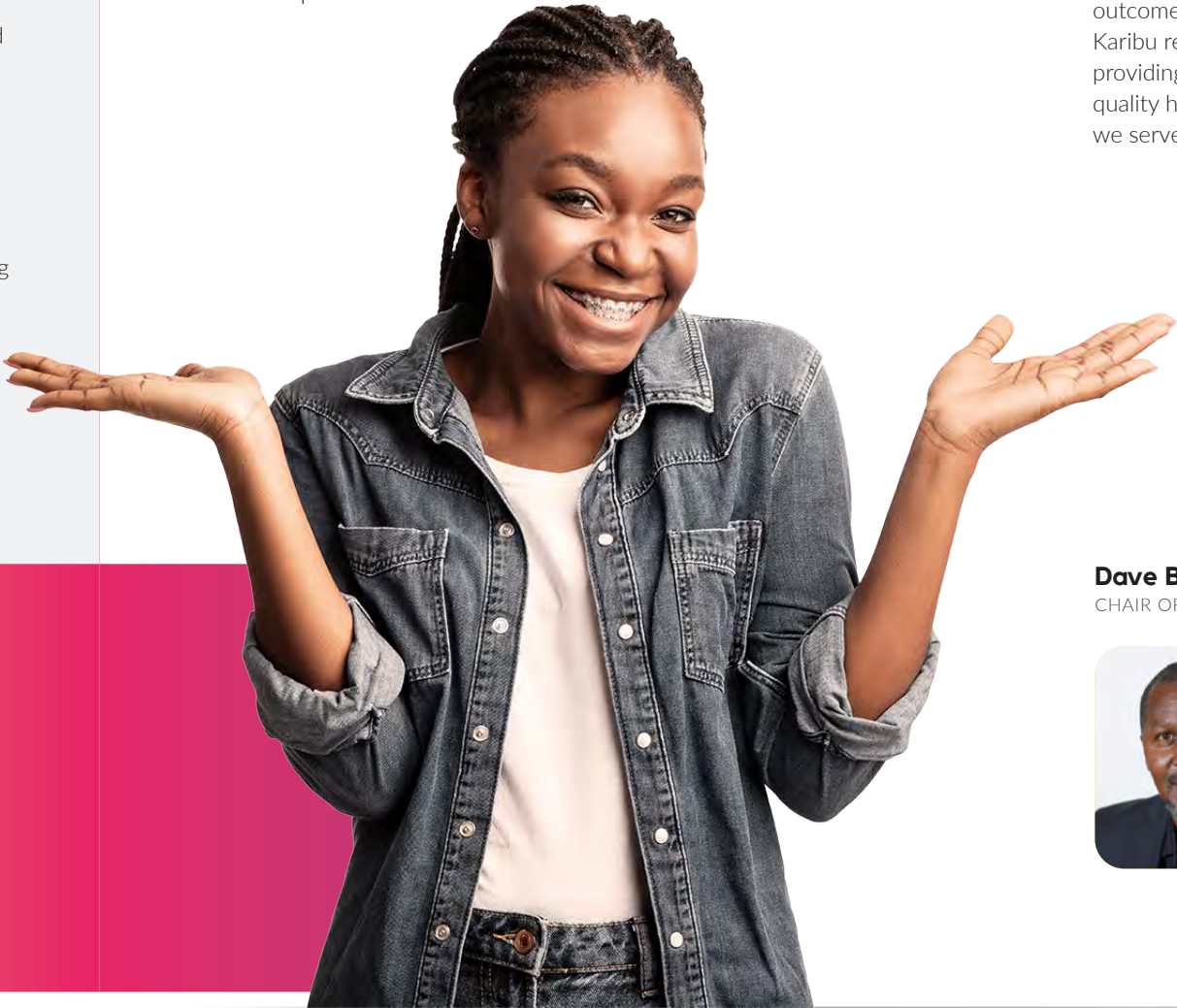
CLOSING REMARKS

As we reflect on our second year as Karibu, we would like to extend our sincere thanks to everyone who has contributed to our progress.

In particular, we would like to thank Peta Caine and Katie Wilmot who retired in June 2026 for their valued service and commitment as Board members. Their insight, support and contribution have played an important role in strengthening our organisation and governance.

We would also like to thank our colleagues, whose dedication, professionalism and commitment make Karibu possible every day. Most importantly, we would like to thank our customers, whose feedback, challenge and partnership continue to help us improve the services we deliver.

Together, we are building a stronger organisation, delivering better outcomes for residents and ensuring Karibu remains true to its purpose of providing safe, affordable and high-quality homes for the communities we serve.



Dave Baptiste Ricardo Scipio
CHAIR OF THE BOARD CHIEF EXECUTIVE



Annual Review of the Board



The Board is pleased to present the Annual Financial Statements and Report for Karibu Community Homes for the year ending 31 March 2026. This report encapsulates our financial

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

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 the 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. Following a governance review a new Committee structure was set up to take effect from 4 June 2026.

The Audit and Risk Committee (ARC)

This Committee is chaired by a 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)

Operating to 3 June 2026

This Committee 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 leadership is equipped to meet future challenges.

People and Governance Committee

Operating from 4 June 2026

This Committee is chaired by a board member. It ensures that our governance practices remain robust and effective. It is responsible for board succession planning and effectiveness reviews. It has oversight of Karibu's staff function.

Customer Committee (CC)

This Committee is chaired by a board member and is responsible for overseeing the provision of services to our customers and monitoring resident engagement activities. One of the committee members is a customer. In addition, the Committee monitors compliance with consumer regulation and provides assurance in this area to the Audit and Risk Committee and the Board.

Corporate Finance Treasury and Investment Committee

Operating from 4 June 2026

This Committee is chaired by a board member and is responsible for reviewing and making recommendations to the Board on the business plan, budget, treasury strategy and value for money.

Review of the Business

External Environment

The 2025/26 financial year was another demanding year for the social housing sector. While inflation continued to moderate and interest rates began to ease, many residents remained affected by the cumulative impact of several years of increased living costs. Affordability pressures continued to affect many households, particularly those on lower incomes, with rising costs of food, energy and other essential goods placing ongoing pressure on household finances.

Demand for affordable housing remained exceptionally high throughout the year. Rising levels of homelessness, increasing housing need and continued pressures on local authority housing services reinforced the critical role that housing associations play in providing safe, affordable homes and supporting sustainable communities.

The regulatory environment continued to evolve at pace. The Regulator of Social Housing's proactive consumer regulation regime became increasingly embedded across the sector, with landlords expected not only to deliver good services but also to demonstrate compliance through robust evidence, effective assurance arrangements and a clear focus on resident outcomes. The introduction of regular consumer inspections has increased expectations around safety, quality of homes, transparency, complaints handling, resident engagement and organisational accountability.

Alongside this, the Housing Ombudsman continued to highlight learning across the sector, particularly in relation to complaints handling, communication with residents, damp and mould and organisational culture. Housing providers have increasingly focused on ensuring that resident feedback drives service improvement and that lessons learned are translated into meaningful action.

Building safety and compliance remained a significant area of focus. The ongoing implementation of the Building Safety Act, together with preparations for the introduction of Awaab's Law, has increased expectations around landlord compliance, asset information, property condition data, resident communication and organisational assurance. Across the sector, organisations have continued to invest in compliance, data quality and governance arrangements to meet these expectations.

Whilst construction cost inflation has stabilised, costs remain above historic levels and challenges within contractor and labour markets continue to place pressure on repairs, maintenance and investment programmes. Housing associations therefore continue to balance investment in existing homes, compliance obligations, resident service improvements and long-term financial sustainability.

Against this backdrop, 2025/26 represented an important year in Karibu's development as a newly merged organisation. During the year we continued to strengthen our governance and assurance arrangements, improve our understanding of resident needs, invest in our homes and communities and implement the foundations required to deliver our Corporate Plan priorities.

We have continued to focus on improving resident engagement, strengthening complaints handling, enhancing customer contact arrangements, increasing transparency and preparing for future regulatory inspection.

Significant work has also been undertaken to improve data quality, strengthen organisational assurance and support better decision-making across the business.

Despite the challenges facing the sector, Karibu has remained financially resilient and committed to its social purpose. We continue to invest in resident safety, service improvement and the long-term sustainability of our homes while maintaining a prudent approach to financial management.

Our mission remains unchanged: to meet housing need and support sustainable communities. We remain committed to providing safe, affordable and high-quality homes, delivering services that residents value and trust, and creating positive outcomes for the people and communities we serve.



About Karibu Community Homes

Karibu Community Homes is a community benefit society and exempt charity regulated by the Regulator of Social Housing.

The organisation traces its origins to Inquilab Housing Association, which was established in 1987 to address housing need and improve access to affordable housing for underrepresented Black and Minority Ethnic communities in West London.

On 1 April 2024, Inquilab Housing Association and Westway Housing Association successfully merged to form Karibu Community Homes. The merger created a stronger and more resilient organisation with greater capacity to invest in homes, services and communities while remaining rooted in the values and social purpose that have shaped both organisations for many years.

Karibu
Community Homes



Today, Karibu owns and manages 1,872 homes and provides housing and related services to more than **5,000 residents** across London and the South East. We are one of the largest housing associations in the UK with a specific heritage and commitment to serving diverse communities.

Our mission is to meet housing need and support sustainable communities. We achieve this by providing safe, affordable and high-quality homes while working with residents and partners to improve opportunities, wellbeing and life chances.

As a not-for-profit organisation, all surpluses generated are reinvested into our homes, services and communities. This includes maintaining and improving existing homes, investing in resident safety, supporting community initiatives and delivering services that help residents achieve greater financial resilience, wellbeing and independence.

Residents are at the heart of everything we do. We are committed to listening to resident feedback, involving residents in decision-making and ensuring that resident voices influence the way services are designed and delivered. Our governance arrangements provide a range of opportunities for residents to engage with, challenge and help shape the future direction of the organisation.

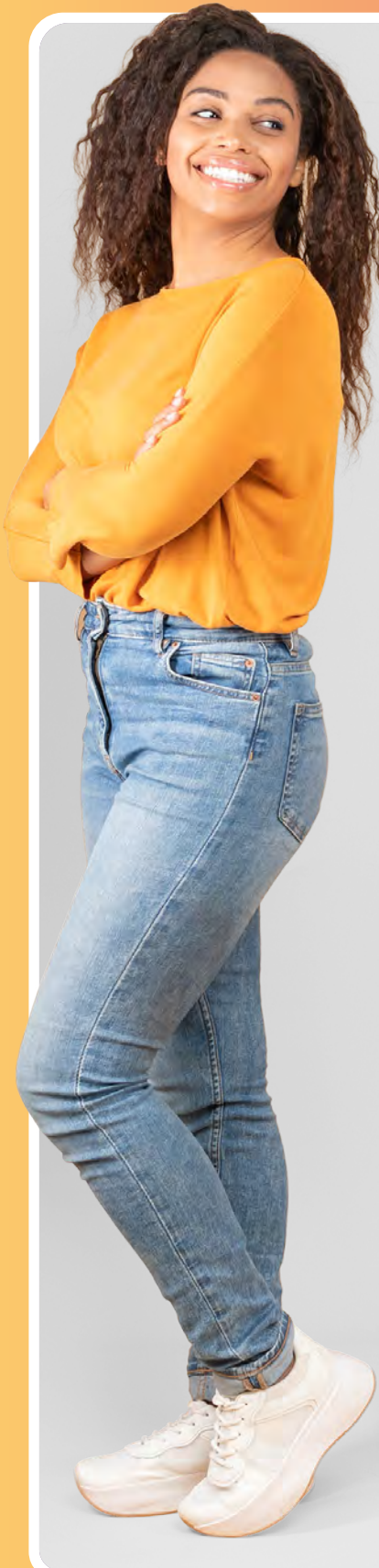
We recognise that providing a home is only one part of creating successful communities. Alongside our landlord responsibilities, we work with residents, local authorities and community partners to support employment, training, health

and wellbeing initiatives that help individuals and communities thrive.

As a regulated social housing provider, we operate in an increasingly challenging and complex environment. Maintaining strong governance, financial resilience and effective risk management is therefore fundamental to achieving our social purpose. These foundations enable us to continue investing in homes, supporting residents and delivering lasting social value for the communities we serve.



Highlights of 2025/26



The 2025/26 financial year was one of improvement and investment for Karibu Community Homes.

As we entered our second year as a merged organisation, our focus shifted from integration towards delivering the priorities set out in our Corporate Plan. Throughout the year we continued to strengthen services, invest in our homes, improve resident engagement and build the organisational capacity required to meet increasing regulatory expectations.

Despite a challenging operating environment, we made significant progress across a number of strategic priorities including resident engagement, customer service, complaints handling, building safety, repairs, data quality and organisational assurance.

Strengthening Resident Voice

Resident engagement remained a key priority throughout the year.

We continued to embed our resident engagement framework, providing a range of opportunities for residents to influence decision-making and help shape services. Through our Tenant Committee, Scrutiny Panel, Customer Committee, virtual engagement activities and targeted consultation exercises, residents have played an increasingly important role in helping us understand what matters most and where improvements are needed.

We also expanded our programme of resident engagement activities and continued to strengthen the role of resident feedback in shaping service improvements.

Learning from Complaints

We continued to strengthen our approach to complaints handling and organisational learning.

Throughout the year we focused on identifying the root causes of complaints, improving communication with residents and ensuring that lessons learned were translated into practical service improvements. Regular performance reviews, complaint trend analysis and resident feedback have helped strengthen accountability and support continuous improvement across the organisation.

Improving Customer Experience

Improving the customer experience remained a central focus during the year.

We invested in communications, customer contact systems and digital services to make it easier for residents to access support and information. This included further development of the Karibu App, improvements to our website and customer contact arrangements, and increased transparency around performance reporting.

We also continued to publish information on complaints, service performance and Tenant Satisfaction Measures, helping residents better understand how we are performing and where we are focusing improvement activity.

Investing in Homes and Building Safety

Providing safe, well-maintained homes remains our highest priority.

During the year we continued to invest in planned maintenance, major repairs, compliance programmes and building safety improvements. Significant work was undertaken to strengthen our approach to asset management, improve our

understanding of stock condition and prepare for future investment requirements.

We also continued to enhance our approach to damp and mould, resident safety and compliance, ensuring that our homes meet both current requirements and emerging expectations arising from Awaab's Law and wider regulatory reforms.

Improvement Area	Completed in 2025–26	Benefit to Residents
New Kitchens	53 kitchens installed	Creating modern, practical spaces for cooking, dining and family life.
New Bathrooms	83 bathrooms upgraded	Improving comfort, convenience and accessibility for residents.
New Boilers	65 boilers replaced	Helping to keep homes warm, reliable and energy efficient.
Windows & Doors Upgrades	87 homes	Enhancing insulation, reducing heat loss and improving home security.
New Fire Doors	170 fire doors installed	Strengthening fire safety and protecting residents across our homes.

Knowing Our Residents Better

A major priority during the year was improving our understanding of resident needs and circumstances.

Through our programme of estate, block and home visits, alongside resident profiling and data improvement initiatives, we have continued to build a more comprehensive picture of the communities we serve. This work is helping us identify vulnerabilities, improve service delivery, strengthen safeguarding arrangements and ensure that support is targeted where it is needed most.

The programme is also helping to improve the quality of our housing and resident data, supporting better decision-making and stronger regulatory assurance.

Strengthening Repairs and Maintenance Services

Repairs and maintenance services remained a key area of focus.

During the year we completed the procurement and mobilisation planning for our new long-term repairs and maintenance contract. This investment is designed to deliver improved service quality, greater consistency and better outcomes for residents.

Alongside this, we continued to strengthen contract management arrangements and improve oversight of contractor performance.

Strengthening Governance and Assurance

The regulatory environment continued to evolve during the year, with increasing expectations around resident outcomes, safety, transparency and accountability.

In response, we continued to strengthen our governance, risk management and assurance arrangements. This included improvements in data quality, performance reporting, compliance monitoring and organisational assurance, helping to ensure that the Board receives robust information to support effective decision-making.



Our Corporate Strategy

Karibu Community Homes was created on 1 April 2024 following the successful merger of Inquilab Housing Association and Westway Housing Association. The merger brought together the strengths, experience and shared values of both organisations to create a stronger, more resilient housing provider serving nearly 1,900 homes and over 5,000 residents across London and the South East.

The rationale for the merger remains central to our strategy and decision-making. By coming together, we aimed to:

- **Deliver better services for residents.**
- **Invest more in improving existing homes and building new ones.**
- **Create greater opportunities to attract, retain and develop talented colleagues.**

These ambitions continue to underpin our Corporate Plan 2025–2028 and shape our priorities as we build a modern, resident-focused housing association



OUR MISSION

To meet housing need and support sustainable communities

OUR VISION

To deliver reliable services that our diverse communities value and trust.



OUR VALUES

Our values define the behaviours and culture we expect throughout the organisation:

- SERVICE:** Delivering services that residents value and that we are proud to provide
- TRUST:** Being open, honest and acting with integrity in all that we do
- ACCOUNTABILITY:** Taking responsibility for our actions, decisions and performance
- RESPECT:** Treating everyone with fairness, dignity and professionalism
- STRENGTH:** Building on the strength of our people, heritage and resources to create lasting impact

Delivering Our Strategy

Our Corporate Plan 2025–2028 sets out how we will deliver our vision over the next three years. The plan recognises the challenges facing the social housing sector, including increasing regulation, affordability pressures, rising resident expectations, building safety requirements and the ongoing need to invest in existing homes and communities.

To respond to these challenges and opportunities, we have organised our strategy around four priorities.

Quality Services and Empowering Communities

We are committed to delivering services that meet the needs of our residents while empowering communities to thrive.

We will strengthen resident engagement, improve customer experience, increase transparency, better understand resident needs and ensure that resident voices directly influence decision-making and service improvement. Our ambition is to build stronger relationships with residents and create more opportunities for meaningful involvement in shaping our services.

Quality and Safe Homes

Everyone deserves a safe, secure and well-maintained home.

We will continue to invest in our existing homes, maintain high standards of compliance and building safety, improve energy efficiency, tackle damp and mould, enhance communal areas and deliver long-term investment programmes that ensure our homes remain safe, sustainable and fit for the future.

Great Place to Work

Our colleagues are at the heart of everything we do.

We are committed to creating a positive, inclusive and supportive working environment where colleagues feel valued, motivated and empowered to develop. By investing in our people, strengthening organisational culture and creating opportunities for learning and progression, we aim to be an employer of choice and ensure that Karibu remains a great place to work.

High Performing Business

A strong and financially resilient organisation enables us to do more for residents and communities.

We will continue to strengthen our financial position, improve efficiency, invest in digital technology, enhance governance and assurance arrangements and ensure that resources are used effectively. Maintaining a strong financial foundation will enable us to invest in homes, services and communities both now and in the future.

Monitoring Progress

The Board monitors delivery of the Corporate Plan through a clear performance framework, supported by key performance indicators, resident feedback, benchmarking and regular reporting. This enables us to track progress, identify areas for improvement and ensure accountability to residents, regulators, funders and other stakeholders.

As we move forward as a newly merged organisation, our focus remains on delivering excellent services, investing in safe and sustainable homes, supporting our communities and creating a stronger organisation capable of meeting future challenges and opportunities.



Priorities for 2026/27

In 2026/27, our focus will be on delivering the improvements agreed with the regulator as set out in our Corporate Plan and embedding the improvements introduced following the creation of Karibu Community Homes.

Our priorities reflect the areas that matter most to residents, regulators, colleagues and stakeholders: safe homes, excellent services, strong communities and a resilient organisation.

Quality Services and Empowered Communities

Understanding our residents and responding to their needs remains central to our approach.

During 2026/27 we will continue our programme of resident engagement and insight gathering, including completing our “Getting to Know You” visits and improving the quality and completeness of resident data. This will help us better understand resident circumstances, support needs and vulnerabilities, enabling us to tailor services more effectively.

We will continue to strengthen resident influence through our Community Champions programme, resident scrutiny arrangements and wider engagement framework, ensuring residents have meaningful opportunities to shape services and hold us to account.

We will also focus on improving customer experience by:

- **Delivering year-on-year improvements across the Tenant Satisfaction Measures.**
- **Publishing clear performance information on key services.**
- **Increasing transparency around complaints, repairs and service improvement.**
- **Expanding digital access through the Karibu App, resident portal and enhanced customer contact systems.**
- **Strengthening communication through a more integrated and responsive customer contact model.**

Quality and Safe Homes

Providing safe, compliant and well-maintained homes remains our highest priority.

During 2026/27 we will:

- **Continue delivery of our stock condition survey programme and long-term asset investment planning.**
- **Publish and communicate our investment plans to residents.**
- **Mobilise and embed our new long-term repairs and maintenance contract.**
- **Continue investment in kitchens, bathrooms, windows, doors and other major components.**
- **Improve the energy efficiency of our homes and develop plans for homes currently below EPC C.**
- **Deliver improvements to communal areas and neighbourhoods.**
- **Strengthen our approach to damp and mould, including full alignment with the requirements of Awaab's Law.**
- **Continue to maintain high levels of compliance across all landlord health and safety responsibilities.**

We will also continue to address a number of long-standing building issues through targeted investment and long-term remediation programmes.



Great Place to Work

Our colleagues are fundamental to delivering excellent services and achieving our ambitions.

During 2026/27 we will continue to invest in staff wellbeing, learning and development, leadership capability and organisational culture.

Our priorities include:

- **Improving employee engagement and wellbeing.**
- **Reviewing and enhancing employee benefits.**
- **Supporting professional development and career progression.**
- **Embedding a shared Karibu culture and values.**
- **Creating opportunities for colleagues to contribute to local communities through volunteering and community initiatives.**
- **Continuing our journey towards becoming an employer of choice.**



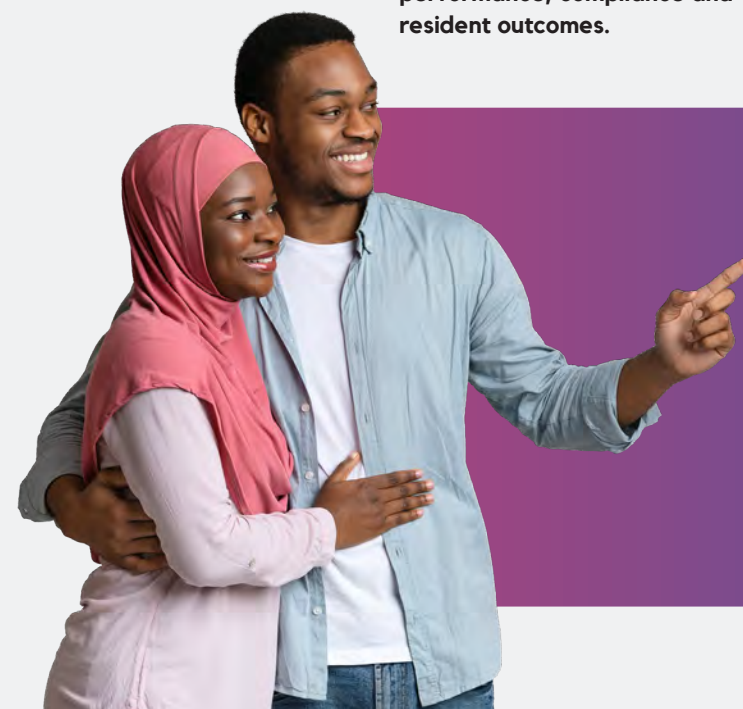
High Performing Business

A strong and resilient organisation enables us to invest in homes, services and communities.

During 2026/27 we will focus on:

- **Maintaining a strong financial position and delivering value for money.**
- **Strengthening regulatory assurance and compliance with the Consumer Standards.**
- **Improving data quality and the integrity of our business information.**
- **Enhancing business intelligence, performance reporting and organisational assurance.**
- **Improving systems integration and digital capability.**
- **Embedding robust governance, risk management and internal control arrangements.**
- **Ensuring the Board receives high-quality assurance regarding performance, compliance and resident outcomes.**

These priorities will help ensure Karibu remains financially resilient, operationally effective and well positioned to meet the increasing expectations of residents, regulators and stakeholders.



Looking Ahead

As we continue to mature as a newly merged organisation, our focus remains on delivering trusted services, investing in safe and sustainable homes, listening to residents and creating positive outcomes for the communities we serve.

Through the delivery of our Corporate Plan, we will continue to build a stronger organisation capable of meeting future challenges while remaining true to our social purpose and community roots.

Financial Overview

RESULTS 2025/26

All 2026 figures are based on the financial performance of Karibu Community Homes for the period 1 April 2025 to 31 March 2026.



Turnover

£18.81m

(2025 - £18.32m)

Operating Surplus

£3.86m

(2025 - £4.32m)

Surplus

£1.34m

(2025 - £1.56m)

Operating Margin – Overall

20.18%

(2025 - 21.95%)

EBITDA MRI

108.95%

(2025 - 119.09%)

Total Assets

(less current liabilities)

£206.61m

(2025 - £199.87m)

Voids

1.03%

(2025 - 1.10%)

Rent Collection

97.51%

(2025 - 99.30%)

Social Housing Cost per Unit

£7,842

(2025 - £7,298)



Turnover

Turnover for the year increased by £0.49m to £18.81m (2025: £18.32m), of which 99.03% was generated from our core social housing lettings activities (2025: 99.43%).

The increase in turnover was primarily attributable to annual rent increase in accordance with the regulator’s guidance. The remaining 0.07% (2025: 0.57%) 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 £3.86m (2025: £4.32m). This consisted of £3.6m from social housing lettings activities (2025: £4.00m), other-social housing activities generated a small surplus of £0.16m (2025: £0.02m surplus) and property sales contributed £0.07m (2025: £0.30m).

Operating margin overall deteriorated from 20.18% (2025: 21.95%). This is a good result given the difficult external economic market as outlined on page 11.

Operating margins on our core business social lettings was 19.52% (2025: 21.95%) and against 2025 peer group median of 17.50% (latest available 2025).

Loan interest payable for the year reduced by £0.448m to £2.936m (2025: £3.384m), reflecting the £20.0m repayment of borrowings under the Revolving Credit Facility (RCF), reductions in the Bank of England base rate from 4.50% in April 2025 to 3.75% by March 2026, and continued prudent treasury management.

During the year, the Group successfully refinanced the Barclays facility through

a restatement agreement and completed the full securitisation of the CAF facility. These actions have strengthened the Group’s financing structure, reduced interest costs, and enhanced long-term funding certainty.

Total assets less current liabilities increased to £206.6m (2025: £199.87m). The increase reflects the acquisition of seven social rented properties at Carter Close and other balance sheet movements during the year. This was partially offset by the repayment of an £8m Barclays loan facility used to refinance a maturing loan in December 2025.

We closed the financial year with a net retained surplus £1.34m (2025: £1.56m) 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	2026 (£000)	2025 (£000)
Turnover	18,809	18,320
Operating costs and cost of sales	(15,014)	(14,305)
Surplus on disposal of assets	73	307
Operating surplus	3,868	4,322
Net interest charge and other finance costs	(2,625)	(2,812)
Movement in fair value of investments	63	(41)
Other Comprehensive Income	37	86
Retained surplus for the year	1,343	1,555

Summary Statement of Financial Position	2026 (£000)	2025 (£000)
Housing properties at cost less depreciation	206,166	205,718
Other tangible fixed assets and investments	2,305	2,275
Net current (liabilities) / assets	(1,864)	(8,120)
Total assets less current liabilities	206,607	199,873
Loans due after one year	57,997	50,389
Unamortised grant liability	87,888	89,164
Other long-term liabilities	7,604	8,545
Revenue reserve	53,118	51,775
Total long-term liabilities and reserves	206,607	199,873



The Association strategically utilises surplus cash to make partial repayments on loans under its Revolving Credit Facility. 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 2026 primarily reflects the refinancing of an £8.0m loan facility that had matured during the period and was subsequently refinanced with a new £10.0m facility in December 2025. In addition, the balance includes a £1.5m drawdown from a £10.0m CAF facility. Accordingly, the net current liabilities position does not indicate a deterioration in liquidity but rather reflects the timing of refinancing and facility utilisation during the year.

To support this position, the Association had access to £20.9m of undrawn facilities at the year end.

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 16.

Karibu will continue to maintain a robust financial position, supported by a strong statement of financial position and sufficient cash reserves to fund future growth opportunities. Cash balance decreased by £1.91m to £1.92m during the year, primarily due to the acquisition of seven units at Carter Close and the repayment of a loan that was due to expire in December 2025. The loan repayment has generated significant savings in interest costs and has effectively improved the net return on the Group's cash balances, strengthening its overall financial sustainability.



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 2026, the organisation had total drawn loans of £60.02m (2025: £60.13m) with a further £20.9m available for draw downs. 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 2026, 80% of Karibu's drawn debt was fixed and 20% on variable.

Cash equivalents held at the year-end totalled £1.91m (2025: £3.78m) leaving net debt (excluding any net issue premium and fair value adjustments) at £58.11m (2025: £56.35m). Available liquidity (defined as undrawn loan facilities and available cash that are not secured in held funds) was £22.88m (2025: £23.99m). The weighted average cost of the organisation's drawn debt was 4.78%.

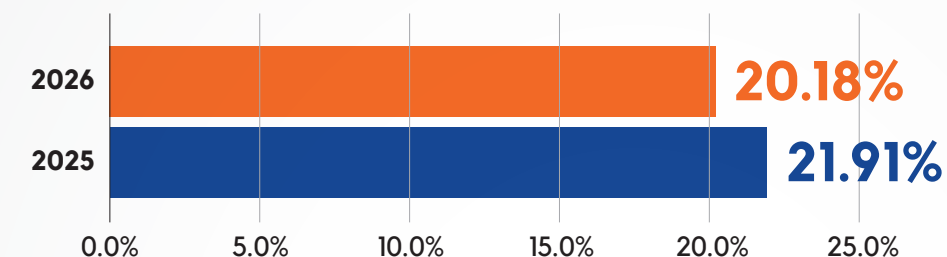
Loan covenants are primarily based on interest cover, gearing ratios, and asset cover. Covenants are regularly monitored in accordance with the governance framework. These were met throughout the year and are forecast to be continually met for all loan facilities across the organisation with a sufficient 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 2026, all cash investments are held with counterparties who meet the criteria of our Treasury Policy.

Key features of the results were:

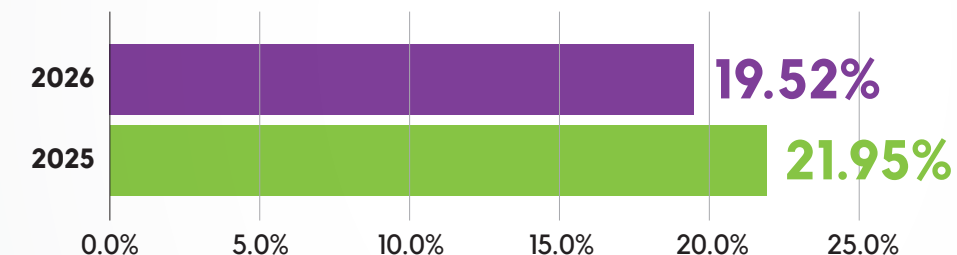
Operating margin (overall) of 20.18% (2025: 21.91%)

Operating Margin (overall)



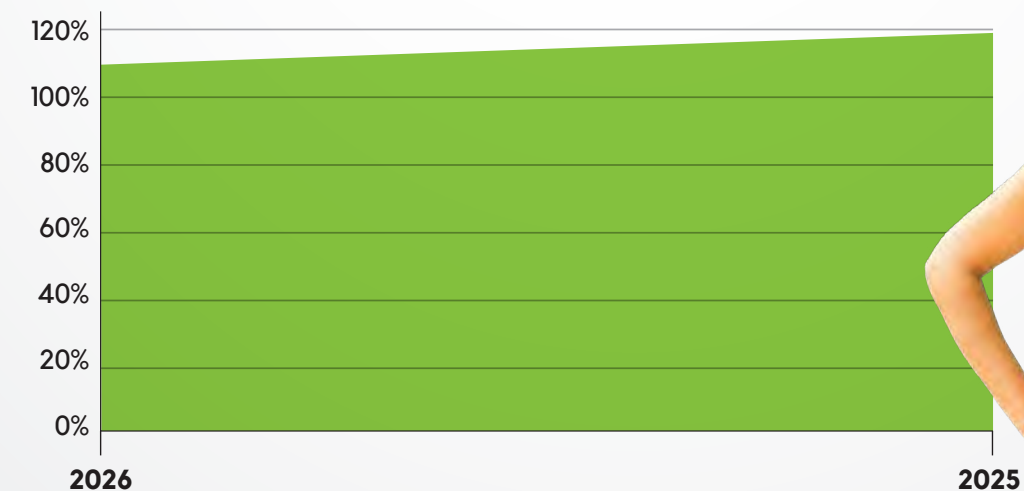
Operating margin (social housing lettings) of 19.52% (2025: 21.95%)

Operating Margin (social housing lettings)



EBITDA MRI 108.95% (2025: 119.09%)

Interest Cover – 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 2025 is shown in the table below. Available benchmarks from Housemark are for the 2025 financial year due to time lag of available published data.

A degree of caution is therefore required when drawing conclusions from comparisons of 2026 performance with 2025 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 2026	Actual 2026	Actual 2025	Peer Group 2025
Business health	Operating Margin (overall excluding fixed asset disposals)	21.69%	20.18%	21.91%	15.75%
	Operating Margin (social housing lettings excluding disposal of fixed assets)	21.69%	19.52%	21.95%	17.50%
	EBITDA MRI (as a percentage of interest)	93.24%	108.95%	119.09%	91.05%
	New supply social as a % of total units owned	0.00%	0.00%	0.00%	0.55%
	New supply delivered % (non-Social Housing)	0.00%	0.00%	0.00%	0.00%
	Gearing	24.00%	27.86%	27.20%	34.65%
	Resident satisfaction	55%	49%	45%	64%
Outcomes delivered	Reinvestment	2.00%	1.79%	1.00%	3.00%
	Return on capital employed (ROCE)	2.01%	1.87%	2.16%	2.95%
Effective asset management	Voids	1.00%	1.03%	1.16%	1.27%
	Ratio of responsive repairs to planned maintenance	0.38	0.50	0.53	N/A
	Headline Social Housing Cost Per Unit (SHCPU)	£8,109	£7,842	£7,298	£8,489
Operating efficiencies	Rent collected	101.40%	97.51%	99.30%	99.18%



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 2025. 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.

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 £2.00m compared to £2.05m last year, in addition to this, Karibu acquired seven properties (Carter Close) previously managed by Karibu but acquired during the year as social rented properties. 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 2.00% compares less favourably against the peer group of 3.00%.

Operating Margin % (Overall): Measures the profitability of the organisational operating assets. Although the ratio of 20.18% was below our annual target of 21.69%, this was above the peer group median of 15.75%. 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.

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 as a result of lower interest costs. The ratio for the year was 108.95% compared to our target of 93.24% and the peer group median of 91.05%.

Operating Margin % (Social Housing):

Measures the profitability of the social housing operating assets. The ratio of 19.52% was below annual target of 21.69% largely driven by above reasons. Our performance was ahead of the peer group median ratio of 17.50%.



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 2026 was 1.87% (2025: 2.16%). The peer group's score for 2025 was 2.95%.

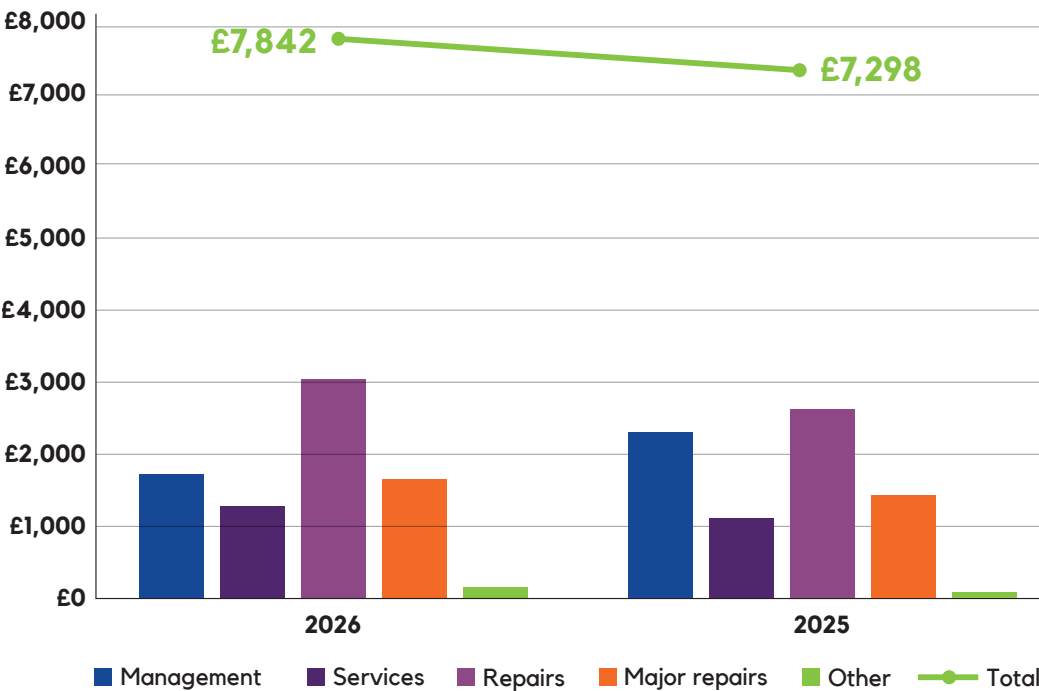
Headline Social Housing Cost per Unit: This measures the cost per unit (CPU) of managing and maintaining our social housing stock. The CPU over the period to March 2026 was £7,842 (2025: £7,298). The increase in cost is attributable to increased disrepair claims and health & safety costs. Our performance compares favourably with the peer group median figure of £8,489.

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 27.86% (2025: 27.39%) following the refinancing of Barclays facility and drawdown of CAF Loan.

Resident Satisfaction: The overall customer satisfaction has improved to 49% (2025: 45%) 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.



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



Year to March	Management	Services	Repairs	Major repairs	Other	Total
2026	£1,720	£1,262	£3,024	£1,663	£173	£7,842
2025	£2,195	£1,079	£2,634	£1,328	£62	£7,298

Peer Association - CPU 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 £7,842 is lower compared with the 2025 peer group median of £8,489. 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.



Compliance

Regulation

In March 2026 Karibu was assessed by the Regulator of Social Housing as C2 for consumer judgment, G2 for the governance judgement and V2 rating for financial viability. These are compliant gradings. The Board has approved an action plan designed to move the organisation toward C1 and G1.

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

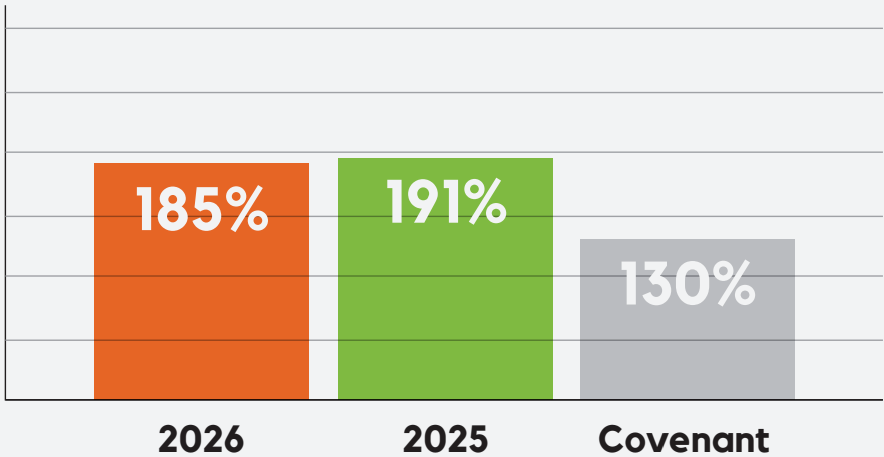
The Board confirms that this report has been prepared in accordance with the applicable reporting standards and legislation.

Compliance with Loan Covenants

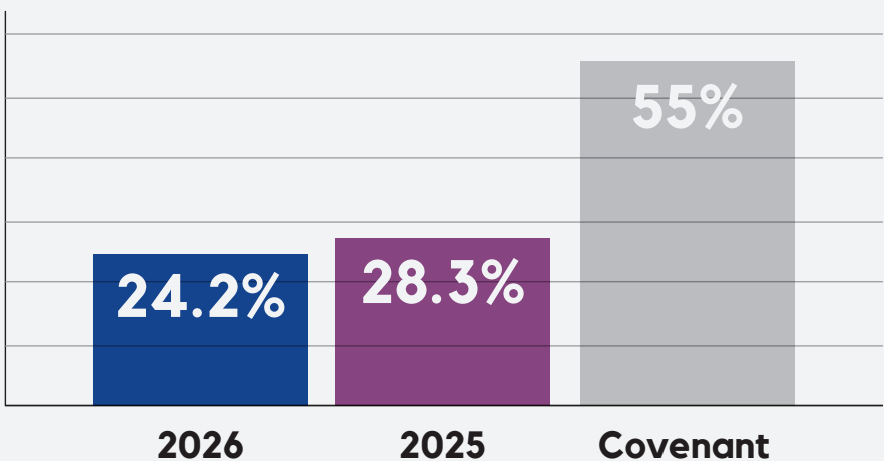
Loan covenants are primarily based on interest cover, gearing ratios, and asset cover. Covenants are monitored regularly in accordance with the governance framework and which were met throughout the year. These are forecast to be continually met for all loan facilities with a sufficient buffer to remain 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 responsibility 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 £4.6m (2025: £6.2m) and a cash balance of £1.91m (2025: £3.78m).

Capital and Debt Structure

Our assets are financed by a combination of:

- Social housing grants of £89.04m (44%)
- Private finance (loans) of £60.8m (30%), and
- Internally generated funds of £53.11m (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



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 misstatement 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 Crowe U.K.LLP (external audit) and Menzies (internal audit) without staff members present
- Review of all regulatory reports
- Staff being fully conversant with key controls and procedures relating to financial and 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, Menzies, concluded that Karibu has an adequate and effective framework for risk management, governance and internal control. Overall, Karibu received a "Partial Assurance" assessment from Menzies for 2025/26.



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.

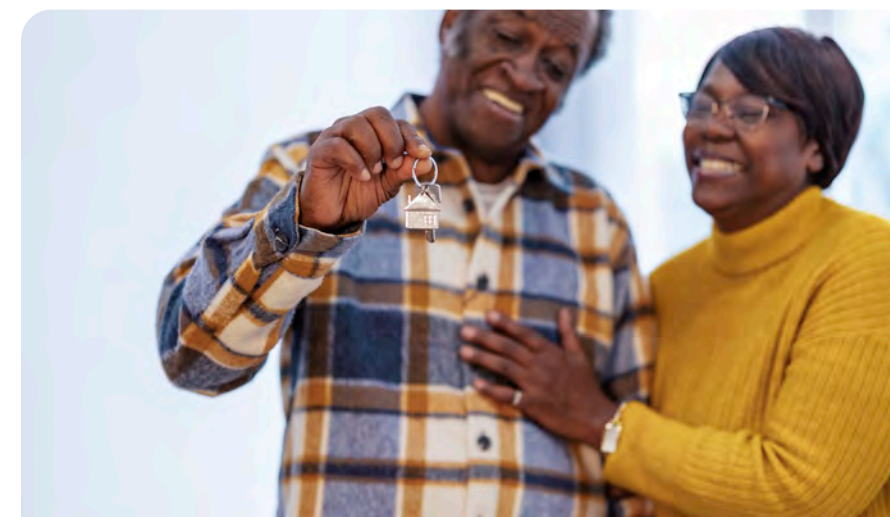
Donations

We made no political donations during the year (2025: £nil).

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.

Crowe U.K.LLP expressed its willingness to continue to act as our external auditors as this is the first time of auditing Karibu's account.



Looking Ahead

As we look to 2026/27 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: 28 July 2026



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 2026 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board’s responsibilities statement set out on page 8, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

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

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

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.

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

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including

fraud, to be within the recognition of rental income, the assumptions applied in the consideration of property asset impairment, the assumptions adopted by management and used by the actuary to calculate the pension liability and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over the timing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

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

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.

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

Date: 27 August 2026.



Statement of Comprehensive Income

Year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Turnover	2	18,809	18,320
Cost of Sales	2	-	-
Operating expenditure	2	(15,014)	(14,305)
Gain on disposal of housing properties	2/5	73	307
Operating surplus	2	3,868	4,322
Interest receivable	6	35	264
Interest payable and financing costs	7	(2,660)	(3,076)
Movement in fair value of investment	11	63	(41)
Surplus for the financial year		1,307	1,469
Other comprehensive income			
Actuarial gain/(loss) for the year on defined benefit pension obligation	17	37	86
Total comprehensive income for the financial year		1,343	1,555

Statement of Financial Position

Year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Fixed assets			
Housing properties	9	206,166	205,718
Other tangible fixed assets	10	2,305	2,275
		208,471	207,993
Current assets			
Investments	11	1,465	1,412
Trade and other debtors	12	1,867	1,460
Cash & cash equivalent		1,916	3,775
		5,248	6,647
Creditors amounts falling due within one year	13	(7,112)	(14,767)
Net current (liabilities) / assets	13a	(1,864)	(8,120)
Total assets less current liabilities		206,607	199,873
Creditors: amounts falling due after more than one year	14	(153,118)	(147,543)
Provisions for liabilities			
Pension provision	17	(371)	(555)
Total net assets		53,118	51,775
Reserves			
Revenue reserve		53,118	51,775
Total reserves		53,118	51,775

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

Dave Baptiste

Chairperson

Jack Stephen

Board Member

Andrew Nankivell

Company Secretary

Date of approval: 28 July 2026.

Statement of Cash Flow

Year ended 31 March 2026

	2026 £'000	2025 £'000
Net cash generated from operating activities (see Note 21)	4,694	6,211
Cash flow from investing activities		
Addition to other fixed assets	(144)	(58)
Addition to Housing Properties	(3,469)	(2,344)
Proceeds on disposal Housing Properties	355	936
Purchase of investments	-	-
Interest received	35	253
	(3,223)	(1,213)
Cash flow from financing activities		
New Loans	9,250	-
Interest paid	(2,953)	(2,675)
Loans repaid	(9,350)	(11,703)
Issue Premium received	-	-
Grants repaid	(277)	(204)
	(3,330)	(14,582)
Net change in cash and cash equivalents	(1,859)	(9,584)
Cash and cash equivalents at beginning of the year	3,775	13,359
Cash and cash equivalents at end of the year	1,916	3,775

Reconciliation of Net Debt

Year ended 31 March 2026

	1 April 2025 £'000	Cash flow £'000	Non cash £'000	31 March 2026 £'000
Cash at bank and in hand	3,775	(1,859)	-	1,916
Current asset investments	1,412	16	37	1,465
Loans				
Short-term loans	(9,350)	9,350	(1,350)	(1,350)
Long-term loans	(57,623)	(9,250)	2,142	(64,730)
Net Debt	(61,786)	(1,743)	829	(62,700)

Statement of Changes in Equity and Reserves

Year ended 31 March 2026

	Share Capital £'000	Retained Earnings £'000	Total £'000
Balance as at 1 April 2025	-	51,775	51,775
Total comprehensive income for the year	-	1,343	1,343
Balance at 31 March 2026	-	53,118	53,118

Notes on the Financial Statements

Year ended 31 March 2026

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.

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.

1.3 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 £2,491k (2025: £2,070k) and the provision for bad debt amount of £1,287k (2025: £991k) 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 2026, a liability of £371k (2025: £555k) 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 2026 was £42.7 million (2025: £41.0 million).

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 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 30 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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

	2026			2025		
	Turnover £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note 2b)	18,626	(14,991)	3,635	18,216	(14,217)	3,999
Other social housing activities						
First tranche shared ownership sales						
Gain on disposal of housing properties	-	-	73			307
Other	183	(23)	160	104	(88)	16
Total	18,809	(15,014)	3,868	18,320	(14,305)	4,322

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

	Housing Accommodation £'000	Supported Housing £'000	Shared Ownership £'000	Total 2026 £'000	Total 2025 £'000
Income					
Rents receivable net of identifiable service charges	14,415	601	669	15,685	15,305
Service charges receivable	1,438	54	295	1,787	1,754
Amortised government grants	1,105	10	39	1,154	1,157
Turnover from social housing lettings	16,958	665	1,003	18,626	18,216
Operating expenditure					
Service charge costs	1,654	263	446	2,363	2,022
Management	2,783	293	143	3,219	4,114
Routine maintenance	3,823	82	-	3,905	3,317
Major repairs	673	-	-	673	435
Bad debts	301	-	-	301	29
Planned Maintenance	1,756	-	-	1,756	1,620
Depreciation of housing properties	2,526	22	-	2,548	2,478
Loss on disposals and component replacements	226	-	-	226	202
Operating expenditure on social housing lettings	13,742	660	589	14,991	14,217
Operating surplus on social housing lettings	3,216	5	414	3,635	3,999
Rent losses from voids	157	23	-	180	201

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.

	2026 £'000	2025 £'000
Aggregate emoluments and expenses payable to the executive directors (including pension contributions and benefits in kind)	388	508
Compensation for loss of office	-	269
Pensions Contribution	24	29
Emoluments paid to the highest paid director of the Association excluding pension contributions	144	131
Pensions contributions in respect of the highest paid director	9	7

	2026 Total £'000	2025 Total £'000
Board member remuneration		
David Baptiste	8.5	8
Peta Caine (retired June 2026)	2.5	2.5
Jack Stephen	4.5	4.5
Katie Wilmot (retired June 2026)	3.2	2.5
Wasiu Fadahunsi	2.5	2.5
Cheryl Brown (resigned July 2024)	-	1.0
Samuel Aligbe	2.5	2.5
Somayeh Tosi	3.2	3.2
Darren Alexander	3.2	2.5
Leroy Alphonso McKenzie (resigned July 2025)	0.8	2.5
Bianca White-Williams (resigned July 2025)	-	2.5
Debra Redhead-Allen (resigned July 2025)	1.3	2.5
Ann Otesanya (Appointed May 2025)	2.3	-
Andrew Warner (Appointed May 2025)	2.3	-
Jonathan Gregory (Appointed April 2025)	2.5	-
Karen Forbes-Jackson (Appointed July 2025)	1.7	-
Adeleke Adebisi (Appointed July 2025)	1.7	-
	42.7	36.7

4 EMPLOYEE INFORMATION

	2026 Number	2025 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):	37.5	40.5
Staff costs during the year:	£'000	£'000
Wages and salaries	2,150	2,262
Social security costs	267	250
Pension costs	123	136
Termination Payments for loss of office	32	269
	2,572	2,917

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:

	2026 Number	2025 Number
Bands		
£60,000 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	2	3
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	2
£120,001 - £130,000	1	0
£130,001 - £140,000	-	1
£140,001 - £150,000	1	0
Total	9	10

5 SURPLUS ON SALE OF HOUSING PROPERTIES

	2026 £'000	2025 £'000
Disposal proceeds	355	936
Carrying value of fixed assets	(247)	(609)
Grant amortised	(27)	(14)
Selling cost	(8)	(6)
	73	307

6 INTEREST RECEIVABLE

	2026 £'000	2025 £'000
Bank interest	35	252
Investment income		12
	35	264

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2026 £'000	2025 £'000
SHPS pension – interest expense	27	34
Loans and bank overdrafts	2,937	3384
Amortised Cost adjustment	(304)	(342)
	2,660	3,076

8 SURPLUS FOR THE YEAR

	2026 £'000	2025 £'000
Is stated after charging:		
Auditor's remuneration (excluding VAT):		
- in their capacity as auditor	48	64
- other services	-	11
Depreciation	2,662	2,596

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 2025	223,865	579	22,284	246,728
Component additions	2,401	40		2,441
Properties Acquired	1,028			1,028
Transfer to Fixed Assets	258	(258)		0
Acquisitions				0
Disposals	(1,159)		(88)	(1,247)
At 31 March 2026	226,393	361	22,196	248,950
Depreciation and impairment				
At 1 April 2025	41,010			41,010
Charged for year	2,548			2,548
Disposals	(774)			(774)
At 31 March 2026	42,784	0	0	42,784
Net book value				
At 31 March 2026	183,609	361	22,196	206,166
At 31 March 2025	182,855	579	22,284	205,718

The cost incurred on improvement works to existing properties during the year is analysed as follows:

	2026 £'000	2025 £'000
Amounts capitalised (all relating to components)	2,659	2,054
Amounts charged to the income and expenditure account	370	435
Carrying amount of secured and unsecured properties		
	2026 £'000	2025 £'000
Secured properties	91,469	79,637
Unsecured properties	114,697	126,081
	206,166	205,718

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 2025	2,345	1,648	3,993
Additions	-	144	144
Disposals	-	-	-
At 31 March 2026	2,345	1,792	4,137
Depreciation			
At 1 April 2025	187	1,531	1,718
Charge for year	23	91	114
Disposals	-	-	-
At 31 March 2026	210	1,622	1,832
Net book value			
At 31 March 2026	2,135	170	2,305
At 31 March 2025	2,158	117	2,275

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 2026 the balance including accrued interest was £1.46m (2025: £1.41m). Fair value movement of the investment recognised in the Statement of Comprehensive Income is £63k: (2025: (£41k).

12 TRADE AND OTHER DEBTORS

	2026 £'000	2025 £'000
Amounts receivable within one year:		
Rent arrears	2,491	2,070
Housing benefits in arrears	230	116
Less: provision for bad debts	(1,287)	(991)
	1,434	1,195
Prepayments and accrued income	433	265
	1,867	1,460

13 CREDITORS

	2026 £'000	2025 £'000
Amounts falling due within one year:		
Trade creditors	1,140	1,102
Taxation and social security payable	64	79
Loan repayments (note 16)	1,350	9,350
Loan interest	117	606
Other creditors and accruals	2,008	1,455
Recycled Capital Grant Fund	406	292
Rent in advance	873	725
Deferred grant income (note 15)	1,154	1,158
	7,112	14,767

The loan repayment of £8.0m Barclays facility reached maturity in December 2025. The loan was successfully refinanced on the due date with the same lender, and the facility was upsized by £2.5m to £10m, structured as a Revolving Credit Facility. While the outstanding £7.5m balance was fully repaid. The amount drawn to date is £7.75m from the refinanced £10m Barclays facility. Separately, £1.5m was drawn from the new CAF loan facility in July 2025 to fund the acquisition of the seven Carter Close properties.

13a The Association uses surplus cash to part repay loans under its Revolving Credit Facility (RCF) with Barclays and Lloyds. Use of these credit facilities allow the Association to maintain adequate cash balances and therefore maximise savings on loan interest payable.

14 CREDITORS

	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Amounts falling due after more than one year:				
Deferred grant income (note 15)		87,888		89,164
Housing loans (note 16)	57,997		50,389	
Bond premium amortised cost adjustment	6,733	64,730	7,233	57,622
Recycled Capital Grant Fund		500		757
		153,118		147,543

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.

	2026 £'000	2025 £'000
At 1 April	90,322	91,598
Grant received in the year	-	-
Grant repaid in the year	-	-
Recycled on disposal	(154)	(133)
Released to income in the year	(1,154)	(1,157)
Released on disposal	27	14
At 31 March	89,041	90,322
Amounts to be released within one year	1,153	1,158
Amounts to be released in more than one year	87,888	89,164
	89,041	90,322

	2026 £'000	2025 £'000
Government grant previously amortised to income	26,340	25,213
Government grant included in deferred income	89,041	90,322
Total government grant received	115,381	115,535

Stock swaps previously entered into by the Association have resulted in associated recognisable grants of £7.81m (2025: £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:

	2026 £'000	2025 £'000
In five years or more	28,875	29,827
Between two and five years	28,453	19,601
Between one and two years	1,350	1,350
Loan finance costs	(681)	(389)
	57,997	50,389
In one year or less	1,350	9,350
	59,347	59,739

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 £693 million, down from £1,560 million in 2020.

A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the 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.

Pension scheme liabilities recognised in the Statement of Financial Position	2026 £'000	2025 £'000
Pension obligations recognised as Defined Benefit schemes	371	555
Total pension scheme liabilities	371	555

Statement of Financial Position	2026 £'000	2025 £'000
Fair value of plan assets	3,326	3,136
Present value of funded retirement benefit obligations	(3,697)	(3,691)
Net liability	(371)	(555)

Principal actuarial assumptions at the financial position date:	2026 % per annum	2025 % per annum
Discount Rate	6.08%	5.77%
Inflation (RPI)	3.31%	3.11%
Inflation (CPI)	3.03%	2.78%
Salary Growth	4.03%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Amounts recognised in the Income Statement	2026 £'000	2025 £'000
Net interest on defined benefit liability	27	34
Expenses paid	6	5
Total expenses	33	39

Amounts recognised in Other Comprehensive Income	2026 £'000	2025 £'000
Experience on plan assets	18	(194)
Experience gains and losses arising on the Plan liabilities	(10)	(131)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation –gain/(loss)	59	411
Effects of changes in the demographic assumptions underlying the present value of the Plan liabilities	(30)	
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)-gain/(loss)	37	86
Total amount recognised in Other Comprehensive Income – gain / (loss)	37	86

Reconciliation of movements on the defined benefit obligation	2026 £'000	2025 £'000
Defined benefit obligation at the start of the period	3,691	4,107
Current service cost		
Expenses	6	5
Member Contributions		23
Interest expense	208	192
Actuarial gains/(losses) due to scheme experience	10	131
Actuarial gains/(losses) due to changes in demographic assumptions	30	
Actuarial losses/(gains) due to changes in financial assumptions	(59)	(411)
Benefits paid	(189)	(356)
Defined benefit obligation at the end of the period	3,697	3691

Reconciliation of movements on the fair value of plan assets	2026 £'000	2025 £'000
Fair value of the Plans' assets at the start of the period	3,136	3,320
Interest income	181	158
Experience gains/(losses) on plan assets	18	(194)
Contributions by the employer	180	185
Member Contributions		23
Benefits paid	(189)	(356)
Fair value of plan assets at the end of the period	3,326	3,136

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was (£199,000).

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.

	2026 £'000	2025 £'000
Global Equity	369	351
Liquid Alternatives	592	581
Investment Grade Credit	196	97
Credit	132	120
Real Assets	313	375
Insurance-Linked Securities	5	10
Property	162	157
Infrastructure	-	1
Private Equity	7	3
Private Credit	402	384
Cash	1	43
Long Lease Property	-	1
Secured Income	101	52
Liability Driven Investment	1,014	949
Currency Hedging	-	5
Net Current Assets	32	7
Total assets	3,326	3,136

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.

	2026 GLA £'000	2025 GLA £'000
At 1 April	1,048	1,118
Inputs to RCGF:		
Grants Recycled	154	133
Interest accrued	(32)	-
Repayment of Grant	(277)	(203)
At 31 March	893	1,048

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.

	2026 £'000	2025 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	2,671
Expenditure authorised but not contracted	59	-
	59	2,671
The Association expects to finance the above expenditure above by:		
The Association expects to finance the above commitments by :		
Bank loans & Cash Generation	59	2,671

20 SHARE CAPITAL

Allotted, issued and fully paid	2026 £	2025 £
At 1 April	23	23
Shares cancelled during the year	-	-
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

	2026 £'000	2025 £'000
Surplus for the year	1,307	1,469
Depreciation – Housing Properties	2,548	2,478
Depreciation - Other tangible fixed assets	114	118
Loss on components disposal	226	202
Surplus on sale of tangible fixed assets	(108)	(327)
Amortisation of government grant and disposal adjustment	(1,153)	(1,157)
Change in debtors	954	1,285
Change in creditors	(1,722)	(591)
Defined benefit Pension charges	(159)	(146)
Fair value movement	63	(40)
Amortised cost adjustment	-	108
Interest paid	2,659	3,076
Interest received	(35)	(264)
Net cash generated from operating activities	4,694	6,211

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 2026, one shared ownership leaseholder staircased to 100% and eleven units which were managed have been acquired and one Social Rented unit was disposed.

	2026 Number	2025 Number
Homes owned and managed at end of year:		
Owned – Social Rent	1453	1446
Owned – Affordable Rent	195	196
Owned – Intermediate Rent	67	67
Owned – Temporary Housing	3	3
Owned –Supported Housing (Collingham Place & Hostel)	40	40
Owned – Temporary Housing - Shared	6	6
Owned – London Living Rent	18	18
Owned – Shared ownership	86	87
	1,868	1,863
Homes managed at end of year:		
General needs social rent	4	11
General needs affordable rent	-	-
Total homes in management at end of year	1,872	1,874

24 RELATED PARTY TRANSACTIONS

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

	2026 £'000	2025 £'000
Basic salary	388	488
Employers' national insurance	50	64
Pensions contributions	24	29
As at 31 March	462	581

25 FINANCIAL INSTRUMENTS

The Association's financial instruments are summaried below:

	2026 £'000	2025 £'000
Total financial instruments at fair value	1,465	1,412

26 CONTINGENT LIABILITIES

Karibu participates in the Social Housing Pension Scheme (SHPS), which is a defined benefit pension scheme. We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025.

It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore no adjustment has been made in these financial statements in respect of this.

There were no other contingent liabilities as at 31 March 2026.



Karibu Community Homes
Unit 3
8 Kew Bridge Road
Brentford
TW8 0FJ