



Financial statements

31 March 2025

Contents

About Transform	1
Transform people, key information and suppliers	2
Transform Executive Team	3

Strategic report and Trustees' annual report 5

Transform Chair reflects on 2024/25	6
Key strategic achievements 2024/25	7
Client services, engagement and feedback	9
Health and safety	12
Equality, diversity and inclusion	13
Asset management, Maintenance and repairs	14
Sustainability	15
Future plans – strategic objectives 2025/26	16

Risk management 18

Governance, regulation and compliance 23

Value for Money 30

Financial performance	37
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Statement of Board responsibilities 40

Auditors report and financial statements 42 - 81

About Transform Housing & Support

Our purpose

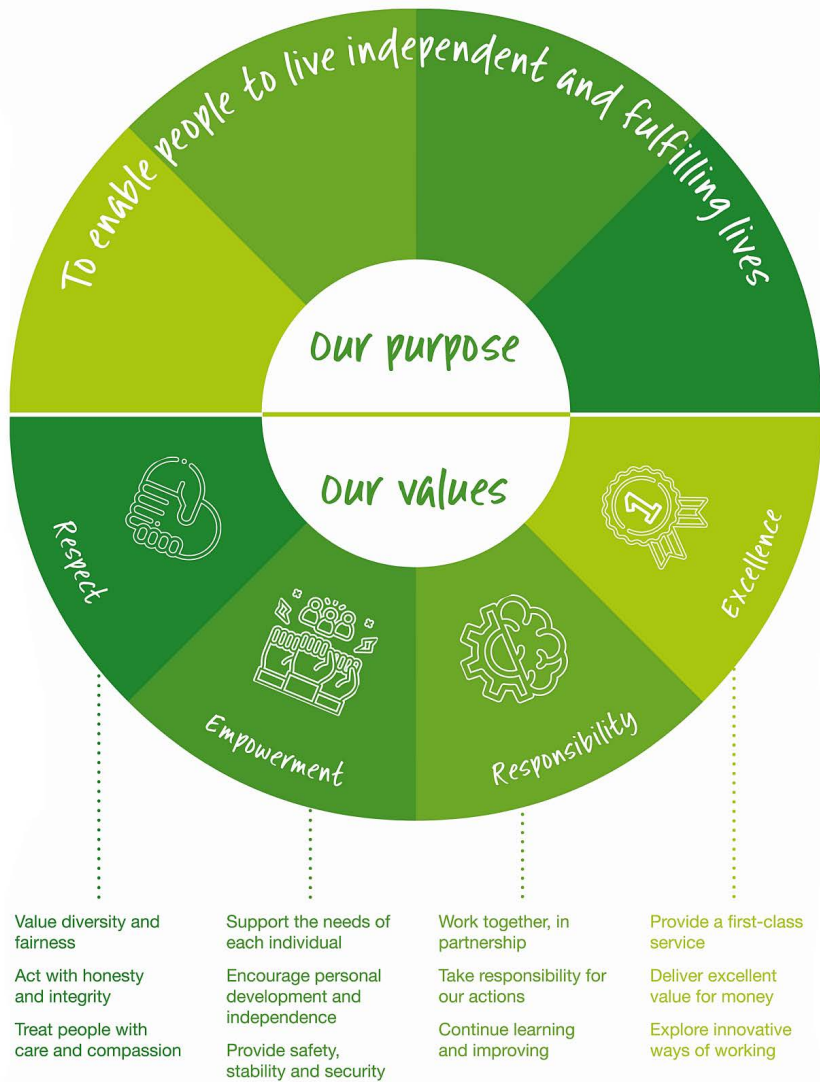
Transform is a Registered Provider and charity, providing vital support to more than 1,600 people each year across Surrey, parts of south-west London, Berkshire and West Sussex. For over 50 years, we have empowered more than 35,000 individuals to find safe, stable homes and to lead more independent, fulfilling lives.

Many of the people we support are affected by homelessness, social exclusion and multiple complex health challenges. We offer not just a roof over people’s heads, but a safe, supportive environment where individuals can regain stability, develop essential skills, build confidence and reconnect with their communities. In addition, we provide housing-related support services for people living independently, helping them to maintain their tenancies and improve their overall wellbeing.

Our vision and values

At Transform, we are ambitious for the future and determined to extend our reach, so we can support even more people in the years ahead. As the cost-of-living crisis continues to deepen, it is exacerbating challenges such as insecure and/or unaffordable housing, poverty, inequality, discrimination and stigma – making our work more essential than ever.

Our vision is about more than providing homes; we aim to help people lead healthier, happier and more rewarding lives. Ultimately, our goal is to work in collaboration with partners, communities and local services to ensure that those in need receive the support and opportunities they need to live well in the community.



Transform people

The Board of Trustees

Ollie Smedley – Chair
Alec Sanderson – Deputy Chair and Senior Independent Director
Julie Bradley
Karen Gregory (appointed September 2024)
Sanjay Gulati (resigned September 2024)
Natalia Kolotneva
Mark Lake (appointed November 2024)
Sarah Page (appointed February 2025)
Paul Rees
Michael Ryan
Katie Wadey

Patrons

Royal Patron

HRH The Duchess of Edinburgh GCVO GCStJ CD
The Rt Hon Baroness Bottomley of Nettlestone PC DL
Michael More-Molyneux, HM Lord-Lieutenant of Surrey
Dame Penelope Keith DBE DL
David Hypher OBE DL BSc (Hons)
Elizabeth Kennedy FCIPD
Prof G. Q. Max Lu AO, DL, FREng, FAA, FTSE, FICChemE, FRSC, FCAS, FNAI, President and Vice-Chancellor, University of Surrey
Sir Richard Stilgoe OBE DL
Sally Varah MBE DL
The Rt Rev. Andrew Watson, Bishop of Guildford
Tim De Meyer, Chief Constable of Surrey Police

Ambassadors

Dame Elizabeth Anson DBE JP DL
His Hon Christopher Critchlow DL
Desmond McCann BA FCA
David McNulty PhD
Greg Melly
Lesley Myles MBE JP DL MA
Kim Rippett
The Hon Mrs Lavinia Sealy DL
Bernard Stevens FCA FCMA
Lady Elizabeth Toulson CBE DL
Paul Wates FRICS
Cllr Fiona White
Malcolm Young FRICS

Key information and suppliers

Company Secretary

Mandy Arnold

Registered office

Transform Housing & Support
Bradmere House
Brook Way Leatherhead Surrey, KT22 7NA
01372 387100
www.transformhousing.org.uk
info@transformhousing.org.uk

Registrations

Registered Charity Commission: 264133
Registered with the Regulator of Social Housing: H2452
Registered with the Fundraising Regulator
Company limited by guarantee registered in England and Wales: 01057984

Auditor

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Principal solicitors

Devonshires Solicitors LLP
30 Finsbury Circus
London EC2M 4TL

Banker

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London E14 5HP

Transform Executive Team



Chief Executive – Lawrence Santcross

As Chief Executive, Lawrence is responsible for leading the effective strategic and operational management of Transform.



Director of Client Services – Rebecca (Bex) Pritchard

As Director of Client Services Bex is responsible for leading the delivery of all housing and support services to provide excellent outcomes for clients.



Director of Finance – Amanda Soobrayan

As Director of Finance, Amanda leads the Finance Team and is the organisation's accountable person for effective management of Transform's financial resources.



Director of Corporate Services – Simone Bartley

As Director of Corporate Services, Simone is responsible for the management of Transform's People Team and Digital & Information Services.

Director of Asset Management & Capital Development – Kevin Stephens to April 2025

As Director of Asset Management & Capital Development, Kevin was responsible for overseeing Transform's supported housing and general needs property portfolio.



Director of Asset Management, Decarbonisation & Growth – Richard Hamer from April 2025

As Director of Asset Management, Decarbonisation & Growth, Richard is responsible for Transform's property portfolio, ensuring all homes are comfortable, safe and compliant with all statutory health and safety obligations.



Head of Governance & Assurance – Mandy Arnold

As Head of Governance & assurance, Mandy fulfils the role of Company Secretary and provides leadership in all governance activities.



Head of External Affairs, Communications & Fundraising – Anita Gupta

As Head of External Affairs, Communications & Fundraising Anita is responsible for delivering impactful activity that fosters effective relationships with all stakeholders, and secures diverse income streams.



Executive Assistant – Caroline Felton

As Executive Assistant, Caroline supports the Chief Executive and Executive Team to deliver Transform's business objectives.





transform
housing & support

Enabling people to live independent and fulfilling lives

www.transformhousing.org.uk

Strategic report and Trustees' annual report

Transform's Chair reflects on 2024/25

As Chair of Trustees for Transform Housing & Support, I am pleased to reflect on a year that has been both challenging and inspiring.

In 2024/25, economic uncertainty, a deepening housing crisis and increasing regulatory demands have resulted in mounting pressures on the supported housing sector. In addition, the ongoing cost-of-living crisis has placed extra strain on Transform clients and intensified broader pressures on homelessness. During this period, however, Transform has shown resilience and an unwavering commitment to the people we support.

On the horizon, new legislation and reforms – including Awaab's Law and the Renters' Reform Bill – along with reviews of the Decent Homes Standard and Housing Health and Safety Rating System are rightly raising the bar on safety, quality and accountability.

We are also seeing increased scrutiny through the Building Safety Act and a new era of proactive consumer regulation with the Tenant Satisfaction Measures. While these changes certainly pose significant demands on all providers, I am pleased to say, our trauma-informed, person-centred approach puts Transform in a strong position to respond to these challenges.

This past year, we supported more than 1,600 people across Surrey and neighbouring counties – providing more than just housing, real pathways to independence.

I was particularly moved at our annual celebration event in November at which we recognised the outstanding dedication of Transform colleagues. Hearing directly from clients about their journeys reminds us that behind every statistic is a real person – someone with their own challenges, aspirations and potential – and that our work is not only essential, but truly life-changing.

There is much to be proud of. Client satisfaction remains high, we have secured new funding and partnerships, opened our first modular housing scheme and launched energy-efficiency upgrades to benefit hundreds of homes.

National recognition – including being Highly Commended in the Best Supported Housing Landlord category at the 2024 UK Housing Awards – further demonstrates the quality of our work. Transform's strength lies in its people. My deepest thanks go to all colleagues, whose professionalism and empathy are at the heart of our success. I also thank my fellow Trustees for their wisdom and insight. This year we welcomed three new Board members and together, we aim to ensure Transform is governed with clarity and care.

To our donors, supporters, patrons and ambassadors – thank you. Your trust and generosity enable us to deliver interventions that make a lasting difference.

Looking ahead to 2025/26, we remain focused on our strategic priorities: embedding our Ways of Working approach, enhancing governance, investing in colleagues' development and wellbeing and making proactive improvements to property safety and sustainability.

Transform's purpose remains constant – to enable people to lead healthier, more independent and fulfilled lives. We know we cannot do this alone, so we will continue to work closely with clients, colleagues, commissioners and partners to build a stronger, more inclusive future for all.

Thank you to everyone who has been part of our journey this year. As we look ahead, I remain confident that with shared purpose, Transform will continue to be a beacon of hope and opportunity for those who need us most.



Key strategic achievements – 2024/25

(Previous year's figures in brackets)

Clients – our foremost priority

- Supported **1,668** clients (1,920)¹ with **82.3%** (76.9%) of those who moved on from our services doing so in a planned, positive way.
- Achieved an average satisfaction score of **85.8%** (85.4%) in our client survey conducted by The Leadership Factor (TLF), placing us in the top quartile of housing associations surveyed.
- Refreshed our Client Engagement Strategy and introduced our new Ways of Working approach which helps articulate Transform's client offer.
- Secured **£75,000** (£46,000) funding from Surrey County Council's Household Relief Fund to support clients facing severe financial hardship.
- Prepared for Ofsted registration for our young people's service in Woking.
- Retained all service contracts.
- Received **£49,000** funding from Guildford Borough Council to support up to six rough sleepers.
- Agreed a new contract and funding for a further three years from the Office of the Police and Crime Commissioner for our Reducing Re-Offending contract supporting clients with offending histories.
- Successfully bid for a new non-residential support contract from Mole Valley District Council, offering services to 15 people with experience of homelessness.
- Obtained funding to extend temporary accommodation support for clients in Elmbridge and Reigate and Banstead.



People – colleagues and Trustees

- Scored **77%** overall across 16 engagement measures in our second colleague engagement survey (June 2024), matching the average for all WeThrive² clients and exceeding the sector benchmark for charities and not-for-profits (68%).
- Updated our new starter programme improving staff experience and significantly boosting retention.
- Continued investing in staff wellbeing and development, supported by our Health & Wellbeing Group, through workshops and resilience events in response to colleague feedback.
- Recruited and welcomed three new Trustees to the Transform Board.
- Reviewed the training and support programmes for client service colleagues and commissioned homelessness and housing training in line with new legislation for managers



“
My keyworker has been supportive, but she also holds me to account; which is great and what I need.
”

¹ The drop in client numbers relates mainly to changes in floating support clients with fewer, but more complex cases recorded.

² WeThrive are leading experts in customer engagement and evaluation.



Growth and development

- Opened our first modular housing scheme, Mitchell Place, named after former Transform Chief Executive Paul Mitchell. The development features eight nearly Net Zero one-bedroom flats for single parents and young homeless people.
- Secured **£1.03 million** from the Government's Warm Homes: Social Housing Fund to carry out energy-efficiency upgrades on **100 properties**.



Transform-wide achievements

- Recognised as 'Highly Commended' in the Best Supported Housing Landlord category at the 2024 UK Housing Awards.
- The judges said: "Transform demonstrated how inclusive their approach is to their clients and how important clients are in shaping the service they offer."
- Improved our information security and technology use, including the renewal of our Cyber Essentials Plus accreditation.
- Measured our Scope 1 & 2 carbon emissions again, noting a reduction and renewed our Carbon Neutral Certification via Carbon Neutral Britain through UK and UN-approved carbon offsetting projects.
- Adopted the Sustainability Reporting Standard for Housing (SRS) to help us identify areas for improvement and work towards more positive environmental and social impacts.
- Launched our updated complaints policy and procedures, embedding a positive complaints culture resulting in a **14%** increase in satisfaction with how we handle complaints.
- Strengthened our business continuity processes for how we respond to major incidents while continuing to provide essential services.



Client services, engagement and feedback

Ways of Working and Theory of Change

In 2024/25, we introduced our **Transform Ways of Working approach**. This sets out what clients can expect from us, including our service offer, minimum service standards and the way we work. It is shaped by our Theory of Change and evidence-based practice models.

Our goal with this approach is to support people to live independent, fulfilling lives by helping them achieve:

- stable housing
- financial security and access to work
- good health and wellbeing
- strong personal and social relationships
- key life skills.

We base our approach on four core principles:

- 1) relationship-based
- 2) person-centred
- 3) trauma-informed
- 4) strengths-based.

The Transform Ways of Working not only supports individuals but also brings wider benefits to society. By helping people build confidence, stability, independence and strong support networks, we contribute to safer communities, reduce homelessness and provide better public services. In turn, clients feel heard, develop life skills and give back to their communities.

Ofsted registration

Transform has invested in work to achieve **Ofsted registration** for our supported housing services for 16- and 17-year-old care leavers and children currently looked after by Children's Services.

Mitchell Place

This year, we opened Mitchell Place – a new service for young parents and care leavers. The building is energy-efficient and designed to be both affordable and warm. This project was made possible through generous funding from Surrey County Council, Reigate & Banstead Borough Council and Homes England, along with the Wolfson and Peter Harrison Foundations.

Client engagement through the Transform Client Forum

Our Client Forum meets every two months and plays a vital role in shaping our services.

Key Client Forum actions and achievements for 2024/25 include:

- Refreshed our Client Engagement Strategy 2024–2027.
- Reviewed several policies that directly impact on clients' experiences, including our Ways of Working approach.
- Shaped staff training on complaints handling.
- Enabled clients to choose fittings for kitchen and bathroom upgrades.
- Contributed to the successful Warm Homes funding bid.
- Reviewed and contributed to the Client Services Business Plans for 2024/25 and 2025/26.
- Helped shape our 2024 client satisfaction survey.
- Monitored and reviewed performance information in relation to complaints, incidents, and safeguarding.
- Agreed a process for appointing new client representatives to the Client Experience and Impact Committee.



Client satisfaction survey

In 2024, we undertook our latest client survey carried out by customer evaluation experts at The Leadership Factor (TLF). Overall satisfaction rose to **85.8%**, slightly up from 85.4% in 2023/24.

Highlights included:

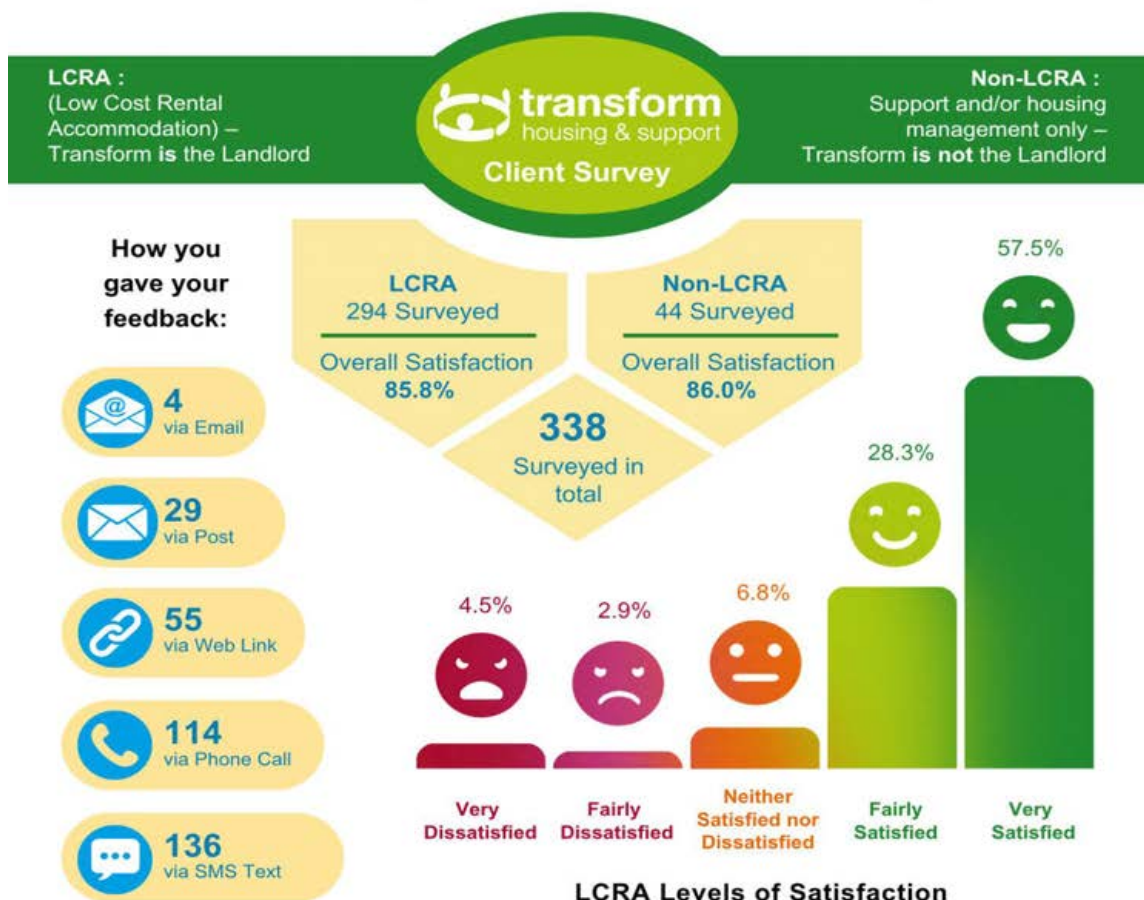
- **90.5%** felt treated fairly and with respect
- **89.2%** said they felt safe in their homes
- **82.8%** felt their views were heard/acted on

Satisfaction with our complaints handling rose by **14%**, reaching **62.5%**. This followed the introduction of our new policy, staff training and greater client involvement. To continue improving, we are introducing “real-time” feedback on complaints during 2025/26. This will help us respond faster and learn more from client experiences.

See further details on the survey below and overleaf. All clients have received this feedback.

Thank you to all the clients who participated in this year's survey!

This **2024 Client Survey** has been conducted for Transform by The Leadership Factor (TLF). This is the **third year** that TLF has carried out our annual survey.





Since last year we have improved the most for our LCRA clients in:



Maintaining Communal Areas

+6.4%
higher satisfaction than last year



Handling Complaints

+13.9%
higher satisfaction than last year



Handling Anti-social Behaviour

+6.2%
higher satisfaction than last year

For next year we are going to focus on improving in:

Maintenance and Speed of Repairs



Being Responsive and Getting Things Done



Communication and Listening to Clients



Overall, we intend to do more to ensure that everyone receives consistent service

Health and safety

At Transform, the health, safety, and wellbeing of our clients, colleagues, and stakeholders remains a top priority. This commitment is supported by strong leadership from the Board of Trustees, Executive and Senior Leadership Team.

In 2024/25, we focused on reducing risk through clear procedures and promoting a safety-first culture. Ongoing training and a responsive approach have helped maintain safe and compliant operations across all areas of Transform.

Our Health & Safety Policy, Statement of Intent, and overall approach align with the Health and Safety Executive's guidance on *Managing for Health and Safety*. The Policy and Statement were reviewed and approved by the Board, in line with our review cycle.

Stakeholders have been actively encouraged to raise concerns around health, safety or wellbeing. The Health & Safety Steering Group meets every two months to monitor performance, review policies and action plans, and provide strategic oversight. The Staff Forum also offers a platform for colleagues to raise issues.

In June 2025, we made a proactive self-referral to the Regulator of Social Housing (RSH) after identifying that a number of fire risk assessment actions had not been completed within the required timescales. All of these actions have or are in the process of being addressed in full. In addition, we have undertaken a comprehensive review of our processes for managing fire risk assessments and implementing resulting actions, to strengthen compliance and provide greater assurance to the Board and the Regulator.

Key actions and achievements in 2024/25

- All health and safety policies and management plans were reviewed and/or implemented.
- We updated all the health and safety information for clients in the Client Hub on our website.
- We placed a stronger focus on damp, mould and condensation including adding this measure to our health and safety scorecard.
- Strong performance was maintained across all key health and safety indicators.
- All buildings over 11 metres were regularly inspected in line with regulations.
- The 'Peoplesafe' lone working system was extended to cover **100** colleagues.
- Incident reporting improved through better engagement with formal reporting processes.
- An internal occupational health and safety audit achieved a positive rating.

Training

Transform maintains a robust training programme for all new and existing staff, including mandatory online Health & Safety modules. Multi-Trades Operative (MTO) training was refreshed, with regular Tool-Box Talks introduced.

First Aid training was delivered to **51** colleagues in 2024/25, meaning that over half of Transform colleagues are now qualified First Aiders. In addition, nearly **18%** are Mental Health First Aid trained and over **18%** are trained fire marshals.

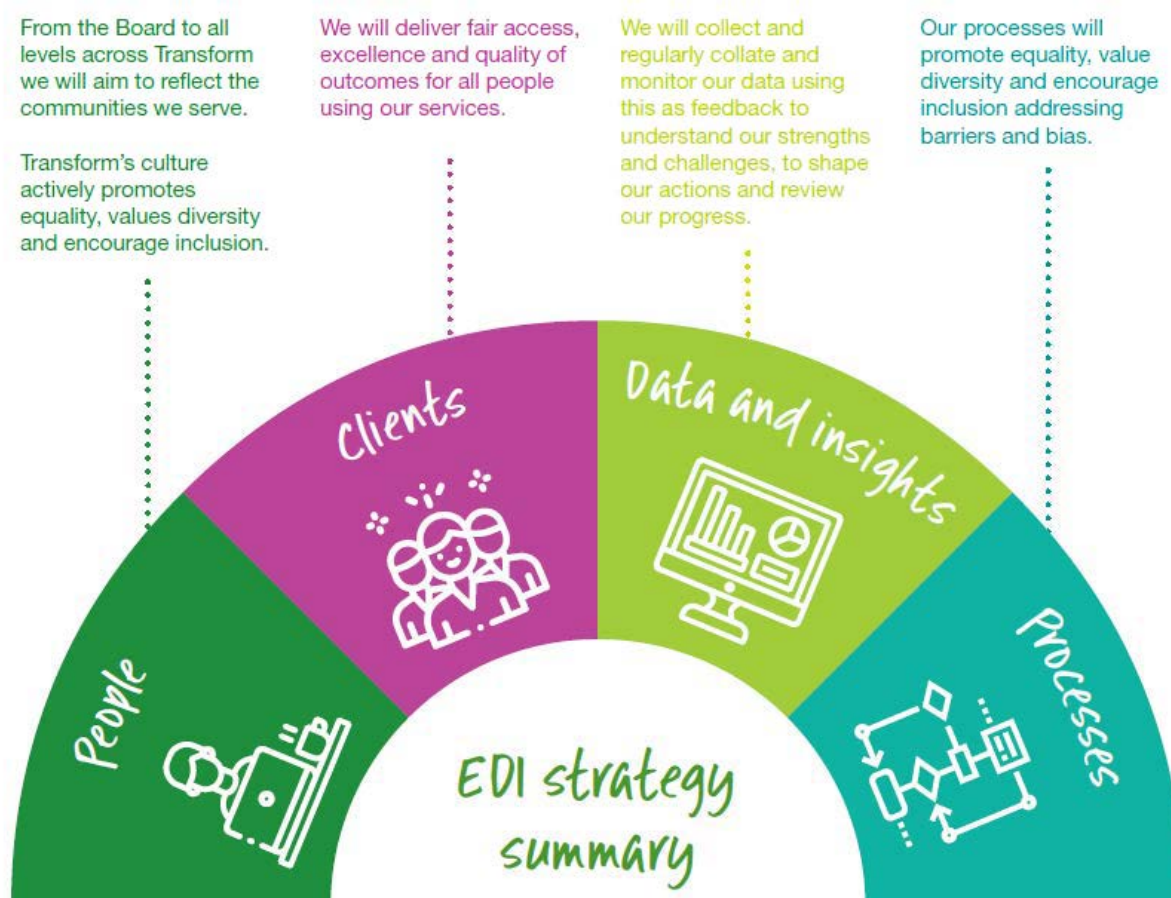


Equality, diversity and inclusion

At Transform, Equality, Diversity and Inclusion (EDI) are at the heart of how we work, reflecting our belief in the value of every individual. As a registered provider and charity, we are committed to creating an environment where everyone – clients and colleagues alike – can thrive. We focus on recognising individual differences and removing barriers, so that people feel respected, supported and able to succeed. Our inclusive approach strengthens our services and helps deliver better outcomes for those we support.

Key actions and achievements in 2024/25

- Updated our careers site to better reflect inclusivity and integrated a web tool for improved accessibility.
- Appointed a Trustee with lived experience through an inclusive recruitment process involving clients.
- Launched a co-produced, updated Client Engagement Strategy, now embedded in our Business Plan.
- Enhanced services for clients with learning disabilities and updated referral processes.
- Created a new 'Ways of Working' guide to support consistent, inclusive client practice.
- Strengthened demographic data collection and aligned with national EDI benchmarks.
- Used AI tools to translate client newsletters into multiple formats and languages.
- Reviewed web content for inclusivity and updated the web accessibility tool on our main website.
- Significantly increased declared disability representation across all levels.
- Analysed staff surveys by diversity strands to highlight differential experiences and guide inclusive leadership development.



Asset management, maintenance/repairs

Key actions and achievements in 2024/25

Planned and cyclical maintenance:

This was our first year delivering new planned maintenance and cyclical decoration contracts procured through the Community Housing and Investment Consortium (CHIC) procurement framework.

Armour Hart delivered our external and internal communal decoration programme to **22** of our properties.

CLC Group installed **54** new kitchens and **10** new bathrooms across our stock portfolio. Through consultation, residents had input and choice around kitchen design and colours.

Sovereign Group Ltd installed new windows and doors to **36** properties.

Tenant satisfaction measures:

Percentage of clients satisfied with overall repair service: 81.1% (83.2%, 2023/24)

Satisfaction that the home is well maintained: 84.4% (86.5%, 2023/24)

Gas servicing and maintenance:

In October 2024 we appointed GasCall (Sureserve) through the Procurement for Housing (PFH) framework to service and maintain our domestic boilers for an initial three-year period.

Managing asset data:

Our asset data was managed through an external consultancy and we wanted to bring this data in-house, so it was more accessible. We procured M3 Vision which will allow us to manage our asset data for future maintenance investment and hold data on the energy efficiency of our properties.

Decent Homes Standard:

Of our total of **911** properties, all met the Decent Homes Standard. We are committed to ensuring all our homes meet the required standards as part of our ongoing improvement programme.

Improving energy efficiency and moving towards Net Zero for our properties.

We are working towards achieving an Energy Performance Certificate (EPC) rating of at least C for all our properties by 2030 and working long-term to achieve Net Zero carbon emissions by 2050.

See our Sustainability section overleaf for details of our Warm Homes project.

Strategic asset management and planned investments:

As part of our asset management strategy, we will continue to assess the performance of all Transform assets to ensure they are viable and meet the required standards.

We are also planning to carry out a new round of stock condition surveys across our portfolio to update and refresh out current asset data for future maintenance investment.

Introduction of Awaab's Law

Following the tragic death of toddler Awaab Ishak in 2020 due to being exposed to mould within his home, Awaab's Law has been introduced to ensure landlords are accountable for dealing with damp and mould when tenants report it. The new law will come into force in October 2025 and Transform is currently working on actions to ensure compliance with this new legislation.



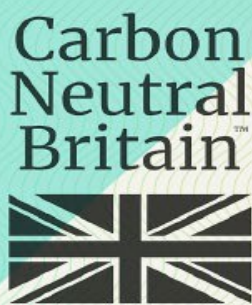
Sustainability

At Transform, sustainability is a core part of our commitment to creating safe, secure and supportive housing. As a supported housing provider, we recognise that the health and wellbeing of our clients is closely linked to the quality and resilience of the environment around them.

Reducing our environmental impact not only helps address the global climate crisis but also ensures our homes are affordable to run, comfortable to live in, and future-proofed for the long term. Our approach to sustainability reflects our values and our responsibility to the communities we serve, today and for generations to come.

Key actions and achievements in 2024/25

- The Board approved a **Sustainability Strategy** and action plan for Transform, underlining our commitment to reducing our environmental impact and achieving Net Zero by 2050, in line with government targets.
- We adopted the Sustainability Reporting Standards for Social Housing and will publish our first ESG report for the 2024/25 financial year later this year.
- For the second consecutive year, we achieved carbon neutral status by offsetting **1,142.77** tonnes of Scope 1 and 2 CO₂e emissions through Carbon Neutral Britain.
- We reduced our direct emissions from **1.2 tonnes** in the previous year to **1.14 tonnes** in 2024/25.
- In 2024, we applied for grant funding under the Government's Warm Homes: Social Housing Fund (Wave 3) to improve the energy efficiency of 100 properties to EPC rating C or above. In March 2025, we were awarded **£1.03 million** towards the £2.06 million project, with works scheduled to begin in 2025/26.
- Through the Greener Futures Partnership framework, we appointed Wates Property Services to deliver these energy efficiency improvements.



Christina Willoughby
CHRISTINA WILLOUGHBY
Credit Officer

James Poynter
JAMES POYNTER
Director

Carbon Neutral Britain Certification™
IS PRESENTED TO

Transform Housing & Support

Certified Carbon Neutral
FEBRUARY 2025 - JANUARY 2026

This certificate is to verify that Transform Housing & Support has met all Carbon Neutral Britain Certification™ standards in measuring, calculating and carbon offsetting organisational carbon emissions selected within the Scope 1 and 2 GHG emissions boundary during the period of 1st April 2023 to 31st March 2024.

Certificate No: BCNB - 05325

Calculations made following the ISO 14064-1:2018 and GHG Protocol Emissions Standards. Credits Issued from one or more of the International Carbon Offsetting standards:



United Nations
Framework Convention on
Climate Change
Verified CER



Verified Carbon
Standard
A VERRA STANDARD



Gold Standard
for the Global Goals

Future plans – strategic objectives 2025/26

Clients – our foremost priority

- Deliver person-centred and trauma-informed services that reflect clients' needs and goals, in line with our Ways of Working approach.
- Deliver a newly commissioned Tenancy Support Service in Mole Valley.
- Review and align our training offer with Transform's Ways of Working approach.
- Support the development of colleagues through an enhanced induction and implementation of the new performance, development and support framework.

People – Transform colleagues

- Develop and implement a People Strategy that aligns with the refreshed corporate strategy.
- Roll out the new performance, development and support framework across Transform.
- Strengthen recruitment, onboarding and induction to boost staff retention and reduce vacancies.
- Implement a training plan that aligns with the new professional qualifications in the Social Housing Regulation Act.
- Work towards achieving Menopause Friendly Accreditation from Henpicked*, promoting awareness and inclusivity across the organisation.
- Launch an EDI Steering Group to lead strategy and action plan delivery.

* Henpicked are the leading UK experts offering menopause in the workplace support including training, education and accreditation as a menopause friendly employer.

Financial resilience

- Refinance £6 million of loans due to mature in 2025/26.
- Implement a new Procurement Policy in line with the new Procurement Act and re-tender contracts for repairs, energy and professional services.
- Review and update our Value for Money (VFM) strategy.

Asset management, maintenance, and repairs

- Refresh our asset management strategy.
- Complete a review of our approach to delivering asset management services.
- Roll out a multi-year retrofitting programme to meet minimum EPC Band C ratings by 2030.
- Implement a new stock condition programme.

Growth, funding and development

- Continue strengthening existing partnerships and explore the benefits of new ones, including potential merger opportunities.
- Acquire, or develop, more supported housing provision in Surrey.
- Secure planning permission with a landowner in Haslemere, Surrey who is gifting us land on which to build eight units for people at risk of homelessness.



Governance

- Recruit at least one new Trustee with specialised skills to maintain a diverse, skilled and knowledgeable board.
- Tender our legal services contract.
- Recruit at least one new client representative to join the Client Experience & Impact Committee and the Client Forum.

Sustainability

- Deliver the actions in our Sustainability Strategy, with progress tracked through the Sustainability Reporting Standard for Social Housing.
- Focus on meeting the Government's Future Homes Standard and prepare for updates to the Decent Homes Standard.
- Further reduce our carbon footprint, offset our Scope 1 and 2 emissions and build capability to calculate Scope 3 emissions.

Information management and technology

- Complete an appraisal of future information management system requirements.
- Enhance Azure – the core infrastructure supporting our IT strategy – to ensure an up-to-date secure and reliable digital platform.
- Undertake an IT hardware and telecommunications refresh.

Health and safety

- Prepare for the implementation of Awaab's Law in October 2025.
- Expand KPI tracking and real-time reporting.





Risk management

Risk management – principal risks and uncertainties

Risk management is fundamental to Transform's operation. The Board holds overall accountability for risk management with Trustees regularly reviewing Transform's risk register. More detailed scrutiny is delegated to the Audit & Risk Committee as well as oversight by the other Committees for respective risks.

The Senior Leadership Team maintains day-to-day oversight for reviewing risk. This activity supports strategic decision-making and ensures that Transform can adapt to changing circumstances.

Within the framework, risks and opportunities are continuously monitored and evaluated. From this work, policies and procedures are adapted and controls put in place to ensure appropriate action is taken to safeguard clients, colleagues and Transform as a whole.

The framework also ensures that risk informs the business planning process with proactive risk management being used to mitigate against uncertainty in the operating environment.



Transform's key risks

Our highest scoring risks:

Economic and political risk exposures: inflation, interest rates, government policy and the economy	
Risk	
	Macroeconomic activity and government policy negatively impacting on clients and colleagues.
Details	
	While some economic pressures have started to ease with decreasing inflation and interest rates, there continues to be much uncertainty in the UK and global economies arising from the war in Ukraine, the Israel-Gaza conflict and USA Government policies regarding tariffs and global trade. Increases in National Insurance Contributions for employers together with below inflation rent increases has resulted in further budgetary pressures for Transform, like many businesses.
General controls and mitigations	
	<ul style="list-style-type: none">Ensuring support contracts are secured on a full-cost recovery basis.Ensuring we secure best value through procurement.Business plan stress testing with appropriate mitigations identified.Budgeting, rolling forecasts and cashflow projections.

Inability to recruit and retain high-quality staff
Risk
Challenges recruiting and retaining colleagues who meet our role requirements.
Details
While the after-effects of the cost-of-living crisis on labour and skills shortages have lessened, recruitment remains highly competitive in certain areas. This is particularly evident in administration and frontline roles as well as those requiring specialist skills such as asset management. The combination of high demand, salary competition and a limited pool of talent continues to pose challenges in attracting and retaining qualified staff in Surrey.
General controls and mitigations
<ul style="list-style-type: none"> ■ Optimising salary and benefits to ensure that our offer is competitively positioned. ■ Further enhancement of our onboarding and induction processes. ■ Harmonisation of the working week for all employees. ■ Enhanced marketing of roles through social media, a refreshed website and improved connectivity between the website and candidate tracking system.

Data protection and IT security risks
Risk
Threats to our IT and data security.
Details
These risks can cause operational disruption, reputational damage and potential fines. Continued investment in monitoring and testing our security systems alongside training and awareness raising help ensure we mitigate these risks. Our partnership with LIMA Networks ensures arrangements are in place to manage network failures.
General controls and mitigations
<ul style="list-style-type: none"> ■ A framework of IT network controls. ■ A vulnerability assessment service and patch compliance reporting. ■ Internal Audits of IT Security Controls. ■ Cyber security awareness training. ■ Ongoing improvements from lessons learned through review and investigation of data breaches. ■ Business continuity planning arrangements refreshed during the year alongside simulated testing exercises. ■ Cyber Essentials Plus Accreditation.

Occupancy/utilisation of property (void rent loss)	
Risk	
Failure to optimise occupancy / utilisation rates resulting in material losses of income.	
Details	
<p>Voids can arise from a combination of factors including delays in completing voids works, processing referrals or the ability to match referrals to suitable services. Voids management is as a key organisational priority. There is scrutiny by the Heads of Housing & Support and regular weekly monitoring to maintain momentum.</p>	
General controls and mitigations	
<ul style="list-style-type: none"> ■ Clear process for monitoring voids at all stages from key in to key out. ■ Voids action plans for each team. ■ Proactively marketing our services, including clearly outlining our service offer through our Ways of Working approach. 	

Income collection of personal charges (rent and service charge arrears)	
Risk	
Inability to optimise income collection of personal charges	
Details	
<p>High inflation and real term wage reductions experienced in the last few years have increased financial pressure on households which is causing an increase in arrears levels.</p>	
General controls and mitigations	
<ul style="list-style-type: none"> ■ Arrears management processes which enable clients to manage their rent accounts and retain their tenancies. ■ Provision of hardship and Household Support Funds and ongoing signposting to others who provide support. ■ Proactive approach to rent collection through digital payment methods. ■ Benefits training for colleagues to support them in optimising welfare benefits for clients. 	

Procurement and contract management arrangements

Risk

Lack of robust procurement and contract management arrangements.

Details

With the implementation of the new Procurement Act 2023, which became effective 23 February 2025, Transform must ensure that it is compliant and the required internal policies and procedures in place.

General controls and mitigations

- New procurement policy developed and training provided to the Senior Leadership Team.
- Contract management procedures being refreshed.

The Board closely monitors the risk environment to identify changes in key risks as well as new or emerging risks. The Committees of the Board also review the risks relevant to their remit every quarter. This is a key focus of the Audit & Risk Committee.





Governance, regulation and compliance

Governance

Board of Trustees

The Transform Board is the ultimate decision-making body. Its role is to lead, direct, control, scrutinise and evaluate Transform’s work. It holds responsibility for ensuring that governance across the organisation is robust and that Transform complies with all regulatory and statutory requirements. The Board comprised 10 Trustees during 2024/25, drawn from a wide range of backgrounds and bringing together professional, commercial and local experience.

Three new Board members were appointed during the year:

- Karen Gregory is a social housing resident and works as a Training Officer for another registered provider. She brings to the Board a strong commitment to, and experience of, community engagement and a deep understanding of the challenges faced by tenants in today’s housing environment.
- Mark Lake is a senior leader with over 30 years' experience in supported and social housing. He has held Director and Executive Director roles with both national and smaller providers. Now running his own consultancy, he offers interim leadership and advice to housing and not-for-profit organisations. Mark is a firm believer in the power of quality supported housing to transform lives and promote independent living.

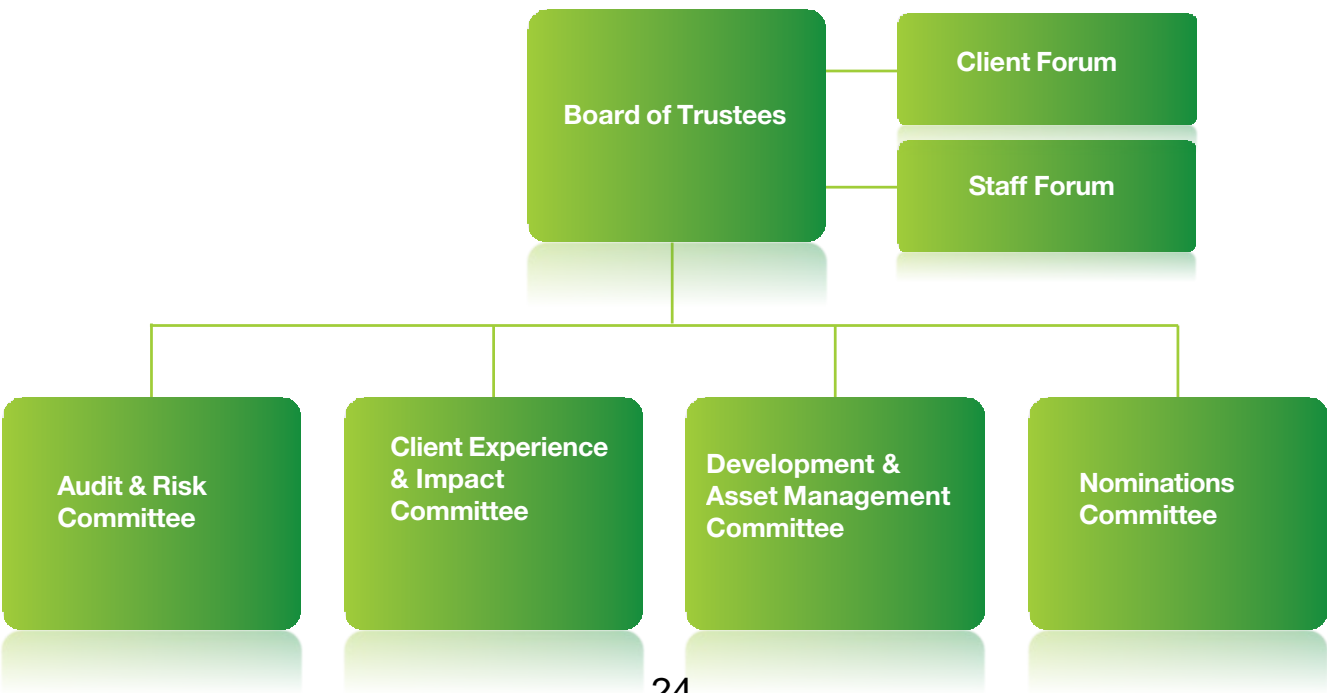
- Sarah Page is a Chartered Accountant with over 20 years’ experience in finance, having worked in London and Sydney across investment banking, commercial banking and private equity. A former President of the London Business School Board Fellows Programme, she has partnered with charities in London and Dubai. Sarah serves as a Trustee for several UK charities, using her corporate expertise to drive social impact.

During the year, the Board considered several key matters including:

- Assessing compliance against the Complaints Handling Code and Code of Governance.
- Publishing Tenant Satisfaction Measures.
- Carrying out the Board Effectiveness Review.
- Recruiting three new Trustees.
- Revising the Governance framework.
- Approving the Client Engagement Strategy.
- Appointing new external auditors.
- Agreeing the revised long-term financial plan.

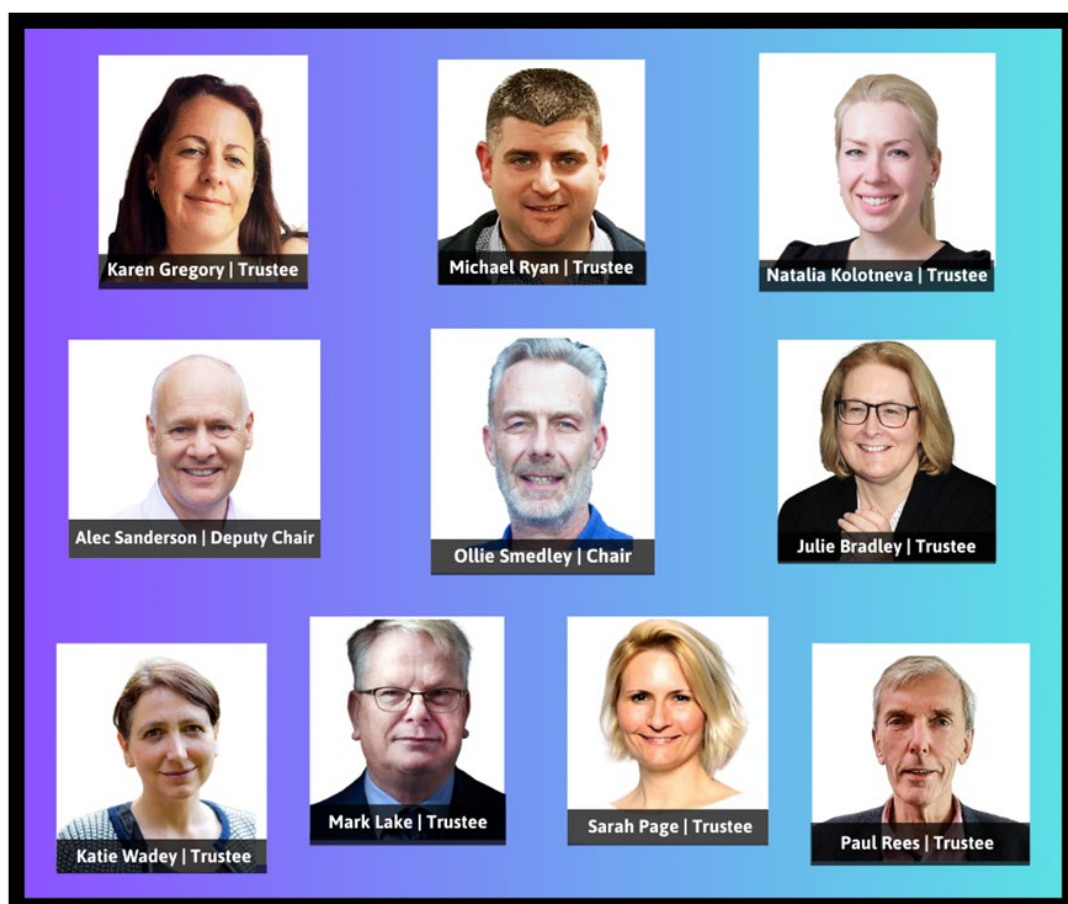
Board and committee structure

During the year, the Board implemented some changes to its Committee Structure arising from recommendations from the Board effectiveness review, replacing the Finance & Audit Committee with an Audit & Risk Committee and removing its People Committee. The Board now delegates specific responsibilities to four committees, as detailed below, which each report to the Board where their recommendations are considered and approved where appropriate.



Board and committee membership 2024/25

	Board	Audit & Risk Committee (from Nov 2024)	Client Experience & Impact Committee	Development & Asset Management Committee	Finance & Audit Committee (to Nov 2024)	Nominations Committee
Ollie Smedley	Chair					Chair
Julie Bradley	Member	Chair			Member	
Karen Gregory	Member (from Sept 2024)	Member	Member (from Sept 2024)			
Sanjay Gulati	Member (to Sept 2024)		Member (to Sept 2024)		Member (to Sept 2024)	
David Henderson			Member			
Natalia Kolotneva	Member		Member	Chair		
Mark Lake	Member (from Nov 2024)		Member (from Nov 2024)	Member (from Nov 2024)		
Sarah Page	Member (from Feb 2025)	Member (from Feb 2025)		Member (from Feb 2025)		
Paul Rees	Member	Member		Member	Chair	Member (to Sept 2024)
Michael Ryan	Member			Member		
Alec Sanderson	Deputy Chair and Senior Independent Director	Member		Member		Member
Simon Shaw			Member			
Katie Wadey	Member		Chair			



Board committees

Audit & Risk Committee (ARC)

The ARC supports the Board in ensuring that effective systems of internal control and assurance are in place including audit and risk arrangements. This includes supporting the appointment of both internal and external auditors. The Committee alerts the Board to any emerging issues across the organisation in relation to risk management and internal control systems.

Client Experience & Impact Committee (CEIC)

The CEIC supports the Board in 'hearing the voice of the client' to influence policy development, to better understand their needs and to drive improvements in client satisfaction/experience. The Committee also has a key role in ensuring compliance with the Consumer Standards and supporting the Board in applying additional scrutiny in key areas of compliance including the Complaint Handling Code. The CEIC ensures equality, diversity and inclusion are considered when meeting the different needs of clients.

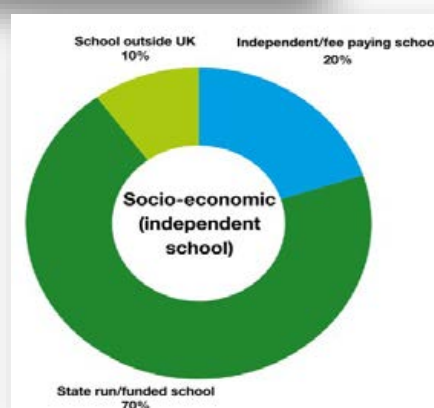
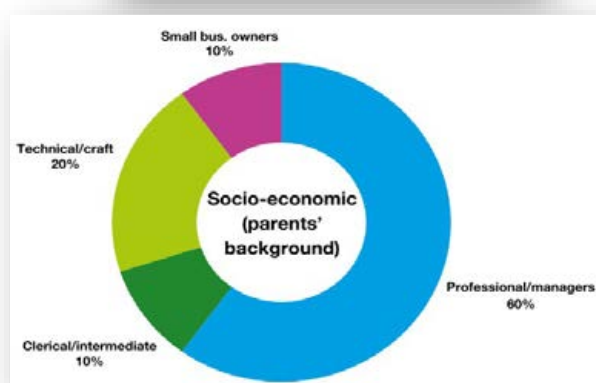
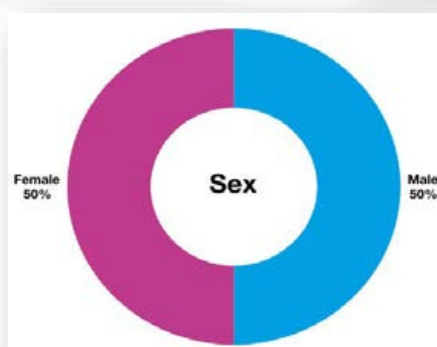
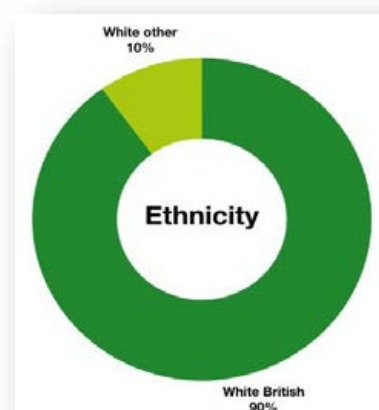
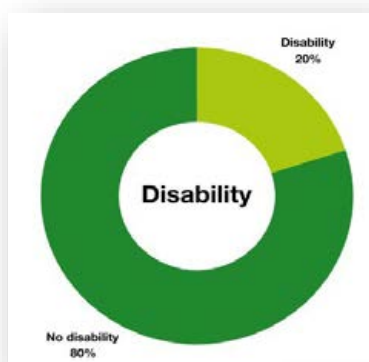
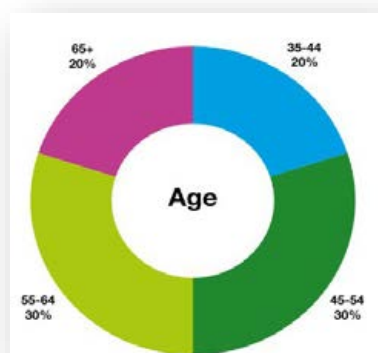
Development & Asset Management Committee (DAMC)

The DAMC supports the Board in overseeing Transform's development activities. It also oversees the progression of asset management and investment programmes approved by the Board, ensuring scrutiny, effective risk management and implementation in line with agreed parameters. It assists the Board in setting appropriate budgets to deliver these objectives as well as monitoring programme delivery and key risks.

Nominations Committee

The Nominations Committee supports the Board in ensuring Transform has effective governance through succession planning and recruitment. The Trustees are also appointed as directors under the Companies Act 2006.

Composition of the Transform Board – key equality and diversity metrics



Trustee training

Trustees received training from Devonshires solicitors on Roles and Responsibilities of a Registered Provider Board Member, including the regulatory framework. A programme of online training modules was launched for all Trustees, commencing with safeguarding awareness. The Board safeguarding lead received training on Safeguarding Adults for Safeguarding Leads and the Chair attended a Charing Skills Course. Some of our Trustees underwent the IOSH Leading Safely training this year. Trustees are also encouraged to attend events and networking opportunities held by recognised sector bodies such as the National Housing Federation.

Board effectiveness

Following an external review of board effectiveness which concluded in May 2023, the Board has made good progress in the implementation of the recommendations arising from the review. A self-assessment of Board effectiveness took place during 2024/25 which showed that the Board is functioning well, with positive feedback on leadership, participation and decision-making processes.

The Board considered the outcome of the results at its meeting in November 2024 and agreed a number of areas for continuous improvement. A further self-assessment will take place in 2025 and the next external review will be conducted in 2026.

Code of Governance

Transform adopted the National Housing Federation Code of Governance 2020 for the reporting period. An annual assessment of compliance against the code has been conducted and confirms that Transform complies with all the requirements including the provisions in relation to:

- mission and values
- strategy and delivery
- board effectiveness
- control and assurance.

Governance and Financial Viability Standard

The annual review of compliance against the Regulator of Social Housing's Governance and Financial Viability Standard has been carried out and Transform was compliant with the standard during the reporting period. A detailed and evidence-based assessment was completed against each requirement and the Board approved this at its meeting on 31 July 2025.

In preparing this report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Regulator of Social Housing's Accounting Direction for Social Housing Providers 2022.



Regulation and compliance

Transform fully complies with the requirements of the Regulator of Social Housing, the Charity Commission and the Fundraising Regulator. We have been working towards the implementation of the new Consumer Standards.

Regulator of Social Housing

As a small provider, Transform is not subject to regulatory judgement from the Regulator of Social Housing and was not issued with any regulatory notices during this period of accounts.

Charity Commission public benefit reporting

Transform's aims, objectives and activities demonstrate public benefit as defined by the Charity Commission.

The Board ensures that planned activities meet the organisation's objectives. Transform's work supports those on the margins of society to overcome the challenges they face.

Trustees follow the Charity Commission's public benefit guidance when carrying out their duties. Awareness of the guidance forms part of each Trustee's induction and the Board takes this into account when making relevant decisions.

Fundraising Regulator's code compliance

The Code of Fundraising Practice sets out the responsibilities that apply to fundraising carried out by charitable institutions in the UK. To provide reassurance to donors and supporters, and to demonstrate high standards for fundraising activities, we are registered with the Fundraising Regulator and have adopted the Regulator's Code of Fundraising Practice.

We are committed to protecting donors and the public from any unreasonably intrusive or persistent fundraising approaches and will not apply any undue pressure on them to donate. We do not use any external professional fundraising services. We use the Fundraising Regulator's logo on fundraising communications. Transform has not received any requests to remove or suppress donor data from the regulator's Fundraising Preference Service.

The Fundraising Executive continually monitors guidance and regulations from the Charity Commission and the Fundraising Regulator, and colleagues are kept abreast of changing regulations throughout the year. We received no complaints relating to fundraising in the year to 31 March 2025.

Complaints

Each year, Transform reviews its complaints policy against the Housing Ombudsman's Complaint Handling Code. For 2024/25, we were fully compliant with all aspects of reporting, managing and learning from complaints.

Significant improvements were made to our complaints policy and procedures this year. These changes followed updates to the Ombudsman's Code, which became a legal requirement from 1 April 2024, and client feedback against our Tenant Satisfaction Measures highlighting complaints handling as a key area for improvement. As this is a major driver of overall client satisfaction, it was an essential area to address.

Following extensive input from clients, staff, and external stakeholders, we introduced a new complaints process and fully trained all staff before launching it on 1 April 2024.

We received 158 complaints in 2024/25, compared to just 19 the previous year. This increase reflects improved recording, especially in the first quarter after training and policy implementation. Complaint volumes have since remained steady.

Complaints are categorised into formal complaints, anti-social behaviour (ASB) concerns, and service requests.

Complaint themes

Issues with maintenance and repairs were the most common areas of concern raised. Targeted improvements – such as enhancing out-of-hours cover, regional maintenance teams, quicker diagnosis of damp and mould issues and kitchen and bathroom upgrades – have helped reduce complaints in this area.

Performance

Over 80% of complaints were resolved within the target timescale. Performance improved in the last quarter of the year following the recruitment of a dedicated Client Services Administrator, providing additional capacity to manage the process. Ten stage 1 complaints were escalated to stage 2; 80% of these were resolved on time.

Learning and Improvement

Insights from complaints and the 2024 Client Survey have informed improvements in two key areas:

Complaints Handling

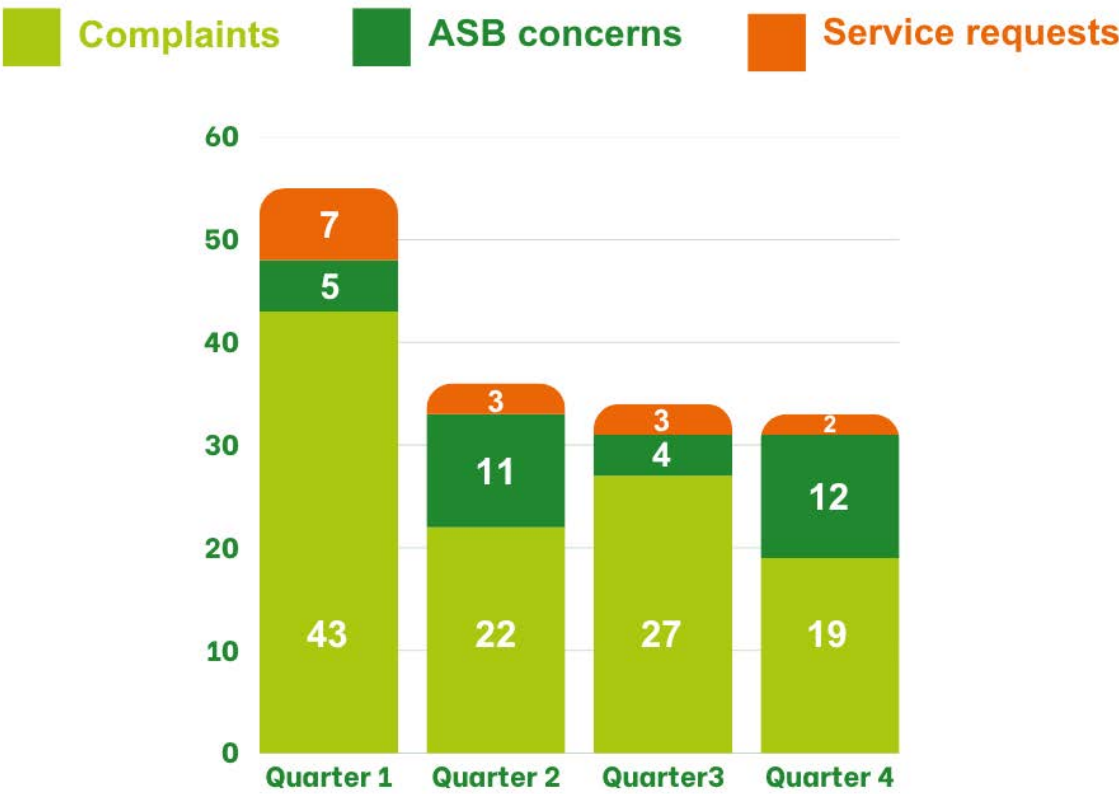
- A new Client Services Administrator has been recruited to improve complaints handling and proactively manage deadlines and communications.
- A Complaints Handlers’ Forum was launched to share learning and best practice.
- Complex complaints now more often use formal extensions to allow for thorough investigation—improving client understanding and satisfaction.
- Inter-departmental reviews support organisation-wide learning where issues span multiple teams.

Client Experience

- Clients are contacted during investigations to ensure their perspectives are understood, they are kept updated and offered clear options where appropriate.
- A single point of contact improves communication and co-ordination.
- Colleagues are more confident offering early compensation where appropriate, and ensuring clients feel heard.
- The overall process is more proactive and responsive.

These changes have led to improved satisfaction with complaints handling, as seen in the 2024 Client Survey.

All Complaints 2024/25



“ Transform is easy to contact; if things go wrong, issues get resolved Transform client ”



Value for Money

Value for Money (VFM)

2024/25 financial year overview

This statement outlines the VFM outcomes achieved during the past year. Despite a challenging operational environment – including rising costs, increased demand for services and ongoing workforce pressures – Transform remained focused on achieving cost-effective and high-impact services. In addition, last year's merger positively impacted our bottom line in the 2023/24 financial year which has led to reduced margins on some KPIs in 2024/25.

Key challenges faced

- Cost of inflation – general inflation affected supply chains, resulting in higher costs for repairs and maintenance goods and services, utilities and insurance premiums.
- New regulatory requirements – around tenant satisfaction, building and fire safety required additional spend in our stock and staff training.
- Staffing shortages – recruitment and retention of skilled support staff remained challenging in the earlier part of the year, this resulted in increased use of temporary and agency staff which added to payroll costs.
- Rising complexity – the number of clients presenting with complex and multiple needs increased requiring more intensive interventions which resulted in increased costs.
- Delays in receiving appropriate referrals resulted in longer void periods and delayed occupancy in some services.

Our response and VFM actions

Our VFM performance is measured against effectiveness, economy and efficiency.

Effectiveness: measuring the extent to which intended outcomes are achieved

Through delivery of our operational services, we make a significant impact in the communities in which we work. This year we contributed to the wider sector in Surrey by being active participants in the mental health and housing protocol and in chairing the Voluntary, Community and Social Enterprise (VCSE) Homelessness Group.

Effectiveness Key Performance Indicators	2024/25	2023/24
Number of clients supported	1,669	1,920
Number of positive move-ons %	82.3%	76.9%
Number of clients moved into independent accommodation	489	411
Number of clients sustaining their tenancy for 12 months or more	91.0%	-
Customer satisfaction	85.8%	85.4%

Economy measures: 'doing things at the right cost' and minimising the costs of activity

- Digital progress – we undertook an upgrade of our housing management and finance system to Pyramid G2 marking a key step towards achieving our strategic IT goal of enhancing digital capabilities.
- Debt management – we repaid two loans, which reduced annual interest costs by c£100,000.
- Asset management – we disposed of two properties.

Efficiency measures: delivering the same level of service for less, time or resource

Efficiency Key Performance Indicator	2024/25 Benchmarking Group	2024/25 Actual	2024/25 Target	2023/24
Voids %	5.8%	7.6%	6.00%	7.40%
Arrears % net of housing benefit	1.5%	3.2%	2.50%	2.50%

- Arrears – these continued to affect many clients due to cost-of-living pressures and delays in processing their Universal Credit claims.
- Voids – we experienced an increase in re-let times due to a combination of factors, including lower numbers of relevant referrals.

Value for Money – action on voids and arrears

Voids

Reducing voids is a key priority. We will continue to address this by:

- Strengthening our voids management processes.
- Working closely with local authorities to improve referral processes.

Arrears

We are committed to improving income collection and arrears management practices.



Key actions and achievements in 2024/25

Quality and outcomes

- We implemented a refreshed service charge budgeting tool which has strengthened our approach to setting service charges in this financial year.
- A new Equality, Diversity and Inclusion Policy was approved by the Board.

Operational efficiency

- We introduced Sum-Up Card readers as an additional rent payment option and will continue to identify alternative payment methods which meet client requirements and also increase efficiency.
- We repurchased our energy contracts through an ESPO (a public sector owned professional buying organisation) framework, securing favourable rates for the next 12 months.

Social care

- Our Client Satisfaction Survey once again demonstrated that we have provided invaluable support for clients' wellbeing and journey to independence this year.
- We received 'Highly Commended' recognition in the Best Supported Housing Landlord category at the 2024 UK Housing Awards.

Environmental sustainability

- We secured c£1.02 million of Warm Homes funding to support the retrofitting of 100 properties* (see Sustainability page for more information). We adopted the Sustainability Reporting Standard for Social Housing.
- We procured a green electricity supplier which met our sustainability goals.
- We achieved carbon neutral status through Carbon Neutral Britain for the second year.

Benchmarking and Performance Monitoring

VFM is underpinned by the strategic objectives detailed in the Business Plan. The Board and the Executive Team provide financial scrutiny by monitoring progress against budget and carrying out quarterly in-depth reviews of our financial and VFM metrics.

We continue to benchmark our VFM performance:

- **Internally** – against our target for the year and last year's actual performance
- **Externally** – against our actual performance with other similar sized housing providers.

We participate in sector-wide benchmarking groups to identify underperforming areas and opportunities for improvement, and the following resources were used to compile this report:

- **Acuity SPBM Smaller Providers Benchmarking** – a national group of 150 housing associations with up to 1,000 homes.
- **SPBM Supported Housing** – a group of 24 supported housing providers which produce a comparative benchmarking data set and with whom we meet quarterly.

“You're kind (as in general); you're there when we need you. You are good!”

Transform client



Regulator VFM metrics

Indicator	2024/25	2023/24	Peer-Group Median (Supported Housing) Acuity Benchmarking 2024/25	Transform Internal Target 2024/25
1. Operating Margin (overall)	8.0%	20.0%	7.4%	6.6%
2. Operating Margin (social housing lettings)	10.0%	26.5%	3.0%	9.6%
3. Earnings Before Interest, Taxes and Amortization (EBITDA) Major Repairs Included (MRI) (as a % of interest)	241.1%	565.2%	536.0%	174%
4. Gearing (Including cash balances)	13.8%	18.4%	13.2%	14.0%
5. Supply of New Social Housing (As a percentage)	0.0%	0.9%	0%	n/a
6. Reinvestment %	2.1%	3.4%	2.5%	n/a
7. Return on Capital Employed (ROCE) (%)	3.4%	4.6%	5.2%	1.9%
8. Headline social housing cost per unit (cumulative)	£13,292	£10,917	£11,200	£13,000

Operating margin

The operating margin is a key VFM metric as it reflects the organisation's ability to generate a financial surplus from its core activities, ensuring long-term sustainability and the capacity to reinvest in quality services.

Transform's operating margin decreased to **8.0%** in the year (2023/24: 20%). This reduction was primarily driven by higher staffing levels and staffing costs, inflationary pressures on operating expenses and increased maintenance and repair costs arising from enhanced regulatory requirements. In addition, the one-off gain arising from the merger last year, inflated the operating surplus made.

Looking ahead, we are focused on improving procurement practices and strengthening operational performance to support an increase in margin while maintaining the quality of services.



EBITDA

EBITDA is a key indicator for liquidity and investment capacity. It is an internal measure of operational performance that excludes non-cash and non-core charges. It indicates the cash-generating capacity from housing and support services and how well we can service debt. In 2024/25, EBITDA reduced to **241%** compared with 565% in the prior year, due to increased void losses and rising operating costs across staffing, repairs and maintenance, utilities and insurance. In addition, capital repairs expenditure rose by approximately £770k during the year. We also completed the disposal of 16 units, generating a profit compared with the previous year.

While 2024/25 was a challenging year, the underlying business model remains strong. We measure our loan covenant EBITDA MRI closely through a 30-year Finance Plan to ensure we can support growth plans and any borrowing that is required. Our focus is the provision of high-quality supported housing, while rebalancing costs to ensure continued value for money and a sustainable EBITDA in 2025/26.

Gearing

The gearing ratio has reduced year-on-year from 18% in March 2024 to **14%** in March 2025, reflecting a lower proportion of borrowing relative to assets. The reduction is due to the early repayment of two loans totalling £1.7m, which has strengthened our balance sheet by reducing our long-term liabilities, together with a net increase in cash generated from the disposal of properties. As one of the key VFM metrics is a reduction in gearing, this demonstrates a more resilient balance sheet and prudent financial management, contributing positively to our Value for Money position.

A lower gearing ratio strengthens our financial position and enables Transform to invest in property enhancements and meet regulatory requirements without placing undue reliance on borrowing.

Reinvestment and new supply

The reinvestment VFM metric indicates the proportion of expenditure allocated to improving existing homes and developing new ones. In 2024/25, Transform maintained a consistent level of reinvestment, with **£376,000** allocated to planned maintenance and **£1.2 million** invested in upgrades, including fire safety measures and the refurbishment of existing properties. This represents an increase of **£770,000** compared with the prior year, ensuring our homes continue to meet the evolving support needs of tenants. While eight new units of accommodation were developed in the previous year, no development expenditure was incurred in the current year.

This approach ensures that our existing housing stock remains fit for purpose, in line with our VFM objectives and regulatory requirements.

Return on Capital Employed (ROCE)

The ROCE VFM metric measures how efficiently the organisation generates operating surplus from its capital assets, and includes the profit or loss on sale of any assets or merger. The ROCE decreased from 4.6% in the 2023/24 year to **3.4%** in the current financial year, due to last year's figure including a one-off transfer of assets.

Supported housing normally operates on lower margins than general needs provision and any surplus that Transform makes in its operations is reinvested in maintaining its existing homes, building new homes and maintaining and investing in our infrastructure. The lower financial return is offset by the high social impact delivered through housing and supporting vulnerable individuals.

Social housing cost per unit

Our social housing costs were **£13,292**, a 22% increase on the prior year, and higher than the peer-group average of £11,200. The increase was driven by higher capital repairs, increased void losses, staffing costs and general operating cost inflation.



Future VFM Priorities 2025/26

Transform continues to strengthen its VFM culture through robust financial management and a strong commitment to our clients. For the next financial year 2025/26 our VFM objectives are:

- **Sustainability and energy efficiency by:**
 - Deliver the actions in our Sustainability Strategy
 - Further reducing our carbon footprint and calculate Scope 3 emissions
 - beginning to reduce energy use through retrofitting and smart metering with the rollout of our three-year Warm Homes project beginning in this financial year 2025/26.
- **Strengthening our procurement practices to increase cost efficiency by:**
 - Implementing refreshed procurement practices aligned with the Procurement Act 2023
 - performing a strategic review of high-cost service areas with a view to renegotiating service contracts and making savings across our asset management costs.
- **Digital transformation:**
 - We will accelerate the rollout of our digitalisation of rent payments project to support clients with rent payments to help reduce arrears.
 - Make better use of technology to reduce administrative time, improve reporting and enhance operational efficiency.

- **Maximise occupancy rates:** maintain an average occupancy rate of 94%+ across all our units as higher occupancy spreads fixed costs and ensures efficient use of available housing.
- **Colleague retention:** expand colleague wellbeing and training programmes to improve retention.
- **To provide safe housing by ensuring we meet all regulatory compliance:** this includes implementation of Awaab's Law and achieving a Good Ofsted rating for the young people we support.

Conclusion

The past year has been one of challenge and resilience. While external pressures tested our resources and adaptability, we remained focused on delivering value for money through innovation, collaboration, and a continued focus on client outcomes. We remain committed to driving further efficiencies while improving the quality of life for those we support.



Financial performance

(2023/24 figures in brackets)

Background

The 2024/25 financial year presented many challenges which included higher operating costs, funding pressures and the need for increased levels of investment. The economic and political landscape remained uncertain, further regulatory requirements and increased retrofitting costs put further pressure on budgets. Against this backdrop, Transform has demonstrated resilience achieving strong financial results through strategic financial management.

Financial Highlights

- **Turnover from social housing lettings: £9.5 million** (£8.7 million)
- **Total Turnover: £13.6 million** (£12.7 million)
- **Operating Margin (social housing lettings): 10%** (26.5%)
- **Surplus from normal operations before interest: £1.1 million** (£1.5 million)

Turnover

Transform's revenue growth of **£13.6 million** (£12.7 million), an increase of 6.9% on last year, was primarily a result of increased income from existing homes. Income from social housing lettings amounted to **£9.5 million**, an increase of 9% on last year (£8.7million). Support income amounted to **£3.8 million**, an increase of 4.7% on last year.

Operating costs

The operating margin declined due to rising costs, primarily driven by inflation. In addition, operating costs increased by 12% to **£12.5 million** (£11.1 million) due primarily to investing in upgrading older properties to meet health and safety requirements. Ensuring compliance with the Building Safety Act 2022 has also added pressure to expenditure.

Additional cost pressures included increased utility and insurance costs. Recruitment challenges also led to significantly higher-than-budgeted costs on temporary staff, which was in excess of the management cost savings that had resulted from staff vacancies. Furthermore, we scaled up the planned maintenance programme this year.

Although costs have increased, income from support contracts has remained broadly flat, despite the increase in rental income. Continued investment in support services, including strengthening administrative functions, has added further pressure on margins.

Net income

We achieved a bottom-line surplus of **£1.4 million** against £2.1 million last year. The disposal of two properties this year contributed a net £648,000 to the bottom line compared to the merger with CODHAL in the last financial year which contributed £963,000. The actuarial loss in the Pension Deficit scheme was £43,000 up from £31,000 last financial year).

Investment in properties

Government targets require housing providers to retrofit existing housing stock to align with Net Zero targets. While green funding opportunities such as the Warm Homes Fund are available, the upfront cost of installing energy-efficient technologies still represents a significant investment from our reserves. In line with our strategic plans, Transform invested **£1.2 million** (£1.9 million) in improving existing homes during the financial year.



Statement of financial position and cash flow

Transform maintains a strong financial position, supported by a high asset base and healthy liquidity.

At the end of March 2025, the net book value of our properties was **£55 million**, a reduction of £700,000 compared to the previous year. This decrease was due to the disposal of two properties, comprising 16 units of accommodation, which reduced the total number of units owned and managed from 957 to **941**.

The disposals, combined with a reduction in debtors following the receipt of previously accrued income, and partially offset by the repayment of two loans, contributed to an increase in cash reserves of **£510,000** – rising to **£2.4 million** (£1.9 million).

Due to £6.4 million of loans maturing in August 2025, we report an exceptional Net Current Liabilities position of **£5.1 million** at year-end. However, on a like-for-like basis, excluding the impact of loan maturity timing, Net Current Assets would have stood at £814,000 – an increase of £171,000 (27%) from £643,000 in the previous year.

Cash and cash equivalents at year-end totalled **£2.4 million**, reflecting a strong liquidity position.

Capital structure and treasury

As at March 2024, Transform had secured loans of £10 million. Transform uses loans primarily to support development and acquisition activity. We repaid two loans of £1.7 million and repaid £360,000 on other loans, which led to a decrease in interest paid of £185,000. We will refinance £6.5 million of loans in 2025.

Due to higher interest rates currently, we plan to seek opportunities to secure loans on fixed rates when interest rates fall below our business plan assumptions, which will provide greater financial certainty. Currently, 88% of our existing loans are secured on a fixed-rate basis; the weighted average cost of capital is 3.4% (3.8%). We regularly review cash flow risks as part of our risk management procedures.

Accounting policies

These financial statements have been prepared in accordance with all applicable law and United Kingdom Accounting Standards, including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), Housing SORP 2028 and Accounting Direction for Private Registered Providers of Social Housing 2022.

Reserves policy

The Board reviews our reserves policy periodically. Total reserves at year end were £31.1 million (£29.9 million). We hold the following reserves:

- Restricted reserves of £182,000 (£459,000).
- Designated reserves of £250,000 (£250,000) set aside to meet Energy Performance Certificate targets for 2030 and Decent Homes Standard Costs.
- Investment in housing properties of £30 million (£29 million).
- Unrestricted reserves of £715,000 (£339,000) generated from normal operations.
- Transfers between funds primarily represent funds designated by the Board for specific purposes.

Fundraising

Transform raised **£72,000** this year through grants, events, and appeals. These funds provided, move-on support grants and help with education, training and community activities. We completed a self-assessment against the Fundraising Regulator's Code of Practice and achieved full compliance.

In addition, in 2024/25, we were awarded **£75,000** from the Surrey Household Support Fund. **£5,000** of these funds are allocated in the next financial year for clients to be used. This helped clients with essentials such as food and energy costs. We developed a new *Fundraising Strategy*, with input from the Client Forum and Client Experience and Impact Committee.



Going concern

The Board of Trustees have undertaken a detailed review of Transform's financial position and its ability to continue as a going concern. We have a 30-year finance plan which evidences that we can service our debts while continuing to comply with lenders' covenants.

We stress test the plan against key strategic risks, including multivariant scenarios. These scenarios include the impact of sensitivities on Transform's cash flow requirements and its covenant compliance. Mitigating actions have been identified for all scenarios to manage potential impacts on cash flows and liquidity. This stress testing has evidenced that the finance plan is robust, and that Transform is able to meet its obligations.

The 30-year Finance Plan takes account of the following factors:

- Projected income from rents, service charges, and support contracts with public authorities a large proportion of which is fixed income.
- Operational expenditure which meets the cost of maintaining our housing stock and delivering essential services to tenants.
- Capital expenditure requirements for the year ahead which includes meeting the anticipated impact of the soon to be updated Decent Homes Standard, lifecycle costings and the costs of meeting our EPC Band C target within the next five years.
- Cash flow forecasts for the next 12 months.

We have considered our Reserve levels and Liquidity, particularly our existing loan agreements and debt repayment schedules, and our ability to meet financial obligations as they fall due. As one of our two main loans matures within the next 12 months, we have secured a Revolving Credit Facility with our key lender as a long-term arrangement to cover that tranche of funding.

We have considered Regulatory Compliance, which includes adherence to lender covenants associated with our loans, and do not anticipate any breaches.

We have also included the impact of any relevant changes in government policy, funding availability, and macroeconomic factors such as interest rates and inflation and its impact on the organisation.

While we assess Transform to be a going concern, we have also identified certain risks that could potentially adversely impact on our service provision. These risks include:

- Rent arrears and voids: Increases in rent arrears or a significant reduction in occupancy could reduce Transform's income.
- Government funding: any potential reduction in local authority funding or changes to housing benefit regulations could affect revenue streams or operating costs.
- Economic factors: Increases in inflation, interest rates, or other economic conditions could impact the cost of borrowing, operational costs, and / or Transform's ability to manage debt.

However, Transform is implementing strategies to mitigate these risks. We are ensuring that our services remain of high quality and of strategic relevance to commissioners, alongside maintaining sufficient reserves. The Board is confident that Transform has sufficient controls, systems, and strategic measures in place to address these challenges.

As a result, The Board of Trustees has concluded that Transform has sufficient resources and no material uncertainties that would cast significant doubt upon its ability to continue its activities for the foreseeable future, which is at least 12 months from the date of these financial statements being signed, and confirms that it is appropriate to prepare the financial statements on a going concern basis.



Statement of Board responsibilities

The Board is responsible for preparing this report in accordance with applicable law and regulations. Company law requires the Board to prepare financial statements for each financial year. Under that law, the directors have elected to prepare them in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards as reflected in FRS102 and applicable laws).

Under company law, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation and surplus or deficit of the company for that period.

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

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers update 2018, have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is responsible for keeping proper accounting records and Trustees must be able to disclose, with reasonable accuracy, at any time the financial position of the company and enable it to ensure that the 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 also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each member of the Board is aware:

- there is no relevant audit information of which the Transform's auditor is unaware; and
- the Board has taken all the steps required to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information, including that which is provided on Transform's website.

Internal control framework

The Board acknowledges its overall responsibility for establishing and maintaining the system of internal controls and for annually reviewing its effectiveness. The system of internal controls is designed to manage, rather than to eliminate, the risk of failure to achieve the business objectives and to provide reasonable assurance against material misstatement or loss. The process of identifying, evaluating, and managing significant risks facing the organisation is ongoing. It has been in place from 1 April 2024 to the date of Board approval (31 July 2025).

The key elements of the framework include:

Internal audit

The Board delegated responsibility for overseeing the adequacy and effectiveness of the internal control system to the Audit & Risk Committee. The internal auditors RSM UK reported directly to the Committee and a risk-based internal audit plan was prepared and approved by the Committee. The Committee subsequently monitored the programme of internal audits and received assurances to confirm that recommendations had been implemented as agreed. Follow-up internal audit reviews were undertaken to check recommendations had been implemented. RSM UK, completed the third year of their contract with Transform during 2024/25.

External audit

The Board appointed new external auditors, Crowe UK LLP in February 2025. The work of the external auditors provides assurance through the audit plan detailing the scope of work which is approved by the Audit & Risk Committee, together with the resulting audit report and management letter setting out their findings. Regular meetings are held with the external auditors to provide an update on changes in the business and to discuss strategic and technical matters. This includes the opportunity of a confidential meeting with members of the Audit & Risk Committee without officers present at least once a year.

Performance monitoring framework

Key performance indicators were produced regularly and reported through the Executive Team, Committees and the Board. These reports include performance-monitoring on client services; client satisfaction and complaints; compliance; asset management; development; colleague engagement and financial results.

Anti-fraud

We maintain a fraud register which is inspected by the internal auditors, together with regular updates reporting any such occurrences to the Audit & Risk Committee. During the year 2024/25 there were no such incidents of fraud reported.

Regulatory reporting

Transform submitted a range of regulatory returns to the Regulator of Social Housing and the Charity Commission. The Executive Team ensures that regulatory matters are dealt with promptly and efficiently, co-ordinates the self-monitoring system operated by the Board and monitors compliance with the required standards.

By order of the Board.



Olliver Smedley
Chair, 31 July 2025





Auditor's report and financial statements

Auditor's report

Crowe U.K. LLP

Report of the independent auditor to the members of Transform Housing & Support

Opinion

We have audited the financial statements of Transform Housing & Support for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position 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 charitable company's affairs as at 31 March 2025 and of the incoming resources and application of resources 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 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, on page 40, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006., the Housing and Regeneration Act 2008, the Charities Act 2011, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the revenue recognition on grants and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vincent Marke
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date: 11 September 2025

Financial statements and notes to the accounts

Statement of Comprehensive Income for year ending 31 March 2025

	Note	2025 Continuous Operations £000s	2024 Continuous Operations £000s
Turnover	1	13,551	12,725
Operating costs	1	(12,472)	(11,149)
Disposal of housing properties	7	648	63
Gross surplus		1,727	1,639
Exceptional gains from			
Donation of CODHAL Assets	23	0	963
Operating surplus		1,727	2,602
Interest receivable	5	28	37
Interest and other financing costs	6	(322)	(507)
Surplus for the financial year		1,433	2,132
Other comprehensive income			
Actuarial loss in respect of pension scheme		(43)	(12)
Total comprehensive income for the year		1,390	2,120

All amounts derive from continuing activities unless shown above. The Statement of Comprehensive Income includes all gains and losses recognised in the period. The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 March 2025

		2025	2024
	Note	£000s	£000s
Tangible fixed assets			
Housing Properties	9	54,730	55,477
Other tangible fixed assets	10	590	776
Total Tangible fixed assets		55,320	56,253
Current assets			
Trade and other debtors	11	852	1,362
Cash and cash equivalents	12	2,393	1,884
		3,245	3,246
Creditors: amounts falling due within one year	13	(8,327)	(2,603)
Net current (liabilities)/assets		(5,083)	643
Total assets less current liabilities		50,237	56,896
Less: Creditors – amounts falling due after more than one year	14	(18,757)	(26,824)
Provision for liabilities			
Defined benefit pension scheme	28	(189)	(178)
Other provisions for liabilities and charges	27	(145)	0
Net assets		31,147	29,894
Capital and reserves:			
Unrestricted reserves	22	30,965	29,435
Restricted reserves	21	182	459
		31,147	29,894

The accompanying notes form part of these financial statements. The financial statements were issued and approved by the Board on 31 July 2025.

Company number: 01057984



Oliver Smedley
Chair



Julie Bradley
Chair of the Audit & Risk Committee



Mandy Arnold
Company Secretary

Statement of changes in reserves for the year ended 31 March 2025

			General reserves		
	Restricted reserves	Designated reserves	Invested in properties	Free reserves	Total
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2023	409	250	26,996	119	27,774
Surplus for the year	0	0	0	2,132	2,132
Other comprehensive income for the year	0	0	0	(12)	(12)
Transfer between reserves	50	0	1,850	(1,900)	0
Balance at 31 March 2024	459	250	28,846	339	29,894
Surplus for the year	0	0	0	1,433	1,433
Other comprehensive income for the year	0	0	0	(43)	(43)
Adjustment relating to prior year	0	0	0	(137)	(137)
Transfer between reserves	(277)	0	1,154	(877)	0
Balance at 31 March 2025	182	250	30,000	715	31,147

The adjustment in reserves arises from a prior year reclassification.
The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 31 March 2025

		2025	2024
	Note	£000s	£000s
Net cash generated from operating activities	A	2,386	2,205
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,136)	(1,410)
Proceeds from sale of tangible fixed assets		1,535	276
Cash received on merger		0	392
Merger expenses		0	(49)
Grants received		160	1,112
Interest received		28	37
Net cash generated from / (used in) investing activities		587	358
Total		2,973	2,563
Cash flow from financing activities			
Interest paid		(404)	(557)
Repayment of borrowings		(2,060)	(1,360)
Net cash used in financing activities		(2,464)	(1,917)
Net change in cash and cash equivalents		509	646
Cash and cash equivalents at:			
Beginning of the year		1,884	1,238
End of the year		2,393	1,884

The accompanying notes form part of these financial statements.

Notes to the statement of cash flows

Cash flow from operating activities	2025	2024
	£000s	£000s
Surplus for the year	1,433	2,132
Adjustments for non-cash items		
Surplus on disposal of property, plant and equipment	(648)	(63)
Depreciation of tangible fixed assets	1,201	1,161
Amortisation of loan arrangement fee	14	130
Donation of CODHAL assets	0	(963)
Total	2,000	2,397
Movements in working capital		
Decrease/(increase) in debtors	510	(349)
(Decrease)/increase in creditors	(267)	(57)
Total	2,243	1,991
Adjustments for investing or financing activities		
Government grants utilised in the year	(200)	(218)
SHPS pension costs	(32)	(38)
Interest payable	403	507
Interest received	(28)	(37)
Net cash generated from operating activities	2,386	2,205

Notes to the statement of cash flows

B Analysis of changes in net debt	At April 2024	Cashflow	Non-cash changes	Total
	£000's	£000's	£000's	£000's
Housing Loans				
Due in less than one year- mortgage loan	(360)	360	(6,360)	(6,360)
Due in less than one year- loan issue costs	14	(14)	0	0
Due after more than one year- mortgage loan	(11,720)	1,700	6,360	(3,660)
Mortgage loan balance	(12,066)	2,046	0	(10,020)
Cash at bank and in hand	1,884	509	0	2,393
At 31 March 2025	(10,182)	2,555	0	(7,627)

Notes to the financial statements

Legal status

Transform Housing & Support is:

- registered under the Companies Act 2006, and is a company limited by guarantee (registered in England and Wales with number 01057984)
- registered with the Regulator of Social Housing (H2452)
- a registered charity with the Charity Commission (264133)
- regulated by the Fundraising Regulator.

A description of the nature of Transform's operations and its principal activity is disclosed in the Trustees' Report. Transform's objectives are to provide housing and support services and to improve the wellbeing for vulnerable and socially excluded clients and is therefore considered as a Public Benefit Entity (PBE), in accordance with FRS 102.

Accounting policies

The principal accounting policies are summarised below. Except as explained below, they have all been applied consistently throughout the year and to the preceding year.

Basis of accounting

The financial statements have been prepared in accordance with the UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers. They comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Financial Statements are presented in Sterling.

Significant management judgements

There were no significant judgements in applying the accounting policies for the company that have the most significant effect on the amounts recognised in the financial statements.

Other key sources of estimation uncertainty

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

- **Impairment review:** Impairment of Transform properties is considered annually. In making the judgement, management considers the condition and current use of the property. We have carried out a review for impairment from surveys done by Rand and Associates. No structural defects or significant areas of impairment were identified. There have been no impairments in the current or prior year.

- **Defined benefit obligation:** management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rate of inflation, mortality, discount rate and anticipation of future salary increases. There are no active members within the company's defined benefit plan. The inflation rate assumption (CPI) was changed from the actuarial rate of 2.73% to 3% as we considered this rate to be more reflective of the current economic environment and the discount rate was changed from 5.63% to 5.4% which is 2% above Transform's current WACC rate. All other assumptions were in line with actuarial recommended rates. This increased our liability by c£39,000. Variations in these assumptions may significantly impact the liability and the annual defined benefit expenses (see note 26). The net defined benefit pension liability at 31 March 2025 was £189,000. (2023/24 £178,000).
- **Useful lives of depreciable assets:** if there are any changes in circumstances, e.g. impairment, management reviews its estimate of the useful lives of depreciable assets including any components. Uncertainties in the estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. As at 31 March 2025, the carrying amount of the housing properties was £65.5 million and accumulated depreciation was £10.7 million.

Turnover and revenue recognition

Turnover represents the income received or receivable from the following sources:

Rental and service charge income – this income is in respect of the year, net of any voids. The rental and service charge income from properties developed during the year is recognised from the point at which these properties reach practical completion or are otherwise available for letting. The enhanced housing management fees receivable that is funded by housing benefit is also included here.

Housing related support income – income is recognised as it falls due under the contractual agreements. The 'block subsidy' housing related support income is classed as social housing income and 'block gross' income as other social housing income in the Statement of Comprehensive Income.

Charitable donations – grants and donations from charitable trusts and voluntary sources for the development of property or for the acquisition of other tangible fixed assets are treated as income. Income is recognised on any significant pledges, only after the grant conditions are fulfilled.

Donation of net assets – in a merger or otherwise, when an entity donates its assets and liabilities to Transform, the donated assets and liabilities are recognised at their fair value. Any excess of the net fair value of assets and liabilities donated over costs incurred is then recorded as an exceptional income within the Statement of Comprehensive Income. This income is recognised, on legal completion of the agreement for the transfer of engagement.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortisation cost model. Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At the year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure account. Transform's significant financial liability is the bank loan, and this is classed as a basic financial instrument, measured at amortised cost.

Housing properties and depreciation

These properties are held for the provision of social housing or otherwise to provide social benefit. Housing properties are principally properties available for rent and stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring the land and building, development costs and the interest cost capitalised during the development period.

Works to existing properties which replaces a component that has been treated separately for depreciation purposes, along with those works that result in increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are stated at cost and are not depreciated. Donated land and other assets are included within costs at fair value, at the time of the transfer.

The property disposals are recognised in the financial statements only when the legal completion for the transaction is concluded, realising any surplus or deficit on the disposal.

Depreciation is charged over the estimated useful lives of the structure and major components of the housing properties, so as to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated economic life. No depreciation is charged on freehold land. Leasehold properties are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter. Depreciation is charged on qualifying fixed assets on the following estimated useful lives.

Components identified within housing properties	
Structure	100 years
Roofs	70 years
Flat roofs	15 years
Windows	30 years
Kitchens	15-20 years
Bathrooms	25-30 years
Boilers	15 years
Fire doors	30 years
Other building facilities	10 years

Other fixed assets	
Furniture and fittings	7 years
Office equipment	7 years
Office fittings	10 years
Specialist software	7 years
Computer equipment	3 years

Impairment of housing properties

Transform undertakes impairment reviews of housing properties in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for registered social housing providers. Reviews are performed annually and whenever events or changes in circumstances indicate that the Net Book Value (NBV) of a property may not be recoverable.

Indicators of impairment include physical or structural damage, significant changes in demand or prolonged void periods, adverse movements in Net Present Value (NPV), regulatory or policy changes affecting usability and periodic market or existing use valuations. Where such indicators exist, the NBV of the asset is compared to its recoverable amount, being the higher of (a) fair value less costs to sell and (b) value in use, which represents the future economic benefits or service potential expected from continued use of the property.

For supported housing schemes, management recognises that properties are held not only to generate cash flows but also to provide additional social value. Accordingly, the recoverable amount for these properties is assessed using the higher of fair value less costs to sell and Value in Use – Service Potential (VIU-SP). VIU-SP may be measured using the Depreciated Replacement Cost (DRC) methodology, which reflects the cost of acquiring or rebuilding an equivalent property, adjusted for age and condition, where no active market exists.

Any excess of NBV over the recoverable amount is recognised as an impairment loss in the Statement of Comprehensive Income, and the NBV is adjusted accordingly. This process is applied consistently across the property portfolio and undertaken annually, or more frequently if triggering events occur.

We carried out an impairment review this year based on surveys conducted by Rand and Associates. No structural defects or significant areas of impairment were identified, and there have been no impairments recognised in either the current or prior year.

Government grants

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in turnover over the estimated useful life of the housing property structure, under the accrual model. Revenue grants are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current liabilities. Government grants released on the sale of the property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and are included in the balance sheet in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specific future performance conditions is recognised as revenue when the grant proceeds are received. A grant that imposes specific future performance - related conditions on the Company is only recognised when these conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and the rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases. Rental payable under operating leases is charged to income and expenditure on a straight-line basis over the lease term. With regard to lease incentives, the aggregate benefits of the lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

Cash and cash equivalents

This includes all forms of cash and deposits repayable on demand, overdraft repayable on demand and short-term deposits held with various banks. These cash balances are used in our cash flow statements and future cash projections.

Interest payable

Interest costs are capitalised on borrowing to finance the development of qualifying assets to the extent that it accrues in respect of the period of the development. Other interest payable is charged to the Statement of Comprehensive Income.

Pension

Transform participates in two defined contribution pension schemes – the group personal pension scheme operated by Royal London and the Social Housing Pension Scheme (SHPS) defined contributions scheme – as well as the SHPS multi-employer defined benefits scheme.

Defined benefit pension scheme

For the SHPS, the association has been able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and has applied defined benefit accounting from this date onwards. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. This has been recognised within the defined benefit pension scheme on the face of the statement of financial position. The current service cost and costs from settlements and curtailments are charged against operating surplus. Interest is calculated on the net defined liability. Remeasurements are reported in the Statement of Comprehensive Income.

Provision for liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation, at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Value Added Tax

Transform is not registered for Value Added Tax (VAT) and VAT is accounted for as a cost to the organisation within the respective expenditure heading.

Reserves

The reserves comprise the general reserves, the designated reserves and restricted reserves. The restricted reserves are provided by donors to be spent on specific client activities, designated reserves are reserves allocated by the Board for a specific future purpose and general reserves have no restrictions on their use. Transform's reserve policy is shown in the strategic report on page 38.

Free reserves

Free reserves are unrestricted reserves that are currently not invested in the property assets and are freely available to fund charitable activities. Reserves that are invested in property are calculated as being the Net Book Value of the properties, less the grants and loans that part fund these assets. The free reserves are the balance of the unrestricted reserves.

Going concern

In preparing the financial statements, management has assessed the company's ability to continue as a going concern.

In this assessment, management considered all available information about the future, which is at least, but is not limited to, 12 months from the date when the financial statements are authorised.

Transform has considered the business activities and current financial position and the factors that are likely to impact our future development are set out in the Strategic Report. In assessing its future viability, the Board has carried a thorough review of the cash-flow forecast, treasury management policy, compliance with the debt facilities as well as covenants' compliance, liquidity levels and a 30-year financial plan. In addition, the Board stress tested the operating and financial pressures on the business activities and implemented mitigating factors to protect the financial viability of the organisation. Having evaluated the impact on each business activity, the Board is confident that services are well managed and continue to make positive contributions to the organisation.

Furthermore, the company has in place adequate long-term debt facilities to fund commitments on the strategic investments and development programmes, along with the organisation's day-to-day operations. The company long-term business plan reflects a viable financial position capable of servicing these debt facilities whilst continuing to comply with lenders' covenants.

A wide range of multivariant stress tests have been run and are regularly monitored in the risk register, these include economic risk exposure from inflation, interest rates and economic downturn. Transform had adopted various approaches to mitigate against risks for example delaying uncommitted non-essential expenditure, implementing efficiencies in our procurement processes, closely monitoring increased regulatory costs e.g. fire safety costs and the appropriate governance support has been factored in for all scenarios. This stress testing found that the business plan is robust and does not affect the company's ability to meet its obligations.

On this basis, the Board has reasonable expectation that Transform has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and the financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

1. Particulars of Turnover, Operating Costs and Operating Surplus

2025	Note	Turnover	Operating Costs	Operating Surplus
		£000s	£000s	£000s
Continuing social housing lettings	2	9,537	(8,583)	954
Other social housing activities				
Housing-based support income		3,828	(3,833)	(5)
Fundraising income	21	142	(56)	86
Other income		44	0	44
Total		13,551	(12,472)	1,079
Gain on disposal of property, plant and equipment	7			648
Donation of CODHAL net assets	23			0
Operating Surplus				1,727

2024	Note	Turnover	Operating Costs	Operating Surplus
		£000s	£000s	£000s
Continuing social housing lettings	2	8,816	(7,440)	1,376
Other social housing activities				
Housing-based support income		3,628	(3,648)	(20)
Fundraising income	21	184	(61)	123
Other income		97	0	97
Total		12,725	(11,149)	1,576
Gain on disposal of property, plant and equipment	7			63
Donation of CODHAL net assets	23			963
Operating Surplus				2,602

2. Particulars of turnover and operating expenditure from social housing lettings

	Note	General Needs	Supported housing (including housing for older people)	2025	2024
		£000s	£000s	£000s	£000s
Rent receivable net of identifiable service charges		33	5,975	6,008	5,616
Service charge income		2	3,327	3,329	2,982
Amortised Government grants		1	199	200	218
Turnover from social housing lettings	1	36	9,501	9,537	8,816
Expenditure on social housing lettings					
Services		4	(3,154)	(3,150)	(2,150)
Management		(1)	(2,053)	(2,054)	(2,257)
Routine maintenance		(2)	(1,576)	(1,578)	(1,497)
Planned maintenance		0	(387)	(387)	(104)
Bad debts		(6)	(48)	(54)	(84)
Lease charges		0	(372)	(382)	(382)
Property depreciation		(6)	(983)	(989)	(921)
Abortive costs		0	0	0	0
Intensive housing management, support and other		0	0	0	(45)
Operating expenditure on social housing lettings		(11)	(8,573)	(8,594)	(7,440)
Operating surplus on social housing lettings				943	1,376
Rent losses due to voids				(395)	(338)

3. Directors' emoluments and expenses

For the purpose of this note, the directors are defined as the Board Members and members of the Executive Team as shown on page 4. None of the Board members received any emoluments.

	2025	2024
	£000s	£000s
Aggregate emoluments and expenses payable to key management personnel:		
Executive Team	617	586
The highest paid Executive:		
Emoluments	139	116
Pension contributions	15	12

The Executive team represents the key management personnel under FRS 102 and their aggregate emoluments including employer's national insurance contributions were £676k (2024: £643k). There were no compensation payments for loss of office to any previous members of the Executive Team (2024: nil).

The Chief Executive was the highest paid Executive member during the year. His pension arrangements are similar to those of other colleagues – a money-purchase pension scheme with no additional benefits.

4. Employee Information

The average number of employees employed (Headcount)	2025	2024
Housing and support staff	92	83
Administration staff	37	34
Maintenance staff	6	7
Total	135	124

The average number of employees employed (FTE's)	2025	2024
Housing and support staff	80	73
Administration staff	32	30
Maintenance staff	6	7
Total	118	110
The number of full time employees is calculated based on a 39 hour working week		

Staff costs for the above persons:	2025	2024
	£000s	£000s
Wages and salaries	4,229	3,790
Social Security Costs	369	337
Other Pension Costs	195	172
Total	4,793	4,299

The number of full time equivalent staff who received remuneration (including pension shown in the following bands:	2025	2024
More than £60,000 but not more than £70,000	3	2
More than £70,000 but not more than £80,000	1	1
More than £80,000 but not more than £90,000	4	2
More than £120,000 but not more than £130,000	0	1
More than £150,000 but not more than £160,000	1	0

5. Interest Receivable

Interest Receivable	2025	2024
	£000s	£000s
Interest from bank deposits	28	37

6. Interest and financing charges

	2025	2024
	£000s	£000s
Interest payable on bank loans	314	557
Interest capitalised on properties under construction	0	(59)
Net interest expense on SHPS pension scheme	8	9
Total	322	507

7. Surplus on disposal of housing property

	2025	2024
	£000s	£000s
Disposal proceeds less selling costs	1,550	276
Carrying value of fixed asset	(902)	(213)
Total	648	63

There were no capital grants allocation that required recycling.

8. Surplus for the year

	2025	2024
The operating surplus is arrived at after charging:	£000s	£000s
Depreciation of housing properties	989	921
Depreciation of other tangible fixed assets	212	240
Surplus/(loss) on sale of fixed assets – housing properties	648	63
Impairment of housing properties		
Operating lease rentals:		
Land and buildings	534	349
Other leases	42	21
Auditor's remuneration (excluding VAT):		
Audit fees	42	37
Other services	5	8

9. Housing Properties

	Social housing properties for letting £000s	Housing properties under construction £000s	Total housing properties £000s
Cost:			
At 1 April 2024	65,588	0	65,588
Additions	0	0	0
Works to existing properties	1,163	0	1,163
Completed Properties	0	0	0
Disposals	(1,279)	0	(1,279)
At 31 March 2025	65,472	0	65,472
Depreciation			
At 1 April 2024	(10,111)	0	(10,111)
Charges for the period	(989)	0	(989)
Impairment	0	0	0
Disposals	358	0	358
At 31 March 2025	(10,742)	0	(10,742)
Net Book value:			
At 31 March 2025	54,730	0	54,730
At 31 March 2024	55,477	0	55,477

	2025	2024
Housing properties book value, net of depreciation comprises:	£000s	£000s
Freehold land and buildings	45,604	46,351
Long leasehold land and buildings	7,507	7,507
Short leasehold land and buildings	1,619	1,619
Total	54,730	55,477

10. Other Fixed Assets

	Furniture & equipment	Office equipment	Computers	Office fittings	Motor vehicles	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Cost						
Opening balance	787	21	649	339	20	1,816
Additions	3	0	25	0	0	28
Disposals	0	0	0	0	0	0
Cost Carried Forward	790	21	674	339	20	1,844
Depreciation						
Opening Balance	(406)	(21)	(440)	(163)	(11)	(1,041)
Charge for the year	(83)	0	(94)	(31)	(4)	(212)
Disposals	0	0	0	0	0	0
	(489)	(21)	(534)	(194)	(15)	(1,253)
Net Book Value						
at 31 March 2025	301	0	140	145	5	591
at 31 March 2024	381	0	209	176	9	775

11. Debtors

	2025	2024
	£000s	£000s
Due within one year		
Rent and service charges receivable	863	703
Less: Provision for bad and doubtful debts	(455)	(472)
	408	231
Trade debtors	89	450
Other debtors	255	549
Prepayments and accrued income	100	132
Total	852	1,362

12. Cash and cash equivalents

	2025	2024
	£000s	£000s
Cash in bank and in hand	2,393	1,884

13. Creditors: amounts falling due within one year

	2025	2024
	£000s	£000s
Housing loans	6,360	346
Deferred grant income	204	237
Trade creditors	456	916
Loan interest due	0	59
Rent and service charges received in advance	426	250
Recycled Capital Grant	0	0
Capital accruals and retentions	47	43
Other creditors	137	325
Other taxation and social security	127	143
Other accruals & deferred income	570	284
Total	8,327	2,603

14. Creditors: Amounts falling due after more than one year

	2025	2024
	£000s	£000s
Housing loans	3,660	11,720
Deferred grant income	15,097	15,104
Total	18,757	26,824

15. Deferred grant income

	2025	2024
	£000s	£000s
Balance at 1 April 2024	15,341	15,269
Grant receivable in the year	160	240
Grant transferred (to)/from (RCGF) Recycled Capital Grant Fund	0	50
Released to Statement of Comprehensive Income	(200)	(218)
Balance at 31 March 2025	15,301	15,341
Amount to be released < 1 year	204	237
Amount to be released > 1 year	15,097	15,104
Total Balance	15,301	15,341

The above summary excludes grants transferred through past mergers; the total grants received to date in respect of properties owned are detailed in note 20.

16. Housing loan debt analysis

	2025	2024
	£000s	£000s
Due within one year	6,360	360
Due after more than 1 year	3,660	11,720
Loan issue costs	0	(14)
Total	10,020	12,066

We have the following loan facilities in place:

Barclays Bank (Facility A) £5.6 million – £4.0 million drawn (2024 – full drawn) (expires July 2029).

Barclays Bank (Facility B) £6.5 million – £6.0 million drawn (2024 – full drawn) (expires August 2025).

The final repayment date of Tranche B of the current loan facility has been extended by one month by Barclays, with an option to extend by a further two months while the new Revolving Credit Facility is being put in place.

Repayment profile:

Within one year: £6.4 million (2024 – £0.4 million).

One year or more but less than two years: £0.0 million (2024 – £6.9 million).

Two years or more but less than five years: £3.6 million (2024 – £1.0 million).

More than five years: £0.0 million (2024 – £3.8 million).

Of the drawn loan facility £8.8 million is on fixed interest rates and divided into several fixed-rate loan tranches with Barclays. These tranches have different interest rates ranging from 2.7% to 5.5% and varying maturity dates. Once they mature, all tranches revert to variable rates.

The remainder is comprised of floating rate loans, with interest that is based on SONIA (Barclays) rate. The loan facilities are secured by fixed charges on a selected property portfolio.

17. Recycled Capital Grant Fund

	2025	2024
	£000s	£000s
At 1 April	0	50
Grant recycled	0	(50)
Grant repaid	0	0
Interest on grant fund	0	0
	0	0
Due within one year	0	0
Due after more than one year	0	0

Grants used in the purchase of Goodwyns Road in the previous financial year.

18. Financial commitments

	2025	2024
	£000s	£000s
Capital Expenditure		
Capital expenditure	0	0
Expenditure authorised by the Board, and contracted for	0	140
Expenditure authorised by the Board, but not yet contracted	0	140

The above commitments will be funded by a combination of Social housing grants, loan finance, fundraising and internally generated reserves.

Operating leases

As at 31 March 2025, Transform had annual commitments under non-cancellable operating leases as follows:

Operating Leases Minimum Payments	2025 Property	2025 Others	2024 Property	2024 Others
	£000s	£000s	£000s	£000s
Within one year	303	7	349	11
Within two to five years	695	0	1,242	10
Over 5 years	942	0	1,206	0
Total	1,940	7	2,797	21

Financial Commitments 2024/25

The Board have not committed to any expenditure for 2024/25 financial year.

19. Social housing units

Social rented stock	2025	2024
Supported housing	754	751
Housing for older people	97	113
Affordable general needs	2	2
Affordable rent supported housing/housing for older people	88	91
Total	941	957

20. Government grants

	2025	2024
	£000s	£000s
Total grants received		
Grants credited to the Statement Of Comprehensive income statement or arising on merger/acquisition	0	11,045
Deferred Grants (note 15)	15,301	15,341
Total	15,301	26,386

Government grants are Social Housing Grants and other grants received to enable us to acquire properties for social housing use. Should the properties to which the grants relate ceases to be used for social housing, the grants may be repayable in full.

21. Fundraising activities

	2025	2024
	£000s	£000s
Fundraising cash generated	142	184
Fundraising Costs	(56)	(61)
Net Fundraising contributions	86	123
Return On Investment (ROI)	2.54	3.02
Fundraising costs ratio	39%	33%
Allocation of Funds		
Capital		
Bathroom replacements for Young People	0	48
Mitchell Place	0	50
Total	0	98
Revenue		
Surrey County Council	70	23
Restricted donations	10	
Unrestricted donations	62	63
Total	142	86

1. The restricted donation of £10,000 was from B&Q for young people at The Crescent project.
2. We received £75,000 from Surrey County Council, £5,000 was granted to tenants in the next financial year.

21. Fundraising activities continued

Restricted Funds					
Donor	Type of Restriction	Balance B/F 2023/24	Income Received/ Transfers	Expenditure	Balance C/F 2024/25
		£000s	£000s	£000s	£000s
Transform 50th Anniversary	New property	31	0	0	31
Story of Christmas	Young people bathroom replacements	48	0	(48)	0
Surrey County Council	Surrey hardship fund	23	0	(23)	0
Restricted Donations to Teams	Team	206	0	(206)	0
Restricted to The Crescent	Team	28	0	0	28
Neighbourly B & Q Foundation	Young people at the Crescent		10	(10)	0
Legacy income	Wokingham	97	0	0	97
Trust Fund	Brooklyn Heights	26	0	0	26
Total		459	10	(287)	182

The balance of the fundraising donations we received in this financial year of £62k was unrestricted.

22. Reserves

Reserves	2025	2024
	£000s	£000s
Income and expenditure		
As at 1 April 2024	29,435	27,365
Surplus/deficit for the year	1,390	2,120
Transfer between funds	140	(50)
As at 31 March 2025	30,965	29,435
Analysed as:		
Invested in housing properties	30,000	28,846
Restricted	182	459
Designated	250	250
Free reserves	715	339
As at 31 March 2025	31,147	29,894

Unrestricted funds	Designated	Invested in property and other fixed assets	Free reserves	Total
	£000s	£000s	£000s	£000s
Balance at 1 April 2023	250	26,996	119	27,365
Surplus for the year	0	0	2,132	2,132
Other comprehensive income for the year	0	0	(12)	(12)
Transfer between reserves	0	1,850	(1,900)	(50)
Balance at 31 March 2024	250	28,846	339	29,435
Surplus for the year	0	0	1,433	1,433
Other comprehensive income for the year	0	0	(43)	(43)
Adjustment relating to prior year			(137)	(137)
Transfer between reserves	0	1,154	(877)	277
Balance at 31 March 2025	250	30,000	715	30,965

23. Donation of CODHAL net assets

31 Mar 2025	Book value	Restated to fair value	Fair value to Transform
	£000s	£000s	£000s
Housing property	0	0	0
Debtors	0	0	0
Short term liabilities	0	0	0
Cash	0	0	0
Less merger costs	0	0	0
Net Donation 31 March 2025			0

31 Mar 2024	Book value	Restated to fair value	Fair value to Transform
	£000s	£000s	£000s
Housing property	539	0	620
Other fixed assets	0	0	0
Debtors	0	0	0
Short term liabilities	0	0	0
Cash	392	0	392
	931	0	1,012
Less merger costs			(49)
Net Donation 31 March 2024			963

The intention is to use the cash received to re-provide services in the Dorking area.

24. Related party transactions

The members of the Board and Executive Team are considered related parties as defined by FRS 102. Transform retains a register of members' interests. We can confirm that we do not have any transactions that require disclosure.

25. Taxation Status

Transform is a registered charity and as such is exempt from taxation on its charitable activities.

26. Share capital

Transform is limited by guarantee and therefore has no share capital. Each member (see numbers below) agrees to contribute £5 in the event of the organisation winding up.

Number of members	2025	2024
At 1 April 2024	22	22
Joining during the year	3	1
Leaving during the year	(2)	(1)
At 31 March 2025	23	22

27. Provision for liabilities

	2025	2024
	£000s	£000s
Dispute in lease charges	145	0
Total	145	0

This provision relates to disputed rent charges with a leaseholder.

28. Social Housing Pension Scheme (SHPS)

Transform Housing & Support participates in SHPS, a multi-employers defined benefit pension scheme.

Membership – The scheme is closed to new members and to the future accrual of benefits. There are currently 2 (2024 – 5) deferred members and 9 (2023 – 73) pensioners.

Valuation – The most recent formal actuarial valuation was completed as at 30 September 2024 and rolled forward allowing for the different financial assumptions required under FRS 102 to 31 March 2025 by a qualified independent actuary. The net liabilities of the scheme were £189,000 (2024 – £198,000), comprising pension liabilities of £0.9 million (2024 – £1.0 million) and scheme assets of £0.8 million (2024 – £0.8 million). The scheme is immaterial to the financial statements so a more detailed analysis of the scheme's finances is not provided.

Withdrawal from scheme – The SHPS is a multi-employer scheme which provides benefits to some 500 non-associated employers. This is administered by The Pension Trust and is a defined benefit scheme in the UK. SHPS is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. SHPS is classified as a 'last-man standing arrangement'. Therefore the organisation is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. The most recent estimated debt on withdrawal figure for Transform is £330, 270.

Contingent liability – We have been notified by the trustee of the scheme that it has carried out a review of the changes made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has been advised to seek clarification from the court on these items. During 2024/25, this process is still ongoing, and the matter is unlikely to be resolved before the end of the calendar year 2025 at the earliest. It is recognised that this could potentially impact the value of scheme liabilities, but until court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time.

No adjustment has been made in these financial statements in respect of this potential issue.

Present value of defined benefit obligation

	31 Mar 2025	31 Mar 2024
	£000s	£000s
Fair value of plan assets	791	812
Present value of the scheme liabilities	890	1,003
Deficit in plan	(189)	(198)
Defined benefit liabilities to be recognised	(189)	(198)

Reconciliation of the opening and closing present value of scheme liabilities

	2025	2024
	£000s	£000s
Opening scheme liability	990	1,003
Expenses	3	3
Interest expense	47	48
Actuarial (losses)/gains	(1)	(13)
Net benefits paid	(59)	(57)
Closing scheme liability	980	1,010

Reconciliation of the opening and closing balances of the fair value of the plan assets

	2025	2024
	£000s	£000s
Opening fair value of the plan assets	812	808
Interest income	39	39
Return on plan assets	(44)	(18)
Contributions by the employer	43	40
Benefits paid	(59)	(57)
Fair value of assets	791	812

The actual return on plan assets (including any changes in share assets) over the period from 31 March 2024 to 31 March 2025 was (£5,000).

Amounts recognised in the surplus

	2025	2024
	£000s	£000s
Amounts charged to operating costs	3	3
Amounts charged to interest costs	8	9
Total charge for the year	11	12

Defined benefits costs recognised in the other comprehensive income

	2025	2024
	£000s	£000s
Experience to plan assets (excluding amounts included in net interest cost) – gain (loss)	(44)	(18)
Experience gains and losses arising on plan liabilities – gain (loss)	(30)	3
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	31	14
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	(43)	(30)
Total amount recognised in other comprehensive income – gain (loss)	(43)	(31)

Assets

	31 Mar 2025 £000s	31 Mar 2024 £000s
Global equity	89	81
Distressed opportunities	0	29
Credit relative value	0	27
Alternative risk premia	0	26
Liquid alternatives	147	0
Emerging markets debt	0	10
Risk sharing	0	47
Insurance-linked securities	2	4
Property	40	33
Infrastructure	0	82
Private equity	1	1
Real assets	95	0
Private debt	0	32
Opportunistic illiquid credit	0	32
Private credit	97	0
Credit	30	0
Investment grade credit	24	0
High yield	0	0
Cash	11	16
Corporate bond fund	0	0
Liquid credit	0	0
Long lease property	0	5
Secure income	13	24
Liability driven investment	239	330
Currency hedging	1	0
Net current assets	2	1
Total assets	791	812

Principal actuarial assumptions: financial assumptions

	31 Mar 2025 % per Annum	31 Mar 2024 % per Annum
Discount rate	5.4	4.84
Future salary increase	3.15	3.22
Inflation (RPI)	3	3
Inflation (CPI)	3.73	3.74
Allowance for commutation of pension for cash at retirement	75% of max. allowance	75% of max. allowance

Mortality assumptions

	31 Mar 2025	31 Mar 2024
	Life expectancy at age of 65 years	Life expectancy at age of 65 years
Male retiring in 2025	20.5	20.5
Female retiring in 2025	23	23
Male retiring in 2045	21.7	21.8
Female retiring in 2045	24.5	24.4

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