Northamptonshire Rural Housing Association Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

A registered provider under the Co-operative and Community Benefit Society with Charitable Rules
Registration No: IP27416R
Homes England Registered No. L3981

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
ASSOCIATION INFORMATION

For the year ended 31 March 2026

Board of Management

Chair:	**Mr Darren Paterson**
	Miss Pam Booker
	Mr Wes Boswell
	Mrs Aine Cooper
	Mrs Rachel Danneman
	Mrs Sue Davis
	Mrs Wendy Herdman
	Mrs Nicki Kirkup (resigned 25 July 2025)
	Mr Charlie Fitzgerald
	Mr Gareth Lugar-Mawson
	Mr Ian Harmer (appointed 5 December 2025)
Registered Office:	**Northamptonshire Rural Housing Association**
	Hunsbury Hill Centre
	Harksome Hill
	Northampton
	NN4 9QX
Auditor:	**BDO LLP**
	Two Snowhill
	Birmingham
	B4 6GA
Banker:	**Barclays Bank PLC**
Secretary:	**Mr Richard Mugglestone**

Review of the Year

During 2025/26 the Association has continued to deliver on its partnership obligations with Local Authorities and Parish Councils and enhance its reputation as a primary provider of rural homes.

The Association has continued to deliver on its Business Plan and growth objectives. This is despite the challenging operating environment. This has resulted in increased investment of the Association's own resources in upgrading the condition of its homes as well as supporting new homes to be built.

Future growth in accordance with business plan requirements will be achieved through developing homes with Associations who are Strategic Partners of Homes England.

We have continued to meet regulatory expectations and the Association has remained committed to its residents and have made progress in developing meaningful resident engagement ensuring that the Association is accountable to and influenced by its customers.

The Association maintains a focus on compliance with the Regulator of Social Housing's (RSH) consumer standards which help to drive improvement in social housing. Reviews of our self-assessment allow us to monitor and enhance compliance with the Safety & Quality Standard; Transparency, Influence and Accountability Standard; Neighbourhood and Community Standard; and Tenancy Standard. Work has also been carried out to comply with standards coming into force in 2026. The Competence and Conduct (C&C) Standard is aimed at driving greater professionalism and higher standards by ensuring relevant housing staff have the required skills, knowledge, experience, and behaviours to deliver a high standard of service to tenants. Senior housing managers and executives will be required to hold, or be working towards, a housing management qualification and the Association has assessed qualification levels and is on track to be compliant ahead of the deadline. Social Tenant Access to Information (STAIRs) requirements have also been assessed and plans are in place to ensure residents have access to the required information relating to the management of social housing. We will proactively publish certain information about the activities set out in the government's policy statement, and residents will be able to formally request relevant information and receive timely responses.

Another introduction in the Social Housing (Regulation) Act 2023 was the Tenant Satisfaction Measures (TSMs). These are part of a new system developed by the Regulator of Social Housing to assess how well social housing landlords are doing at providing good quality homes and services. The Board welcomed the aim of helping improve standards for people living in social housing, by letting tenants see how well their landlord is doing and enabling tenants to hold their landlords to account. The TSMs are designed to see how well landlords are doing at keeping properties in good repair, maintaining building safety, respectful and helpful engagement, effective handling of complaints and responsible neighborhood management. The Association is working with the results of the latest TSM survey which it carried out in September 2025 and found positive results in all of the five themes. NRHA's result for overall satisfaction with the service provided to residents rose to 92% satisfaction. Working groups are exploring the results to look for improvements in areas where satisfaction or performance was lower in comparison to other similar associations or in relation to overall results for Northamptonshire Rural Housing Association (NRHA).

The Association also continues to perform well from a management perspective, with most key management performance indicators being achieved or exceeded. Performance on rent arrears management remains particularly positive given the impact of the growing pressures on residents' income during the 'cost of living crisis.'

Governance continues to be reviewed to enhance Board skills and experience. In addition, the assurance and reporting processes are monitored and Health and Safety reporting has been strengthened.

Overall, the Board is satisfied with the progress the Association continues to make and are pleased to report a total comprehensive income for the year of £531,563 (down from £783,779 in 2025).

During the year, the comprehensive servicing arrangements with Midlands Rural Housing have continued, and this has seen the Association's Business Plan objectives delivered, with continued operating efficiencies and financial benefits. The cost and service sharing model allows the Association to draw upon the knowledge, skills and rural housing experience of staff coordinated by Midlands Rural Housing along with three other independent Rural

Review of the Year (continued)

Housing Associations. The costs are recharged to each Association proportionately and the model provides both efficiency and expertise for the full range of services required by a Housing Association. Work has continued to review and update the servicing arrangements to ensure strong governance and effective and efficient working practices.

Value for Money

Delivering Value for Money (VfM) is integral to the way the Association operates and this is overseen directly by the Board. A key part of delivering our services as efficiently as possible is understanding the costs and main drivers, setting targets for key financial measures and understanding how our costs compare to our peers.

The Regulator metrics comprises a number of indicators; mostly taken from our financial accounts across 5 categories (Business health, Development, Outcomes delivered, Effective asset management and Operating efficiencies) and allows us to track our progress with delivering cashable savings and demonstrate how we are controlling costs whilst still delivering our core services and developing new homes.

We apply a commercial approach to our decision making and our efficient operating model which sees us procuring services from Midlands Rural Housing helps us to focus our attention on the activities that support the achievement of our corporate objectives.

We delivered strong performance against many of the key metrics during the year and our key highlights include:

- Headline Social Housing Cost Unit Cost of £3,890 (2025: £4,333);
- EBITDA MRI Interest cover of 162.2% (2025: 135.5%).

Unit Costs

Our unit costs for the year are well above the median of other housing associations in the peer group (Smaller Housing Benchmarking group), with a total social housing cost per unit of £3,890 (2025: £4,333). A decrease has been seen year on year thanks to careful cost control and efficiency and despite the increase in spending on homes as major investment into decarbonisation has taken place.

Business Health

As a responsible landlord, we aim to balance the delivery of quality services to our existing customers with the provision of new homes to meet growing demand. We are a “profit for purpose” organisation; aiming to maximise the operating margin on our core social housing activities whilst maintaining customer satisfaction. Surpluses are then reinvested back into the capital reinvestment in our existing properties and the development of new homes to meet the diverse range of housing need within our geographical area of operation.

Our results for 2025/26 saw us achieve an overall operating margin of 27.0% which is similar than the median figure of the benchmarking peer group of 27.3%. This positive figure is as a result of effective operational performance on our core social housing activities, particularly through low bad debts and rent loss as a result of our robust income collection strategy.

Whilst there are significant pressures on our finances from the challenging operating environment, the operating margins on our core social housing lettings remain strong. We aim to increase our income each period through developing new homes to generate additional rental income and robust management of our empty properties.

EBITDA MRI measures our ability to generate sufficient cash from our operating activities to meet our interest commitments. Comparability with other providers is difficult due to variability in risk appetite, development strategy, and treasury policies. Our EBITDA MRI stands at 162.2% (against the benchmarking peer group median of 168.2%). Strong operating surpluses demonstrate that we are generating sufficient funds to more than meet our interest commitments. We have sufficient headroom in our loan covenants and are confident that we can continue to meet the obligations placed upon us by our funders. As with other indicators it has been negatively influenced as a result of increased spend on the maintenance and decarbonisation of our homes.

Value for Money (continued)

Development Capacity and Outcomes Delivered

Despite the fact that development has a negative impact on our financial viability and gearing; with each new property developed having a negative Net Present Value, the Board are committed to the provision of new homes. This is carefully balanced with the need to reinvest in our existing properties to maintain standards for our customers and each year we reinvest back into our properties through our rolling programme of capital maintenance such as windows, kitchens, bathrooms and heating systems. Reinvestment will fluctuate year on year depending on the profile of spend on both the replacement of capital components and also the timing of spend on new developments.

Effective Asset Management

Return on Capital Employed decreased to 2.6% from 3.4% in 2025, however this figure is similar to the benchmarking peer group median figure of 2.7%. ROCE performance of smaller, rural associations may remain relatively low due to the majority of the Association's homes being developed on rural exception sites where build costs are higher due to the need to put in place services and access without being able to charge the corresponding increase in higher rent. The Association experiences higher build costs in delivering to high standards across rural settings with limited opportunities for economies of scale.

Similarly, the Association invests in new and more energy efficient heating systems and insulation without being able to reflect the cost benefit to residents in the rent. Although we note that with the impact of increased energy prices such improvements may only mitigate some part of utility cost increase rather than reduce costs.

The VfM metrics provided for the regulator are shown in the table below. The benchmarking peer group is the other associations in Acuity's smaller housing association benchmarking group. Wider benchmarking is possible against all providers who submit data to Acuity.

Regulator Metrics	NRHA 2025/26	NRHA 2024/25	Year on year trend	2026 Benchmarking Group - Acuity – smaller/rural housing associations	2026 Wider Benchmarking Group - Acuity – all providers
				Median	Median
Operating Margin (RSH 101)	27.0%	30.3%	▼	27.34%	12.20%
EBITDA MRI % Interest Cover (RSH 103)	162.2%	135.5%	▲	168.2%	151.0%
Units Developed as % of Units Owned (RSH204)	0.0%	0.8%	◀	0.74%	0%
Gearing (RSH 203)	18.3%	18.9%	◀	31.20%	14.35%
Reinvestment % (RSH 304)	5.4%	3.6%	▲	6.75%	4.00%
Return on Capital Employed (RSH401)	2.6%	3.4%	▼	2.70%	2.59%
Headline Social Housing Unit Cost (RSH501)	£3,890	£4,333	▼	£4,918	£6,987

▲ Indicator has improved from previous year

◀ Indicator has stayed within 1% of previous year

▼ Indicator has worsened from previous year

Board Members
The Board of Management of the Association during the period are as stated on page 2.

Each member of the Board of Management holds one fully paid share of £1 in the Association. New Board members acquire their share on appointment. Shares held by retiring members are cancelled on their resignation.

Liability Insurance
The Association has taken out liability insurance on behalf of the members of the Board of Management.

Future Outlook
The Association acknowledges that the wider economy continues to be affected by economic uncertainty. However, the Association has the resources to respond positively, and ensure that the viability of the business is maintained whilst delivering on its key aims and objectives. There will, however, be the need to balance maintenance investment, management costs and the desire to deliver of new homes.

It is also recognised that the country's economic performance is uncertain and that the political landscape is subject to change.

On behalf of the Board of Management


Richard Mugglestone (Sep 30, 2026 17:08:09 GMT+1)

Mr Richard Mugglestone
Secretary
30 September 2026

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND THE FINANCIAL STATEMENTS

For the year ended 31 March 2026

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Mr Darren Paterson
Chair
30 September 2026

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF INTERNAL CONTROLS ASSURANCE

For the year ended 31 March 2026

The Board of Management has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board of Management recognises that no system of internal control can provide absolute assurance against or eliminate all risk of failure to achieve business objectives.

In meeting its responsibilities, the Board of Management has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes regular evaluation of the nature and extent of risk to which the Association is exposed and is consistent with best practice principles as required by the regulator. In this context, the Board of Management understand that there are no regulatory concerns that would lead to The Regulator of Social Housing intervening in the affairs of the Association.

The Board of Management is also able to confirm that there have been no reported cases of fraud during 2025/26, and that the necessary policies and procedures are in place for dealing with and reporting such matters.

The processes adopted by the Board of Management in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

Identification and evaluation of key risks
The Association undertakes a comprehensive annual review of its risk map, which is linked into business objectives and firmly embedded in the internal control system. Ongoing monitoring and reporting mechanisms assist in the delivery of the Risk Management Action Plan.

Monitoring and corrective action
The Board of Management receives regular management reports on all aspects of the work of the Association, together with proposals on corrective action when required. The annual report on assurance from the Secretary assists in the consideration of effectiveness of systems in place, as do any reports received from external sources such as Homes England and The Regulator of Social Housing.

Control environment and procedures
Midland Rural Housing manages the operations of the Association under a formal service agreement. There is a comprehensive set of policies and procedures documenting all aspects of the Association's work including standing orders, delegated authority, treasury management strategy, budgetary information and fraud prevention.

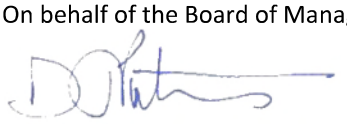
Information and financial reporting systems
There is regular reporting of key performance indicators to assess progress towards the achievement of key business objectives and targets.

Financial reporting procedures include detailed annual budgets and quarterly management accounts. These are approved by the Board of Management, who also review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Internal Audit who provided independent verification to the Board of Management reviews the internal control framework under a three-year rolling programme.

The Board of Management confirms that there are ongoing processes for maintaining sound systems of internal control and for managing significant risks. These processes have been in place throughout the period, up to the date of the signing of the financial statements and they are regularly reviewed in conjunction with Midlands Rural Housing.

On behalf of the Board of Management



Mr Darren Paterson
Chair
30 September 2026

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO
NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED

For the year ended 31 March 2026

Report on the audit of the financial statements

Opinion

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 the Association's surplus and the Association's cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

We have audited the financial statements of Northamptonshire Rural Housing Association ("the Association") for the year ended 31 March 2026 which comprise of the following:

- Association Statement of Comprehensive Income
- Association Statement of Financial Position
- Association Statement of Changes in Reserves
- Association Statement of Cashflows
- Notes 1 to 24 to the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Association's ability to continue as a going concern.

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 are responsible for the other information. The other information comprises the information included in the Report and Financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Association has not kept proper books of account;
- the Association has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the board

As explained more fully in the statement of board responsibilities in respect of the board report and the financial statements, 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the 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 intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Association and management.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Association's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Co-operative and Community Benefit Society Act 2014, Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, the Bribery Act 2010, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Review of the fraud register for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.
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.

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO
NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED

For the year ended 31 March 2026

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
BDO LLP
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BDO LLP
Statutory Auditor
Birmingham, UK
Date: 30 September 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Turnover	3	2,992,531	3,416,228
Cost of sales	3	-	(218,083)
Operating costs	3	(2,184,668)	(2,162,874)
Gain on disposal of tangible fixed assets	8	-	128,320
Operating surplus	3	807,863	1,163,591
Interest receivable and similar income	9	55,340	41,153
Interest payable and similar charges	10	(330,575)	(448,367)
Surplus for the year		532,628	756,377
Other comprehensive income			
Remeasurement of Social Housing Pension Scheme	21	(1,065)	27,402
Total comprehensive income for the year		531,563	783,779

The notes on pages 17 to 34 form part of these financial statements.

Turnover is derived from continuing activities.

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Tangible fixed assets			
Housing properties	12	30,556,448	29,479,023
Net book value tangible fixed assets		30,556,448	29,479,023
Current assets			
Properties for sale and work in progress	13	47,044	-
Trade and other debtors	14	177,648	335,430
Cash and cash equivalents		1,247,037	1,588,257
Total current assets		1,471,729	1,923,687
Creditors: amounts falling due within one year	15	(1,062,846)	(956,088)
Net current assets		408,883	967,599
Creditors: amounts falling due after one year	16	(20,261,460)	(20,227,048)
Provision for liabilities			
Pension liability	21	(85,085)	(132,351)
Net assets		10,618,786	10,087,223
Capital and reserves			
Called up share capital	22	12	12
Revenue reserves		10,618,774	10,087,211
Total funds		10,618,786	10,087,223

The notes on pages 17 to 34 form part of these financial statements.

These financial statements were approved by the Board of directors on 4 September 2026 and were signed on 30th September 2026 on its behalf by:

Mr Darren Paterson Chair

Miss Pam Booker Board Member

Pamela Booker (Sep 30, 2026 17:07:38 GMT+1)

Richard Mugglestone Secretary

Richard Mugglestone (Sep 30, 2026 17:08:09 GMT+1)

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

	Called up share capital	Revenue reserve	Total equity
	£	£	£
Balance at 1 April 2025	12	10,087,211	10,087,223
Total comprehensive income for the period			
Surplus for the year	-	532,628	532,628
Remeasurement of Pension Schemes	-	(1,065)	(1,065)
Balance at 31 March 2026	12	10,618,774	10,618,786

	Called up share capital	Revenue reserve	Total equity
	£	£	£
Balance at 1 April 2024	12	9,303,432	9,303,444
Total comprehensive income for the period			
Surplus for the year	-	756,377	756,377
Remeasurement of Pension Schemes	-	27,402	27,402
Balance at 31 March 2025	12	10,087,211	10,087,223

The notes on pages 17 to 34 form part of these financial statements.

NORTHAMPTONSHIRE RURAL HOUSING ASSOCIATION LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Cashflows from operating activities			
Surplus for the year	3	532,628	756,377
Adjustments for non-cash items:			
Deferred government grants amortisation	19	(176,457)	(161,781)
Depreciation of tangible fixed assets	12	574,295	531,423
Pensions costs less contributions payable		(48,331)	(60,426)
Surplus on sale of fixed assets	8	-	(128,320)
Interest receivable		(55,340)	(41,153)
Interest payable		330,575	448,367
Decrease/(increase) in stock		(47,044)	185,755
(Increase)/decrease in trade & other debtors		157,782	(17,260)
(Decrease)/increase in trade and other creditors		101,060	41,349
Net cash from operating activities		**1,369,168**	**1,554,331**
Cashflows from investing activities			
Acquisition of tangible fixed assets		(1,601,578)	(963,072)
Capitalised development expenditure		(50,142)	(62,156)
Proceeds from sale of fixed assets		-	170,625
Proceeds from receipt of government grants		556,794	334,213
Interest received		55,340	41,153
Net cash used in investing activities		**(1,039,586)**	**(479,237)**
Cashflow from financing activities			
Interest paid		(380,967)	(464,751)
Loan amortisation charges		3,329	10,827
Proceeds from new loan		-	-
Repayment of borrowings		(293,164)	(220,242)
Net cash used in financing activities		**(670,802)**	**(674,166)**
Net change in cash and cash equivalents		**(341,220)**	**400,928**
Cash and cash equivalents at start of period		1,588,257	1,187,329
Cash and cash equivalents at end of period		**1,247,037**	**1,588,257**

The notes on pages 17 to 34 form part of these financial statements.

1 LEGAL STATUS

Northamptonshire Rural Housing Association Ltd (NRHA) is incorporated under the Co-operative and Community Benefit Society Act 2014. The company registration number is IP27416R, and it is a Public Benefit Entity. It is registered with The Regulator of Social Housing (registration number L3981). Its principal place of business is Memorial House, Stenson Road, Coalville, LE67 4JP.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Association are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation and functional currency of these financial statements is sterling.

The financial statements are prepared on an historical cost basis.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern

The financial statements have been prepared on a going concern basis which the Board consider to be appropriate for the following reasons.

The Association prepares a 5 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2026 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework to use five main types of sensitivity testing against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Association budgets for 2026/27 and the Association's medium term financial position as detailed in the business plan, is of the opinion that, taking account of severe but plausible downsides, the Association has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities gives significant headroom for committed spend and other forecast cash flows that arise; and
- The Association's ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

Consequently, the Board are confident that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership and from properties developed for open market sales, and amortisation of Social Housing Grant (SHG) under the accrual model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sale are recognised on practical completions. Other income is recognised as receivable on the delivery of the services provided.

Cost of sales

Cost of sales represents the directly attributable costs of products or services sold, namely First Tranche Shared Ownership Sales, Development Contract costs and Gardening Services costs. Where costs cannot be directly attributed then they are apportioned on an appropriate basis.

Operating Costs

Operating costs represent the costs and overheads associated with delivering the services rendered and in the general running of the business.

Interest receivable and Interest payable

Interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges include interest payable.

Borrowing costs that are attributable to the acquisition, construction or production of Housing Properties that take a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest receivable and interest payable are recognised in the statement of comprehensive income as they accrue.

Taxation

The Association is generally exempt from Corporation Tax on income and gains to the extent that these are derived from the Association's charitable activities. The tax expense in the year relates to non-exempt activities in the Association.

Pensions - Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Association's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Association determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Association's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Association recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The Pensions Trust Social Housing Pension Scheme

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 classified as a 'last-man standing arrangement'. Therefore the Association 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.

Housing properties

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
New Build Structures	150
Roofs	50
Bathrooms	30
Windows and doors	20
Kitchens	20
Heating Systems	15
Other components	30

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the Association expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

Interest capitalised

Development schemes are charged with interest by the developing agents. Commercial rates of interest are used for this calculation and the charge is arrived at by considering interest earned on capital grants received in advance, thereby reducing the interest chargeable once scheme costs exceed capital grants received. In certain cases the interest earned on the capital grants received in advance exceeds the interest payable and this is included in the income and expenditure account as interest receivable.

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

Properties held for sale and work in progress

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Tenant arrears, trade and other debtors

Tenants arrears, trade and other debtors are recognised at an undiscounted amount of the cash or other consideration expected to be received net of impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Association would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in surplus. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Trade and other creditors

Trade and other creditors are recognised at an undiscounted amount of the cash or other consideration expected to be received net of impairment. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Loan and interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at transaction value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

On disposal of properties, all associated social housing grant 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.
A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

Impairment of property values

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

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are:

- The development programme;
- Government policy, regulation or legislation;
- Demand;
- Market Value; and
- Obsolescence

No triggers for impairment have been identified.

Value of schemes in development

The Association capitalises development expenditure in accordance with the accounting policy earlier in this note. Initial capitalisation is based on management's judgement that the development scheme is confirmed, usually when board approval has taken place. In determining if an approved scheme is likely to cease, management monitors the development programme and considers if changes have occurred that result in an impairment.

Cost apportionment on development schemes

The Association apportions the cost of individual properties on development schemes using a square metre basis and a cost per square metre based on tenure type.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on an individual basis for current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

	Turnover	Cost of Sales	Operating costs	Operating surplus	Turnover	Cost of Sales	Operating costs	Operating surplus
		2026 £				2025 £		
3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS								
Social housing lettings								
General needs	2,517,693	-	(1,884,008)	633,685	2,410,534	-	(1,830,547)	579,987
Low cost home ownership	182,780	-	(97,899)	84,881	171,131	-	(115,327)	55,804
	2,700,473	-	(1,981,907)	718,566	2,581,665	-	(1,945,874)	635,791
Other social housing activities								
Managed properties	262,949	-	(202,761)	60,188	258,512	-	(217,000)	41,512
First tranche shared ownership sales	-	-	-	-	546,250	(218,083)	-	328,167
Other	28,668	-	-	28,668	29,455	-	-	29,455
	291,617	-	(202,761)	88,856	834,217	(218,083)	(217,000)	399,134
Total social housing	2,992,090	-	(2,184,668)	807,422	3,415,882	(218,083)	(2,162,874)	1,034,925
Non-social housing activities	441	-	-	441	346	-	-	346
Total	**2,992,531**	**-**	**(2,184,668)**	**807,863**	**3,416,228**	**(218,083)**	**(2,162,874)**	**1,035,271**
Gain on disposal of tangible fixed assets				-				128,320
Operating surplus				**807,863**				**1,163,591**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

	General Needs £	Low cost home ownership £	2026 Total £	2025 Total £
3 SOCIAL HOUSING LETTINGS				
Rent receivable net of identifiable service charges	2,286,600	149,870	2,436,470	2,339,539
Service charges receivable	73,317	14,229	87,546	80,345
Net rents receivable	**2,359,917**	**164,099**	**2,524,016**	**2,419,884**
Amortised government grant	157,776	18,681	176,457	161,781
Total income from lettings	**2,517,693**	**182,780**	**2,700,473**	**2,581,665**
Expenditure on lettings activities:				
Management	783,606	56,888	840,494	804,744
Services	88,858	31	88,889	98,402
Routine maintenance	343,364	6,163	349,527	371,021
Planned maintenance	127,436	73	127,509	141,691
Bad debts	1,190	3	1,193	(1,407)
Depreciation of housing properties	539,554	34,741	574,295	531,423
Total expenditure on lettings	**1,884,008**	**97,899**	**1,981,907**	**1,945,874**
Operating surplus on lettings	**633,685**	**84,881**	**718,566**	**635,791**
Void losses	8,113	-	8,113	19,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4 HOUSING STOCK	2025 Number	Additions Number	Disposals Number	Reclassified Number	2026 Number
Social housing accommodation					
General needs rented	310	-	-	-	310
Affordable rented	47	-	-	-	47
Low cost home ownership	59	-	-	-	59
Managed on behalf of other landlords	184	-	-	-	184
Total social housing managed	600	-	-	-	600
Non-social housing managed					
Freehold	4	-	-	-	4
Total non-social housing managed	4	-	-	-	4
Total housing stock	**604**	**-**	**-**	**-**	**604**

	2026 £	2025 £
5 EXPENSES AND AUDITORS' REMUNERATION		
Included in profit are the following:		
Depreciation of housing properties	574,295	531,423
Gain on disposal of tangible fixed assets	-	128,320
Auditor's remuneration:		
Audit of these financial statements	15,525	15,000

	2026 Number	2025 Number
6 STAFF NUMBERS AND COSTS		

The association employs staff on Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Limited (MRH) and three other rural housing associations. The numbers in this note relate to NRHA's share of these staff. Management and development services are provided under a management contract with MRH.

The average number of persons employed by the Association during the year, analysed by category, was as follows:

Office staff	11	11
	11	11

	2026 £	2025 £
Recharges from MRHA under the above contract during the year were as follows:		
Staff costs	569,117	563,199
Finance processing/accounting costs	164,802	149,008
Other recharges	74,076	86,502
	807,995	798,709

7 BOARD MEMBERS

£nil remuneration was payable to members of the Board of Management during the period (2025: £nil)

The number of people serving on the Board during the year was 7 (2025: 11)

Total expenses reimbursed to the committee members	-	-

	2026	2025
	£	£
8 SURPLUS ON DISPOSAL OF FIXED ASSETS		
Disposal proceeds	-	186,500
Cost of disposals	-	(58,180)
	-	128,320
9 INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest receivable	55,340	41,153
10 INTEREST PAYABLE AND SIMILAR CHARGES		
Loan interest	358,589	397,037
Amortisation of loan fees	11,087	10,827
Annual financing costs	-	2,340
FRS102 adjustment	(40,377)	37,926
Recycled capital grant fund	1,276	237
	330,575	448,367

11 TAXATION

No liability to taxation arises on the Association in the current year.

12 TANGIBLE FIXED ASSETS

	Housing properties			
	Under construction	Social housing letting	Low cost home ownership	Total housing properties
Cost		£		
1 April 2025	164,931	31,524,519	3,641,464	35,330,914
Additions	32,896	752,706	141,132	926,734
Replacement components	-	724,986	-	724,986
Properties completed in the year	(149,432)	145,204	4,228	-
Transfers	(23,755)	23,755	-	-
Disposals	-	(42,981)	-	(42,981)
31 March 2026	24,640	33,128,189	3,786,824	36,939,653
Accumulated depreciation				
1 April 2025	-	5,525,657	326,234	5,851,891
Provision in the year	-	539,554	34,741	574,295
Eliminated on disposal	-	(42,981)	-	(42,981)
31 March 2026	-	6,022,230	360,975	6,383,205
Net book value				
31 March 2026	24,640	27,105,959	3,425,849	30,556,448
31 March 2025	164,931	25,998,862	3,315,230	29,479,023

	2026	2025
	£	£
Additions to housing properties incudes:		
Direct administration costs	50,142	62,156

There were no other fixed assets held under finance lease at the year-end (2025: £nil).

The Association had property with a net book value of £12,850,167 pledged as security at 31 March 2026 (2025: £12,046,396).

	2026	2025
	£	£
13 PROPERTIES FOR SALE AND WORK IN PROGRESS		
Schemes developed for shared ownership sale	47,044	-
14 TRADE AND OTHER DEBTORS		
Current tenant arrears	79,622	35,401
Less provision for bad and doubtful debts	(918)	(1,606)
Former tenant arrears	383	12
Less provision for bad and doubtful debts	(383)	(12)
Trade debtors	23,963	73,539
Less provision for trade debtors	(420)	(420)
Prepayments and accrued income	75,401	228,516
Total debtors	177,648	335,430
Due within one year	177,648	335,430
15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Loans and overdrafts (see note 17)	312,249	295,067
Trade creditors	308,402	262,591
Rent received in advance	168,528	120,608
Accruals and deferred income	85,542	93,692
Taxation and social security	7,003	2,181
Deferred government grants (see note 19)	181,206	181,429
Other creditors	(84)	520
	1,062,846	956,088

	2026	2025
	£	£
16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Loans and overdrafts (see note 17)	6,521,461	6,868,855
Deferred government grants (see note 19)	13,707,146	13,326,616
Recycled capital grant fund (see note 20)	32,853	31,577
	20,261,460	20,227,048

17 LOANS		
Bank loans	6,674,564	6,982,157
Building Societies	159,146	181,765
	6,833,710	7,163,922

All loans are in Sterling and are secured by fixed charges on individual properties.

Loans have various fixed and variable rates of interest ranging between 2.9% (2025: 2.9%) and 6.8% (2025: 6.8%). The maturity of fixed rate interest arrangements does not necessarily lead to a requirement to repay the debt. Interest is payable on differing terms varying between monthly, quarterly and annually.

Loans are repayable as follows:		
In one year or less	312,249	295,067
Between one and two years	346,035	328,111
Between two and five years	1,147,179	1,088,746
In more than five years	5,028,247	5,451,998
	6,833,710	7,163,922

The loan valuations above include a decrease of £276,227 (2025: decrease £316,603) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

	At 1 April 2025	Cash flows	Other non-cash changes	At 31 March 2026
	£	£	£	£
18 ANALYSIS OF CHANGES IN NET DEBT				
Cash and cash equivalents	1,588,257	(341,220)	-	1,247,037
Borrowings				
Debt due within one year	(295,067)	295,067	(312,249)	(312,249)
Debt due after one year	(6,868,855)	(1,903)	349,297	(6,521,461)
	(7,163,922)	293,164	37,048	(6,833,710)
Total Net Debt	(5,575,665)	(48,056)	37,048	(5,586,673)

19 DEFERRED GOVERNMENT GRANTS

	Social housing grant	Other government grant	Total
	£	£	£
At 1 April 2025	11,377,775	2,130,270	13,508,045
Received in the year	420,370	136,394	556,764
Released to income in the year	(141,508)	(34,949)	(176,457)
Disposed in the year	-	-	-
At 31 March 2026	11,656,637	2,231,715	13,888,352
Deferred government grant to be released within one year	142,132	39,074	181,206
Deferred government grant to be released in more than one year	11,514,504	2,192,642	13,707,146

20 RECYCLED CAPITAL GRANT FUND

	Recycled capital grant fund
	£
At 1 April 2025	31,577
Interest credited to the fund	1,276
At 31 March 2026	32,853

21 PENSION SCHEMES

As detailed in Note 6 employees are employed on Joint Contracts of Employment with Midlands Rural Housing and Village Development Association Limited (MRH). MRH participates in The Pensions Trust - Social Housing Pension Scheme. The entire assets and liabilities of this pension scheme are declared in the accounts of MRH.

A legal agreement has been entered into between the 5 entities involved in the joint contracts of employment identifying how the pension liability of those jointly employed staff will be met by each entity. The Association recognises its share of the full pension deficit arising under the plan that is payable to MRH.

Summary of the movement on pension scheme liabilities

	2026	2025
	£	£
Net liability as at 1 April	132,351	220,179
Contributions paid	(48,331)	(60,426)
Change in Liability (charged to SOCI)	1,065	(27,402)
Net liability as at 31 March	85,085	132,351

The Pensions Trust - Social Housing Pension Scheme

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 deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For accounting purposes, a valuation of the scheme was 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 estimated impact on Northamptonshire Rural Housing Association Limited if these pension changes are ruled not to have been valid is up to £38,000.

This estimate is based on the current investment strategy and applicable valuation assumptions used for the purpose of the scheme triennial review. The potential impact on the FRS 102 defined benefit pension obligation is not expected to be materially different from this estimate. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed and a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years.

Following the ruling in another pensions legal case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors), the Trustee was advised that further clarification should be obtained in the Trustee's own court application on several points arising from the judgment. As a result, the Trustee has stated it will not be in a position to assess the extent of the changes (if any) which are required as a result of the Virgin Media judgment until it receives answers to the questions it is asking in its court application. These matters were considered by the High Court in the same hearing that closed on 28 March 2025. No ruling has yet been given. Subsequent to the hearing, the government has stated that it intends to legislate to allow pension schemes to retrospectively obtain actuarial confirmation under section 37 of the Pension Schemes Act 1993. While the legislation has not yet been laid, it is expected that once the new regulations are effective, they will significantly mitigate any risk of additional liabilities on these matters should there be an adverse ruling. At this time, no estimate has been made of the additional liabilities that may have arisen in the event of an adverse ruling by the High Court.

Management have considered all information available to them in respect of the ongoing court case. This includes discussions with the scheme's actuary, information provided by TPT and known information relating to the complexity of the case. Taking all this information together management have concluded that the best estimate of benefits payable used in measuring the defined benefit pension obligation recognised in these financial statements should not include an estimate for any additional liabilities that may arise if the high court makes an adverse ruling.

	2026	2025
	£	£
22 SHARE CAPITAL		
Share capital		
Allotted, issued and fully paid at 1 April and 31 March	12	12

At 31 March 2026, the Association had 12 ordinary shares (2025: 12) in issue, with each share having a nominal value of £1. The shares have no rights to dividends nor to any share of assets of the Association in the event of it ceasing to operate.

23 CAPITAL COMMITMENTS		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	867,000
Sources of Funding		
Social Housing Grants	-	420,400
New Loan Facilities	-	446,600
Capital expenditure that has been authorised by the Board of Management but has yet been contracted for	9,474,000	9,474,000
Sources of Funding		
Social Housing Grants	4,635,000	4,025,000
Other Government Grants	105,000	105,000
New Loan Facilities	4,734,000	5,344,000

24 RELATED PARTIES

Miss Pam Booker, a member of the Board of Management, is a tenant of the Association. Tenant Board members are charged and required to pay rent on standard terms and cannot use their position to their advantage.

Board Member, Mr Darren Paterson, was also on the Board of Midlands Rural Housing and Village Development Association Limited.

Payments made during the year to Midlands Rural Housing and Village Development Association Limited on an arm's length basis in respect of staff costs, finance processing, accounting, development and other recharges are as disclosed in Note 6.