

North Devon Homes Financial Statements for the year ended 31 March 2025



north devon homes

Registered Company No. 03674687

Registered Charity No. 1164142

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North Devon Homes

Financial Statements

for the year ended 31 March 2025

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Board of Management report for the year ended 31 March 2025**The Board of Management**

Mr John Creswell (Chair from 1 January 2025)
Mr James Goss
Dr Debbie Hay
Ms Suzanne Ingman
Ms Delyth Lloyd-Evans
Mr Paul Oldroyd
Mr Simon Sanger-Anderson
Mr Mike Day (appointed 1 October 2024)
Mr Ben Wilson (appointed 1 October 2024)
Mr Michael Victory-Rowe (appointed 24 March 2025)

Company Secretary

Victoria Snellgrove (appointed 1 October 2024)

Executive Directors

Mr Martyn Gimber (Chief Executive)
Mr Marc Rostock (Director of Neighbourhoods)
Mrs Philippa Butler (Finance Director)

Statutory Independent Auditors

Bishop Fleming
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

Solicitors

Trowers & Hamlins LLP
The Senate
Southernhay Gardens
Exeter
Devon EX1 1UG

Tozers LLP
Broadwalk House
Southernhay West
Exeter
Devon EX1 1UA

Principal Funders

Lloyds Bank PLC
25 Gresham Street
London EC2V 7HM

Funding Advisors

Altair Treasury and Finance
Solutions Ltd
Tempus Wharf
29a Bermondsey Wall West
London SE16 4SA

Bankers

NatWest plc
250 Bishopsgate
London EC2M 4AA

North Devon Homes is a company limited by guarantee (Registered in England, Company Number 03674687), registered charity (Charity Number 1164142) and is registered with the Regulator of Social Housing (Registration Number LH4249).

The registered office is at:
Westacott Road
Barnstaple
Devon
EX32 8TA
www.ndh-ltd.co.uk

Board of Management report for the year ended 31 March 2025 (continued)**Strategic Report**

The Board of Management presents its strategic report (pages 9 to 28) and audited financial statements for the year ended 31 March 2025.

Legal Structure

North Devon Homes ('NDH' or 'the Association') was incorporated in November 1998. NDH is an independent social business and registered charity. It has one wholly owned subsidiary Anchorwood Limited.

NDH is registered with the Charity Commission as a charitable company and as a provider of social housing with the Regulator of Social Housing. It is also a company limited by guarantee, registered at Companies House. Anchorwood Limited is also registered at Companies House.

The Directors of the Association who have served during the year are listed below and the current directors up to the date of the signing of these financial statements are listed on page 3.

Principal activities

The principal activity of the Association is to provide social housing. Any financial surpluses are reinvested into improving existing homes, communities and services and developing new homes.

The Group also consists of Anchorwood Limited, a property development company.

Review of the business

A review of the business is discussed in the Strategic Report on pages 9 to 28. This includes the Value for Money Statement 2025 and the Board's arrangements and appetite for managing risk.

Results

The Group's surplus after tax for the year was £235k (2024: £479k loss).

Going concern

The Board has a reasonable expectation that adequate resources will continue in existence for the foreseeable future and for this reason it continues to adopt the going concern basis in preparing the Financial Statements. Further details with regard to going concern are considered in Note 1 to the Financial Statements on page 42.

Constitution and Governance

The Board is skills-based and consists of up to ten independent members.

Board of Management report for the year ended 31 March 2025 (continued)

For the year ending 31 March 2025 the following members served on the Board:

- Mr Colin Dennis (resigned 31 December 2024)
- Mr Asad Butt (resigned 30 September 2024)
- Mr Scott Murray (resigned 30 September 2024)
- Ms Delyth Lloyd-Evans
- Ms Suzanne Ingman
- Dr Debbie Hay
- Mr Paul Oldroyd
- Mr Simon Sanger-Anderson
- Mr John Creswell
- Mr James Goss
- Mr Mike Day (appointed 1 October 2024)
- Mr Ben Wilson (appointed 1 October 2024)
- Mr Michael Victory-Rowe (appointed 24 March 2025)

The governance structure for the Group is summarised below:

The Boards of North Devon Homes and its subsidiary company Anchorwood Limited are committed to upholding and maintaining the highest standards of governance, accountability and probity in effectively leading and managing the business. The Boards continue to work and challenge themselves to ensure that they have the necessary skills, experience and, where appropriate, the necessary external advice to support decision making and strategic planning.

Board of Management report for the year ended 31 March 2025 (continued)**Compliance Statement**

North Devon Homes has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant for the year ending 31st March 2025.

Charity Commission compliance

The Board as Trustees can confirm that in respect of the Association as the registered charity, it has complied with Charity Commission's requirements during the year.

Executive officers

The Board of Management has delegated authority for operational matters to a team of executive officers. The executive officers who held office during the year are:

Mr Martyn Gimber (Chief Executive)
Mr Marc Rostock (Director of Neighbourhoods)
Mrs Philippa Butler (Finance Director)

Board of Management report for the year ended 31 March 2025 (continued)

Financial Risk Management Objectives and Policies

The Association's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The Association has a formal risk management and assurance framework to mitigate the potential adverse effects that such risks may pose, which are further detailed in the Strategic Report on pages 9 to 28.

Employees

The strength of the Group lies in the quality and commitment of its employees. Our strong Team-NDH culture enables us to meet our objectives and deliver good quality services to our customers in an efficient manner. We value highly the continued dedication and professionalism of our team.

The Group operates a continuous performance management review process, which supports the delivery of corporate objectives by identifying any training and development needed to achieve those objectives.

Equal Opportunities

The Group is committed to ensuring equal opportunities for all. The Recruitment and Selection Policy and Procedure ensures that non-discriminatory practices and processes are in place. It is our policy that those with a disability are automatically offered an interview so long as they meet the basic requirements of the role. Reasonable adjustments are offered to remove any barriers to accessing the interview process.

Equality, Diversity & Inclusion

The Group is committed to championing equality, diversity and inclusion (EDI) to challenge inequality in the community served and is developing its next EDI strategy setting out our aims as a community landlord and local employer. This will ensure that we are truly representative of our community and that our staff, customers and contractors feel valued, respected, supported and are able to be themselves. The Board receives regular updates on progress against EDI actions. Dedicated Board and staff EDI champions work together to provide additional oversight and perspective. A Neurodiversity Employee Resource Group has been set up to support staff and to improve inclusion within the workplace. Regular EDI related training is provided to front-line teams to help them better support our customers. Training includes: the making of reasonable adjustments, a psychologically informed approach, understanding of personality disorders, neurodiversity, drugs and alcohol addiction and hoarding.

Directors' and officers' liability insurance

The Group has maintained directors' and officers' liability insurance throughout the year.

Directors' and officers' remuneration

The remuneration of the Chief Executive, Director of Neighbourhoods and Finance Director is determined by the Board with the aid of external professional advice. The Board members (who are also Trustees) are remunerated for their services. Details are set out in note 7 to the Financial Statements.

Disclosure of information to the auditors

In the case of each person who was a Board member at the time this report was approved:

- so far as that Board member was aware there was no relevant available information of which the auditors were unaware; and

Board of Management report for the year ended 31 March 2025 (continued)

- that Board member had taken all steps that the Board member ought to have taken as a Board member to make himself or herself aware of any relevant audit information and to establish that the auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to read 'JH Creswell'.

John Creswell
Chair of the Board
15 September 2025

Strategic Report

Background

North Devon Homes is a registered provider of social housing established to accept the transfer of 3,281 homes from North Devon Council in February 2000. At 31 March 2025, the Association owned 3,360 (2024: 3,351) affordable homes.

With the exception twenty-five properties owned in the Torridge area, all of North Devon Homes' housing stock is located within the local government district of North Devon. The Association operates in an area where there is an acute shortage of existing affordable homes and limited supply of new sites for new housing provision. In addition to this, the area has very low average wages coupled with high property prices and a shortage of private rented sector supply.

At the year end the Association owned and/or managed 3,475 housing properties, plus 670 (2024: 670) garages for letting and 19 (2024:18) commercial properties. Further detail is provided in Note 19.

Governance and Management

During 2024/25 the NDH Board met seven times to provide effective governance to the business. The Board is supported by its Group Audit and Risk Committee and also its Group Remuneration and People Committee. The Anchorwood Limited Board met five times during the year.

The NDH Board has formally adopted the National Housing Federation (NHF) Code of Governance 2020. This Code not only underpins the way the Board operates but also forms the basis of an ongoing commitment to governance excellence and continuous strengthening of North Devon Homes' governance arrangements. Full compliance with the Code was achieved during 2024/25.

Further details are provided within the Board of Management Report on pages 3-8.

Regulatory Status

The Association is a Registered Provider (RP) of Social Housing and is regulated by the Regulator of Social Housing (the "Regulator") under the Regulatory Framework for Social Housing in England.

The Regulator's previous routine process of In-Depth Assessments (IDA's) was replaced by a new Inspection programme from 1 April 2024. In accordance with the four-yearly cycle, the Association was one of the first organisations to be inspected under the new Inspection regime, which included assessment against the new Consumer Standards. The results of the Inspection were published in August 2024; the Association maintained its G1 governance and V2 financial viability gradings and was pleased to achieve a C1 grading in respect of the assessment against the Consumer Standards, a reflection of the Association's long-standing focus on strong customer engagement and service delivery.

Strategic Report (continued)

Corporate Priorities and Strategies

The Corporate Plan 2024-27 sets out the priorities for the three years and also sets out the Association's culture and the way it intends to deliver the Plan. 2024/25 was the first year of the Plan and a summary of progress at the end of the first year against the five areas of commitment that were agreed by our customers, staff and Board, is set out below:

1. **Value – rent and the cost of living in our homes offers good value for money**
 - **Energy Efficiency upgrades** we are ahead of our target units for energy efficiency, which has been helped by grant funding, but slightly down on Home Improvements in the year. We continue to invest heavily in the stock. Overall, we have spent £5.8m before grant on repairs investment in both revenue and capital terms against a target of £5.2m.
 - **Homes not meeting Decent Homes** - We have 69 homes or 2.1% failing decent homes; this is due to high radon readings.
 - **Rent and service charges** through our Customer Board Partnership (CBP) we continue to liaise closely with customers on the best way to approach affordable rent changes and providing information on rents for the coming year.
 - **Development and growth** we were unable to fully deliver our development target with a delay in handovers at The Shields, Ilfracombe due to challenging conditions on site. These will come through in Year 2. Shared Ownership sales are also behind original target due to the slow housing market.
2. **Safety – homes are safe, well designed and maintained**
 - **Transactional repairs satisfaction** is comparatively strong and satisfaction improving. We very narrowly missed our non-emergency target and continue to make improvements to service delivery and improve resilience across the approved supplier base. There is a need to upgrade and modernise our asset system and this has been accelerated in the IT Strategy for 2025/26.
 - **Compliance** performance remains very good. Metrics reflect Tenant Satisfaction Measures (TSM's). Where we missed targets, these were impacted by legal action required to gain access.
3. **Customer – delivering an excellent customer experience**
 - **Satisfaction** - Overall satisfaction continues to improve with a TSM uplift of 5% across all metrics, which is similar to most landlords in the sector. At the year end overall satisfaction was 73.5%.
 - **Complaints** activity and volume has increased significantly over the past two years largely driven by the Housing Ombudsman and wider media publicity to encourage more reporting. We have increased resources accordingly and are using learning to help us inform and focus on areas for service improvement. The customer data validation approach is critical to helping us improve workflow and refine our customer-facing IT and website offering.
4. **Accountability – we will be open and accountable to customers by providing professional, accessible services that are designed to reflect customers' needs**
 - Customers are engaged with key decisions through CBP, Customer Health & Safety Partnership, and Fresh Ideas meetings.
 - We adopted a new strategy in 2025 to further embed our approach.
5. **Local – we have a locally based in-person service offer**
 - **Customer satisfaction** remains good and is tracked to maintain improvement.

Strategic Report (continued)

Corporate Priorities and Strategies (continued)

- **Customer data validation** - We have validated 25% of our data against a target of 40% in year 1. The start of this was delayed due to the Regulatory Inspection and technology implementation, which will improve the pace of validation into 2025/26.
- **Anti-Social Behaviour (ASB) relative** to others is on track and the customer metric on feeling safe in the home is improving.

Key strategic priorities for 2025-26 are:

- **Energy Efficiency improvements** – We have already secured grant for up to 180 homes under Wave 3 of Warm Homes funding.
- **Repairs** – We will invest £6m in repairs and maintenance.
- **Development** – We will add 29 Rented and 3 Shared Ownership homes. These will be in addition to the 5 carried over from 2024/25.
- **Customer portal and website** project to enable customers to access some services online. The scope and project plan will be worked up with CBP involvement.
- **Customer-led service reviews** to help improve communication and service delivery.
- **Customer data** – to have validated 80% of customer data.
- **Mobile technology** – deliver mobile-working technology to improve the efficiency with which staff can capture and raise, monitor and update casework.
- **Enrol staff in professional standards and competency framework** – dependent on final timings and requirements for the sector; these are still to be issued by the government but we continue to invest in learning and development.

Performance Management Framework

The Company has a robust Performance Management Framework in place. The Corporate Objectives, set by the Board as part of the Corporate Plan, are cascaded into Service Excellence Plans (SEPs) for each service area. In turn, the SEPs inform the personal objectives for each member of staff within each service area. Therefore, the delivery of the Corporate Plan is dependent on the achievement of both SEP and staff objectives. For this reason, both are regularly monitored.

Key Performance Indicators (KPIs)

KPIs are set by the Board annually and are largely selected for their alignment to Corporate Plan Objectives.

NDHs' Board and Executive Team monitor the Group's KPIs through quarterly performance reporting and regular meetings of the Executive Team and of the Strategic Performance Group. The Customer Board Partnership reviews KPIs at its meetings and, more generally, performance information is widely available in customer newsletters, on the NDH website and in and around NDH offices.

Since the introduction of the Tenant Satisfaction Measures (TSMs) in April 2023, the TSMs have been an important part of organisational performance reporting. Performance across the organisation as of 31 March 2025 is summarised on the following pages; this includes NDHs' 2024/25 final, weighted TSMs collected from tenant-perception surveys and those collected from management information.

Strategic Report (continued)

Key Performance Indicators (KPIs) (continued)



Tenant Satisfaction Measures (TSMs)

2024/25 - PERCEPTION

Low Cost Rental Accommodation

TSMs collected from tenant perception surveys	Result	Target*
TP01: Proportion of respondents who report that they are satisfied with the overall service from NDH.	73.5	67.4
TP02: Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	76.7	68.9
TP03: Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	77.0	69.7
TP04: Proportion of respondents who report that they are satisfied that their home is well maintained.	70.8	63.5
TP05: Proportion of respondents who report that they are satisfied that their home is safe.	76.2	73.3
TP06: Proportion of respondents who report that they are satisfied that NDH listens to tenant views and acts upon them.	66.1	62.8
TP07: Proportion of respondents who report that they are satisfied that NDH keeps them informed about things that matter to them.	70.3	66.3
TP08: Proportion of respondents who report that they agree NDH treats them fairly and with respect.	81.0	75.1
TP09: Proportion of respondents who report making a complaint in the last 12 months who are satisfied with NDH's approach to complaints handling.	42.0	35.4
TP10: Proportion of respondents with communal areas who report that they are satisfied that NDH keeps communal areas clean and well maintained.	73.8	61.6
TP11: Proportion of respondents who report that they are satisfied that NDH makes a positive contribution to the neighbourhood.	59.9	54.7
TP12: Proportion of respondents who report that they are satisfied with NDH's approach to handling anti-social behaviour.	58.0	56.0

*For 2024/25 TSMs collected from tenant perception surveys, targets have been based on NDH's 2023/24 final weighted scores

Strategic Report (continued)

Key Performance Indicators (KPIs) (continued)



Tenant Satisfaction Measures (TSMs)
2024/25 - OPERATIONAL

TSMs generated from management information	Result	Target
CH01 (1): Number of stage one complaints received per 1,000 homes.	50.9	No Target
CH01 (2): Number of stage two complaints received per 1,000 homes.	7.7	No Target
CH02 (1): Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	97.0	100
CH02 (2): Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	92.0	100
NM01 (1): Number of anti-social behaviour cases opened per 1,000 homes.	137.3	No Target
NM01 (2): Number of anti-social behaviour cases that involve hate incidents opened per 1,000 homes.	0.3	No Target
RP01: Proportion of homes that do not meet the Decent Homes Standard.	2.1	0
RP02 (1): Proportion of non-emergency responsive repairs completed within the landlord's target timescale.	84.1	85.0
RP02 (2): Proportion of emergency responsive repairs completed within the landlord's target timescale.	96.7	95.0
BS01: Proportion of homes for which all required gas safety checks have been carried out.	99.9	100
BS02: Proportion of homes for which all required fire risk assessments have been carried out.	100	100
BS03: Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	100	100
BS04: Proportion of homes for which all required legionella risk assessments have been carried out.	100	100
BS05: Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100	100

Strategic Report (continued)

Key Performance Indicators (KPIs) (continued)



Key Performance Indicators (KPIs)
2024/25 - OPERATIONAL

KPIs	Result	Target
Current tenant rent arrears	✓	2.10
Former tenant rent arrears	✓	0.70
Rent loss due to empty homes	0.79	0.75
Number of properties re-let (General Needs & Housing for Older People re-lets only)	166	No Target
Average time taken (in days) to re-let properties (Includes properties which underwent major works)	490	38.3

Some further commentary on NDH's performance is provided below:

- **TSMs collected from tenant perception surveys:** NDH's 2024/25 final weighted scores are presented above alongside targets, which are based on NDH's previous year's final weighted scores. All metrics are presented as 'on target' to show that 2024/25 scores showed improvement on 2023/24 results.
- **TSMs generated from management information:** in 2024/25, NDH received 166 stage one complaints and 25 stage two complaints (expressed per 1,000 homes above as 50.9 and 7.7 respectively). Although this is a significant increase on 2023/24 complaints volumes (114 stage one and 13 stage two complaints) early available benchmarking results suggest that NDH complaint volumes are similar to the median for UK Housing Associations.

The Complaints Review Group continues to review all formal complaints made and to take forward any learning or improvements needed.

At the close of the year, NDH reported that 2.1% of its low-cost rental accommodation did not meet the decent homes standard; this relates to 69 properties with radon level test results above recommended levels. Within these properties, various equipment has been installed to mitigate and reduce radon levels; however, at the time of reporting, NDH was awaiting revised test results measuring the impact of these radon mitigating systems. These results are being collected in order to confirm that improvement works have been effective, and to provide assurance that the Decent Homes Standard is met.

The number of anti-social behaviour cases opened per 1,000 homes (137.3) remains largely consistent with cases opened in the previous year (139.0). At a case level this equates to 460 and 465 in the year respectively.

Despite the TSMs indicating good satisfaction with the time taken to complete repairs, NDH's on time performance for non-emergency repairs fell just short of target. NDH understands that performance has been impacted by staff turnover and recruitment. Consequently, the team is working hard to improve resilience to ensure that resource meets demand.

Strategic Report (continued)

Key Performance Indicators (KPIs) (continued)

At the end of the year, NDH achieved 100% compliance for Fire, Asbestos, Water and Lift safety. Gas safety performance was strong but failed to achieve total compliance due to two properties where legal action was being taken to gain access.

- **Operational KPIs:** despite the continued roll-out of Universal Credit in North Devon, NDH's 2024/25 rental collection performance continued to be extremely strong with year-end arrears at 0.72% and significantly better than target.

Although the number of properties relet during 2024/25 was the same as in the previous year, the time taken to complete necessary works and relet properties increased from 39.6 days to 49.0 days. The impact is visible in the associated KPI, rent loss due to empty homes (although less than target this remained within business plan assumptions). The Voids team has since reviewed the end-to-end process to identify where improvements can be made to reduce void turnaround times.

Risk Management

The Group has a clear framework for managing risk and during the year an external review of Risk Management was carried out by Hargreaves Risk and Strategy, which concluded that the Risk Management framework remained 'very good'.

The risks are recorded in the Risk Register and are assessed in terms of impact and probability, both in terms of inherent risk (i.e. if all controls failed / worst case scenario) and residual risk (i.e. controls in place and working as expected). Each risk has an underlying plan which includes details of controls in place, time-specific assurances against those controls, as well as actions planned to further improve controls where appropriate. An Assurances report is completed for each risk, which sets out the critical assurances in place against the three lines of defence model. Risks that are highly scored and / or require action to reduce them are designated Strategic Risks. The full risk register is reviewed every four to six weeks by the Strategic Performance Group, and the Strategic Risks are reviewed by the Group Audit and Risk Committee on a quarterly basis.

The Board considers risk in all of its decision making and the Executive Team and the Board have an open dialogue regarding the key and emerging risks to the business. This ensures that the Board understands the risks and receives assurance regarding the systems of internal control.

The Board has established a programme of internal audit work designed to provide additional assurance on the Group's areas of greatest risk. The internal auditors provide an independent view on the design and operation of the Group's controls, which informs the Board's assessment.

Some of the key risks to successful achievement of the Group's objectives are summarised below. These risks are actively monitored by the Board, the Executive Team and the Strategic Performance Group.

Strategic Report (continued)

Risk Management (continued)

Risk	Key controls
Failure to achieve and deliver Value for Money (VfM)	• Budgetary control policy and procedures in place. • Corporate Plan for 2024-2027 established VfM priorities. • The VfM Strategy 2024-27 outlines how value will be delivered and includes key metrics to track progress. • Procurement strategy embedded in VfM Strategy. • VfM link through strategy, departmental service excellence plans, performance and Board decision making. • Use of benchmarking tools to monitor performance and inform a programme of continuous improvement activity. • Asset Management & Development strategy in place to ensure effective use of and return on assets. • Annual submission of data to HouseMark for benchmarking comparison. Benchmarking undertaken annually against peer group to identify cost savings and performance improvements, and monthly to identify performance issues impacting VfM.
Failure of Anchorwood Ltd to deliver the outcome in its Corporate Plan	• Business Plan, Intra-group loan agreement and financial plan in place for Anchorwood Ltd. • Weekly performance dashboard circulated to all Anchorwood Board members. • Stress testing of business plan carried out. • Anchorwood risk register in place and reviewed by management group and reported to Board. • Monthly management accounts provide details on sales, WIP, unsold stock, cash, loans etc. • Strategy in place to set out agreed objectives and values for Anchorwood to pursue. • Service level agreement in place for services to Anchorwood Ltd delivered by the Group. • Project group reviews sales activity, informed by JV partners to ensure market conditions are understood. Regular market information received from external sources. • Phased approach to development in place to allow amendments in plans in response to changing market conditions.
Failure to effectively monitor, anticipate and respond to changes in the economic environment	• Interest rate exposures carefully monitored and Treasury Strategy regularly reviewed. • Prudent but realistic business plan assumptions made around inflation and interest rates (using external advice) and sensitivity analysis carried out. • Stress testing carried out based on externally developed scenarios to ensure Business Plan capacity is understood, the Board is prepared for changes in the environment and has identified triggers and recovery actions. • Regular review by senior management of external sources of information and attendance at events. • Emerging risks discussed at Strategic Performance Group and Group Audit & Risk Committee. • Where possible, contracts are put in place that stipulate agreed pricing structures across the length of the contract.

Strategic Report (continued)

Risk Management (continued)

Risk	Key controls
Failure to develop and implement an informed Asset Management Strategy	• Asset Management Strategy aligned to Corporate Plan. • Customers engaged in the development of the Asset Management Strategy. • The Corporate Plan is underpinned by the Business Plan that includes provision to deliver planned improvements and energy efficiency works. • Annual HouseMark benchmarking showing cost/quality of repairs service compared with peers. • Management accounts monitored for delivery performance. • KPIs in place to monitor planned improvement works, response repairs delivery and compliance. • External environment monitored through professional networks and resources including training events, meetings and Hargreaves Risk review. • Pilots of new technologies to understand the costs, risks and benefits to customers and communities. Funding secured through carbon reduction initiatives.
Negative outcomes for business as a result of poor data quality	• Training in procedures and processes relating to data entry and IT systems use covered in inductions as appropriate. • In-person data training carried out across the business covering issues around data quality and governance. • Key data sets have assurance processes in place to check data quality. • External review of data returns where requested by the Board. • Skills in place to build, quality check and verify data reports to ensure quality. • Business Analyst in place with skills in reporting and data analysis. • Data Governance Framework in place and Data Governance Committee established to monitor data issues. • Data Strategy approved by the Board in March 2025 covering all elements of data management and improvement. • Issues and resolution process in place, managed via Data Governance Working Group.
Failure to effectively gather and use customer intelligence	• Customer Involvement Strategy in place that sets out how Customers are involved and influence services. • Customer Experience Manager role in place to draw together customer feedback from different sources and ensure this intelligence is used to improve services. • Customer Board Partnership in place to consider operational and strategic issues and gather customer input into decisions. • TSM data used to improve services and identify areas of concern/good service delivery. • Key Customer committees in place to influence specific areas of activity (e.g. scrutiny, complaints, health and safety). • Information gathered from customers in different ways e.g., local conversations, events, transactional satisfaction surveys for repairs and planned works. • Key customer-facing plans, strategies and policies consulted on with customers. • Patch-based working model developed and in place to bring together knowledge about households from different front-line staff.

Strategic Report (continued)

Risk Management (continued)

Risk	Key controls
Health and Safety incident arising from failure to maintain structure, fabric and services within our properties	• Building Safety Manager in place to oversee all H&S, Building Safety and Fire Safety across the NDH estate. • Compliance group set up to monitor H&S regulations and legislation, recording all actions and changes. • Risk assessment and testing programme in place to cover: Fire risk, Asbestos, Gas Safety, Electrical Safety, Legionella and water systems. • Stock condition surveys undertaken regularly and planned maintenance programme updated with latest condition. • Controls in place to cover servicing of lifts, solid fuel, biomass and septic tanks. • H&S policy signed off by Chief Executive and the Chair of Board. • Arrangements in place to ensure all contractors appointed comply with all aspects of H&S regulation and legislation. • H&S arrangements implemented onsite to ensure safety and welfare of employees, contractors, customers and anyone else who may be affected. Incidents, near misses and hazards reported to identify trends.
IT risks including Cyber, ineffective systems failing to deliver efficiencies and infrastructure deficiencies	• External cyber security partner in place to monitor systems 24/7. • Mandatory training in place for all staff covering data security, GDPR, cyber activity. • Information Security Compliance Group responsible for reviewing all aspects of system security, GDPR compliance and technical policy changes. • IT and Data Strategies approved by the Board and managed by the internal Programme Board and Strategic Performance Group. • All critical applications and infrastructure components are supportable and within vendor support. • IT dashboard of key controls developed to monitor critical applications. • IT Risk framework in place and reviewed by Programme Board on a monthly basis. • Housing Management system continually reviewed and monitored for issues and efficiencies. • Contract monitoring identifies areas for improvement. • Budget and resources allocated to meet IT requirements, infrastructure and software.

The key risks above were addressed throughout 2024/25.

On an ongoing basis risks are closely and regularly monitored by the Executive Team and the Strategic Performance Group who meet every month to review the entire risk register. The Group Audit and Risk Committee meets quarterly and is kept informed on proposed changes to the risk register, risk early warnings that have been triggered (but not necessarily resulted in a score change) and emerging risks. Risk management will remain a key focus during the coming year as a result of the continuing uncertain and challenging operating environment.

Strategic Report (continued)

Value for Money Statement

As a community landlord, Value for Money (VfM) is a key driver of our culture and is integral in everything that we do, from setting strategies at Board level through to delivering good value services to our customers. Value is one of our five commitments as agreed upon by our customers and our Board, and as defined in Our Corporate Plan 2024-2027. It includes keeping rents, service charges and the cost of running our homes as affordable as possible; reinvesting income into customers' homes to ensure that they are well maintained; and investing in new affordable homes to meet demand.

This VfM statement outlines our key areas of achievement during the year as well as highlighting those areas where we could have performed better.

Benchmarked data is contained in the report to show how well we are performing compared to our peers and the sector as a whole. In line with the Regulator's VfM Standard, our statement is focused on the seven key metrics that the Regulator of Social Housing (RSH) uses to compare providers. Wider benchmarked data for operational areas is used in addition to demonstrate the VfM we achieve.

Value for Money performance 2023/24

The latest benchmarked data for the VfM metrics, as published in the Regulator's Global Accounts data for 2023/24, is set out below. It shows the Association's performance compared to the whole sector median and the median for housing associations of a similar size (2,500 to 4,999 units).

VfM Metrics 2023_24	North Devon Homes	Sector Median	
		All	2,500 to 4,999 units
Reinvestment	5.9%	7.7%	8.9%
New Supply - Social Housing Units	0.54%	1.40%	1.40%
New Supply - Non-Social Housing Units	0.29%	0.00%	0.00%
Gearing	60.1%	45.6%	45.1%
EBITDA MRI (Interest Cover)	28.4%	122.0%	119.0%
Headline Social Housing Cost Per Unit	£5,451	£5,136	£5,601
Operating Margin - Social Housing Lettings	18.9%	20.4%	16.6%
Operating Margin - Overall	18.2%	18.5%	18.6%
Return on Capital Employed (ROCE)	2.8%	2.8%	2.8%

Performance against landlords with 2,500 to 4,999 units:
Better than median
Worse than median

The table on the next page sets out the Association's performance against the VfM metrics for 2024/25, comparing it to the target set out in the Association's current 2024-27 VfM Strategy. The table also sets out the VfM strategy target for the next year.

Strategic Report (continued)

Value for Money Statement (continued)

VfM Metrics	Performance 2024_25		VfM Strategy Target 2025_26
	North Devon Homes	VfM Strategy Target	
Reinvestment	4.0%	5.5%	3.7%
New Supply - Social Housing Units	0.6%	0.8%	1.0%
New Supply - Non-Social Housing Units	0.6%	0.7%	0.4%
Gearing	56.2%	55.6%	54.9%
EBITDA MRI (Interest Cover)	52.4%	64.0%	72.1%
Headline Social Housing Cost Per Unit	£5,280	£5,650	£5,690
Operating Margin - Social Housing Lettings	17.0%	15.3%	22.3%
Operating Margin - Overall	16.7%	18.2%	22.6%
Return on Capital Employed (ROCE)	3.2%	3.2%	3.5%

Performance:
Better than 2024_25 target
Worse than 2024_25 target

A summary commentary on performance is provided below:

- **Reinvestment:** Expenditure on development of new properties was lower than expected due to some delays in handovers and final completion of S106 acquisitions.
- **New Supply Delivered (Social Housing Units):** New supply delivery is lower than forecast due to the later delivery of S106 units; 21 new social housing units were delivered in the year as opposed to 26 originally forecast.
- **New Supply Delivered (Non-Social Housing Units):** New supply delivery (non-social housing units) is lower than forecast due to the delayed delivery of outright market sales at Taw Wharf (Phase 4) and a change in development timings. 21 units were completed as opposed to the 23 forecast.
- **Gearing:** Slower than forecast open market sales at Taw Wharf has resulted in a higher than anticipated short-term loan balance outstanding at the year end. Finance lease obligations are also higher than forecast when the strategy target was agreed.
- **(EBITDA MRI) Interest Cover:** A higher level of capitalised major repairs investment was completed in the year and finance costs were above forecast due to the higher interest rate environment; both factors reducing performance of this metric. The RSH calculation of this metric does not include surpluses from the disposal of property assets, nor does it take into account any capital grant; grant of £457k receivable this year (mainly from SHDF Wave 2) is excluded, whilst the costs are included. If grant was included this metric result would improve to 60.1%.
- **Headline Social Housing Cost:** When setting the strategy target additional provision was made for increasing costs across front-line services, particularly in respect of routine repairs and maintenance but actual costs were lower than forecast resulting in the metric performing better than target by £370 per property.
- **Operating Margin (Social Housing Lettings Only):** The higher than forecast operating surplus as a result of expenditure being lower than forecast, has resulted in the margin being above target.
- **Operating Margin (Overall):** Whilst the overall Group operating surplus and turnover were above forecasts, the ratio of surplus to turnover in Anchorwood (where the majority of activity was in relation to Taw Wharf phase 4 sales), was lower than anticipated leading to overall operating margin falling below the target.
- **Return on Capital Employed (ROCE):** This metric, which takes into account overall operating surplus, is positively impacted by the higher than forecast surpluses from fixed asset sales.

Strategic Report (continued)

Value for Money Statement (continued)

In addition to the metrics used by the RSH, the Association submits benchmarking data to Housemark, the latest data available being in relation to 2023/24. Our peer group of Southern Traditional Housing Associations has previously been used, but due to the low number of organisations (15) in the peer group submitting their detailed data, the peer group has been extended to all English Housing Associations for this year (76 Associations).

The table below shows VfM performance for 2023/24 compared to the peer group for the key operational areas.

	2023/24			2022/23		
	Cost per unit	Median	Performance Quartile	Cost per unit	Median	Performance Quartile
Overhead cost per unit	£ 979.45	£ 1,047.74	Q2	£ 918.60	£ 994.34	Q2
Housing management CPU	£ 384.59	£ 342.04	Q3	£ 525.33	£ 338.26	Q4
Routine maintenance CPU	£ 914.85	£ 926.05	Q2	£ 537.45	£ 853.55	Q1
Planned maintenance	£ 374.67	£ 378.03	Q2	£ 240.60	£ 310.12	Q2
Major repairs	£ 2,074.70	£ 1,180.11	Q4	£ 1,461.69	£ 1,151.18	Q4
Estate services	£ 152.74	£ 265.23	Q2	£ 47.45	£ 219.41	Q1

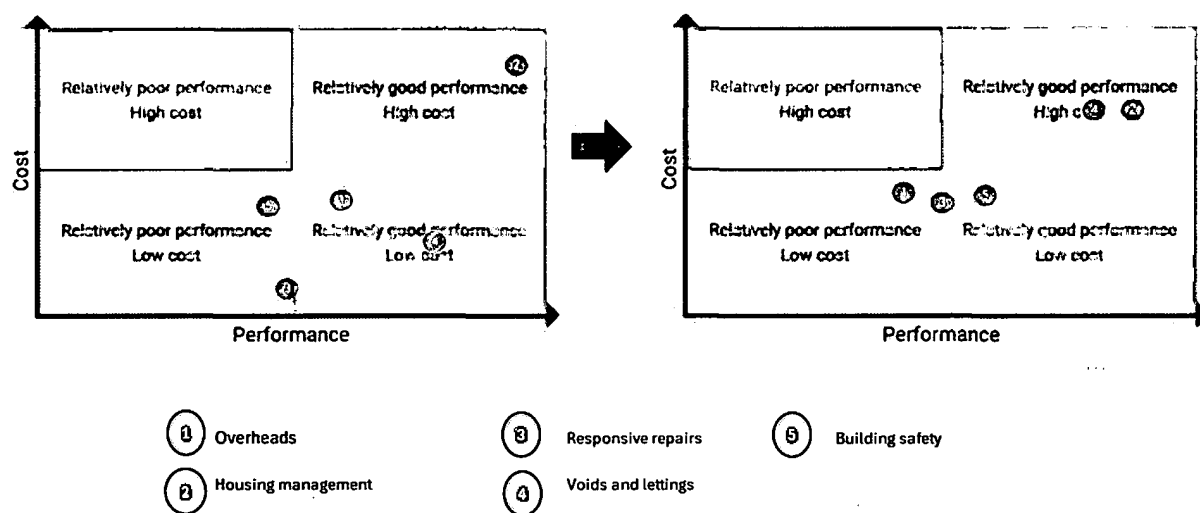
The charts below take into account costs of the service and performance of the service, giving a good indicator of VfM

2022/2023:

2023/24:

2022/23:

2023/24:



The Housemark data shows that whilst there have been some movements between years, no areas are within the poor performance, high-cost quadrant. The charts represent a high-level view on cost vs quality:

- 1. Overheads** – performance has worsened due to the number of average days lost to sickness per employee being above the peer group median (9.4 days, against a median of 9.0 days).

Strategic Report (continued)

Value for Money Statement (continued)

2. **Housing management** – performance remains high due to current tenant arrears being well below the median in the peer group, but housing management costs are £43 per unit higher than the peer group median.
3. **Responsive repairs** – costs remain below the peer group median and performance above peer group median with the differential to median increasing in 2023/24, therefore improving the metric.
4. **Void and lettings** – performance has remained good, with void rent loss being well below the peer group median, however the cost of void works has increased between years as more extensive works are undertaken prior to re-let.
5. **Building safety** – performance has improved between years, with costs being below the peer group median and full compliance in terms of gas safety checks at 100%.

Value for Money Targets

The Housemark data shows that in general, NDH offers good VfM in respect of voids and lettings and performance in housing management, responsive repairs and building safety has remained relatively unchanged between the two years. Overhead costs have increased in 2024/25 reflecting further investment in back-office services, particularly in relation to IT.

Other VfM targets:

As noted above, the key VfM targets are against the seven VfM metrics set by the RSH. However, the Board also outlined two other targets in its 2024-27 VfM strategy. These are set out in the table below:

Metric	2024/25	
	Target	Performance
No. of changes as a result of customer consultation/feedback	50	60
Social Value delivered	Evidence of social value delivered	Evidence of social value delivered

Customer consultation / feedback

In the year, 60 changes were recorded as a direct result of consultation with and feedback from customers. These included changes to policy, such as NDH's anti-social behaviour policy and noise policy; changes to customer communications including Home News articles and various leaflets (from rent setting to new home information); and changes resulting from customer co-design, such as the development of the Customer Experience Strategy and Independent Living Handbook.

Social Value

Here are some of the ways NDH delivered social value during the year:

- NDH's Specialist Support Team provided advice and guidance to customers with a range of complex needs and helped them to maintain their tenancies.
- NDH's Neighbourhoods Team organised various clear-up days to improve the appearance of local neighbourhoods.
- NDH work closely with the local college; during 2024/25, 2 apprentices joined NDH to study business administration.

Strategic Report (continued)

Value for Money Statement (continued)

Social Value

- An Energy and Wellbeing Officer worked with customers to ensure that they were obtaining all the financial support available to them in respect of energy charges from utility suppliers. In addition, the Officer worked with customers to ensure that they were using their own heating systems efficiently.
- A Community Service Liaison Officer reached out to customers with limited interaction with NDH over the previous 12 months. The Officer checked in on their general well-being and arranged support where needed.
- NDH's Money Matters service handled 324 referrals and obtained approx. £300k additional income for customers over 6 months.
- The Hardship Fund (financed by NDH) helped customers in need by providing financial support with heating costs and moving home costs, gifting Christmas Hampers, and providing white goods, floor coverings and food etc.

Customer Board Partnership, Customer Health and Safety Partnership and Customer Scrutiny Panel

As a community landlord, engaging with our customers is a core part of how we both improve and deliver VfM. As a result of customers volunteering their time through our customer groups, such as our Customer Board Partnership, Customer Health and Safety Partnership and our Customer Scrutiny Panel, capacity has been further developed this year to support meaningful and effective customer involvement.

As a key part of our community engagement, we hold an annual customer summer fayre. In July 2024, this community event brought staff, Board Members and several hundred customers together in a neutral setting to have shared conversations about our services, which we have used to inform how we work.

During the year, our customer Chair of the Customer Board Partnership (CBP) led the work of our involved customers. The work of our Customer Board Partnership has continued to evolve to be increasingly strategic in focus and the CBP was a key group in overseeing the development of our new Corporate Plan. Customers, Board Members and the Executive Team have met with senior service managers regularly through this year and have considered and influenced a wide-ranging agenda including:

- Developing our first Customer Experience Strategy;
- Monitoring the delivery of our Corporate Plan;
- Our approach to rent setting;
- Monitoring and challenging our Key Performance Indicators and performance levels across the business;
- Complaints, complaint handling, the Housing Ombudsman's code and how learning is embedded;
- Reviewing and strengthening our Customer Involvement strategy;
- Our Decarbonisation plans and progress;
- How we engage with and get value from the Advantage South West partnership;
- Our IT systems;
- Our Customer Health and Safety Partnership developments;
- Our customer communications plan and strategy; and
- Our approach to Tenant Satisfaction Measures and understanding what the feedback means for us.

Strategic Report (continued)

Customer Board Partnership, Customer Health and Safety Partnership, and Customer Scrutiny Panel (continued)

Customers also attended and participated in a range of strategic meetings throughout the year including regular attendance at Board meetings and our joint Board and Customer Strategic Planning day. Board Members, Senior Managers and customers also had a joint training day on customer vulnerability to support and foster further understanding and insight into this critical area.

Our Customer Health and Safety Partnership (CHSP) has continued to support our approach to customer safety, with a structured programme of training supported to promote meaningful engagement and contributions to our landlord compliance and customer safety agendas. This group has monitored and challenged how we deliver landlord compliance and customer safety, monitoring performance and developing and facilitating customer events to engage customers in our customer partnership safety agenda.

The CHSP Chair has taken a lead role in providing customer-led scrutiny of these arrangements and engaging partners such as the Fire Service, Police and Local Authority in safety related issues to improve outcomes for customers. For example, our customers recently engaged in meetings with the Devon and Somerset Fire & Rescue Service to give lived experience insights into a proposal to change the way in which the Fire Service responds to linked alarms.

Our Customer Scrutiny Panel has also developed and undertaken an active programme of reviews, which has researched, evaluated and scrutinised a number of areas and made recommendations for improvements in how we design, monitor, implement and / or review services including our approach to anti-social behaviour. The group have also made proposals for how we develop our digital inclusion work.

A number of policies and procedures have also been reviewed in the year leading to process efficiencies and better outcomes for both customers and the Association.

In addition, customers have attended and contributed to a programme of external events organised by the Regulator for Social Housing, the Housing Ombudsman and TPAS (tenant engagement experts).

During this challenging year, customer groups were also created and / or focussed on some of the emergent issues to inform and determine our response. For example, our customers considered and helped shape our decision on rent setting.

We have also been consulting on how we develop and continue our processes to collect the Tenant Satisfaction Measures (TSMs). This has informed how and when we have contacted customers; and we will be reviewing the outputs from our TSM surveys throughout the year to gain further insight into the drivers behind the things that customers score favourably and unfavourably and any challenges or areas for improvement that may be identified.

Sustainability Reporting Standard (SRS)

The Sustainability Reporting Standard for Social Housing is an environmental, social and governance standard designed to help the housing sector measure, report and enhance its Environmental, Social and Governance (ESG) performance in a transparent, consistent and comparable way.

The Standard consists of 48 questions requiring comply or explain responses. 2024/25 was the first year that the Association assessed itself against the Standard. Overall, we were able to fully answer 47 questions, the exception being the measurement of Green House gas emissions; we are currently unable to measure this data.

Strategic Report (continued)

Sustainability Reporting Standard (SRS) (continued)

2025/26 will be the first year we formally submit responses to Sustainability for Housing (SfH), responding in respect of the same 47 questions. As formal adopters of the Standard the answers will be benchmarked against similar organisations allowing us to identify areas for improvement.

Plans for the year ahead

In addition to focussing on the VfM targets outlined above, other key corporate plan priorities for the year 2025/26 are as follows:

- Project initiation for new asset management software system to ensure continued robust monitoring of our stock condition data and continued focus on delivering investment into existing homes. This will enable us to enhance our mobile working creating further efficiencies.
- Work with customers to scope our customer portal as part of our ongoing digital transformation project and manage any implementation carefully to maintain customer satisfaction.
- Implement a wider investment programme in respect of some key sites where there is a higher level of reported repairs or where there is stalled development.
- Continue with our ongoing data validation project to meet our end of year 2 target to validate 80% of Customer data and gain better insight into the profiles and preferences of Customers.
- Invest in our staff training and development to ensure that we are able to continue to provide excellent services to our customers and meet the requirements of the sector's Professional Standards. Through our 'Team NDH' culture we will empower staff to help them develop their capacity, potential and skills.
- Ensure that our systems and processes are in place to meet changes as a result of Awaab's Law and that our asset strategy can meet projected changes arising from Decent Homes 2.
- Monitor the performance and progress of Anchorwood and achievement of its own corporate plan objectives to ensure Anchorwood's activities continue to support those of NDH.
- Deliver 29 rented homes and 3 shared ownership homes.
- Review our Environmental Strategy and assess ourselves against SRS benchmarking data.

Delivery of the VfM strategy will be a continued focus during the coming year for our Board through its decision making; for customers including our Customer Board Partnership, Customer Health and Safety Partnership and Scrutiny Panel; and for staff through our VfM culture and key projects delivering our corporate plan objectives. We continue to monitor and report performance against all of our targets and in our communications with customers and staff.

Strategic Report (continued)

Operating and Financial Review

Financial Review

Income from social housing lettings increased in the year to 31 March 2025 by 6.3% (2024: 9.2% increase) from £18,024k in 2023/24 to £19,158k in 2024/25 (which included the 7.7% rent increase being applied to the majority of properties). Social housing lettings income included £128k (2024: £329k) of revenue grant income. Two general needs properties were lost through Right to Buy and there were ten strategic disposals in the year. Seventeen new social housing rented properties were delivered. This was lower than forecast impacting overall social housing lettings rent received compared to the budget for the year.

There was an increase in turnover within other social housing activities of £186k to £803k in 2025 (2024: £617k); this was attributable to a higher number of first tranche shared ownership sale receipts in the year. There were three shared ownership property sales in the year (2024: 1), some of these being unsold properties from 2024. Four new shared ownership homes completed and there were 5 unsold properties at the year end; these are forecast to complete in 2025/26. Included within non-social housing activity, turnover from open market sale activity through NDH's subsidiary Anchorwood Ltd was £3,019k (2024: £2,577k) as a result of 15 sales completing at the Taw Wharf scheme, with seven completed properties remaining unsold at the end of the year.

The Group surplus excluding gains on disposal of property, plant and equipment was comparable to the previous year at £4,000k (2024: £4,041k), however gains on disposals of property of £1,731k were £811k higher than in the previous year (2024: £920k) as the Association continued with its programme of disposing of its poorest performing properties in terms of energy performance and those properties not considered to be suitable for current day social housing. Receipts from these disposals are reinvested into improvements for existing stock and into the development programme for the provision of new affordable homes in the area. As a result, the Group operating surplus for the year was £5,731k (2024: £4,961k), an increase of £770k from the previous year. There was an increase in Group turnover of £1,639k arising from the higher level of sales activity in Anchorwood. Anchorwood profits resulted in gift aid to be paid for the year of £69k, with £184k actually received in the year in respect of 2023/24 performance. Overall operating costs increased by £1,680k from the previous year. Whilst there was a net decrease of costs in other social housing activities of £138k, there was an increase of non-social housing activity costs of £526k as a result of higher cost of sales largely relating to Anchorwood as a result of the higher level of activity; with operating costs for social housing lettings increased by £1,292k as a result of cost pressures across all areas and increased spending on planned and major repairs expenditure, which included £550k (2024: £823k) costs expensed in relation to SHDF Wave 2 works. As a result of ongoing investment into existing properties, routine maintenance costs reduced by £182k compared to the previous year. During the year £2,372k (2024: £1,834k) of major repairs expenditure was written off to the income and expenditure account and in addition, £4,688k of works were capitalised (2024: £6,306k) reflecting the significant investment into existing housing stock; these revenue and capital costs included £2,217k (2024: £4,109k) of strategic decarbonisation works.

Interest costs decreased by £137k in the year at £5,697k compared to £5,834k in 2023/24 mainly as a result of the annual change to the inflation linked loan in August 2024.

The Group's surplus before tax was £240k (2024: £477k loss). There was an actuarial gain in the year of £138k (2024: £407k loss) in relation to the SHPS pension scheme.

The Group's total comprehensive income for the year was £373k (2024: £886k loss). This amount was credited to revenue reserves.

Debt Profile

A summary of drawn loans (excluding any interest and fees applied) as at the year end is below:

Strategic Report (continued)

Operating and Financial Review

Financial Review (continued)

Lender	2025	2025	2024	2024	Description
	Group £'000	Assoc'n £'000	Group £'000	Assoc'n £'000	
Lloyds	36,300	36,300	36,300	36,300	Fixed
Affordable Housing Finance (AHF)	8,000	8,000	8,000	8,000	Fixed
GB Social Housing	27,638	27,638	27,638	27,638	Fixed
MORhomes	12,500	12,500	12,500	12,500	Fixed
NatWest	12,702	12,000	12,650	10,500	Variable
TOTAL	97,140	96,438	97,088	94,938	

Total loan facilities available at 31 March 2025:

Lender	2025	2025	2024	2024	Description
	Group £'000	Assoc'n £'000	Group £'000	Assoc'n £'000	
Lloyds	36,300	36,300	36,300	36,300	Fixed
Affordable Housing Finance (AHF)	8,000	8,000	8,000	8,000	Fixed
GB Social Housing	27,638	27,638	27,638	27,638	Fixed
MORhomes	46,000	46,000	46,000	46,000	Fixed
NatWest	19,700	15,000	19,700	15,000	Variable
TOTAL	137,638	132,938	137,638	132,938	

Group Debt profile at 31 March 2025:

	2025	2024
Fixed Rate Loans £'000	£84,438	£84,438
Variable Rate Loans £'000	£12,702	£12,650
Total Loans Drawn £'000	£97,140	£97,088
% unhedged	13%	13%
Average cost of funds	5.52%	5.33%
Undrawn facility £'000	£40,498	£40,550

In the first quarter of 2025/26 the existing £15m Revolving Credit Facility with NatWest was extended to £20m, with repayment in 2030 (with the option to exercise an extension of one year). In addition to this, the £36.3m facility with Lloyds was re-structured, breaking the £16.3m legacy RPI linked loan and replacing it with a fixed rate loan. As part of the restructuring negotiations, the repayment date on the Lloyds facility was shortened from expiring in August 2038 to May 2035.

Individual lenders specify their own covenant requirements. For Lloyds, NatWest and GB Social Housing these include interest cover, asset cover, gearing and debt per unit. The two Affordable Housing Finance covenants are net annual income and asset cover. The MORhomes bond requires asset cover only. There were no covenant breaches during the year.

The average maturity of net debt was over five years (see note 15).

Strategic Report (continued)

Operating and Financial Review (continued)

Treasury operations are managed by the Finance Director within parameters set down by the Board of Management through its Treasury Management Strategy and Policy. This activity is regularly reported to and monitored by the Board. External advice is sought in relation to policy, strategy and training in this area.

Cash Flows

Cash inflows and outflows for the year under review are contained in the Consolidated Statement of Cash Flows on page 39. The main net cash inflows from operating activities are from housing management activities. The net cash outflow from investing activities is the net expenditure (after grant) on development properties and planned maintenance improvements, including the replacement of components of housing properties.

Market value of land and buildings

The valuation basis and valuation timing requirements vary between the five lenders. As at 31 March 2025 the value of charged properties was:

Lender	Valuation basis*	Latest formal valuation date	Charged value as at 31 March 2025
Lloyds	EUV-SH	June 2023	£81.7m
NatWest	MV-STT	January 2024	£20.8m
AHF	EUV-SH	March 2025	£12.0m
GB Social Housing	MV-STT	June 2023	£46.7m
MORhomes	MV-STT	March 2025	£18.0m

*Definitions:

EUV-SH = Existing Use Value Social Housing

MV-ST = Market Value, subject to Tenancies

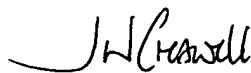
Devon County Council Pension Scheme

After consultation with affected employees, the LGPS scheme was closed to future accrual for the remaining employees that were members on 31 January 2024. Following this, the Association exited the scheme entirely in September 2024, releasing funds of £1,607k previously held as an indemnity against the scheme, and settling the exit payment of £768k that had been included within creditors for the year ending 31 March 2024.

Statement of compliance

The Board of Management confirms that the Strategic Report has been prepared in accordance with the principles set out in the SORP 2018.

By order of the Board



John Creswell
Chair of the Board
15 September 2025

Statement of the Board of Management's Responsibilities

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

Company law requires the Board to prepare financial statements for each financial year. Under those regulations the Board has 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 Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing these Financial Statements, the Board is required to:

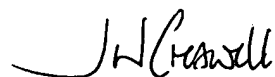
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the Financial Statements,
- assess the Group's and 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 Group, to cease operations or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of accounts that disclose, with reasonable accuracy at any time, the financial position of the Association and enable it to ensure that the Association's Financial Statements comply with the Companies Act 2006, 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.

The Report of the Board, the Strategic Report and the Financial Statements were approved by the Board on 15 September 2025 and signed on its behalf by:

By order of the Board



John Creswell
Chair of the Board

15 September 2025

Report of the Board on Internal Control

The Board acknowledges that it has overall responsibility for establishing and maintaining the internal control systems and for reviewing their effectiveness. This responsibility applies to all organisations within the Group. The internal control systems in place focus on:

- the significant risks that threaten the Group's ability to meet its objectives as described in its Corporate Plan;
- the prevention of fraud and the safeguarding of assets against unauthorised use or disposition.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The overall internal controls system has remained largely unchanged during the year, but there has been continued focus on managing cyber risks and governance of data.

The Group's assurance framework aligns the monitoring process carried out by the Board and the Customer Board Partnership, through to operational level and clearly sets out the reporting framework. This framework supports the robust culture of internal controls within the Group.

The process for identifying, evaluating and managing the risks faced by the Group is ongoing and part of its Risk Management Framework that has been in place throughout the year, up to the date of approval of the Annual Report and Financial Statements. The framework is externally reviewed at least annually. The Board receives an update on key risks facing the Group at each meeting and the Group Audit and Risk Committee receives a detailed report on risk at each quarterly meeting focussing not only on reviewing current risks but also emerging risks. The Committee also receives 'deep-dive' assurance reports for review at each meeting. Board agendas are structured so that key risk issues are discussed as early agenda items and are clearly identified at the start of reports. The Board had a dedicated risk workshop in the year to review risks and how they can be best mitigated.

The Strategic Performance Group comprising senior members of management across all areas of the business, met regularly in the year to review the Group's risk register; ensure that risk management continued to be embedded and operated effectively within the business; to identify emerging risks and review risk triggers; and to review the organisation's financial performance, forecasts and key metrics following publication of monthly management accounts. As a result of these controls and reviews of when controls have been effective, for example in the prevention of fraud, the risk register has been updated regularly throughout the year and risks realigned or developed in response to the many changes that the sector has faced.

As part of the risk management of the Taw Wharf scheme (which is the main Anchorwood Limited development), the Anchorwood project group has continued to meet regularly to review the project risk register as well as any new or emerging risks and the risk register is reviewed by the Anchorwood Board at each meeting. Discussions about the risks being managed by Anchorwood Ltd inform the scoring of Group Risk 67 "Failure of Anchorwood Ltd to deliver the outcomes agreed in its Corporate Plan (e.g. units, income) within budget and planned timescales".

Report of the Board on Internal Control (continued)

Our customer involvement framework is well embedded in our control environment and, as part of this, the Customer Scrutiny Panel undertakes a programme of regular reviews into a broad range of service areas. The outcomes are reported to the Customer Board Partnership and ultimately the Board. This approach provides further assurance over performance and key policies, which form a key part of the internal control environment. The Regulatory Inspection that was completed during the year included assessment against the Consumer Standards introduced from April 2024; the highest C1 grading was awarded, confirming our strong approach to customer engagement and our striving to deliver a high standard of customer service.

The Group produces a three-year Corporate Plan and a 30-year financial Business Plan, which is updated on at least an annual basis, and which is supported by detailed financial budgets and forecasts. The Business Plan identifies the threats and opportunities in the environment, which may prevent the achievement of objectives; and sensitivity and scenario modelling is carried out to model different events and develop contingency plans. A key area of focus during the year has been scenario testing and assessment of economic impacts on the Group's activities, during a continuing period of challenging economic conditions. This has been considered in the context of challenges to NDH delivering its charitable objectives, delivery of market sale properties through its subsidiary Anchorwood, the uncertain economic environment and the impact of high costs-of-living on customers.

The day-to-day operation of internal control is delegated to the Executive. The Group has a clearly defined organisational structure based upon an approved system of delegation and authorisation that includes members of the Board of Management and the Officers. The levels of authority are set out in the Group Standing Orders and Financial Regulations and are subject to periodic review.

Some of the key policies that are established to ensure effective internal control are shown below.

- Anti-Fraud, Bribery and Corruption
- Group Code of Conduct
- Group Probity, Hospitality, Gifts and Interests
- Integrity at Work
- Information Security
- Data Protection
- Disciplinary
- Anti-Money Laundering
- Investment
- Income Collection and Debt Recovery
- Treasury Management (subject to external review annually)
- Whistleblowing
- Health and Safety Policy statement and associated policies

North Devon Homes has suitably qualified and experienced staff who are responsible for its business functions. Recruitment, induction and training processes are comprehensive and are designed to ensure that staff entering the organisation are both qualified and committed to working with the Group and the achievement of its objectives.

Report of the Board on Internal Control (continued)

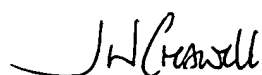
The Group has an ongoing internal audit plan and Beever & Struthers were employed as internal auditors during the year. The Group also employs consultants, where necessary, who provide specialist support, advice and training. Hargreaves Risk and Strategy consultants are also engaged to provide specialist advice on risk and Altair Treasury and Finance Solutions are engaged to provide funding and treasury advice.

The Group has an anti-fraud, bribery and corruption policy in place covering prevention, detection and reporting of fraud. The Board reviews the fraud register at each Board meeting and can confirm that there have been no frauds against the Group during the year that have resulted in any losses.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can and has appointed a Group Audit and Risk Committee to oversee risk and internal control. A full report on Internal Controls Assurance was provided to the Group Audit and Risk Committee on 24 February 2025 and the results of the Board's subsequent review of that report are the basis of this statement.

The Group Audit and Risk Committee approves an annual internal audit plan, reviews the effectiveness of internal control systems and has an active role in the promotion and monitoring of standards. The Group Audit and Risk Committee achieves this by considering risk reports, recommendations on internal audit reports and agreeing appropriate responses and actions with the Executive Officers; reviewing the external auditors' management letter; and can undertake specialist reviews on areas such as health and safety. The internal and external auditors are guaranteed a right of direct access to the Board of Management and the Group Audit and Risk Committee should they identify any material internal control concerns.

By order of the Board

A handwritten signature in black ink, appearing to read 'JH Creswell'.

John Creswell
Chair of the Board

15 September 2025

Independent Auditors' report to the members of North Devon Homes

Opinion

We have audited the financial statements of North Devon Homes (the 'parent association') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Reserves, the Association Statement of Changes in 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 group's and parent association's affairs as at 31 March 2025, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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

Independent Auditors' report to the members of North Devon Homes (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the board of management report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board of management report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent association and its environment obtained in the course of the audit, we have not identified material misstatements in the board of management report (incorporating the strategic report). We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Board

As explained more fully in the Statement of the Board of Management's Responsibilities, the board (who are also the directors of the parent association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 is responsible for assessing the group and the parent 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 group or the parent association or to cease operations, or has no realistic alternative but to do so.

Auditor 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.

Independent Auditors' report to the members of North Devon Homes (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and directors in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, FRS 102, and UK tax legislation.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Independent Auditors' report to the members of North Devon Homes (continued)

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

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

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

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. 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.

Bishop Fleming Audit Limited

Nathan Coughlin (Senior statutory auditor)
for and on behalf of
Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
Plymouth
Date: 17 September 2025

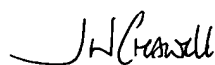
Consolidated and Association Statements of Comprehensive Income for the year ended 31 March 2025

	Note	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Turnover	2	23,897	20,895	22,258	19,798
Operating Expenditure	2	(19,897)	(16,894)	(18,217)	(15,761)
Gain on disposal of property, plant and equipment	3	1,731	1,731	920	920
Operating Surplus		5,731	5,732	4,961	4,957
Share of operating gain in associate	11	23	-	19	-
Interest receivable	4	113	123	267	292
Interest and Financing Costs	5	(5,697)	(5,697)	(5,834)	(5,834)
Surplus on revaluation of investment properties	10c	70	70	110	110
Surplus/(Loss) before taxation		240	228	(477)	(475)
Taxation	9	(5)	(5)	(2)	(2)
Surplus/(Loss) for the year		235	223	(479)	(477)
Actuarial gain/(loss) in respect of pension schemes	21	138	138	(407)	(407)
Total Comprehensive Income/(expense) for the year		373	361	(886)	(884)

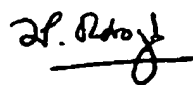
Consolidated and Association Statements of Financial Position as at 31 March 2025
Registered number 03674687

	Note	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Fixed assets					
Intangible Assets	10a	994	994	1,025	1,025
Tangible fixed assets – Housing Properties	10b	169,332	170,107	166,319	167,095
Other property, plant & equipment	10c	3,517	3,438	3,749	3,663
Total fixed assets		173,843	174,539	171,093	171,783
Investments					
Investment Properties	10c	3,365	3,365	3,295	3,295
Investment in Subsidiary	11	-	2,300	-	2,300
Investment in Associates	11	145	5	122	5
Other investments	11	392	392	398	398
		3,902	6,062	3,815	5,998
Debtors due after more than one year	12b	-	143	-	243
Total investments and debtors due after more than one year		3,902	6,205	3,815	6,241
Current assets					
Debtors	12a	1,825	1,441	4,655	3,566
Stock	13	3,483	698	5,164	758
Cash and cash equivalents	16	2,271	1,861	1,936	1,746
Total current assets		7,579	4,000	11,755	6,070
Creditors: amounts falling due within one year	14	(5,657)	(4,209)	(8,167)	(4,718)
Net current assets		1,922	(209)	3,588	1,352
Total assets less current liabilities		179,667	180,535	178,496	179,376
Creditors: amounts falling due after more than one year	15	(115,677)	(115,677)	(114,498)	(114,498)
Defined Benefit pension liability	21	(650)	(650)	(1,031)	(1,031)
Net assets		63,340	64,208	62,967	63,847
Capital and Reserves					
Income & Expenditure reserve		21,642	22,510	21,037	21,917
Revaluation reserve		41,698	41,698	41,930	41,930
		63,340	64,208	62,967	63,847

These Financial Statements together with the associated notes on pages 42 to 80 were approved and authorised for issue by the Board on 15 September 2025 and were signed on its behalf by:



John Creswell
Chair



Paul Oldroyd
Board Member

Consolidated Statement of Cash Flows for the year ended 31 March 2025

	Note	Group 2025 £'000	Group 2024 £'000
Net cash generated from operating activities	16	9,656	5,378
Cash flows from Investing Activities:			
Purchase of tangible and intangible fixed assets		(6,746)	(10,886)
Proceeds from sale of tangible fixed assets		2,406	1,603
RTB Sharing Agreement		(277)	(239)
Grant received		1,355	191
Interest received		94	254
Net cash used in investing activities		(3,168)	(9,077)
Cash flows from Financing Activities:			
Interest paid		(6,140)	(6,005)
Interest element of finance lease rental payments		-	(40)
New secured loans		4,231	13,012
Repayment of Borrowings		(4,347)	(15,375)
Capital element of finance lease rental payments		105	761
Withdrawal from investments		-	162
Corporation Tax		(2)	-
Net cash generated (used in)/from financing activities		(6,153)	(7,485)
Net increase in cash and cash equivalents	16	335	(11,184)
Cash and cash equivalents at beginning of year	16	1,936	13,120
Cash and cash equivalents at end of year	16	2,271	1,936

Consolidated Statement of Changes in Reserves for the year ended 31 March 2025

Group	Income and Expenditure Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance as at 1 April 2023	21,759	42,071	63,830
Release from Revaluation reserve	141	(141)	-
Loss from Statement of Comprehensive Income for the year	(479)	-	(479)
Actuarial loss in respect of pension schemes	(407)	-	(407)
DCC Pension Reserve present value of unfunded obligation	26	-	26
Adjustment to Subsidiary Reserve	(3)	-	(3)
Balance as at 31 March 2024	21,037	41,930	62,967
Surplus from Statement of Comprehensive Income for the year	235	-	235
Actuarial gain in respect of pension schemes	138	-	138
Release from Revaluation reserve	232	(232)	-
Balance as at 31 March 2025	21,642	41,698	63,340

Association Statement of Changes in Reserves for the year ended 31 March 2025

Association	Income and Expenditure Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance as at 1 April 2023	22,634	42,071	64,705
Release from Revaluation reserve	141	(141)	-
Loss from Statement of Comprehensive Income for the year	(477)	-	(477)
Actuarial loss in respect of pension schemes	(407)	-	(407)
DCC Pension Reserve present value of unfunded obligation	26	-	26
Balance as at 31 March 2024	21,917	41,930	63,847
Surplus from Statement of Comprehensive Income for the year	223	-	223
Actuarial gain in respect of pension schemes	138	-	138
Release from Revaluation reserve	232	(232)	-
Balance as at 31 March 2025	22,510	41,698	64,208

Notes to the Financial Statements for the year ended 31 March 2025

1 Accounting Policies

General Information

North Devon Homes is a registered charity and is a registered provider of social housing. It is a public benefit entity.

Significant accounting policies

The principal accounting policies applied in the preparation of the Group Financial Statements as required by statute and the separate Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The Group's Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102), the Housing and Regeneration Act 2008, the Statement of Recommended Practice for Registered Social Housing Providers 2018 ('SORP 2018') and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared under the historical cost convention.

North Devon Homes meets the definition of a qualifying entity under FRS102. The following exemptions available under FRS102 in respect of certain disclosures have been applied:

- the requirement to present a separate statement of cash flows and related notes for the Association;
- financial instrument disclosures as the information is provided in the consolidated disclosures.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of North Devon Homes (the "Association") and its subsidiary undertaking Anchorwood Limited.

Going concern

The Financial Statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the reasons below.

The Group prepares a 30-year business plan, which is updated and approved on an annual basis. The most recent business plan was approved in May 2025. As part of the business plan approval the Board updated its stress testing and multi-variate scenario testing against the base plan and particularly considered impacts of a challenging operating environment with budgetary pressures, high household costs impacting customers and staff, increasing customer and regulatory expectations - particularly in relation to repairs and maintenance. The Board is mindful of its exposure to housing market risk and the impact of the slowdown in the market due to economic conditions, impacting sales prices and demand; performance against the business plan forecasts continues to be a key focus for the coming year. The stress and scenario testing impacts were measured against loan covenants and cash facilities, with potential mitigating actions identified where these would be necessary.

The Board, after reviewing the Group 30-year business plan and budget for 2025/26 is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue in business for the foreseeable future.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1 Accounting Policies (continued)

Going concern (continued)

The Board believes the Group and the Association have sufficient funding in place and expects the Group to be able to comply with loan covenants, even with severe scenarios occurring, due to the recovery actions that it has identified and prioritised. The Board has set golden rules and a risk appetite against these in order to ensure that covenant compliance is maintained and early warnings of a downward movement in performance that impacts loan covenants are identified.

Therefore, despite the ongoing challenges of the operating environment, the Board continues to believe that the Group and Association are well placed to manage their business risks successfully and that the Group and Association have adequate financial resources based on current forecasts, to continue in operational existence for the foreseeable future. The Board has therefore continued to adopt the going concern basis in preparing its Financial Statements.

Significant judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conforming with generally accepted accounting practice requires management to make judgements, estimates and assumptions that affect the reported amounts for assets and liabilities at the Statement of Financial Position 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 Management Judgements have had the most significant effect on amounts recognised in the Financial Statements:

Development expenditure

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

Onerous contracts

Where construction contracts are loss-making, if management has assessed that the contract is onerous a provision is made based on forecast cost estimates. The provisions will be unwound over the remaining term of the contract.

Categorisation of housing properties

The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.

Impairment

The Group has undertaken an impairment assessment as part of its preparation of the Financial Statements and in light of the challenging economic climate and cost-of-living crisis. In carrying out the assessment, management has considered the detailed criteria set out in the SORP.

Bank Loans

Where loan agreements contain two-way break clauses in respect of early repayment, these loans have been treated as basic financial instruments, within section 11 of FRS102.

Other key sources of estimation:

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1 Accounting Policies (continued)

Significant judgements and key sources of estimation uncertainty (continued)

Tangible fixed assets

Other than investment properties, tangible fixed assets are depreciated over their useful lives, which are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases, inflation, asset valuations and the discount rate applied. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. Further details are given in Note 21.

Impairment of non-financial assets

Reviews for impairment are carried out when a trigger has occurred and any impairment loss is recognised by a charge to the Statement of Comprehensive Income.

The Group has assessed that the challenging economic climate represents a trigger for impairment and has undertaken a review which has included the office property fixed asset and Anchorwood's Taw Wharf scheme. The Group has carried out an assessment of impairment in accordance with the SORP and no impairment losses were identified in the reporting period.

Associates

An entity is treated as an associated undertaking where the Group has a participating interest and exercises significant influence over its operating and financial policies.

The consolidated income and expenditure account includes the Group's share of the associate's operating results and the consolidated statement of financial position includes the Group's share of the Associate's assets under the equity accounting method. In the results of the Association, associates are accounted for under the cost model.

Turnover

Turnover represents rental income and service charges receivable net of voids, fees and capital grants from local authorities and Homes England, recognised in income on a systematic basis; income from first tranche shared ownership sales and market sales; revenue grants; and income receivable from other sources (excluding VAT).

Rental income is recognised on the basis of the amount receivable for the year. Rental income received in advance is disclosed within creditors in the statement of financial position.

Other income, including service charges, is accounted for on the basis of the value of goods or services supplied during the period. Income from first tranche shared ownership sales and properties developed for outright sale is recognised when legal completion occurs.

Surpluses on sales of housing accommodation comprise proceeds from property sales, which are recognised at the date of completion, less the following amounts:

- (a) the net book value of the properties;
- (b) selling costs, including agent fees and legal costs; and
- (c) any liabilities under Right to Buy sharing agreements with the local authority.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1 Accounting Policies (continued)

Operating surplus

Operating surplus is defined as turnover less operating expenses plus gains or losses on disposals prior to the adjustments for the share in associate profits or losses, finance income and costs, revaluation and fair value and taxation.

Shared ownership property sales

Shared ownership properties, including those under construction, are split between fixed assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche sale, which is shown on initial recognition as a current asset, with the remainder as a fixed asset within property, plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or fixed assets.

Proceeds from first tranche sales are accounted for as turnover in the Statement of Comprehensive Income for the period in which the sale occurs and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals of fixed assets.

Housing Properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Development cost includes the cost of acquiring land and buildings, the cost of contracted works completed to date, directly attributable development costs and attributable interest charges incurred during the development period. Housing properties in the course of construction and those subject to shared ownership are stated at cost. All costs relating to capital expenditure incurred in the year are included in the Financial Statements at gross value before retentions.

Expenditure on items not separately identified as components is capitalised if the expenditure results in an increase in the net rental stream over the life of the property, over the standard originally assessed when the property was first acquired or constructed.

Capitalisation of development costs

Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction. Capital expenditure on schemes which are aborted is charged to the Statement of Comprehensive Income in the year in which it is recognised that the schemes will not be developed to completion.

Capitalised interest

Interest on borrowings, to the extent that the borrowings are financing developments, is capitalised up to the date of practical completion of the scheme.

Depreciation

Freehold land and housing properties under construction are not depreciated.

Housing properties

The Association separately identifies the major components which comprise its housing properties and depreciates components on a straight-line basis over their individual useful economic lives. The components identified, with their respective economic lives are as follows:

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1 Accounting Policies (continued)

Depreciation (continued)

Component	Years	Component	Years
Structure	100	External wall insulation	20
Bathrooms	30	Electric heating	20
Kitchens	20	Gas heating	30
Doors	30	Solid fuel heating	25
Windows	30	Air and ground source heating	20
Electrics/rewires	30	Lifts	25
Gas boilers	15	Roofs	75
Biomass boilers	25	Heating Distribution	45

Where a separately identified and depreciated component of an existing property is replaced, the carrying value of the component is expensed within accelerated depreciation and the cost of the replacement component capitalised.

Properties held on long leases are depreciated over the shorter of their estimated useful economic lives and the unexpired term of the lease.

Other tangible fixed assets

Depreciation on other fixed assets is provided for on the following straight-line basis:

Asset	Years
Freehold office buildings	50
Photovoltaic panels	30
Freehold office improvements	15
Leasehold office improvements	15 years or over the unexpired term of the lease
Plant and machinery	10
Furniture, equipment fixtures and fittings	5
Computer equipment	3
Motor vehicles	3

Social Housing and other Government Grants

Social Housing Grant ('SHG') or other government grant received to subsidise the cost of housing properties is included in creditors. Grants due or received in advance are included as a current asset or liability. SHG received in excess of the cost of housing properties in the course of construction is shown as SHG received in advance and included as a current liability. SHG may be repayable on the sale, change of use or demolition of housing properties. If there is no requirement to repay the grant on disposal, any unamortised grant remaining in creditors is released and recognised as income.

Government Grants received for housing properties are recognised in income over the useful life of the housing property structure. The unamortised element of the grant is recognised as deferred income in creditors.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1. Accounting Policies (continued)

Non-Government Grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Impairment

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined using depreciated replacement cost.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the Statement of Comprehensive Income.

Following the assessment of the indicators of impairment, it was viewed that high borrowing costs and an uncertain economic environment leading to a slowdown in the housing market, was a trigger for impairment in relation to Work in Progress (WIP) and investment property. An impairment review was undertaken including the following key areas:

- market sale properties at Taw Wharf, Barnstaple (including WIP)
- the investment part of the Head Office site at Westacott Road, Barnstaple

Following a detailed review, no impairment was identified and so no adjustment to carrying values was required.

Demolition

Where properties are demolished for development, the cost (net of depreciation) of the property, excluding land, is written off to operating costs. The cost of demolition is capitalised as part of the cost of redevelopment. An impairment review is carried out at the point a decision is made to demolish.

Valuation of Investments other than investment properties

Investments are shown at cost less any amounts written off. Provisions are made for reductions in value.

Investment properties

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase costs and any directly attributable expenditure and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1. Accounting Policies (continued)

Intangible assets

Intangible assets are stated at historic cost, less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows:

- computer software 5 years

Intangible assets in the process of development are not amortised.

Stock and work in progress

Stock (including materials stock) and work in progress is stated at the lower of cost and net realisable value. Properties developed for outright sale and shared ownership first tranche sale are included in current assets as they are intended to be sold. At each reporting date stock and properties held for sale are assessed for impairment. Any impairment losses are recognised in the Statement of Comprehensive Income.

Long-term contracts

Where the substance of a contract is that the contractual obligations are performed gradually over time, revenue and costs are recognised as the contract activity progresses to reflect the partial performance of contractual obligations.

Operating Leases

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

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

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower the present value of minimum lease payments) at the inception of the lease. The corresponding liability is included in the statement of financial position within creditors. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental payments are charged as expenses in the periods in which they are incurred.

Corporation Tax

The Association is a registered charity and is not subject to Corporation Tax on its charitable activities but is subject to tax on any non-charitable activities. Anchorwood Limited is subject to Corporation Tax. The tax expense for the period comprises current and deferred tax.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Group's taxable surpluses and its results as stated in the Financial Statements.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1 Accounting Policies (continued)

Corporation Tax (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable surpluses from which the underlying timing differences can be deducted.

Value Added Tax ('VAT')

The Association is registered for VAT but a large proportion of its income, including its rents, is exempt for VAT purposes. The majority of its expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of irrecoverable VAT.

Anchorwood Limited is separately registered for VAT and is able to reclaim VAT. Its expenditure is shown exclusive of VAT.

Interest Received

Interest earned on short-term investments is accounted for when receivable.

Pensions

Retirement benefits to current employees are provided by the Social Housing Pension Scheme ("SHPS") defined contribution scheme. During the year the Board settled the exit debt in relation to the Local Government Pension Scheme ("LGPS") (administered by Devon County Council Pensions) defined benefit pension scheme. Further details of both schemes are provided in Note 21. Past service retirement benefits to employees are also provided by the SHPS and LGPS defined benefit schemes, details of which are given in Note 21. Pension costs accounted for as defined benefit schemes are in accordance with FRS102 (section 28).

Defined contribution scheme

The Association participates in the SHPS multi-employer defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

SHPS Defined benefit scheme

The Association contributes to the SHPS multi-employer defined benefit scheme for past service retirement benefits (as the scheme is closed to future accrual). The amounts charged to operating surplus are the costs arising from employee services previously rendered and the cost of benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined liability is charged to revenue and included within finance costs. Re-measurement, comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) is recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Association, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained triennially and are updated at each Statement of Financial Position date.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

1 Accounting Policies (continued)

Reserves Policy

Income and expenditure reserve

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long-term expenditure plans.

A budget is set each year along with a 30-year business plan including a forecast for reserves, allowing the company to achieve its corporate objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

Revaluation Reserve

The revaluation reserve represents the difference on transition where deemed cost transitional relief was taken, between the fair value of social housing properties and other assets or those assets that are re-measured annually and the historical cost carrying value.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restricted Reserves

There are currently no restricted reserves.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially plus directly attributable transaction costs and are recognised in the statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate 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.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit.

Related parties

The Group discloses transactions with related parties which are not wholly owned subsidiaries.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

2a Particulars of turnover, operating costs and operating surplus – Group

Income and expenditure from general needs lettings

	2025			2024		
	Turnover	Operating Costs	Operating Surplus / (Deficit)	Turnover	Operating Costs	Operating Surplus / (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings (note 2b)	19,158	(15,901)	3,257	18,024	(14,609)	3,415
Other social housing activities:						
Shared ownership first tranche sales	330	(210)	120	145	(81)	64
Charges for support services	54	(292)	(238)	45	(559)	(514)
Other activities	419	-	419	427	-	427
Non-social housing activities						
Other activities	3,936	(3,494)	442	3,617	(2,968)	649
Total	23,897	(19,897)	4,000	22,258	(18,217)	4,041

2a Particulars of turnover, operating costs and operating surplus – Association

Income and expenditure from general needs lettings

	2025			2024		
	Turnover	Operating Costs	Operating Surplus / (Deficit)	Turnover	Operating Costs	Operating Surplus / (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings (note 2b)	19,158	(15,901)	3,257	18,024	(14,609)	3,415
Other social housing activities:						
Shared ownership first tranche sales	330	(210)	120	145	(81)	64
Charges for support services	54	(292)	(238)	45	(559)	(514)
Other activities	419	-	419	427	-	427
Non-social housing activities						
Other activities	856	(491)	365	982	(512)	470
Gift Aid	78	-	78	175	-	175
Total	20,895	(16,894)	4,001	19,798	(15,761)	4,037

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

2b Particulars of Income and Expenditure from social housing lettings – Group and Association

	General Needs	Supported Housing	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	15,332	2,633	17,965	16,725
Service charge income	306	581	887	812
Amortised Government Grants	161	17	178	158
Other Grants	128	-	128	329
Turnover from social housing lettings	15,927	3,231	19,158	18,024
Expenditure on lettings:				
Management	(2,610)	(505)	(3,115)	(2,422)
Service charge costs	(400)	(670)	(1,070)	(1,055)
Routine maintenance	(3,874)	(988)	(4,862)	(5,044)
Planned maintenance	(1,143)	(232)	(1,375)	(1,085)
Major repairs expenditure*	(1,990)	(382)	(2,372)	(1,834)
Bad debts	(34)	(6)	(40)	(77)
Depreciation of housing properties	(2,660)	(407)	(3,067)	(3,092)
Operating expenditure on Social Housing Lettings	(12,711)	(3,190)	(15,901)	(14,609)
Operating surplus on social housing lettings	3,216	41	3,257	3,415
Void losses	(90)	(48)	(138)	(113)

*included within major repairs is £550k costs in relation to energy efficiency and Social Housing Decarbonisation Fund works.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

3 Gain on disposal of property, plant and equipment

Group and Association	Right to Buy Sales	Strategic Sales	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
Proceeds of sales (gross)	153	2,253	2,406	1,620
Less costs of sales	(75)	(495)	(570)	(425)
	78	1,758	1,836	1,195
North Devon Council sharing of proceeds agreement	(105)	-	(105)	(275)
Surplus/(deficit) on disposal	(27)	1,758	1,731	920

4 Interest receivable

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Interest receivable	113	123	267	292

5 Interest and financing costs

Group and Association	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Net Interest on defined benefit liability pension (see Note 21)	43	43	66	66
Interest payable	5,776	5,644	5,915	5,866
Funding Management Charge	138	138	130	130
	5,957	5,825	6,111	6,062
Borrowing costs capitalised	(260)	(128)	(277)	(228)
	5,697	5,697	5,834	5,834

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

6 Surplus before taxation

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Surplus on ordinary activities before taxation is stated after charging:				
Depreciation of tangible fixed assets	3,526	3,520	3,563	3,558
Amortisation of intangible fixed assets	346	346	330	330
Auditors' remuneration:				
- Statutory Audit	56	43	53	42
- Taxation compliance services	6	3	5	3
- Other services	1	1	1	1
Other operating lease rentals	33	33	85	85

7 Directors' remuneration and transactions

Group and Association

Key management personnel are the Executive Team who oversee the day-to-day operational running and, working with the Board (Non-Executive Directors) and wider colleagues, identify and execute the Group's strategic direction. They are detailed on page 3 of these Financial Statements.

The remuneration paid to the Executive Team and the Non-Executive Directors during the year was as follows:

Group and Association

Executive Team	Salary £	Other emoluments £	Pension £	2025 Total £	2024 Total £
Chief Executive M Gimber	135,927	4,972	9,778	150,677	149,608
Director of Neighbourhoods M Rostock	96,600	4,623	7,178	108,401	107,983
Finance Director P Butler	96,357	4,623	6,836	107,816	109,090
Total	328,884	14,218	23,792	366,894	366,681

The values above include any accrued amounts as at 31 March 2025.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

7 Directors' remuneration and transactions (continued)

Non-Executive Directors

	Group 2025 £	Association 2025 £	Group 2024 £	Association 2024 £
J Creswell (Chair)	6,064	6,064	3,369	3,369
M Day (from 1 October 2024)	4,259	4,259	-	-
D Hay	4,798	4,798	3,827	3,827
J Goss	4,798	4,798	3,369	3,369
S Ingman	7,000	7,000	7,000	7,000
D Lloyd-Evans	4,798	4,798	3,827	3,827
P Oldroyd	6,065	6,065	6,065	6,065
S Sanger-Anderson	6,065	6,065	6,065	6,065
B Wilson (from 1 October 2024)	4,259	4,259	-	-
C Dennis (until 31 December 2024)	7,396	7,396	9,861	9,861
A Butt (until 30 September 2024)	3,500	3,500	7,000	7,000
S Murray (until 30 September 2024)	2,399	2,399	3,827	3,827
Total	61,401	61,401	54,210	54,210

Expenses paid during the year to Board Members amounted to £5,479 (2024: £3,951).

No Non-Executive Directors participate in the pension scheme. The three members of the Executive Team are ordinary members of the pension scheme. No enhanced or special terms apply.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

8 Employee Information

Group and Association

The average number of persons employed during the year expressed in full-time equivalents was:

	2025 No.	2024 No.
Office staff	101	94
Maintenance staff	54	50
Wardens, caretakers and cleaners	8	7
	163	151

Staff costs for the above employees	2025 £'000	2024 £'000
Wages and salaries	5,143	4,853
Social security costs	521	483
Pension costs	371	375
	6,035	5,711

The number of employees during the year, expressed in full-time equivalents whose remuneration exceeded £60k:

	2025 No.	2024 No.
Remuneration between £60k and £70k	2	3
Remuneration between £70k and £80k	2	3
Remuneration between £80k and £90k	-	-
Remuneration between £90k and £100k	-	1
Remuneration between £100k and £110k	3	2
Remuneration between £120k and £130k	-	-
Remuneration between £130k and £140k	-	-
Remuneration between £140k and £150k	-	1
Remuneration between £150k and £160k	1	-

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

9 Taxation

The tax charge comprises:

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Current tax	5	5	2	2
Adjustment in respect of previous periods	-	-	-	-
Total tax per income statement	5	5	2	2

The charge for the year can be reconciled to the profit per the income statement as follows:

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Profit for the period	240	228	(477)	(475)
Tax on profit at standard UK tax rate of 19% (2024: 19%)	45	43	(91)	(90)
Effects of:				
Expenses not deductible for tax purposes	4,290	4,293	4,103	4,103
Income not taxable for tax purposes	(4,336)	(4,336)	(4,012)	(4,012)
Effects of group relief/other reliefs	-	-	1	2
Other permanent differences	-	-	1	(1)
Deferred tax not recognised	1	-	-	-
Share of LLP profits	5	5	-	-
Tax for the period	5	5	2	2

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

10a Intangible assets

Group and Association

	Computer Software £'000	Total £'000
Cost		
As at 1 April 2024	1,950	1,950
Additions	315	315
As at 31 March 2025	2,265	2,265
Accumulated amortisation		
As at 1 April 2024	925	925
Charge for the year	346	346
As at 31 March 2025	1,271	1,271
Net book value as at 31 March 2025	994	994
Net book value as at 31 March 2024	1,025	1,025

Intangible assets are software projects which are amortised on completion in accordance with the accounting policy in Note 1 (page 42).

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

10b Tangible fixed assets - Housing Properties

Group

	Social Housing property under construction £'000	Social housing property for letting completed £'000	Shared Ownership property under construction £'000	Shared Ownership completed £'000	Total £'000
Cost or deemed cost					
As at 1 April 2024	2,372	184,498	779	5,366	193,015
Additions	415	1,100	328	198	2,041
Component additions/replacements*	-	4,688	-	-	4,688
Disposals	-	(1,048)	-	-	(1,048)
Transfers to completed	(743)	743	(38)	38	-
Transferred to current assets	-	(125)	(292)	-	(417)
As at 31 March 2025	2,044	189,856	777	5,602	198,279
Accumulated depreciation					
As at 1 April 2024	-	26,441	-	255	26,696
Charge for the year (including accelerated depreciation)	-	3,039	-	28	3,067
Disposals	-	(816)	-	-	(816)
As at 31 March 2025	-	28,664	-	283	28,947
Net book value as at 31 March 2025	2,044	161,192	777	5,319	169,332
Net book value as at 31 March 2024	2,372	158,057	779	5,111	166,319

*included within component additions/replacements cost is £1,667k in relation to energy efficiency and Social Housing Decarbonisation Fund works.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

10b Tangible fixed assets - Housing Properties (continued)

Association

	Social Housing property under construction £'000	Social housing property for letting completed £'000	Shared Ownership property under construction £'000	Shared Ownership completed £'000	Total £'000
Cost or deemed cost					
As at 1 April 2024	2,584	185,062	779	5,366	193,791
Additions	415	1,099	328	198	2,040
Component additions/replacements*	-	4,688	-	-	4,688
Disposals	-	(1,048)	-	-	(1,048)
Transfers to completed	(743)	743	(38)	38	-
Transferred to Current Assets	-	(125)	(292)	-	(417)
As at 31 March 2025	2,256	190,419	777	5,602	199,054
Accumulated depreciation					
As at 1 April 2024	-	26,441	-	255	26,696
Charge for the year (including accelerated depreciation)	-	3,039	-	28	3,067
Disposals	-	(816)	-	-	(816)
As at 31 March 2025	-	28,664	-	283	28,947
Net book value as at 31 March 2025	2,256	161,755	777	5,319	170,107
Net book value as at 31 March 2024	2,584	158,621	779	5,111	167,095

*included within component additions/replacements cost is £1,667k in relation to energy efficiency and Social Housing Decarbonisation Fund works.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

10c Other Property, Plant & Equipment

Group

	Investment Properties £'000	Office £'000	Other land & buildings £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
Cost or valuation						
As at 1 April 2024	3,295	3,114	292	1,597	1,209	9,507
Additions	-	11	-	149	68	228
Revaluation	70	-	-	-	-	70
Disposals	-	-	-	-	-	-
As at 31 March 2025	3,365	3,125	292	1,746	1,277	9,805
Accumulated depreciation						
As at 1 April 2024	-	707	110	1,124	522	2,463
Charge for the year	-	56	14	109	281	460
Disposals	-	-	-	-	-	-
As at 31 March 2025	-	763	124	1,233	803	2,923
Net book value as at 31 March 2025	3,365	2,362	168	513	474	6,882
Net book value as at 31 March 2024	3,295	2,407	182	473	687	7,044

The Investment Properties, which are all freehold, were valued to fair value at 31 March 2025 based on valuations undertaken by Vickery Holman Limited, Property Consultants and Webbers who are independent valuers with recent experience in the location and class of the investment property being valued. The valuations are not reported as being subject to material valuation uncertainty.

The carrying value of the investment properties that would have been recognised had the assets been carried under the cost model is £2,011k (2024: £2,011k).

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

10c Other Property, Plant & Equipment (continued)

Association

	Investment Properties £'000	Office £'000	Other land & buildings £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
Cost or valuation						
As at 1 April 2024	3,295	3,114	292	1,476	1,209	9,386
Additions	-	11	-	149	68	228
Revaluation	70	-	-	-	-	70
Disposals	-	-	-	-	-	-
As at 31 March 2025	3,365	3,125	292	1,625	1,277	9,684
Accumulated depreciation						
As at 1 April 2024	-	707	110	1,089	522	2,428
Charge for the year	-	56	14	102	281	453
Disposals	-	-	-	-	-	-
As at 31 March 2025	-	763	124	1,191	803	2,881
Net book value as at 31 March 2025	3,365	2,362	168	434	474	6,803
Net book value as at 31 March 2024	3,295	2,407	182	387	687	6,958

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

11 Investments

Group companies

The Group includes the following subsidiary, which is registered in England:

Name	Incorporation and ownership	Regulated/non-regulated	Nature of business
Anchorwood Limited Westacott Road Barnstaple Devon EX32 8TA	Company 100%	Non-regulated	Property development

Investments	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Investment in Advantage South West LLP	145	5	122	5
Investment in Anchorwood Limited	-	2,300	-	2,300
Investment in MORHomes PLC	83	83	82	82
Investment in South West Mutual Ltd	5	5	5	5
Investment in Affordable Housing Finance PLC	304	304	311	311
	537	2,697	520	2,703

Advantage South West LLP: The Group's investment represents a 33% shareholding and capital contribution. The Group's share of net assets at 31 March 2025 was £145k (2024: £122k) and share of profits for the year was £23k (2024: £19k).

Anchorwood Limited: The subsidiary company was established in June 2015. NDH has a 100% shareholding. The net assets at 31 March 2025 were £2,302k (2024: £2,301k) and profit before tax for the year ended 31 March 2025 was £79k (2024: £178k profit).

MORHomes PLC: The Group's investment represents 82,500 ordinary shares of £0.10 each.

South West Mutual Ltd: The Group's investment represents 333 of founders' shares.

Affordable Housing Finance PLC: The Group's investment represents monies required to be held (including interest) in the Liquidity Reserve Fund, in accordance with the loan agreement.

Registered office addresses for the investment companies are:

Advantage South West LLP, 1 Wellington Way, Clyst Honiton, Exeter, EX5 2F

MORHomes PLC, Future Business Centre, Kings Hedges Road, Cambridge, CB4 2HY

South West Mutual Ltd, Devonport Guildhall, Ker Street, Plymouth, PL1 4EL

Affordable Housing Finance PLC, 3rd Floor, 17 St. Swithin's Lane, London, EC4N 8AL

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

12a Debtors – amounts falling due within one year:

	Group	Association	Group	Association
	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Rental arrears	244	244	311	311
Less provisions for bad debts	(214)	(214)	(266)	(266)
	30	30	45	45
Prepayments and accrued income	585	585	254	254
Amounts owed by subsidiary company	-	74	-	213
Other debtors	560	102	2,936	1,634
Other Grant receivable	650	650	1,420	1,420
	1,825	1,441	4,655	3,566

Included in other debtors for 2024 was £1.577m being the value of the Local Government Pension Scheme indemnity that was held in a jointly controlled bank account with Devon County Council as the administering authority. This was released during the year.

12b Debtors – amounts falling due after one year:

	Group	Association	Group	Association
	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Amounts owed by subsidiary company	-	143	-	243
	-	143	-	243

Included in amounts owed by subsidiary company falling due after one year is £143k owed to the Association by Anchorwood Limited, relating to the purchase of photovoltaic panels on 31 March 2017, which is held as a long-term intercompany debt with no repayment date.

The intercompany loan balance at the end of the year was £nil (2024: £0.100m). The loan facility (excluding equity) at the end of the year was £5.057m (2024: £4.907m) and is repayable in July 2030 (having been renewed in May 2025). Interest payable during the year was calculated at base rate plus 3.35% (2024: LIBOR plus 3.35%).

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

13 Stock

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Completed properties/properties held for sale	2,042	417	959	329
Work in progress	1,211	51	3,875	99
Materials	230	230	330	330
	3,483	698	5,164	758

14 Creditors: amounts falling due within one year

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Rent and other receipts in advance	650	650	619	619
Trade creditors	357	281	468	463
Amounts due under Right to Buy sharing agreement	106	106	277	277
Deferred capital grant	183	183	164	164
Other taxation and social security	103	101	107	107
Interest accruals	763	763	896	896
Pension exit fee accrual (Devon County Council)	-	-	768	768
Other creditors	665	-	740	-
Loans	702	-	2,186	-
Accruals and deferred income	2,128	2,125	1,942	1,424
	5,657	4,209	8,167	4,718

Other creditors represent \$106 public open space and education monies that are due to be paid in later years as sale units are completed.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

15 Creditors: amounts falling due after more than one year

Group and association

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Loans	100,183	100,183	99,071	99,071
Deferred capital grant	14,956	14,956	14,676	14,676
Recycled capital grant fund	168	168	168	168
Finance lease liability	370	370	583	583
	115,677	115,677	114,498	114,498
Defined Benefit Pension Schemes	650	650	1,031	1,031
	116,327	116,327	115,529	115,529

Debt Analysis

Group and association	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Loans				
Expiring in 1 year or more but less than 2 years	-	-	-	-
Expiring in more than 5 years	100,183	100,183	99,071	99,071
	100,183	100,183	99,071	99,071

The weighted average period for which interest rates are fixed is 25 years. All loans are repayable at the end of their fixed rate term. The weighted average total interest rate for all loans was 5.52% (2024: 5.33%). Loan values include £819k (2024: £720k) of capitalised fees which are amortised on a straight-line basis and £4,708k (2024: £4,997k) of loan premium amortised on a discounted cashflow basis.

The Group had one finance lease with ITEC printers, which began in the year 2022/23. There were 18 (2024: 26) capitalised van leases at the year end.

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Finance Lease Liability				
At 1 April	583	583	16	16
Additions	46	46	761	761
Amortisation	(259)	(259)	(194)	(194)
At 31 March	370	370	583	583

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Deferred Income – Government Grants				
At 1 April	14,840	14,840	13,559	13,559
Grants receivable	477	477	1,439	1,439
Transfer to recycled grant	-	-	-	-
Amortisation to comprehensive Income	(178)	(178)	(158)	(158)
At 31 March	15,139	15,139	14,840	14,840
	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Amounts to be released within one year	183	183	164	164
Amounts to be released in more than one year	14,956	14,956	14,676	14,676
	15,139	15,139	14,840	14,840

15a Recycled Capital Grant

Group and Association	2025	2024
	£'000	£'000
At 1 April	168	168
Grants recycled in the year	-	-
	168	168
Repayment of grant	-	-
At 31 March	168	168

Withdrawals from the recycled capital grant fund will be used for the purchase and development of new housing schemes for letting and for approved works to existing properties.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

16 Statement of Cashflows
Cashflow from operating activities

	Group 2025 £'000	Group 2024 £'000
Surplus/(deficit) for the year	240	(479)
<u>Adjustment for non-cash items:</u>		
Depreciation of tangible fixed assets	3,526	3,563
Amortisation of intangible assets	346	330
Decrease/(increase) in stock	1,681	(453)
Decrease/(increase) in trade and other debtors	2,830	(1,909)
(Decrease)/increase in trade and other creditors	(2,136)	466
Pensions costs less contributions payable	(243)	(232)
Abortive cost write-off	109	-
Share of operating surplus in associate	(23)	(19)
<u>Adjustments for investing or financing activities</u>		
Proceeds from sale of property, plant and equipment	(1,731)	(920)
Increase in fair value of investment property	(70)	(110)
Government Grants utilised in the year	(178)	(158)
Interest Paid	5,697	5,834
Interest Received	(113)	(267)
Loan Fee amortisation	(279)	(268)
Net cash generated from operating activities	9,656	5,378

Analysis of changes in net debt

	At 31 March 2025 £'000	Cashflows £'000	At 31 March 2024 £'000
Cash and cash equivalents	2,271	335	1,936
Debt due after one year	(100,183)	(1,112)	(99,071)
Finance lease	(370)	213	(583)
Net debt	(98,282)	(564)	(97,718)

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

17 Financial Commitments

Capital commitments are as follows:

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Contracted for but not provided for in the Financial Statements	4,628	4,601	4,499	3,543
Future expenditure approved by Directors but not contracted for at the year end	-	-	-	-
	4,628	4,601	4,499	3,543

Capital commitments will be funded by a mixture of loan facilities, grants and cash reserves.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Payments due:-				
- Within one year	23	23	27	27
- Between one and five years	22	22	10	10
	45	45	37	37

18 Financial Instruments

The Group's financial instruments comprise debtors, creditors, cash and cash equivalents and loans. All the Financial Instruments are considered to be Basic under the criteria specified under FRS102.

The Association's financial instruments comprise debtors, creditors, cash and cash equivalents and loans.

Financial Assets	Group	Association	Group	Association
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Debt instruments measured at amortised cost				
Cash & Cash equivalents	2,271	1,861	1,936	1,746
Debtors	2,137	1,753	4,655	3,566
	4,408	3,614	6,591	5,312

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

18 Financial Instruments (continued)

Financial liabilities measured at amortised cost:	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Borrowings:				
Housing Loans	100,183	100,183	99,071	99,071
Total Borrowings	100,183	100,183	99,071	99,071
Other financial liabilities:				
Trade creditors	669	593	468	463
Accruals and other creditors	4,593	3,924	5,513	4,255
Finance leases	370	370	583	583
Total	5,632	4,887	6,564	5,301
Interest income and expense				
	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Total interest income for financial assets at amortised cost	113	123	267	292
Total interest expense for financial liabilities at amortised cost	5,697	5,697	5,834	5,834

19 Housing Stock

Group and Association

	2025 Units	2024 Units
Social housing		
General needs housing:		
• social rent*	2,305	2,283
• affordable rent	421	425
Housing for older people:		
• social rent	513	510
• affordable rent	31	31
Intermediate rent		
• general needs	2	15
• housing for older people	-	3
Low cost home ownership	88	84
Total owned	3,360	3,351
Accommodation managed for others	16	16
Total owned and/or managed for others	3,376	3,367
Non-social housing		
Accommodation let at market rent	8	8
Leasehold accommodation	91	90
Total owned and managed	3,475	3,465

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

19 Housing Stock (continued)

*General needs housing - social rent includes 10 (2024: 9) properties owned but managed by others.

There were 2,572 (2024: 2,589) properties with a fixed charge as at 31 March 2025. The net book value of these properties was £92,731k (2024: £100,366k).

20 Related Party transactions

During the year one Executive Officer was a Board member of Advantage South West ("ASW") in which the Association has a 33% shareholding. The Group's share of ASW's operating surplus in the year was £23k (2024: £19k). The Association paid membership fees to ASW of £15k (2024: £15k) and there were no amounts owed to ASW at 31 March 2025 (2024: £nil).

The Association has an investment of £2,300k (2024: £2,300k) in the share capital of its non-regulated subsidiary Anchorwood Limited and nil owed (2024: £100k) in respect of inter-company loans. Anchorwood's main business is the design and build of open market sale homes. As at 31st March 2025 there was a short-term debtor balance of £74k (2024: £213k) and a long-term creditor balance of £143k (2024: £243k). A service level agreement with Anchorwood provides income for the Association, £88k (2024: £111k). The Association also received £10k in interest from Anchorwood in respect of the inter-company loan (2024: £25k). All transactions are at arm's-length and have been removed under consolidation.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions

Retirement benefits to employees are provided by the Social Housing Pension Scheme (SHPS). Up until 31 January 2024 retirement benefits were also provided to a small number of employees by the Local Government Pension Scheme (LGPS), administered by Devon County Council Pensions. The pension costs for the year were:

	2025 £'000	2024 £'000
Devon County Council		
Service cost	-	48
Administration Expenses	-	4
	-	52
Social Housing Pension Scheme		
Employer contributions	360	310
Administration Expenses	10	13
	370	323
Total payments	370	375

The actuarial gains and losses in respect of the pension schemes for the year were:

	2025 £'000	2024 £'000
Actuarial gain / (loss)		
Devon County Council Pension Scheme	-	(74)
Social Housing Pension Scheme	138	(333)
	138	(407)

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Defined benefit pension liability in respect of the pension schemes for the year:

	2025 £'000	2024 £'000
Social Housing Pension Scheme	650	1,031
	650	1,031

Devon County Council Pension Scheme (DCCPS)

The DCCPS is a multi-employer scheme, administered in accordance with the Local Government Pension regulations, a defined benefit scheme. During the year, following the closure and exit of the scheme on 31 January 2024, the exit debt of £768k, which had been accrued for in the 2023/24 financial statements, was paid.

The employer's contributions to the DCCPS Fund by the Association for the year ended 31 March 2025 were therefore nil (2024: £90k at a contribution rate of 22.2% of pensionable salaries).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2025 £'000	2024 £'000
Opening defined benefit obligation	-	5,256
Current service cost	-	23
Interest cost	-	204
Change in financial assumptions	-	(137)
Change in demographic assumptions	-	-
Experience loss/(gain) on defined benefit obligation	-	306
Liabilities extinguished on settlement	-	(5,367)
Estimated benefits paid net of transfers in	-	(264)
Contributions by Scheme participants and other employers	-	7
Unfunded pension payments	-	(2)
Present value of unfunded obligation	-	(26)
Closing defined benefit obligation	-	-

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Devon County Council Pension Scheme (DCCPS) (continued)

Reconciliation of opening and closing balances of the fair value of Fund assets	31 Mar 2025 £'000	31 Mar 2024 £'000
Opening fair value of Fund assets	-	4,524
Interest on assets	-	177
Return on assets less interest	-	124
Other actuarial gains / (losses)	-	(29)
Administration expenses	-	(3)
Accrual for exit payment due	-	768
Assets extinguished on settlement	-	(5,392)
Contributions by employer including unfunded	-	90
Contributions by Scheme participants and other employers	-	7
Estimated benefits paid plus unfunded net of transfers in	-	(266)
Closing fair value of Fund assets	-	-

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Devon County Council Pension Scheme (DCCPS) (continued)

Amounts recognised in statement of comprehensive income	31 Mar 2025 £'000	31 Mar 2024 £'000
Service cost	-	48
Administration expenses	-	3
Amounts charged to operating costs	-	51
Net interest (charged to other finance costs)	-	27
Total loss	-	78

Re-measurement of net assets / (defined liability) in other comprehensive income	31 Mar 2025 £'000	31 Mar 2024 £'000
Return on Fund assets in excess of interest	-	124
Other actuarial gains / (losses) on assets	-	(29)
Change in financial assumptions	-	137
Change in demographic assumptions	-	-
Experience gain/(loss) on defined benefit obligation	-	(306)
Re-measurement of the net assets / (defined liability)	-	(74)

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Social Housing Pension Scheme (SHPS)

SHPS is a multi-employer, defined benefit scheme. The most recent formal actuarial valuation was completed as at 30 September 2024.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 31 March 2025 is £650k (2024: £1,031k).

Statement of financial position

Net pension liability	31 Mar 2025 £'000	31 Mar 2024 £'000
Present value of defined benefit obligation	4,985	5,424
Fair value of plan assets	4,335	4,393
Net defined benefit liability	650	1,031

Reconciliation of opening and closing balances of the present value of scheme liabilities	2025 £'000	2024 £'000
Opening scheme liabilities	5,424	5,414
Current service cost	-	-
Expenses	8	8
Interest expense	264	260
Actuarial losses due to scheme experience	191	-
Actuarial gains due to changes in demographic assumptions	-	(53)
Actuarial gains due to changes in financial assumptions	(799)	(86)
Benefits paid and expenses	(103)	(119)
Closing scheme liabilities	4,985	5,424

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Social Housing Pension Scheme (SHPS) (continued)

Reconciliation of opening and closing balances of the fair value of plan assets	2025 £'000	2024 £'000
Opening fair value of plan assets	4,393	4,484
Interest income	221	221
Experience on plan assets (excluding interest)	(470)	(472)
Contributions by employer	294	279
Benefits paid and expenses	(103)	(119)
Closing fair value of plan assets	4,335	4,393
Amounts recognised in statement of comprehensive income	2025 £'000	2024 £'000
Expenses	8	8
Amounts charged to operating costs	8	8
Net interest	43	39
Amounts charged to other finance costs	43	39
Defined benefit costs recognised in statement of comprehensive income	51	47
Defined benefit costs recognised in other comprehensive income	2025 £'000	2024 £'000
Experience on plan assets	(470)	(472)
Experience gains on the plan liabilities	(191)	-
Effects of changes in the demographic assumptions	-	53
Effects of changes in the financial assumptions	799	86
Total amount recognised in other comprehensive income	138	(333)

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Social Housing Pension Scheme (continued)

Principal actuarial assumptions:

Financial assumptions	31 Mar 2025	31 Mar 2024
	% pa	% pa
Discount rate	5.9	4.92
Future Salary increases	3.8	3.79
Future Pension increases	2.84	2.83
Inflation assumption (RPI)	3.06	3.11
Inflation assumption (CPI)	2.8	2.79

Mortality assumptions

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	31 Mar 2025 no. of years	31 Mar 2024 no. of years
Males retiring today	20.5	20.5
Females retiring today	23.0	23.0
Males retiring in 20 years	21.7	21.8
Females retiring in 20 years	24.5	24.4

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

21 Pensions (continued)

Social Housing Pension Scheme (continued)

Major categories of plan assets as a percentage of total plan assets

Asset breakdown	31 March 2025 £000s	31 March 2025 %	31 March 2024 £000s	31 March 2024 %
Global equity	486	11	438	10
Absolute return	-	-	171	4
Distressed opportunities	-	-	155	4
Credit relative value	-	-	144	3
Alternative risk premia	-	-	139	3
Liquid Alternative	804	19		
Emerging markets debt	-	-	57	1
Risk sharing	-	-	257	6
Insurance-linked securities	13	-	23	1
Property	217	5	176	4
Infrastructure	1	-	444	10
Private equity	4	-	4	-
Real Assets	519	12	-	-
Private debt	-	-	173	4
Opportunistic illiquid credit	-	-	172	4
Private Credit	531	12	-	-
Credit	166	4	-	-
Investment Grade Credit	133	3	-	-
High yield	-	-	1	-
Cash	59	1	87	2
Long lease property	1	-	28	1
Secured income	72	2	131	3
Liability driven investment	1,313	31	1,787	41
Currency hedging	7	-	(2)	-
Net current assets	9	-	8	-
Total	4,335	100	4,393	100

The individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%.



Notes to the Financial Statements for the year ended 31 March 2025 (continued)

22 Group Members

North Devon Homes is the parent undertaking and has one subsidiary being Anchorwood Limited.

23 Legislative provision

The Association is a company limited by guarantee and is registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008.