Two Rivers Housing

Annual Report and Financial Statements

For the year ending 31 March 2026

Two Rivers Housing

Registered Society Number: RS009498
Regulator Registration Number L4385
FCA Registration Number 9498

Contents

Company Information

The Directors who served from 1 April 2025 up to the date these financial statements were approved were as follows:

Executive Directors

Chief Executive: Kevin Bennett
Appointed in May 2026
Kevin joined us from Housing Plus Group where he was Regional Director for the West. He's a strong advocate for tenants and customers and is dedicated to improving services and making sure that colleagues feel supported to do their best work.

Chief Executive: Hayley Selway BA (Hons) CMCIH
Stepped down in June 2026
Hayley joined us from Cardiff Community Housing where she had held the position of Chief Executive. At CCHA, Hayley built a values driven, top performing housing association with customers at its heart.

Deputy Chief Executive and Company Secretary: Carol Dover BA (Hons), ACMA
Carol joined Two Rivers Housing in spring 2019. She has many years' experience of working in finance, both in housing and the commercial sector. Supported by our executive team and Group Board, Carol also oversees our compliance with the Regulator's Consumer Standards.

Executive Director of Homes: Jonny Jones
Jonny started working in housing in 2010 and has held senior positions at Taff Housing Association and Cardiff Community Housing. He is responsible for looking after our homes, making sure that they are warm, safe, affordable and well maintained.

Executive Director of People and Neighbourhoods: Liz Evans
Liz has more than 25 years' experience in social housing and has held senior leadership positions at Cardiff Community Housing and Bron Afon Community Housing. She is a champion for tenants' voice and is focused on improving services to provide the best customer experience.

Company Information

Group Board Members

Chair: Edward (Ted) Pearce
Former Director of Strategic Asset Management at Orbit Homes, a Fellow of RICS and RSA and member of BIFM.

Vice Chair: Tim Jackson
Tim is a qualified accountant. He's held executive director positions in a number of housing associations.

Yvonne Leishman OBE BA FCIH
Yvonne is a former President of the Chartered Institute of Housing. She received an OBE for services to housing in 2005.

Richard Chappell
An experienced CEO in Facilities Management, with a proven track record of successfully transforming and growing businesses.

David Greenhalgh
With over 40years' experience in the sector, David has held senior positions at Magna Housing Association, LiveWest and Knightstone Housing.

Jonathan Higgs
As Chief Executive of Raven Housing Trust, he leads a team of 300 in the delivery of excellent services to over 6,000 homes in Surrey and Sussex.

Audrey James (Tenant Board Member)
Audrey is an Accredited Psychodynamic Psychotherapist. She has been a tenant for 15 years and previously worked as a Housing Officer.

Company Information

Group Board Members (continued)

Charlotte Marshall
Former CEO for Bidvest Noonan and former Senior Vice President at Iron Mountain, a business delivering physical and digital document storage globally.

Anne Marie Millar
An experienced Finance Director in the private and public sectors. She previously worked for the Department of Health, DEFRA and the Rural Payments Agency.

Debbie Innes-Turnhill
A safeguarding expert with a background in education. She works with organisations to improve their safeguarding processes and embed best practice.

Sharon Wilkins (Member Responsible for Complaints)
Director of Homes and Communities at Newport City Homes, a strategic housing professional, with over 14 years' experience in customer and engagement strategy.

Co-opted Members

Tim Sharpe (resigned 31 July 2025)
Tim was formerly Managing Director of a specialist investment and asset management company.

Subsidiary Board Members

Two Rivers Developments Limited

Chair: Jonathan Higgs

Company Secretary: Lynne Dunstone

Board Members
Richard Chappell (appointed May 2025)
Carol Dover (appointed April 2025)
Hayley Selway (resigned June 2026)
Kevin Bennett (appointed 15 June 2026)

Company Information

Company Secretary: Carol Dover

Registered office: Rivers Meet
Cleeve Mill Lane
Newent
Gloucestershire
GL18 1DS

Registered Society No: RS009498

FCA Registration No: 9498

Regulator of Social Housing No. L4385

External Auditor: Menzies LLP London
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B4 6AT

Principal Bankers: Barclays
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Snowhill Queensway
Birmingham
B3 2WN

Solicitors: Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Wright Hassall LLP
Olympus Avenue
Royal Leamington Spa
CV34 6BF

Towers & Hamlins
10 Colmore Row
Birmingham
B3 2QD

Year at a glance

G1 V1 C1
from the Regulator for Social Housing

£33.7m
turnover

17.4%
operating margin

£30.4m
invested in new and existing homes

4,759
homes under management

99.8%
Compliance with Decent Homes Standards

82.7%
overall customer satisfaction

87.8%
of customers say they are treated fairly and with respect

85.9%
satisfaction with repairs

Statement of the Chair and Chief Executive

We are pleased to present the financial statements for Two Rivers Housing for the year ended 31 March 2026.

Reflecting on the past year, we are proud of the accomplishments and milestones that Two Rivers has delivered. In the face of numerous challenges, we have once again shown our resilience and commitment to making a positive impact.

This year has been one of continued progress, shaped by our strong sense of purpose and commitment to the people and communities we serve. While the wider economic environment has remained challenging, our focus has been on continuing to make a positive difference by providing warm, safe, affordable homes and delivering services that truly meet the needs of our tenants and customers.

Our tenants and the communities we are proud to serve across Gloucestershire and Herefordshire are at the heart of everything we do. Over the past year, we have continued to listen, learn and respond to their feedback.

Overall satisfaction has increased steadily to 82.7% in our 2025/2026 Tenant Satisfaction Measures and we are incredibly proud to see that 87.8% of our tenants feel that they are treated fairly and with respect. We have also delivered strong results for repairs and home safety.

These improvements reflect the hard work of our colleagues and the impact of the changes we have made. However, we know there is more to do – in particular tenants have told us that communication needs to improve. This will remain a key focus for the year ahead.
Our Tenants' Voice Group has become an important part of how we listen and respond. By creating a direct connection between tenants and the Group Board, it ensures that decisions are informed by the real lived experiences of the people who live in our homes.

We have continued to significantly invest in both existing homes and new developments, recognising the importance of high-quality housing in supporting wellbeing and creating strong communities.

During the year, we:

- delivered 81 new homes, contributing towards our ambition to deliver 1,000 homes by 2028.
- invested in improvements to existing homes, including new kitchens, bathrooms and roofs, and;
- completed energy efficiency works in 170 homes and secured funding to support improvements to 360 more homes.
- These investments are about more than bricks and mortar. They are about ensuring our tenants feel safe, comfortable and proud of their homes, while also helping to reduce energy costs and tackle fuel poverty.

We have also taken important steps to improve the services we provide. Following feedback from tenants and colleagues, we made the decision to bring our repairs service back in-house.

This has already led to improvements in performance and greater collaboration between teams, and we expect to see further benefits over the coming year.

Alongside this, we have increased investment in our front line housing services, strengthening our local presence in neighbourhoods and ensuring tenants have better access to support when they need it.

These changes reflect a deliberate decision to invest in people and services and, while this has increased some costs, it is essential to delivering the quality of service our tenants expect and deserve.

We have maintained a strong financial performance and delivered a Group surplus of £4.1m, supported by turnover of £33.7m and an operating surplus of £6.8m. This financial strength will allow us to continue investing in our homes and services; while ensuring we remain a stable and resilient organisation for the future.
Our balance sheet and liquidity position remain robust, supported by a successful refinancing programme during the year. This ensures we have the capacity to continue delivering our long-term ambitions.

Good governance underpins everything we do.

Statement from the Chair and Chief Executive

We are thrilled to have achieved a G1/V1/C1 regulatory grading. This confirms that we continue to meet the highest standards for governance and financial viability and deliver against the Consumer Standards.

During the year, we strengthened our governance arrangements, introducing new committees to enhance oversight of customer experience, asset investment and assurance. An independent review also confirmed that our Group Board remains effective, providing strong leadership and constructive challenge.

These arrangements give us confidence that we are well positioned to meet the expectations of our tenants, partners and regulators.

As we move into the final year of our corporate strategy, Delivering #Twogether 2024–2027, we remain focused on:

- Delivering excellent services shaped by tenant feedback
- Investing in safe, sustainable and energy efficient homes.
- Growing the supply of affordable housing.
- Supporting thriving, resilient communities.

The final year of our current strategy also marks a period of leadership change, as Hayley Selway steps down in June, and Kevin Bennett takes up the position of Chief Executive Officer.

Hayley's contribution to Two Rivers Housing has been transformative, with an unwavering commitment to improving the lives of tenants and supporting the communities we serve. We recognise the ongoing pressures facing our tenants and the wider sector. However, we are confident that our strong foundations, clear strategy and committed teams will enable us to continue making a positive difference.

On behalf of the Group Board, we would like to thank Hayley for her contribution to Two Rivers Housing and our colleagues for their ongoing dedication, professionalism and care. Their commitment is at the heart of everything we have achieved this year.

We would also like to thank our tenants, partners and stakeholders for their continued engagement, support and trust. By working together, we will continue to create places where people feel secure, valued and make sure everyone has a warm, safe affordable home.

Edward Pearce
Chair

Kevin Bennett
Chief Executive Officer

Strategic Report and Report of the Group Board

The Group Board presents this report together with the audited financial statements for the year ended 31 March 2026.

Overview of the Organisation

Two Rivers Housing is a Charitable Community Benefit Society registered with the Financial Conduct Authority (FCA) and regulated by the Regulator of Social Housing. We operate as a not-for-profit housing association and public benefit entity providing affordable housing and services to people and communities across Gloucestershire and Herefordshire.

The organisation was formed following the large-scale voluntary transfer of properties from the Forest of Dean District Council in 2003.

On 31 March 2026, the Group managed 4,759 homes, primarily social housing, alongside a small number of market rent and leasehold properties.

The Group structure includes the parent entity, Two Rivers Housing, and its subsidiary, Two Rivers Developments Limited, which supports the delivery of new homes and reinvests profits into the Association.

TwoCan Estate Agents and Tandem Living are brands promoting products and services that are delivered by Two Rivers Housing and Two Rivers Developments respectively.

Strategic Report and Report of the Group Board

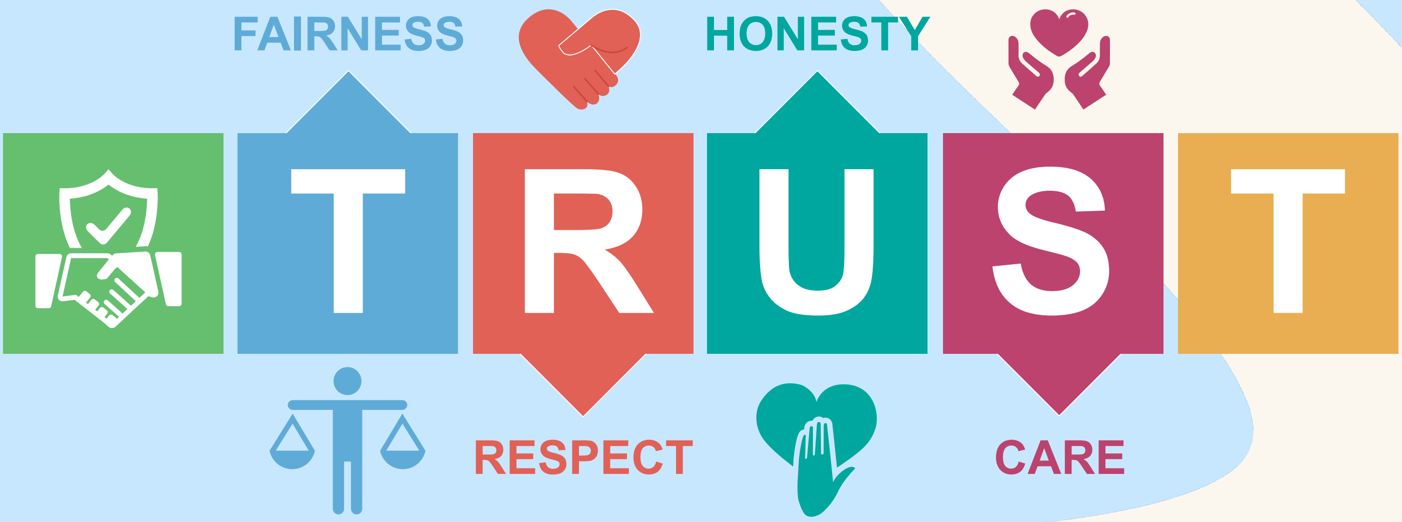
Our purpose, vision and values

Our purpose: to provide warm, safe, affordable homes and support thriving communities.

Our vision: Everyone should have a warm, safe, affordable home.

Our values

Trust, Honesty, Fairness, Respect and Care underpin how we deliver services and make decisions. Real values speak to the heart of the organisation and set out how we deliver our services, the way in which we expect our team to behave and how we make decisions. We strengthened our values in 2025, so that it was clear to our tenants, team and stakeholders what they can expect when working with us.



Trust

Trust isn't a tagline – it's everything. It's how we build relationships, how we make decisions, and how we prove, day in and day out, that we do what we say. No hidden agendas, no second-guessing – just trust, earned and kept.

Honesty

No fluff, no spin, no half-truths.
We're upfront, straight-talking, and clear. We are definite. Whether it's good news or tough conversations, honesty is how we build respect and make real progress.

Fairness

Fairness isn't about ticking boxes – it's about doing what's right, every time. We don't cut corners or play favourites.

Every decision, every action, every conversation is rooted in fairness, because that's how people and communities thrive.

Strategic Report and Report of the Group Board

Respect

It's not just about being polite. It's about listening, valuing, and understanding.
It's treating people, tenants, colleagues and partners the way they deserve to be treated.

With dignity, with empathy, care, and with a genuine desire to do right by them.

Care

Caring isn't passive – it's action.

It's showing up, stepping in, and making things better. Whether it's a home, a workplace, or a conversation, we put people first. Because when we care, we build something that lasts.

Meeting the needs of our customers

Understanding and responding to customer needs remains central to our approach. Our customers are at the heart of everything we do, and we continue to listen to their feedback and work with them to shape our services.

Our tenant base includes a significant proportion of low-income households, with many supported through housing benefit or Universal Credit.

Over half of our tenants (57.33%) are under the age of 55. On average, they have been living in one of our homes for just over eleven years.

We offer a range of tenancy options to support local housing need and on 31 March 2026:

- 80.1% of our tenants live in one of our general needs homes.
- 12.0% live in one of our supported HomePlus schemes, and
- 7.9% live in a Shared Ownership home.

To help ensure that our homes remain affordable for the families living in them, we also offer a range of rental options including affordable rent, intermediate rent and market rent tenures.

Strategic Report and Report of the Group Board

Two Rivers Housing

Investing in our Homes

We are committed to increasing the number of affordable homes in our neighbourhoods and pledged to build 1,000 new homes by 2028. So far, we have built 885 and have a healthy pipeline of developments that will see us meet this target.

During 2025/2026, we built 81 new homes (2024/2025: 117) and repurchased one home, which included:

- 52 affordable or social rent homes
- 30 Shared Ownership homes

We successfully completed on our first regeneration scheme at Johnstone Close in December 2025, supplying 14 social rent homes and six Shared Ownership homes, which are included above.

While increasing the availability of new homes in our communities important, we also recognise the need to continuously invest in our homes and make sure that they are great places to live.

Over the last few years, we've successfully applied for grants from the government's Warm Homes: Social Housing Fund, Social Housing Decarbonisation Fund (SHDF) and ECO4 funding programme. We've used this to improve the energy efficiency of our tenants' homes – prioritising those with the poorest energy ratings. So far, we've upgraded 359 homes to meet an Energy Performance Certificate rating of C.

Strategic Report and Report of the Group Board

Strategic direction

Everyone should have a warm, safe, affordable home. This is the belief that we were founded on over 20 years ago and we remain committed to improving and increasing the availability of affordable homes in our neighbourhoods.

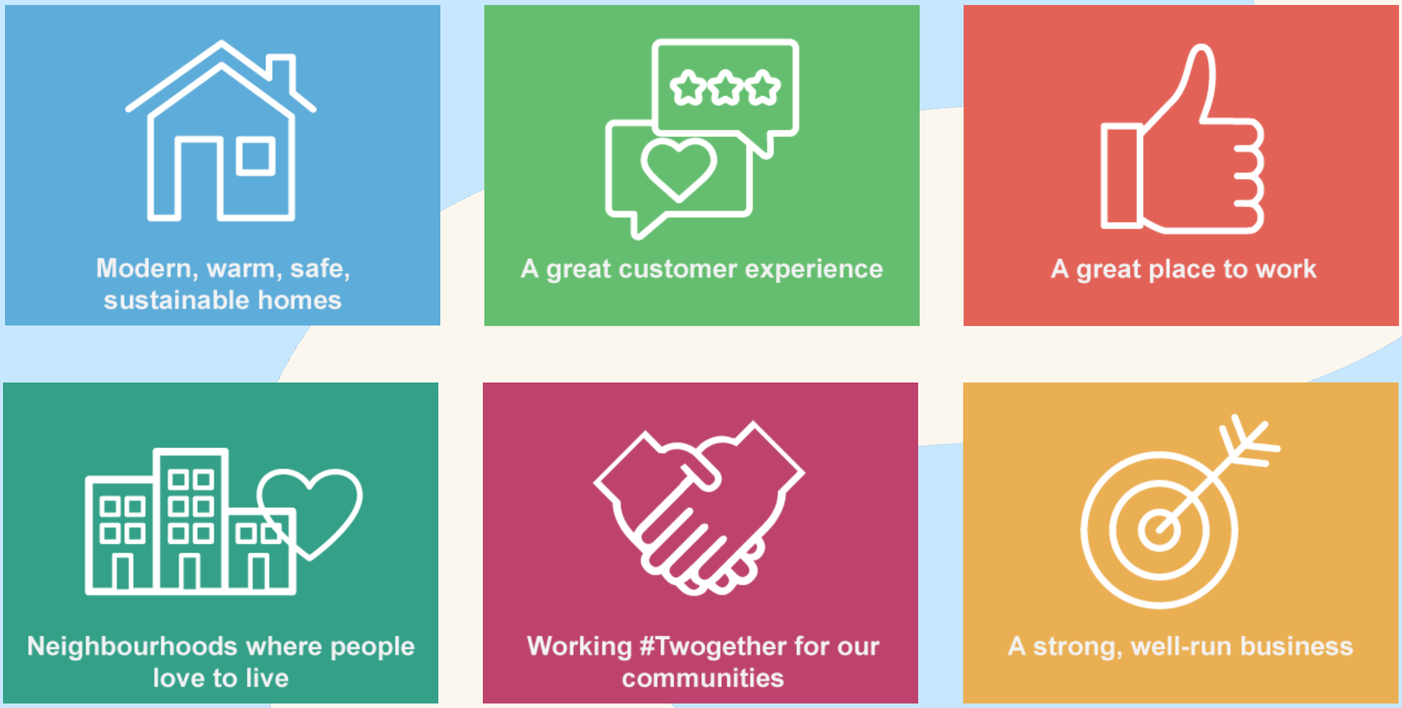
To deliver on our vision, we understand that we need to look beyond the bricks and mortar of our homes and the services we provide. The neighbourhoods that our tenants live in and the support available to help them live happy and fulfilled lives, are equally important. As a community-based organisation, we have an important role to play in shaping these places.

During the year, we continued to deliver against our corporate strategy: Delivering #Twogether 2024–2027.

The strategy focuses on six priorities:

- A great customer experience
- Modern, warm, safe, sustainable homes
- A great place to work
- Neighbourhoods where people love to live
- Working #Twogether for our communities
- A strong, well-run business

These priorities guide our operational plans, investment decisions and performance monitoring.



Strategic Report and Report of the Group Board

Performance against strategic priorities

A great customer experience

#Twogether with tenants and customers

We are on a transformational journey and have made excellent progress in the delivery of our corporate strategy. Throughout this, the Group Board has ensured that tenants and customers sit squarely at the heart of our decision making, strategic direction and budget setting.

Our Customer Experience Strategy ensures that providing warm, safe, affordable homes and excellent services to the families we serve remain our primary focus and aligns to our strategic priority of delivering a great customer experience. This was approved by the Group Board in April 2026 and supports our unwavering commitment to ensuring that all our tenants have a warm, safe, affordable home and that our neighbourhoods are places where people love to live.

The Customer Experience Strategy was shaped through engagement with Group Board, tenants, our Tenants' Voice Group and the Customer, Colleague and Culture Committee. It builds on the progress made over the last two and a half years and sets a clear direction for the next phase of improvement.

As part of their feedback, our Tenants' Voice Group highlighted the importance of consistent communication and follow-up on agreed actions. This remains a key area of focus for our team, and, in 2026/2027, the Tenants' Voice Group will look at call-backs, repairs and anti-social behaviour as part of their scrutiny work plan.

We know that improvements to how we communicate with tenants and keep them informed on what's happening in their home is important. To help us understand where we need to make improvements, our transactional surveys across the organisation will ask for feedback on how well tenants were kept informed and up to date going forward.

Combined with our values, the Customer Experience Strategy makes it clear to all stakeholders what is expected of them when they work with us. This includes treating people fairly and with care, honesty and respect. This will help us build strong relationships with our customers that are built on trust.

Our People Strategy further enshrines these commitments by setting out how we recruit and retain value-based people, recognising that a great organisational culture delivers great customer services. The People Strategy also makes a commitment to increase our capacity to deliver high quality, effective and efficient services for our tenants and customers.

Strategic Report and Report of the Group Board

Our Customer Experience Strategy (2026-2029) sets out our delivery plan to achieve the following objectives:

1 Making sure our services are fair and work for tenants, shared owners and leaseholders.

Outcome Tenants and customers get the right service, in the right way, in a way that suits their individual needs.

2 Providing reliable services and get things right first time.

Outcome Tenants and customers can trust us to do what we say we will do.

3 Being open and clear in the way we communicate.

Outcome Tenants and customers feel informed, respected and kept up to date.

4 Listening, understanding and taking responsibility for what we do.

Outcome Tenants and customers feel heard, understood and valued.

5 Making it easier for tenants and customers to have a say.

Outcome Tenants and customers can help shape decisions about their homes, services and communities.

6 Using feedback, information and technology to improve services.

Outcome We spot problems earlier and make services better for tenants and customers.

7 Keeping homes and services safe, good quality and well managed.

Outcome Tenants and customers feel safe in their homes and confident in us as their landlord.

8 Working with other organisations when tenants and customers need extra support.

Outcome Tenants and customers get joined-up support that reflects their needs, including help from other organisations where needed.

As part of our drive to improve our housing services, the role and structure of our housing teams was reviewed. This has helped us understand the changes we need to make in order to develop and deliver a human centric approach to providing services and ensure that the resources are available to support the delivery of these.

Strategic Report and Report of the Group Board

Partnering to deliver the best results

As a community-based housing association, we are small enough to really understand and get to know our customers. Over the last couple of years, we have invested in both understanding who our customers are and creating opportunities for them to influence decision making and help shape our services.

During 2025/2026, we focused on getting to know our customers better to help us make continuous improvements to how we deliver our services and make sure that we are offering equitable services.

As part of this work, we introduced a Reasonable Adjustments Policy, which sets out how we will work with tenants to make changes to our services to meet their needs. This included training and guidance for front line teams and colleagues to help them tailor services to the individual tenant's needs.

We have also introduced courtesy visits for all tenants with our new Neighbourhood Managers to help build and strengthen relationships and provide a single point of contact for tenants. This provided an opportunity to capture and update information about our tenants and their families and discuss any further support they may need from us including any reasonable adjustments they may require.

In 2025/2026, we continued to take significant steps towards ensuring that tenants have meaningful involvement in the design, review, and development of our services.

- **Tenants' Voice Group:** Established in 2025 and made up of tenants and members of the Group Board, this group provides a direct link between tenants and our Customer, Colleague and Culture Committee. It meets every two months to review all areas of our services, ensuring that the opinions and thoughts of our tenants are heard at the highest levels of our organisation.
- **Tenant Satisfaction Measures:** In line with the Transparency, Influence and Accountability Standard, we have fully adopted the Tenant Satisfaction Measures (TSM). We published our first set of TSMs in 2025 and shared these in our Tenant Topics Magazine to ensure that they were easily available to tenants.
- **Community engagement team:** These colleagues work closely with tenants and local partners to provide additional support, represent our organisation at community and partner events, and be an additional resource to facilitate two-way conversation between the organisation and our tenants.
- **Investing on our front line housing teams:** Our tenants told us that they wanted us to be more visible in our communities and make improvements to how we deliver core services. In response to this we completed a significant restructure of our neighbourhoods team in 2025/2026. A key aim of the restructure was to strengthen our local neighbourhood offer by creating a more visible, accessible and community-based service for tenants.

Alongside this, we have continued to grow our closed Facebook group, which is used to collect real-time feedback on smaller issues and is a platform for tenants to raise issues and share ideas for solutions.

We also continue to publicise all the ways that tenants can share their feedback and ideas with us through our tenant communications, including our social media channels, website and Tenant Topics magazine.

Strategic Report and Report of the Group Board

Modern, warm, safe, sustainable homes

Investing in our homes and providing more affordable housing is fundamental to everything we do. As part of our corporate strategy, we have delivered the following activities to help us ensure that our tenant's homes are places they can be proud of:

- We developed a revised Asset Management and Development Strategy, outlining how we will manage, repair and make investment decisions within our homes over the next three years. This has been approved by the Group Board and tenants.
- As part of our commitment to meeting Awaab's Law, we launched a new system to capture surveyor home visits, that enables us to provide home visit reports to tenants within 72 hours of an inspection being complete.
- We have completed home condition surveys in 96.97% of our homes (over a five-year period). This has provided key information that will support the development of our Five-Year Investment Plan. This plan will be shared with tenants in 2027/2028, as part of our commitment within our Asset Management and Development Strategy.
- We have worked with tenants to produce information leaflets and major home improvement grading cards to support a Decent Homes change campaign to be delivered in the summer of 2026/2027 in preparation of the introduction of the new Decent Homes Standard.
- We reviewed the structure of our asset investment team, to ensure that we have the correct skills and resources in the team to deliver our ambitious plans. We appointed two Assistant Directors and two Heads of Service to support the management structure across the repairs and maintenance services and have put in place a training programme across the organisation to up skill our surveyors and contract managers.
- In 2025/2026, we accessed the first year of our £4.6m of grant funding from the Warmer Homes: Social Housing Fund (WH:SHF) delivering improvements to 170 homes through the grant funded SHDF programme. In addition to this, we improved a further 47 homes through self-funded works and 142 homes were improved through our partnership with Evolve through the ECO4 energy improvement scheme. A total of 359 homes energy performance has been improved, increasing Energy Performance Certificate (EPC) ratings to above EPC C.
- In addition to the 530 homes that will be updated using the WH:SHF grants, we are using our own resources to update a further 220 homes by 2030 (47 homes complete in 2026).
- We collect robust EPC information for our homes, which supports our retrofit assessments as we continue to invest in our warmer homes programme. At the end of this financial year, we estimate that 71.7% of our homes will meet EPC C or higher. By utilising Wave 3 funding over the next two years, this will rise to 83% by 1 April 2028. Our current business plan, based on a new wave of funding being launched in 2028, will aim for all our homes to meet EPC C by December 2030. If on-going government funding is withdrawn, we will need to re-visit our business plan and self-fund the remaining homes.
- We have also improved the condition of our homes by replacing 34 kitchens, 17 bathrooms, 77 partial or full roof systems and 77 external render system improvements. We also completed the replacement of 304 windows and 91 external doors throughout the year.
- We have delivered 81 new affordable homes. Wherever practical we aim to build homes that meet EPC A and work with our S106 partners to meet the highest level of EPC that the developers are prepared to meet (currently a high B rating).

Strategic Report and Report of the Group Board

A great place to work

#Twogether with colleagues

Our people play a vital role in the success of the organisation, and we recognise the importance of ensuring that their voice is heard at all levels. Not only does this foster a culture of trust, but it also empowers our team to be brave and make decisions for the benefit of our customers and the organisation.

Our Colleague Forum is made up of colleagues from across the organisation and attended by members of the executive team. It meets regularly to discuss issues that impact colleagues or the organisation and is an opportunity for the team to raise concerns, review policy changes and feedback to the leadership team.
Honest conversation and respect are the fundamental building blocks of a strong culture.

In 2025/2026, we took several steps to build on the work we've already done in this space including:

- **Happiness Index Colleague Survey:** We undertook our second Happiness Index Survey with colleagues in October 2025 with a positive engagement score of 7.3 out of 10. This anonymous survey gave the team a chance to share what it really feels like to be part of Two Rivers Housing and what we need to do to support them to do their best for our customers. The feedback from this survey was used shape year two of our People Plan. The plan is designed to help us attract, retain and develop the best people and make sure that we have the right people to deliver for our customers.
- **Two Talk Live sessions:** These monthly sessions bring the whole team together and provide an open forum for colleagues to question leadership and learn about the role of other teams across the Group. It provides an opportunity for teams to share their successes and challenges with the group and allows the team to connect and meet with colleagues they may not see on a regular basis.
- **Senior Management Group:** The Senior Management Group is charged with ensuring the operational delivery of the corporate strategy and is responsible for running the operations on a day-to-day basis. It meets monthly to discuss and resolve operational issues, ensure that operational plans are aligned to the organisation strategy and escalate issues to the executive team where required.
- **Repairs team integration:** We've embedded the changes made following the integration of our repairs team in April 2025. We have continued to listen to tenant feedback and make improvements to this service throughout the year, and have seen positive results for tenants, which were reflected in our 2025/2026 Tenant Satisfaction Measures.

Strategic Report and Report of the Group Board

In 2025/2026, we started the delivery of our People Strategy. This will further strengthen our offering to colleagues and build on our commitment to create a great place to work. We are committed to investing in our team and helping them deliver the best results for our tenants and customers.

- **Development of training plans:** A review of all roles has been completed to understand which roles require further qualifications and ensure compliance with the new Competency and Conduct Standard. The one-to-one process captures individual and team learning requirements and at a corporate level safeguarding, neuro-inclusion and anti-sexual harassment training has been delivered, alongside establishing a new programme of health and safety compliance training with delivery already underway and planned through 2026/2027.
- **Recruitment and retention:** We have started trialling different approaches to help bring out the best in candidates. This includes providing information in advance about what to expect, key questions that will be asked and creating a comfortable interview environment. We've received positive feedback from candidates on these changes since they have been implemented.
- **Regular benchmarking of salaries and benefits:** To ensure we remain competitive in the employment market, we completed our three-yearly salary benchmarking exercise, which enabled us to align our pay with the sector median for organisations of our size. This came into effect for colleagues in April 2026.

In 2026/2027, we are seeking to develop a 'leadership at all levels' programme to support aspiring, new and experienced leaders. This will be delivered in 2027/2028.

Neighbourhoods where people love to live

We want our neighbourhoods to be places where people love to live and know that having safe, and well-maintained neighbourhoods is important to our tenants. We will work with them and local partners to effectively tackle anti-social behaviour, and support neighbourhood projects that improve the places where our tenants live.

During 2025/2026, we have delivered the following activities in support of these key objectives:

- **Grounds maintenance service redesign:** Working with our Tenants' Voice Group we redesigned our grounds maintenance service. This included investing in the team to increase capacity, replacing key equipment and improving the way in which we capture the work completed in each area. This new system creates reports, which can be shared with tenants on request. We embedded a new grounds maintenance mapping system, which clearly shows the areas that we are responsible for and the level of service we provide. This is available to all tenants on our website. As a result of these improvements, satisfaction with the condition of communal areas has seen a steady increase over the last 12 months.
- **Safeguarding review:** We have reviewed our approach to safeguarding and tenancy compliance (including tackling anti-social behaviour) by bringing in a dedicated resource. This has help us ensure safeguarding remains a priority and that risk assessments are undertaken that consider the impact on the victim. Additional safeguarding training has been delivered to all front-line colleagues and the Group Board, and we have written new policies and processes for both Safeguarding and Domestic Abuse.
- **Community connector approach (Developing projects that bring community members together):** The restructure of the housing service has created the capacity to deliver a more human centric approach. The additional resourcing to the Neighbourhood Manager role enables us to scale up our community connector approach. Many community projects have been delivered including breakfast and holiday clubs, warm spaces, older person activities, Sedbury Space support and Christmas parties.

- **Neighbourhood action plans:** Preparations are underway to create neighbourhood action plans. Our Neighbourhood Managers are meeting with tenants to get to know the people living in their patch and understand the local needs and priorities to help us build these.
- **Review of services and service charges:** Some initial work has been completed in the year to capture and understand the true costs of delivering our grounds maintenance and cleaning services. Clear schedules have been developed and communicated to tenants to help manage expectations of delivery. Further work on this project will be scoped out and shared with our Tenants' Voice Group to agree how best to involve tenants in this important project.

Working #Twogether for Communities

#Twogether with partners

As a community-based housing provider, we have built strong connections with local authorities, community partners and national bodies that share our values and beliefs. Working with these partners enables us to reach further into the communities that we serve and provide additional help and support where it is needed.

- We are active members of PlaceShapers, The Cinderford Regeneration Board, the GFirst Local Enterprise Partnership, the Gloucestershire Homes and Communities Partnership (GHCP), and the Forest Economic Partnership. We also work with the police, health services, and local authorities to support safe, healthy, sustainable communities. We are working with GHCP to consider a virtual green skills academy with our housing partners.
- We work with Gloucestershire Homeseeker Plus and Herefordshire Homepoint to ensure that the allocation of our homes is needs led, fair, and transparent and with local authority partners to deliver affordable housing in our communities. We also support efforts to reduce homelessness in our communities by making our homes available as temporary accommodation wherever possible.
- As one of the largest providers of affordable housing in the area, we have developed a strong working relationship with the Forest of Dean District Council. We also have good working arrangements with Stroud District Council, Gloucester City Council, Tewkesbury Borough Council, Cotswold District Council and Herefordshire Council.
- The consortium we founded with Stroud District Council and Cheltenham Borough Homes (and joined by Gloucester City Homes in 2021), has enabled us to bid for funding from the Social Housing Decarbonisation Fund (SHDF) and the Department for Energy Security and Net Zero (DESNZ). We have successfully bid for funding for energy improvement works through DESNZ, Wave 3 funding. This will enable us to continue to deliver our warmer homes programme and ensure that tenants of all four organisations will benefit from warmer homes in the future.
- Our community engagement team has continued to build on its programme of community events. Working with local partners, it has increased our capacity to provide additional events and support to our tenants and the wider community. The team has continued to deliver its popular Holiday Clubs and been able to extend these to other areas by working more closely with local groups. These events not only increase our visibility within our neighbourhoods but also offer another opportunity for tenants to share their feedback and thoughts in a less formal environment. It has also utilised community funding from our materials supplier Travis Perkins to support several local initiatives including community larders and new audio-visual equipment in some of our HomePlus communal spaces.
- The people team and colleagues from across the organisation have supported local schools' careers events, actively working with Gloucestershire Employment and Skills Hub to help coordinate ongoing activities and publicise opportunities for jobs and careers in housing and within our organisation. Colleagues form across the business and our CEO (Hayley Selway) also attended a Women in Construction event presenting to students at Wyedean school in Chepstow.

- Our development team has a healthy pipeline of development opportunities and continues to build and strengthen relationships with our development partners. Alongside this, they work with Homes England and local authorities to obtain additional funding to support our development programme and deliver quality homes and Value for Money.
- Our partnership with Eastington Community Land Trust will deliver 31 new affordable homes at its Homegrounds site in Eastington. Work started on site in March 2026, and the homes will be available for rent and Shared Ownership by June 2026.
- We have recently had three apprentices complete their studies and gain accreditation. Two of these have stayed with us and taken up roles within our organisation. We are also currently supporting four apprenticeship schemes across the assets, repairs, and data teams. Learning from the feedback from the cohort of apprentices from 2024, we are seeking to provide mentoring and development opportunities for future apprenticeship schemes.

A strong, well-run business

In order to do the things set out in the corporate plan, we need to make sure that we run the organisation effectively. This means managing our finances carefully, delivering Value for Money in everything we do and looking at what we need to do now and, in the future, so we can put the right plans in place. We also want to make sure we stay true to our values and make decisions that keep tenants at the heart of everything we do.

In June 2026, The Regulator of Social Housing (RSH) awarded us a G1/V1/C1 rating following a planned regulatory inspection. This means that we have maintained the highest ratings for governance and viability and also received the top regulatory rating for compliance with the new Consumer Standards.

We are incredibly proud of these results as they demonstrate that we are continuing to deliver and do the right things for our tenants. As we move forward, we'll continue to build on these results and work hard to make sure we continue to be one of the best performing landlords in the country.

During 2025/2026 we have delivered the following activities in support of these key objectives:

- Working with our treasury advisors to complete a review of our capacity to continue to grow.
- Delivered a refinancing project to secure £140m new funding, replacing some of our existing facilities with new arrangements with existing lenders and progressing a £20m facility with a new lender.
- Developed and stress tested a new financial plan reflecting the new funding arrangements and growth plan, which meets funder requirements. Alongside this, our golden rules have been revised to provide sufficient headroom to enable any adverse events to be navigated should they arise.
- Through engagement with Group Board, tenants, and colleagues we have shaped a new Value for Money (VfM) Strategy.
- Alongside the Value for Money Strategy, we've created a Procurement Strategy to ensure that we are able to deliver efficient and effective procurement and meet the requirements of the Procurement Act 2023.
- A new Data Strategy which will ensure the continued development of the provision of performance information and insight across the organisation has been approved by the Group Board. A key focus has been developing our reporting of customer equality, diversity, and inclusion data, focusing on how we can better support their needs. This will be underpinned by data quality assessments and our data governance framework.

Strategic Report and Report of the Group Board

- An external review of our Group Board's effectiveness has been completed to ensure that we are able to deliver the commitments under the NHF Code of Governance.
- Having reviewed our governance structure in 2024/2025, the new committee structure has been implemented, with updates from Chairs presented to each Group Board meeting to ensure discussions are cohesive.

The executive team recognise that a number of strategies have been developed across the last financial year and will monitor their delivery closely as they are rolled out across the organisation.

Looking forward to 2026/2027

As we look forward to 2026/2027, (the final year of our three-year plan), we've set out the key deliverables for the year. As the current plan comes to an end, some initiatives are now well established, while others are laying the groundwork for the development of our next corporate plan.

A great customer experience	A great place to work
• Delivering on the actions set out in the Customer Experience Strategy (Year 1): ▸ Publish service standards. ▸ Improve repairs communication. ▸ Creation of a tenant engagement plan. ▸ Use of data to support the reshaping of services where appropriate. ▸ Get to know our tenants better through Neighbourhood Manager engagement. • Develop a 'welcome and sustainability' process for new tenants • Develop customer service approaches and technologies that support our approach to equity and diversity	• Develop a new induction process to support our customer experience and great place to work objective. • Develop approaches in recruitment and retention that attract and retain talent, bring out the best in people and supports our approach to equity and diversity. • Develop a leadership at all level programme for existing and aspiring leaders

Strategic Report and Report of the Group Board

Modern, warm, safe, sustainable homes	A strong, well-run business

• Delivering on the actions set out in the Asset Management & Development Strategy (Year 1):
  ‣ Review our empty homes standard.
  ‣ Develop a shared owners improvement plan.
  ‣ Develop standard operating procedures for contract management and standardised documentation.
  ‣ Creation of a repairs improvement plan focusing on communication, training, value for money and right first-time approaches.
  ‣ Investing in an asset performance modelling tool which uses financial and non-financial data.
• Create a 5-year investment plan to be shared with tenants.
• Continuing the delivery of meeting EPC C by 2030.
• Create a Regeneration Strategy.
• Create property life cycle costing learning culture between development and property teams.
	• Delivering on the actions set out in the Data Strategy:
	  ‣ Review of data integrations to ensure single source of key data
	  ‣ Review data management practices and establish approach to use of SharePoint
	  ‣ Further development and automation where possible of key performance information
	  ‣ Delivering against the requirements of new regulation: Social Tenant Access to Information
	• Delivering on the actions set out in the Procurement Strategy.
	Develop a business continuity testing programme.
	Develop a digital transformation strategy.
	• Delivery of a Group board succession plan with the recruitment of new board members.
	• Participate in regional and national partnerships to ensure the importance of good quality affordable housing is well understood, bringing best practice back to the organisation and its customers.
	• Creation of new Corporate Plan, engaging with customers, communities, colleagues and key stakeholders.

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Neigbourhoods where people love to live	Working #Twogether for our communities
• Establish neighbourhood action plans with community members and partners • Undertake a full review of services and service charges with tenants	• Develop a Community Investment Strategy. • Work with local government and statutory and third-sector health and social care partners to develop and deliver projects and services to aid cross sector outcomes. • Undertake a land-bank review to establish opportunities for regeneration. • Work with local schools, colleges and universities to raise both our profile and the sector profile as employers and skills or training providers e.g. placements, mock interviews, presentations. • Take positive action in our recruitment and volunteering opportunities to support local people, increasing the 'lived experience' of living in the local areas or in social housing in our team. • Work collectively with other social housing providers in the area to develop programmes and projects that support local socioeconomic objectives. • Create and offer placements and volunteering opportunities within the organisations

Work has started on the development of our new corporate strategy, and we are starting to engage with tenants, colleagues and the Group Board to support the creation of this.

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Two Rivers Housing

Group financial performance

It has been a challenging year, with financial performance impacted by the continuing tough economic environment that the sector and wider economy have been facing. Despite these challenges we have invested more in maintaining and improving the quality of our homes, increased our housing management resource and secured new funding.

In 2025/2026, we produced a Group surplus of £4.1m for the year (2024/2025: £2.8m) with the Association producing a surplus of £4.2m (2024/2025: £2.9m).

The highlights from the Group's three-year Statement of Comprehensive Income, Statement of Financial Position and Cashflows are summarised below.

Statement of Comprehensive Income	2026 (£000)	Target (£000)	2025 (£000)	2024 (£000)
Turnover	33,702	34,486	33,267	30,738
Operating surplus	**6,772**	**6,567**	**6,334**	**7,912**
Interest receivable, other income and taxation	1,729	187	890	1,570
Interest payable and similar charges	(4,365)	(5,240)	(4,427)	(4,544)
Surplus for the year	**4,136**	**1,514**	**2,797**	**4,938**
Statement of Financial Position				
Net book value of housing properties	244,438	252,473	225,276	208,823
Total assets less current liabilities	253,428	258,631	225,599	225,782
Cash and short term investments	9,921	8,185	13,098	12,799
Outstanding loan balance	153,221	160,850	142,592	142,559
Retained surplus	71,861	69,996	67,750	67,933
Cashflow				
Net cash from operating activities	11,702	11,695	13,171	16,665
Cash from property sales	2,224	842	1,730	1,730
Acquisition and construction of properties	(28,510)	(30,361)	(25,132)	(33,773)
Grants received	2,274	2,699	4,248	4,248
Net funding requirement	12,150	23,500	-	(5,000)
Accommodation figures	**Number**	**Number**	**Number**	**Number**
Social housing properties owned	4,703	4,740	4,639	4,561

Strategic Report and Report of the Group Board

Income and expenditure account

Our turnover increased by £0.4m compared to 2024/2025, with an additional £1.5m in social housing lettings turnover offset a £1.1m lower first tranche sales income. Rental income has grown by 4.6% due to a combination of the handover of 81 new homes and higher rent rates, which were increased by 2.7% in 2025/2026.

Our overall operating surplus increased by £0.4m to £6.8m in 2025/2026 (2024/2025: £6.3m).

Overall, our operating costs increased by £0.7m. This was driven by higher management costs and an increase in repairs and maintenance costs. The Social Housing Operating Margin increased to 16.4% (2025: 15.4%) reflecting the increase in turnover as well as the cost increases.

Despite the challenging environment, we have continued to improve the quality of our homes and progress a number of large projects including our Warmer Homes: Social Housing Fund programme.

The key items affecting financial performance in the year were:

- Continued investment in improving the quality of our homes. The cost of major repairs reduced by £1.5m to £6.1m in 2025/2026 (2024/2025: £7.6m), with capitalised expenditure of £4.2m (2024/2025: £4.7m). The reduction in expenditure reflects one-off projects carried out in 2024/2025 as well as savings against budget in 2025/2026.
- A reduction of £0.1m to £5.4m (2024/2025: £5.5m) in the cost of routine repairs, which reflected a saving of around £0.5m relative to expenditure incurred in clearing the volume of overdue repairs in 2024/2025 offset by inflationary increases. Planned maintenance expenditure also increased by £0.6m to £3.1m (2024/2025: £2.5m) to reflect the additional costs of meeting new legislative requirements around home safety.
- Total maintenance costs reduced by £0.5m overall. This reflects the lower ongoing costs now that the 2024/2025 backlog has cleared.
- Shared Ownership sales income for the year was £2.4m (2024/2025: £3.5m), which includes the sale of 26 Shared Ownership homes with an average first tranche share of 31% (2024/2025: 35 sales, average share 28%).
- Our management costs increased by £1.6m to £7.8m compared to £6.2m in 2024/2025. Following feedback from our tenants and colleagues, we recognised that we needed to strengthen our housing management and assurance teams to enable us to deliver the level of service our tenants deserve. This was a key driver of the increased management costs, which were also impacted by enhancements made to our colleague reward package. In addition to this, we saw pressures on management costs in the following areas:
  - an increase in agency costs of £0.3m to address resourcing shortages across housing and asset management teams. Pressure from agency costs reduced in the latter part of the year as additional resources were recruited. With a clear focus in the People Strategy to drive retention and skills development it is expected that future short-term, high-cost resourcing will be limited.
  - a further substantial increase of £0.3m to the cost of insuring our homes driven by the insurance market and weaker claims history that resulted from a number of small scale tenant home fires, resulting in insurance claims in our homes, and;
  - the engagement of external consultants to strengthen tenant led policies and processes resulting in £0.1m expenditure.

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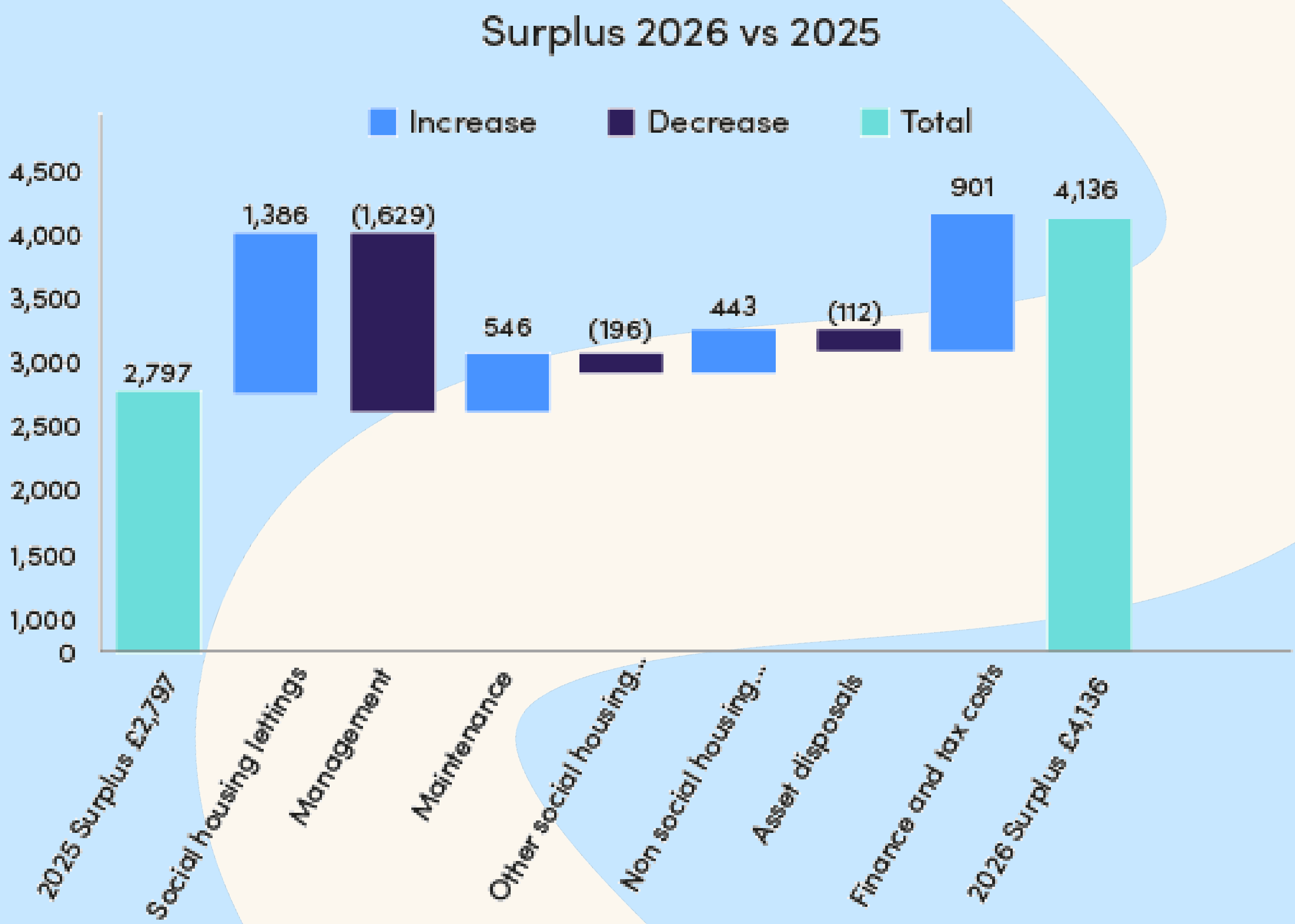
- Our overall management costs per property increased by 24.7% to £1,657 during 2025/2026 (2024/2025: £1,329). This is broadly at budget, which was set at £1,651 for the year.
- A £0.9m surplus was generated through the disposal of fixed assets. This includes properties sold through Right to Buy or Right to Acquire and income generated from the staircasing of Shared Ownership homes, where additional shares are purchased by the Shared Owner.
- Despite increasing our borrowings by £12m our finance costs remained at £4.4m (2024/2025 £4.4m). This is largely due to a one-off non-cash credit after writing off the fair value on historical loans that were paid back in March 2026.
- Investment returns for the year increased by £0.8m mainly due to a £1.4m one-off break gain on our historical loan portfolio offset by lower cash balances being held.

The operating margin (excluding surplus on disposal of fixed assets) is lower than recent trends due to strategic decisions to strengthen our housing management and compliance services, and corporate governance arrangements. Notwithstanding this, at 17.9% the operating margin is slightly higher than the 17.4% achieved in 2024/2025.

The key movements in delivering the 2025/2026 results relative to 2024/2025 are presented in the chart below:



Strategic Report and Report of the Group Board

In summary, additional turnover from social housing lettings, savings on maintenance and lower financing costs have offset the increased management costs and resulted in a substantial increase to the operating surplus.

The surplus generated for the year will be reinvested and used to improve our homes, build new homes, and deliver improvements to the services that we provide to our tenants.

Statement Of Financial Position

Fixed assets have increased in the year by £19.2m, with investment in new homes totaling £24.3m and in existing homes £4.2m. These investments were funded by a combination of social housing grants, loan finance, and working capital. Further details on the Group's treasury management are set out below.

Net current assets increased by £8.9m during the year, primarily due to the repayment of £11.35m in short-term bank loans as part of the loan refinancing exercise. As a result of this refinancing, long-term liabilities rose by £23.8m, reflecting both the reclassification of all loans as long-term and the draw-down of an additional £12.125m in funding. Additionally, government grants increased by £1.8m over the period.

Treasury management

In accordance with the Treasury Management Policy, neither the Group nor any of its subsidiary undertakings have any abnormal exposure to price, credit, liquidity, and cash flow risks arising from its trading activities. We do not enter any hedging transactions and no trading in financial instruments is undertaken.

The organisation is funded by a combination of retained reserves, short- and long-term funding facilities and grants from government and local authorities.
We have a formal Treasury Management Policy, agreed by the Group Board and reviewed annually. This policy establishes the framework within which treasury risk is effectively managed and group covenant compliance is delivered. It states which types of financial instruments can be authorised for use, covering both borrowings and investments. In addition, the policy identifies the maximum value of financial instruments and with whom they may be agreed.

The main risk arising from the Group's financial instruments is liquidity risk. We have adopted a policy that balances the need to keep cash levels necessary only to meet immediate business requirements but also protecting the long-term position by taking advantage of long-term rates when the opportunity arises. The overall aim is to manage our exposure to interest rates and refinancing, to diversify the funding sources, and to have a debt profile that supports the needs of the Group.

Our interest rate policy for borrowings is to be between 60% and 100% fixed. As of 31 March 2026, 97% of our borrowings were at fixed rates. The interest rate strategy aims to ensure that movements in interest rates will not significantly impact on the surplus before tax.

During the 2025/2026 financial year, we undertook a refinancing exercise to secure funding to support the delivery of the corporate plan and our new homes development aspiration until at least 2041 and ensure we continue to meet the requirements of the Treasury Management Policy.

This resulted in repaying the historical bank loans and the drawn balance of the rolling credit facility and replacing them with new loans in the form of a 7-year and 10-year bank loan, plus a new five-year rolling credit facility.

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As of 31 March 2026, we have funding in place in the form of a fully drawn £80m private placement plus a £90m bank loan of which £75m was drawn. In addition to this, there is an undrawn five-year £50m revolving credit facility.
On 31 March 2026, total loan facilities amounted to £220m, with borrowings of £155m (2024/2025: £142.9m). The rates for these facilities range from 2.45% for the private placement to 5.41% for the bank loans.

All treasury activities are controlled and monitored by the Deputy Chief Executive with the assistance of external consultants as required and are carried out in accordance with policies and strategies approved by the Group Board. The Group Board undertakes regular reviews of treasury management activity and covenant compliance.

Cash flow

Cash inflows and outflows for the year ended 31 March 2026 are set out in the Statement of Cash Flow on page 62.

Net cash inflows from operating activities are from the management of housing stock. Returns on investment and servicing of finances are due to interest income and interest charges on loans.

The net cash outflow results from expenditure on capitalised repairs to existing homes, spend on the development of new homes (which has been capitalised), less grant and sales proceeds from properties sold under the Right to Buy or Right to Acquire schemes plus spend on other fixed assets.

The Group generated net cash from operating activities of £11.7m in 2025/2026 (2024/2025: £13.5m). After investing and financing activities, cash and bank balances for the year ended 31 March 2026 stood at £9.9m (2024/2025: £13.1m), a reduction of £3.2m during the year.

Current liquidity

Our treasury management policy requires that each Group member will maintain a minimum level of liquidity such that there is:

i. Liquid funds equal to forecast net cash outflow for three months (subject to a minimum of £5m), made up of sufficient operational liquidity to meet the next four weeks' forecast gross cash outflow.

ii. Medium-term funding equal to forecast net cash outflow for six months.

iii. Long-term funding equal to forecast net cash outflow for 24 months.

We finance our operations through a mixture of retained profits, bank funding, and private placement funding at fixed rates of interest.

Our liquidity position remains strong.

As of 31 March 2026, there was £65m of available but undrawn bank facilities (2024/2025: £21.4m) and a cash balance of £9.9m (2024/2025: £13.1m).
Due to the refinancing exercise, we now have sufficient liquidity in place to last until at least 2031.

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The Group Board does not consider there to be any seasonal effects on the borrowing requirements. Generally, the main factor influencing the amount and timing of borrowings is the pace of the planned maintenance and improvement programmes, and development activity. These have a significant impact due to the timing of payments to contractors and receipt of any capital grants.

Loan covenants

Compliance with covenants is closely and regularly monitored as part of the Group's routine treasury management activity. The Group's principal loan covenants are EBITDA interest cover, gearing and asset cover.

The Group met all its financial covenants for the financial year with performance against the tightest loan covenants set out below:

	Covenant	Performance
EBITDA Interest Cover	130%	270%
Asset Cover	110%	155%
Gearing	70%	46.3%
On lending	5.5%	0.0%

Accounting policies

The principal accounting policies are set out in Note 2 to the financial statements on pages 63 to 114.

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Forecast financial performance

We produce a 30-year financial forecast, which is reviewed on an annual basis. The following tables set out a five-year picture of our forecast targets:

Statement of Comprehensive Income £'000	Actual 2026	Target 2027	Target 2028	Target 2029	Target 2030	Target 2031
Turnover	33,702	33,702	37,803	41,333	41,650	44,127
Operating costs	(27,839)	(27,839)	(31,027)	(32,301)	(31,990)	(34,168)
Other surplus/(deficit)	1,021	909	670	713	732	750
Operating surplus	909	670	713	732	750	768
Surplus for the year	4,136	1,156	2,251	2,298	2,094	2,160

	Actual 2026	Target 2027	Target 2028	Target 2029	Target 2030	Target 2031
Reinvestment	11.7%	11.3%	8.9%	6.7%	6.9%	6.2%
New supply delivered %						
– Social housing	1.7%	2.6%	1.5%	1.5%	1.5%	1.4%
– Non-social housing	–	–	–	–	–	–
Gearing	58.6%	61.2%	63.5%	64.5%	65.6%	65.5%
EBITDA MRI / Interest cover %	172.9%	123.8%	131.5%	134.5%	117.4%	145.5%
Headline social housing cost per unit	5,091	5,494	5,655	5,616	6,060	5,625
Operating margin % – Social Housing	15.6%	16.4%	16.3%	18.7%	18.2%	19.8%
Operating margin % – Overall	17.4%	17.9%	21.9%	23.2%	22.6%	23.4%
Return on Capital Employed	2.7%	2.7%	3.2%	3.2%	3.1%	3.3%

This plan has been stress tested for a 'perfect storm' of events that the Group Board considers might impact it. Further stress testing confirms resistance to the factors modelled including adverse movements in inflation, interest, sales values, and high value one-off financial events.

It is apparent that the impact of continued high inflation on costs and high levels of demand for property maintenance over the next few years will continue be a challenge. The stress testing of the plan considers more extreme economic scenarios than the one we are currently experiencing. Where remedies are required to ensure compliance with funding covenants, mitigating actions have been identified.

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Value for Money (VfM)

Delivering value for our customers is embedded throughout our organisation and is a key consideration across all our services, projects and decision making. When looking at how we provide Value for Money, we go beyond monetary savings, combining this with the additional social value that a community-based housing provider like ours can deliver.

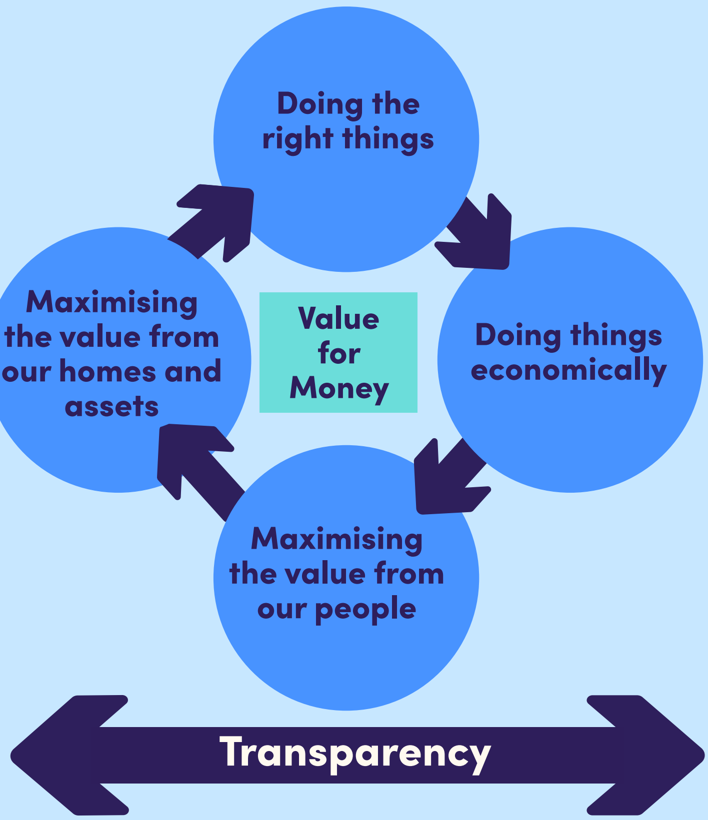
The cost-of-living crisis and inflationary market has stretched the financial resources of our customers and there are limited opportunities to increase our income. As a result, we have concentrated on protecting our current income streams and maximising Value for Money where we incur costs. Value for Money is a key consideration when we set our plans and strategies and is captured, reviewed and discussed throughout the year.

In December 2025, following engagement with tenants and colleagues, the Group Board approved the new Value for Money Strategy (2026-2029). The new strategy identifies five elements of Value for Money to ensure that we are not only cost-effective but also fair and impactful in the use of our resources.

The five key elements (5Es) are:

- Economy - getting the best value for the lowest cost
- Efficiency – maximizing output from a given set of inputs
- Equity - ensuring resources and benefits are distributed fairly and reach all intended beneficiaries, addressing fairness and inclusiveness in the allocation of resources
- Ethically - ensuring that the whole value generated from the resources invested can be captured and conveyed in a clear and measurable way, and in line with our values.
- Effectiveness - achieving the desired outcomes or objectives and that outputs lead to intended results

The strategy also sets out four key principles established to support and embed VfM thinking and actions to ensure that the use of the Group's resources fully support our vision. These are:



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Measuring Value for Money

Delivering Value for Money is fundamental to the delivery of the six strategic priorities set out in the corporate strategy. It is assessed using benchmarking of sector metrics and tenant satisfaction measures, which act as a can-opener to understand our financial out-turn and service delivery.

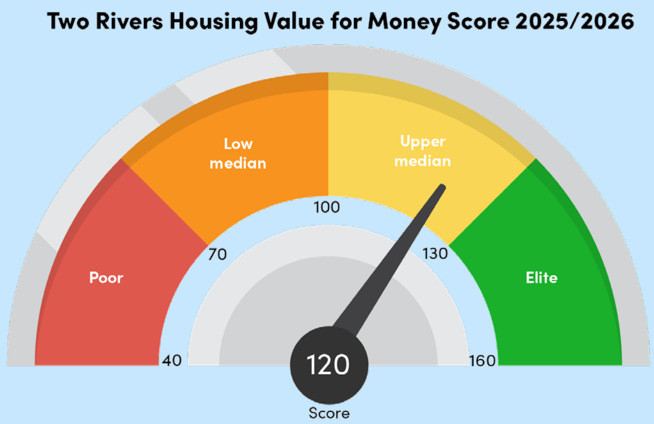
Demonstrating how we achieve this is complex, so we work with specialist consultants i4H to provide an independent, external assessment of our performance across four categories, (financial performance, cost analysis, operational performance and customer satisfaction) in comparison to a peer group of similar housing providers. This allows us to understand our relative performance, tackle areas of underperformance and drive further Value for Money gains across the organisation.

We also compare our performance against the key sector metrics included in the Value for Money Standard against PlaceShapers members and our performance in the previous year.
To ensure transparency around how Value for Money is measured to our tenants, we have identified a suite of key indicators, which will be reported alongside the key achievements delivered in the year. These have been captured below.

Overall, the benchmarking results conclude that we are performing in the upper median quartile against our i4H peer group and have delivered a stable, resilient financial performance for the year ending 31 March 2026.

Costs have been targeted based on the priorities set out in our corporate strategy. Our investment in major repairs and planned maintenance remains consistently above the sector average. This is a deliberate strategy that helps us maintain high-quality homes and deliver our long-term objectives.

In line with the corporate strategy, we have also invested heavily in front line services. This has contributed to a lower operating margin compared to peers, however the positive impact of this can be seen in our customer satisfaction score, which has improved since compared to last year and now demonstrates an elite performance within the performance improvement radar.



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VfM Measure	Results 2025/2026	Median 2025/2026	Score 2025/2026
Total cost per unit	£5,520	£5,520	20
Total operational performance score	270	225	30
Total customer satisfaction score	190	125	40
Total financial score	220	200	30
Total VfM score	**120**	**100**	**120**

Operational indicators

In addition to the improved level of customer satisfaction, operational performance has also improved year-on-year, and we have maintained a mid-to-upper quartile position for 2025/2026. Our total performance score has risen by 15%, driven by positive movement in repairs performance in comparison to last year.

Performance Indicator	2024/2025 result	2025/2026 result	Peer median
Rent collected (including arrears b/f)	99.99%	99.61%	96.26%
Current tenant arrears (excluding voids)	0.61%	0.98%	3.96%
Rent loss due to voids	1.34%	1.74%	1.32%
Average time to complete repairs (days)	29.00	18.74	29.38
Average re-let time (days)	31.64	34.10	34.38
Emergency repairs completed on time	93.630%	97.40%	97.30%
Non-emergency repairs completed on time	57.00%	87.20%	86.60%
Gas safety certificate %	100.00%	100.00%	N/A
SAP rating	62.90	68.60	74.57
Total score	**220**	**250**	**225**

Repairs appointment performance has seen a significant improvement and shows a strong relationship between completion times and overall satisfaction.

We have continued to invest in the energy efficiency of our homes and made good use of funding streams available to support this work including the Warmer Homes: Social Housing Fund (WH: SHF) and ECO4 grants. Providing warm, safe, affordable homes is a key priority in our corporate strategy, and this supports the case for ongoing investment in property improvements.

While we have seen a small increase in the percentage of rent arrears during the year, we remain in the upper quartile for this measure. This reflects the consistently robust internal controls and procedures we have in place to support tenants to pay their rent.

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There has however been a dip in performance for void rent loss and average re-let times, resulting in a lower quartile placement for these indicators. We recognise that this is a key area for further progress and improvement and will seek to improve performance through a lean review of our process 'key to key'.

With continued investment in the energy performance of our homes and the review of our Empty Homes Standard we expect to see these indicators improve during 2026/2027.

Our overall satisfaction score has improved, moving us into the elite quartile. All measures in this indicator improved compared with last year, with satisfaction with the neighbourhood being the only area not yet at elite level, however this has improved from 70% to 76% and remains in the mid-upper quartile.

Tenant Satisfaction Measures (TSMs)

Over the last 12 months, we have been listening to what our tenants have told us about their homes and the services we provide. We have worked closely with our Tenants' Voice Group and held workshops and focus groups to help us understand what we are doing well and where we need to make improvements.

We have been working hard to improve our services and invest in our homes to make the changes tenants want to see. So, we are really pleased to see an increase in overall satisfaction from our tenants (+3.2%) and in key areas such as repairs satisfaction (+4.9%), well maintained homes (+6.7%) positive contribution to neighbourhood (+5.9%) compared to last year.

Performance Indicator	Latest Result	Median 2025/2026
Overall satisfaction	82.7%	74.70%
Satisfaction that the home is well maintained	84.5%	72.80%
Satisfaction positive contribution to neighbourhoods	76.2%	68.70%
Satisfaction with repairs	85.9%	74.00%
Satisfaction listens to tenant views and acts upon them	76.0%	67.30%
Total score	**190**	**125**

The challenge of resourcing housing management services and delivering improved grounds maintenance services has largely been addressed and we are now seeing improvements in services delivered being reflected in our feedback from tenants.

We survey our tenants throughout the year and have seen increases in most areas during the year. The results from our Q4 2025/2026 tenant survey showed that 87% of our tenants believe that we treat them fairly and with respect and 79% believe that we will listen to and act on their feedback. We know that we still have work to do and will continue to listen to what our tenants are telling us and improve our services.

Our full set of Tenant Satisfaction Measures is published on our website.

VfM efficiency savings

In addition to the activities detailed on page 44, savings delivered through department-led initiatives totalled £197,000 (2024/2025: £598,000) with further procurement efficiencies delivered through the CHIC framework totaling £98,000 (2024/2025: £752,000).

A grant of £1.325m was received from the Warmer Homes: Social Housing Fund and we also saw savings of £1.731m by utilising ECO4 funding to support energy improvement work in 142 homes.

Key performance indicators

In addition to the regulatory metrics, the Group Board sets organisation specific Key Performance Indicators (KPIs) annually to ensure performance can be monitored against our strategic priorities. The 2025/2026 performance against these KPIs, together with 2026/2027 expectations are detailed on page 38. Where no target is set, we are looking to ensure we deliver improving performance trends.

Strategic Report and Report of the Group Board

Two Rivers Housing

Strategic priority	Key performance indicator	Trend / target	2024/2025 trend/target	2024/2025 outcome	2025/2026 trend/target
A great customer experience	% Overall satisfaction with the service provided by the landlord	Target	79%	82.7%	84%
	Satisfaction with repairs	Target	80%	85.9%	88%
	Repairs completed within target timescale	Target	80%	88.75%	90%
	Housing Ombudsman Upheld in Last 12 Months	Trend	Trend	4 cases	Trend
	Satisfaction that customers are treated fairly and with respect	Target	Trend	87.8%	88%
	Complaints relative to the size of the landlord				
	(No. of complaints per 1,000 homes)	Trend	Trend	Stage 1 38.8	
	Stage 2 10.6	Trend			
	Complaints responded to within Complaint Handling Code timescales	Target	100%	Stage 1 89.3%	
	Stage 2 93.5%	100%			
	Void Turnaround - YTD (calendar days)	Target	30 days	58.56 days	30 days
Modern, warm, safe, sustainable homes	Satisfaction that the home is safe	Target	84%	88.3%	90%
	Satisfaction that the home is well-maintained	Target	78%	84.5%	86%
	Landlord Compliance 31 March	Target	100%	99.91%	100%
	Decent Homes Standard Compliance 31 March	Target	100%	99.84%	100%
	Homes At or Above EPC Rating C	Target	71.3%	68.63%	74.90%
	No. of New Homes	Target	100	81	100
	Stock Condition Surveys - Percentage of homes with a stock condition survey that is 5 years or less.	Target	100%	97.02%	100%
A great place to work	Colleague Satisfaction (Happiness Index)	Trend	Trend	7.3 out of 10	Trend
	Voluntary Colleague turnover %	Target	<12%	14.06%	<13%
A strong, well-run business	EBITDA MRI	Target	122%	152%	119%
	Social Housing Operating Margin	Target	15.8%	15.6%	16.4%
	Regulatory Judgement (G/V)	Target	G1/V1/C1	G1/V1/C1	G1/V2/C1
	% Rent arrears	Target	<1.5%	0.98%	<1.5%
	% Void rent loss	Target	<1.5%	1.74%	<1.5%
	No of Accidents Reported	Trend	Trend	44	Trend
	No. of RIDDOR Reported Accidents	Trend	Trend	3	Trend
Neighbourhoods where people love to live	Satisfaction that the landlord makes a positive contribution to neighbourhoods	Target	74%	76%	78%
	Satisfaction that the landlord keeps communal areas clean and well-maintained	Target	67%	72%	74%
	Satisfaction with the landlord's approach to handling anti-social behaviour	Target	65%	60%	65%
	Anti-social behaviour cases relative to the size of the landlord (per 1,000 homes)	Trend	Trend	21.34	Trend

Strategic Report and Report of the Group Board

As highlighted in the overall position on page 38, there are some opportunities for us to review and improve. We will bring these into focus in the development of our new corporate plan, particularly focusing on the management of empty homes, complaints handling and looking at how we can deliver efficiencies to drive Value for Money and improve our operating margin.

Value for Money Metrics

In defining the new Value for Money Strategy 2026-2029 and following engagement with tenants, colleagues and Group Board Members the following VfM metrics have been identified to measure future VfM performance:

Value for Money

Doing the right things
Overall satisfaction with the service provided by the landlord
Reasonable adjustments implemented Statutory compliance
Financial Viability /EBITDA MRI
Reasonable adjustments

Doing things economically

Management cost per unit
Social Housing Operating Margin
Headline Social Housing Cost
VfM /Procurement savings

Maximising the value from our assets
Satisfaction that the home is well-maintained
New Homes delivered
Investment in existing homes
Reinvestment %

Maximising the value from our people
Voluntary Staff turnover
Staff satisfaction
Colleague attendance
Colleague development and performance

Strategic Report and Report of the Group Board

Regulatory Value for Money (VfM) Sector metrics

The Regulator for Social Housing (RSH) has outlined what it expects registered providers to deliver in relation to Value for Money (VfM) in its 2018 Value for Money Standard. The VfM Standard requires us to understand our costs, the outcomes of delivering specific services, and the underlying factors which impact these costs.

The Regulator's eight VfM metrics enable us to compare our performance against the whole global accounts sample and PlaceShapers members. Performance is assessed relative to the forecast target, with reference to the prior year's sector performance. Our performance against these metrics is set out in the table below.

	Two Rivers Housing			Whole Sector	PlaceShapers
	Actual 2026	*Target 2026	**Actual 2025	(Median) ***2025	(Median) ****2025
Reinvestment	11.7%	11.8%	11.2%	7%	7.5%
New supply delivered % (Social housing)	1.70%	1.9%	2.52%	1.3%	1.3%
New supply delivered % (Non-social housing)	-	-	-	-	-
Gearing	58.6%	61.5%	57.5%	45.5%	45.0%
EBITDA MRI / Interest cover %	172.9%	114.1%	146.4%	112.9%	111.0%
Headline social housing cost per unit	£5,091	£5,253	£5,027	£5,688	£5,506
Operating margin % – Social Housing	15.6%	15.8%	15.4%	20.0%	18.9%
Operating margin % – Overall	17.4%	17.3%	16.0%	17.4%	17.4%
Return on Capital Employed	2.7%	2.5%	2.8%	3.0%	2.7%

RAG Rating: Actual 2025/2026 vs *Target; **Actual 2024/2025, ***Sector Median 2024/2025, **** PlaceShapers 2024/2025

Further performance benchmarking against the i4H Benchmarking peer group is set out below.

FY26 – Financial indicators	FY25	FY26	Median
Reinvestment %	11.20%	11.70%	5.84%
New supply delivered (social housing) %	2.25%	1.70%	1.19%
Gearing Ratio %	57.50%	58.60%	56.84%
EBITDA MRI Interest Cover %	146.40%	172.90%	104.51%
Headline social housing cost per unit £	£5,027	£5,091	£6,264
Operating margin % (Overall)	15.41%	17.40%	19.66%
Operating margin % (SHL)	15.97%	15.60%	20.72%
Return on capital employed * (ROCE)	2.81%	2.70%	3.20%
Total score	**230**	**220**	**200**

Further performance benchmarking against the i4H Benchmarking peer group is set out below.

Among social housing providers with more than 1,000 units, our performance continues to rank in the mid-to-upper quartile a notable achievement considering the organisation's relative size.

Financial performance is firmly placed in the mid-to-upper quartile with the reduction in the score being due to the reduced operating margins. Our performance reflects our strategic objective to invest in our homes and services and develop new affordable homes in our communities, with the high gearing ratio offset against the high reinvestment and new supply levels.

Reinvestment levels have remained in the upper quartile and are among the strongest results across the peer group. The headline social housing cost per unit remains well below the median although the operating margins (both overall and social housing lettings) are lower than the median, this is linked to the deliberate strategy of resourcing front line services. Having said that, our financial performance remains consistently strong.

The gearing ratio sits in the mid-to-lower range, which is expected given the scale of ongoing development activity. This aligns with a core strategic and national objective of increasing the availability of affordable homes.

In summary

Our 2025/2026 performance demonstrates that we are delivering strong and sustainable Value for Money across the organisation, despite a challenging economic environment and increasing financial pressures on both the business and our customers.

Our overall position in the mid-to-upper quartile across benchmarking, combined with upper quartile performance in key financial metrics such as EBITDA MRI and reinvestment, provides clear evidence of a resilient and well-managed organisation.
We have made deliberate strategic choices to prioritise investment in our homes and front-line services, recognising that Value for Money is not defined solely by cost efficiency, but by the outcomes we achieve for our tenants. This is reflected in our improved operational performance and our move into the elite quartile for customer satisfaction, alongside continued strong rent collection and effective financial control.

While this investment has contributed to comparatively lower operating margins, this is a conscious and appropriate trade-off that aligns with our corporate priorities and long-term objectives. At the same time, we continue to deliver substantial efficiency savings and maintain costs below sector benchmarks, demonstrating that we remain disciplined in how we use our resources.

We recognise there are areas where further improvement is required, particularly in relation to void performance, re-let times, and some aspects of asset performance. Clear plans are in place to address these challenges, and early actions are already underway to drive improvement during 2026/2027.

Overall, our assessment is that we are achieving Value for Money through a balanced approach that combines financial strength, continuous efficiency, and meaningful outcomes for tenants.

Our new Value for Money Strategy (2026–2029), is grounded in the principles of Economy, Efficiency, Effectiveness, Equity and Ethics. It will ensure we build on this strong foundation, continue to improve performance, and deliver maximum value from the resources entrusted to us.

A full review of each of the Regulator's VfM sector metrics, providing a brief description of the metric, and forecasts for future performance against these based on our business plan projections can be found in the Value for Money Position Statement 2026, on our website.

Strategic Report and Report of the Group Board

Corporate governance

A review of governance arrangements was undertaken in 2024/2025. The review sought to increase capacity, strengthen reporting and monitoring of compliance with Regulatory Standards, strengthen the voice of our customers across the governance structure and ensure that the structure aligns with the corporate strategy.

In December 2025, we commissioned an independent Board effectiveness reviewed. The review concluded that "Two Rivers Housing has strong and effective governance supported by clear structures, a positive culture and a mature assurance framework" and that "Group Board Members demonstrate commitment, curiosity and constructive challenge".

The review found that Two Rivers Housing continues to demonstrate effective and compliant governance aligned with the expectations of the Regulator of Social Housing. The Group Board provides clear leadership, thoughtful challenge, and strong assurance across all key domains."

The Group Board is made up of eleven Non-Executive Directors, the Group's Chief Executive and the Company Secretary. Details of the Group Board are set out in the Company Information section of this report on pages 4 and 5.

Group Board Meetings are held at least five times per year.

The Group's Non-Executive Director Succession Planning and Recruitment Policy permits a normal tenure of up to six years for all new appointments. Under this policy and in accordance with the constitution and provisions set out in the National Housing Federation Code of Governance 2020, the Group Board is permitted to extend the tenure of Board Members up to a maximum of nine years, to meet the needs of the business.

We operate with one subsidiary Two Rivers Developments Limited, which was established by the Group Board to support the delivery of our corporate objective to build more affordable homes.

The Chair and membership of the subsidiary Board is determined by the Group Board, who set out the responsibilities and delegated authority. The Chair shall either be a Group Board Member or a co-opted member of the Group Board.

The Group is supported by three main committees: the Customer, Colleague and Culture Committee, the Assets, Investments and Development Committee, and the Audit, Risk and Assurance Committee. Membership of these committees is drawn from the Group Board plus three independent Committee Members, one for each Committee.

In addition, there is a Funding Committee, which only meets when we are undertaking new funding arrangements. This Committee met during 2025/2026 to oversee the refinancing exercise.

Strategic Report and Report of the Group Board

Customer, Colleagues and Culture Committee: The role of this committee is to advise and provide assurance to the Group Board that arrangements are in place to ensure the diverse voices of the Association's customers are heard and acted upon. They are also responsible for ensuring that arrangements are in place to support colleagues and their wellbeing to enable them to deliver services to our customers.

Asset, Investment and Development Committee: The role of this committee is to advise and provide assurance to the Group Board on the adequateness and effectiveness of arrangements in place to deliver the Association's asset management, responsive repairs service, sustainability, development and regeneration programmes in line with the agreed business plan.

Audit, Risk and Assurance Committee: The role of this committee is to provide assurance to the Group Board that we have adequately assessed risk and have a robust control and assurance framework in place, including but not limited to, appropriate financial reporting processes; external audit; internal audit and internal control; and to oversee the work of the external and internal auditors.

Funding Committee: Support the Group Board with the work required for new financing arrangements. This is not a permanent committee – it operates only when new funding arrangements are required.

Tenants' Voice Group: The Tenants' Voice Group brings tenants, Group Board Members and senior leaders together to review and improve our services. Members work as partners to provide feedback, ask questions and make sure services meet tenants' needs, as well as the requirements of consumer standards and relevant laws. The group also gives tenants a direct link to the Group Board and the Customer, Colleague and Culture Committee, helping ensure customer views are reflected in decision-making.

Executive Directors are not Group Board Members and act as executives within the authority delegated to them by the Group Board.

The Group has insurance policies that indemnify both its Board Members, Executive Directors and Officers against liability when acting for the Group.

Strategic Report and Report of the Group Board

Compliance with the Regulatory Standards

Regulatory Standards

In preparing this report, a review of group governance procedures has been undertaken, and the Group Board is satisfied that Two Rivers Housing Association is compliant with the Regulatory Standards as set out by the Regulator of Social Housing.

The Regulatory Standards comprise the Economic Standards (the Governance and Financial Viability, Value for Money, and Rent Standards) and the Consumer Standards (Tenancy Standard, the Neighbourhood and Community Standard, the Safety and Quality Standard and the Transparency, Influence and Accountability Standard).

One of the core Economic Standards is Governance and Financial Viability. This requires Registered Providers (RPs) to have effective governance arrangements in place that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent, and accountable manner. It also requires RPs to manage their resources effectively and to make sure their viability is maintained, while ensuring that social housing assets are not put at undue risk.
The Consumer Standards came into effect from 1 April 2025. Under the standards, Landlords are required to:

- ensure tenants are safe in their homes.
- listen to complaints made by tenants and respond promptly to put things right.
- be accountable to tenants and treat them with fairness and respect.
- know more about the condition of every home they manage and the needs of the people who live in them.
- collect and use data effectively across a range of areas, including repairs.

Most social housing tenants live in decent homes, but RSH is clear that all landlords can improve standards. To hold landlords to account, it continues to:

- inspect larger landlords regularly to check they are meeting the outcomes set out in the Standards.
- scrutinise data about tenant satisfaction, repairs and other relevant issues.
- push landlords to protect tenants and put things right when there are problems.
- use a range of tools when needed, including new enforcement powers.
- focus on the financial viability and governance of housing associations as part of its integrated regulation.

The Regulator carries out detailed inspections of social housing landlords around every four years. As part of the inspection, it speaks to tenants, Group Board members and senior leaders to understand how the organisation is being run and how services are being delivered.

In April 2026, Two Rivers Housing underwent its first regulatory inspection incorporating the new Consumer Standards. In its assessment, the Regulator has confirmed that we have kept our top ratings for governance and financial viability. These are known as G1 and V1. It also gave us the highest rating, C1, against the new Consumer Standards.

We are very proud of these ratings, but we know they are not the end of the journey. There are still areas where we need to improve, and we will keep listening to tenants and acting on what they tell us.

Strategic Report and Report of the Group Board

The Group Board undertakes annual self-assessments of compliance with both the Economic and Consumer Standards. Taking account of the Regulator of Social Housing Code of Practice, the Group Board was able to confirm that Two Rivers Housing is compliant with the Regulatory Standards.

Housing Ombudsman Complaints Handling Code

The Housing Ombudsman Service's (HOS) Complaints Handling Code (the 'Code') became statutory on 1 April 2024, meaning that all members of the Housing Ombudsman Scheme are obliged by law to follow its requirements. It sets out best practice for landlords' complaint handling procedures, to enable a positive complaints culture across the social housing sector, regardless of the size or type of landlord. The code encourages landlord-tenant relationships so that tenants can raise a complaint if things go wrong.

To meet the requirement of the Code, Non-Executive Director Sharon Wilkins was appointed as the 'Member Responsible for Complaints' for Two Rivers Housing. The 'Member Responsible for Complaints' regularly scrutinises the complaints and the outcomes are fed back to our Tenants' Voice Group, our Customers, Colleagues and Culture Committee, and Group Board.

The Code also requires landlords to carry out an annual self-assessment to ensure their complaint handling remains in line with its requirements. The self-assessment has concluded that Two Rivers Housing is compliant with the majority of the requirements, however we have assessed ourselves as not meeting the Code for 6.3: Landlords must issue a full response to Stage 1 within 10 working days and 6.14: Landlords must issue a full response to Stage 2 complaints within 20 working days of the complaint being acknowledged.

During 2025/2026, there were eighteen occasions where a Stage 1 response fell outside of the 10 working days target, without extension and three occasions where a Stage 2 response fell outside of the 20 working days target, without extension.

We are taking steps to ensure that all complaints are responded to within the timescales required by the Code going forward and have also identified a number of other areas where we can strengthen and improve our approach to complaints handling.

The Tenants' Voice Group have been given the opportunity to check and challenge the draft self-assessment and hold us to account. Their review concluded the assessment was a fair reflection of where we are. The Member Responsible for Complaints also completed a deep dive review of evidence provided to support this assessment. Following these reviews the Customer, Colleague and Culture Committee endorsed the self-assessment.

The deadline for publication of the 2025/2026 self-assessment submission is 30 September 2026, and we are on track to meet the deadline. This will be available on our website and will set out in detail how we are now meeting the Complaints Handling Code.

Complaints reviewed by the Housing Ombudsman Service

In total, we have received five determinations from the Housing Ombudsman during the year. In each of these they share their findings and outline any actions that we must take to put things right.

Their findings are also shared with the Regulator of Social Housing. Across these five cases, the Ombudsman issued ten findings, of which there were two instances of maladministration, two instances of service failure, two cases where reasonable redress was found and four instances where no maladministration was found. Our maladministration rate for 2025/26 was 40% (70% in 2024/25). This is a positive shift that reflects an improvement in complaint handling.

In some of the cases the Housing Ombudsman made recommendations of things we could look to improve. This included creating clear anti-social behaviour action plans, which include realistic deadlines and reviewing some of our policies to ensure that definitions are clear and fair. They also asked us to make sure that all complaints are dealt with in line with the Code.

We have reviewed all the Housing Ombudsman's findings to look at how we could make further improvements to our services. This included changes to our processes and how we develop future plans to improve services.

National Housing Federation Code of Governance 2020

The Group Board is pleased to report that the association complies fully with the requirements of the NHF Code of Governance 2020. Ongoing compliance is maintained by following and embedding the principles and requirements of the Code when we review our strategies, policies and governance arrangements and through our annual governance/Board effectiveness reviews.

Internal controls assurance

The Group Board is responsible for ensuring that the Group has a robust and prudent business planning, risk and control framework appropriate to the business environment in which it operates. The internal controls framework is approved annually by Group Board.

Our internal control framework is designed to reflect the organisation's strategic priorities and the key risks we face to:

- Effectively and comprehensively manage risk, recognising that the purpose is to reduce risk to an acceptable level, not eliminate it entirely
- Provide appropriate systems and processes to prevent and detect fraud, financial loss, and the loss or misuse of personal data relating to customer, colleagues, and third parties
- Ensure controls are in place to prevent and detect potential harm to customers, colleagues, and stakeholders, including the implementation of robust health and safety arrangements and safeguarding protocols
- Provide reasonable – though not absolute – assurance against material loss or misstatement
- Provide reasonable assurance with respect to the reliability of financial and operational information.
- Safeguard the organisation's assets and liabilities.

Strategic Report and Report of the Group Board

The main elements of our internal control framework are:

- Regular Group Board meetings with matters formally reserved for decision by the Group Board outlined in the rules of the organisation and Group Board Terms of Reference. Reserved matters include a defined range of issues relating to strategic, operational, and financial matters.
- Standing orders and financial regulations and clearly defined organisational structures and Scheme of Delegation.
- Counter fraud and whistle-blowing policies.
- Code of Conduct and probity policies.
- Declarations by Group Board Members and colleagues as part of the controls framework to ensure there are no conflicts of interest.
- Register of Interests of Group Board Members.
- Accounting and treasury policies.
- Robust business strategies with annually approved 30-year financial plan and operating budget.
- Regular financial and key performance indicator reporting, with remedial action being taken where necessary.
- Strict controls regarding cyber security to prevent data misuse; loss and corruption and ensure ongoing services.
- Data Strategy.
- Risk Strategy and Policy setting out the risk management framework and risk appetite.
- Health and safety management framework.
- Continuing reviews of Value for Money and procurement strategies.

In addition, wherever feasible, segregation and separation of duties has been undertaken to maximise control.

Control is further strengthened through our internal auditors. The internal auditors prepared a plan, which was approved by the Group Audit, Risk and Assurance Committee and was delivered and monitored by the Committee and Group Board during the year. The internal auditors concluded in their annual report that Two Rivers Housing has an adequate and effective framework for risk management, governance and control.

We have a number of policies in place in respect of preventing, detecting, and investigating fraud and the Group Board is satisfied that these effectively manage the risk of fraud. A fraud register is maintained, and a report is given at each meeting of the Audit and Risk Committee on any instances of detected fraud. There were no such instances during the period under review.

There have been no reported breakdowns of internal control causing significant or material loss to the Group.

The Group Board has received the Chief Executive's annual report, has conducted its annual review of the effectiveness of the systems of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

The Group Board confirms that there is an on-going process for identifying, evaluating, and managing significant risks faced by the Group. This process has been in place throughout the year up to the date of the Annual Report and is regularly reviewed by the Group Board.

In conclusion, the Group Board has reviewed the effectiveness of the system of internal control and is satisfied that there is sufficient evidence to confirm that robust systems of internal control existed and operated throughout the year, and that those systems were aligned to an ongoing process for management of the significant risks facing the organisation.

Strategic Report and Report of the Group Board

Risk management

The Group Board acknowledges that no activity is free from risk. Our approach to risk management focuses on early identification of key and emerging risks and pro-active response, so we can reduce the likelihood of an uncontrolled risk having a detrimental impact on organisation's ability to achieve its strategic objectives.

We continually assess which risks are relevant to the association in the context of the current uncertain macroeconomic climate and geo-political environment.

We have a comprehensive risk management framework in place. During 2025/2026, the Group Board and management reviewed and updated the risk management framework, strategy, policy, and risk appetite in line with the recommendations from our external risk advisors. The annual external risk review provided substantial assurance with some minor recommendations to further enhance the framework to be implemented during 2026/2027.

The Group Board completed an in-depth review of the risk appetite, which resulted in further clarification of the risk appetite against each risk category to enhance the understanding across the organisation. This was done in conjunction with the review of the findings reported in the Sector Risk Profile published by the Regulator of Social Housing and resulted in an update of our risk appetite statement with a clear level of risk being assigned to business activities.

The Group Board keeps the risk appetite of the Group under review in the context of these and other strategic risks, alongside how the organisation can meet its core purpose and organisation objectives, while also fulfilling its co-regulatory responsibilities. This is facilitated using metrics set out in the risk appetite statement to enable the Group Board and committees to assess whether performance remains within parameters agreed. In addition, a risk appetite survey was circulated to Board Members to canvas their views and consolidate the risk appetite. The survey results confirmed that overall, the risk appetite is balanced, with expected caution in regulatory and tenant safety, with a more open appetite in relation to growth.

Alongside this, horizon scanning to capture any areas that should be kept under review is undertaken at each meeting of the Group Audit, Risk and Assurance Committee.
We stress test our financial and operational plans using single and multi-variate scenario testing and the Group Board's Audit, Risk & Assurance Committee reviews sources of internal and external assurance and the performance and integrity of our internal control framework on an annual basis.
The highest risks in terms of their impact and probability are discussed by the Group Audit, Risk and Assurance Committee on a quarterly basis and are reported through to the Group Board. The report identifies action taken to manage risks as well as new and emerging risks.

A programme of deep dives into the top risks, provides greater scrutiny and validation that the controls and assurance are in place.

Third party assurance is obtained where possible to ensure that Group Audit, Risk and Assurance Committee and Group Board have confidence that risks are effectively minimised. For example, we have used external advisers to complete stock condition surveys, cyber risks and review our Treasury Management Policy.

Strategic Report and Report of the Group Board

The Group Board continues to monitor the risk and exposures that may arise from economic uncertainty exacerbated geo-political instability and in particular the inflationary pressures that we and our tenants are facing.

The Deputy Chief Executive reports to the Group Audit, Risk and Assurance Committee and the Group Board on the effectiveness of the internal control environment.

The Group Board has identified the following high impact risks challenging our organisation and agreed actions to strengthen controls to mitigate these:

Strategic risk	Controls and actions
Changes in the external environment	▸ Strategically focused executive team. ▸ Exposure to the housing market limited to 30% of the development programme. ▸ Welfare, debt and benefit advice team in place to support financially vulnerable tenants. ▸ Contingency plans for LCHO schemes including tenure change and buy backs. ▸ Additional scrutiny in appraisal process of schemes with a sales element. ▸ Prudent assumptions on sales values and proportion of equity sold.
Customer satisfaction	▸ Independent quarterly tenant surveys undertaken to assess satisfaction levels. ▸ Monthly reporting of complaints. ▸ Tenants' Voice Group established to provide scrutiny and assist with the development of services. ▸ Strengthened approach to tenant involvement through the clear links between our Tenants' Voice Group, Member Responsible for Complaints and Customer, Colleague and Culture Committee. ▸ Approval of revised Customer Experience Strategy ensuring it aligns with our new corporate plan.
Quality homes/asset management	▸ Asset Management Strategy in place to balance the investment in new homes and in existing homes. ▸ External validation of stock condition (five-yearly) completed in 2025 with a clear investment plan set for the next five years. ▸ Programme of stock condition surveys with 97% achieved by March 2026. ▸ Monitoring of plans for changes in property standards. ▸ Condition standards workshop delivered to ensure consistency of gradings.

Strategic Report and Report of the Group Board

Strategic risk	Controls and actions
Changes in the external environment	- Strategically focused executive team. - Exposure to the housing market limited to 30% of the development programme. - Welfare, debt and benefit advice team in place to support financially vulnerable tenants. - Contingency plans for LCHO schemes including tenure change and buy backs. - Additional scrutiny in appraisal process of schemes with a sales element. - Prudent assumptions on sales values and proportion of equity sold.
Customer satisfaction	- Independent quarterly tenant surveys undertaken to assess satisfaction levels. - Monthly reporting of complaints. - Tenants' Voice Group established to provide scrutiny and assist with the development of services. - Strengthened approach to tenant involvement through the clear links between our Tenants' Voice Group, Member Responsible for Complaints and Customer, Colleague and Culture Committee. - Approval of revised Customer Experience Strategy ensuring it aligns with our new corporate plan.
Quality homes/asset management	- Asset Management Strategy in place to balance the investment in new homes and in existing homes. - External validation of stock condition (five-yearly) completed in 2025 with a clear investment plan set for the next five years. - Programme of stock condition surveys with 97% achieved by March 2026. - Monitoring of plans for changes in property standards. - Condition standards workshop delivered to ensure consistency of gradings.
Strategic financial planning	- Treasury strategy in place to balance risk and financial resilience - Capacity review completed in September 2025 - Bi-annual review of the long term financial plan - Economic assumptions regularly updated within the financial plan - Comprehensive scenario testing and mitigation plan in place
Health, safety and landlord compliance	- Specialist team in place with subject experts across teams. - Oversight of activity by Group Board, executive team and Health and Safety Working Group. - Regular monitoring and quarterly reporting via Health and Safety Dashboard and Assets Directorate Performance Dashboard. - Management plans in place for key risk areas (fire, asbestos, etc.) - Regular internal audit assessments. - Regular second line of assurance checks across all landlord compliance areas.

Strategic Report and Report of the Group Board

Strategic risk	Controls and actions
Delivering EPC C by 2030	- Board approved Asset Management and Development Strategy - Funding secured from the government's Warm Homes: Social Housing Fund and ECO4 funding.
Repairs and maintenance	- Repairs policy reviewed and updated, incorporating feedback from repairs workshop held with tenants. and Tenants' Voice Group approval. - Effective procurement for key works programmes with regular contractor meetings to discuss performance. - Regular monitoring and Group Board oversight of repairs performance and level of work in progress. - Customer surveys to monitor satisfaction with the service. - Feedback from tenants (Tenant Satisfaction Surveys). - Robust action on properties suffering from leaks / damp / mould.
Data integrity	- Data strategy - Data governance framework - Data quality monitoring software with alerts set up to identify data anomalies - Regular second line of assurance data quality checks in internal audit programme
Data security/ confidentiality	- Cyber security, systems and data strategy and management controls and practices in place. - Well established data protection/ iGovernance system, iGov group and dedicated roles in place. - Cyber Essentials Plus certification. - Cyber insurance. - Data protection and cyber security training for colleagues. - Regular phishing tests completed across the business with additional training provided at any point of failure. - Penetration testing conducted on a rolling basis. - Data Strategy and Governance Framework in place.

Strategic risk	Controls and actions
Regulatory judgement and poor governance	‣ Internal audit programme reviewed and approved annually. ‣ Regular audits of regulatory requirements. ‣ Internal controls framework reviewed annually. ‣ Board assurance framework reviewed annually to ensure delivery of key strategic objectives, with performance monitored quarterly by Group Board. ‣ External review of Board effectiveness (three-yearly) with annual Group Board self-assessment undertaken. ‣ Governance structure review completed in 2025/2026 resulting in recruitment of additional Board and Committee Members to increase capacity and broaden skills with new committee structure in place from April 2026.

The Group Board is continuing to monitor the dynamic operating environment and implement further actions to ensure that the risks arising are managed appropriately and activities remain within the agreed risk appetite.

Statement of the Board responsibilities

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

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

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

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

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- assess the Group and Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group or the Association will continue in business or has no realistic alternative but to cease operations.

The Group Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

Statement of the Board responsibilities

Statement of Compliance

In preparing this strategic report, the Group Board has followed the principles set out in the 2018 Statement of Recommended Practice (SORP): Accounting for registered social housing providers.

Disclosure of information to auditors

All current Group Board Members have taken all the steps they ought to have taken to ensure that they are aware of any information needed by the Group and Association's auditor for its audit, and to establish that the auditors are aware of that information. The Group Board Members are not aware of any relevant audit information of which the auditors are not aware.

The Report of the Board of Management and Strategic Report was approved on 12 August 2026 and signed on its behalf by:

Edward Pearce
Chair

Independent Auditor's report to the members of Two Rivers Housing

Opinion

We have audited the financial statements of Two Rivers Housing and its subsidiary (the Group) for the year ended 31 March 2026, which comprise the Group and Association Statement of Comprehensive Income, Group and Association Statement of Financial Position, Consolidated and Association Statement of Changes to Reserves, Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies in Note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2026 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, 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 and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditor's report to the members of Two Rivers Housing

Other information

The other information comprises the information included in the Report of the Board of Management and Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. 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.

In connection with our audit of the financial statements 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Group Board

As explained more fully in the Statement of The Board Responsibilities set out on page 48, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or Association or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the members of Two Rivers Housing

Two Rivers Housing

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.

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/auditors responsibilities. This description forms part of our auditor's report.

Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Lee Cartwright,
For and on behalf of:

Menzies LLP
Chartered Accountants
Statutory Auditor

The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Date: 18 August 2026

Consolidated and Association Statement of Comprehensive Income

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Turnover	**3**	**33,702**	**33,267**	**33,809**	**33,350**
Cost of sales	3	(1,672)	(2,518)	(1,672)	(2,518)
Operating expenditure	3	(26,167)	(25,436)	(26,163)	(25,434)
Gain/(loss) in respect of investment properties		-	-	-	-
Surplus on disposal of property, plant and equipment	4	909	1,021	909	1,021
Operating surplus	**3**	**6,772**	**6,334**	**6,883**	**6,419**
Interest receivable	5	1,729	890	1,729	890
Interest and financing costs	6	(4,365)	(4,427)	(4,365)	(4,426)
Surplus before tax	**7**	**4,136**	**2,797**	**4,247**	**2,883**
Taxation	10	-	-	-	-
Surplus for the year		**4,136**	**2,797**	**4,247**	**2,883**
Actuarial (loss) in respect of pension scheme	19	(25)	(528)	(25)	(528)
Total comprehensive income / (loss) for the year		**4,111**	**2,269**	**4,222**	**2,355**

The Association has no other recognised gains or losses. The notes on pages 63 to 114 form an integral part of these financial statements.

The financial statements were approved by the Group Board on 12 August 2026 and signed on its behalf by:

Edward Pearce
Chair

Tim Jackson
Vice Chair

Carol Dover
Deputy Chief Executive and Secretary

Consolidated and Association Statement of Financial Position

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Fixed assets					
Housing properties	11	244,438	225,276	245,204	225,675
Other tangible fixed assets	12	3,449	3,641	3,449	3,641
Intangible assets	13	15	22	15	22
Investment properties	14	480	480	480	480
		248,382	**229,419**	**249,148**	**229,818**
Current assets					
Properties held for sale	15	2,729	1,777	2,729	1,777
Inventories		85	71	85	71
Debtors	16	2,682	1,068	2,804	1,150
Short term investments		–	–	–	–
Cash and cash equivalents		9,921	13,098	9,364	12,799
		15,417	**16,014**	**14,982**	**15,797**
Creditors: Amounts falling due within one year	17	(10,371)	(19,834)	(10,408)	(19,833)
Net current assets		**5,046**	**(3,820)**	**4,574**	**(4,036)**
Total assets less current liabilities		**253,428**	**225,599**	**253,722**	**225,782**
Creditors: Amounts falling due after more than one year	18	(181,423)	(157,627)	(181,423)	(157,627)
Defined benefit pension (liability)/asset	19	(144)	(222)	(144)	(222)
Net assets		**71,861**	**67,750**	**72,155**	**67,933**
Capital and reserves					
Revenue reserve		71,861	67,750	72,155	67,933
Total reserves		**71,861**	**67,750**	**72,155**	**67,933**

The Association has no other recognised gains or losses. The notes on pages 63 to 114 form an integral part of these financial statements.

The financial statements were approved by the Group Board on 12 August 2026 and signed on its behalf by:

Edward Pearce
Chair

Tim Jackson
Vice Chair

Carol Dover
Deputy Chief Executive and Secretary

Registered number: 9498

Consolidated and Association Statement of Changes to Reserves

	Group		Association	
	Revenue reserve £'000	Total £'000	Revenue reserve £'000	Total £'000
At 31 March 2024	65,230	65,230	65,327	65,327
Surplus for the year	2,797	2,797	2,883	2,883
CFM Reserves	251	251	251	251
Actuarial gain in respect of pension schemes	(528)	(528)	(528)	(528)
At 31 March 2025	67,750	67,750	67,933	67,933
Surplus for the year	4,136	4,136	4,247	4,247
Actuarial loss in respect of pension schemes	(25)	(25)	(25)	(25)
At 31 March 2026	71,861	71,861	72,155	72,155

Consolidated Statement of Cashflows

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	**21**	**11,718**	**13,465**
Cash flows from investing activities			
Purchase of property, plant, and equipment		(27,874)	(24,771)
Purchase of intangible assets		(6)	-
Proceeds from sale of property, plant, and equipment		2,224	1,730
Grants received		2,274	4,248
Interest received		1,729	890
Net cash flows from investing activities		**(21,653)**	**(17,903)**
Cash flows from financing activities			
Interest paid		(5,392)	(5,365)
New funding		86,500	-
Repayment of borrowings		(74,350)	-
Net cash flows from financing activities		**6,758**	**(5,365)**
Net (decrease) in cash and cash equivalents		(3,177)	(9,803)
Cash and cash equivalents at beginning of year	21	**13,098**	**22,901**
Cash and cash equivalents at end of year	21	**9,921**	**13,098**

Cash and cash equivalents comprise:

	2026 £'000	2025 £'000
Cash at bank	**9,921**	**13,098**

The notes on pages 63 to 114 form an integral part of these financial statements.

Notes to the Financial Statements

1. Legal status and principal activities

Two Rivers Housing is a Charitable Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.

Two Rivers Housing is incorporated in England and Wales under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Housing Association. The registered office is Rivers Meet, Cleeve Mill Lane, Newent, Gloucestershire, GL18 1DS.

Two Rivers Housing's principal activity is to provide social housing.

The Group comprises the following entities:

Name	Incorporation	Registered / Non-registered
Two Rivers Housing	Co-operative and Community Benefit Societies Act 2014	Registered
Two Rivers Development Limited	Companies Act 2006	Non-registered

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year, unless otherwise noted.

Basis of accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in sterling £'000 for the year ended 31 March 2026.

The Group's financial statements have been prepared in compliance with FRS 102.

The Group meets the definition of a Public Benefit Entity (PBE).

Notes to the Financial Statements

2. Accounting Policies (continued)

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year, unless otherwise noted.

Parent company disclosure exemptions

In preparing the separate financial statements of the Parent Entity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Entity.
- Disclosures in respect of the Parent Entity's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.

Basis of consolidation

The consolidated financial statements incorporate the results of Two Rivers Housing and its subsidiary undertakings as of 31 March 2026.

Going concern

The Group's financial statements have been prepared on a going concern basis, which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2026/2027 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

The Group's business activities, its current financial position, and factors likely to affect its future development are set out within the Report of the Board. The Group has in place long-term debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day-to-day operations.

The Group also has a long-term business plan, which shows that it can service these debt facilities while continuing to comply with lenders' covenants. On 31 March 2026, the Group had available cash balances of £9.9m, and a further £65m of secured but undrawn loan facilities that could be drawn at short notice. The Group Board's assessment of going concern involves several subjective judgements including, but not limited to, potential increased rent arrears, delayed rent collections, increased voids, reduction in property prices and delays in property sales and costs associated with achieving energy efficient homes. In making its assessment the Group Board has also considered the potential mitigations available to manage the potential impact on its cashflows and liquidity.

A wide-ranging multivariate stress test has been run on the business plan including the normal suite of scenarios that are tested regularly.

The stress testing is based on scenarios provided by the Group's funding advisors and risk management advisors including indices on consumer prices, house prices, and interest rates.

Notes to the Financial Statements

2. Accounting Policies (continued)

The multivariate stress tests include the impact of sensitivities on the Association's cash flow requirements, compliance with debt facilities, as well as covenant compliance. Mitigating actions, for example delays in non-essential expenditure, changes to the development programme and staff cost reductions, have been identified for all scenarios. This stress testing found that the business plan is robust and does not affect the Group's ability to meet its obligations.

On this basis, the Group Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed.

The Group Board has also considered the foreseeable future for its going concern assessment to cover the period to 31 March 2027.

On this basis, the Group Board continues to adopt the going concern basis in the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

Significant judgments

a. Development expenditure
The Group capitalises development expenditure in accordance with the accounting policy described on page 70. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

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

c. Lease accounting
Whether the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease. Two Rivers Housing do not currently have any finance leases.

Notes to the Financial Statements

2. Accounting Policies (continued)

d. Classification of loans as basic
Two Rivers Housing has a number of loans that have a break clause, which is applicable where the loan is repaid early and could result in a break cost. The loans in question are fixed rate loans. In a prepayment scenario that results in a break gain, the loans agreement provides for the repayment of the capital at par.

Management has assessed the clause against the condition set out in FRS 102 11.9b, which states that for a loan to be classified as basic there should be no contractual provision that results in the holder losing the principal amount or any interest attributable to current or prior periods. Management has concluded that the loans are basic on the basis that any repayment relates to future interest payments and not the repayment of the principal amount or interest that is due. Management have considered the terms of the loan agreements and concluded that they do meet the definition of a basic financial instrument, therefore such instruments are held at amortised cost.

e. Impairment of social housing properties
As part of the Group's continuous review of the performance of its assets, management identify any impairment triggers, which may affect any homes, or schemes. Such triggers include increasing void losses, government policy changes (such as welfare reform changes, rent caps or rent reductions), any significant damage or repairs required to any homes, failure to meet energy efficiency standards, or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment.

Where there is evidence of impairment, the recoverable amount of the fixed assets affected is determined and any impairment losses are charged to the Statement of Comprehensive Income.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets (cash-generating unit) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply.

Management has considered the detailed criteria set out in the SORP and the triggers listed above in order to assess whether an indicator of impairment exists. Their judgement is that there is no impairment charge in 2025/2026 (2024/2025: £nil).

Key Sources of Estimation Uncertainty:

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the Financial Statements

2. Accounting Policies (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

a. Tangible fixed assets
Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets on 31 March 2026 was £3.449m (31 March 2025: £3.641m).

b. Intangible fixed assets
Intangible fixed assets are amortised over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

c. Pension and other post-employment benefits
The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 19).

During the year, participation in the Gloucester Local Government pension scheme ceased and the scheme entered the formal cessation process. An actuarial assessment has been undertaken in relation to the cessation position.

Based on the information currently available, management understands that the scheme does not have a deficit as at the cessation date and therefore no cessation liability is expected to arise. The Fund remains in dialogue with the scheme actuary regarding the detailed findings and finalisation of the actuarial report. The actuary has advised that they will provide a further update as soon as possible regarding the outcome of their review and any subsequent steps required. At the date of approval of these financial statements, no matters have been identified that would indicate the existence of a deficit or require recognition of a liability in respect of the scheme cessation.

For this pension scheme, Two Rivers Housing has adjusted the net asset to reflect the asset ceiling, which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Notes to the Financial Statements

2. Accounting Policies (continued)

The net defined benefit pension liability on 31 March 2026 was £144k (2024/2025: £222k).

d. Fair value measurement
Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases the assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices.
Fair value measurements were applied to investment properties in the year. Refer to Note 14 for more details.

e. Provisions
Provision is made for dilapidations, bad debts arising from rental arrears and redundancy costs. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from Local Authorities and Homes England, income from the sale of Shared Ownership and other properties developed for outright sale and other income.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements, the grants are recognised when received or receivable. If there are specific performance requirements, the grant is recognised in turnover when the performance requirements are met.

Where developments have been financed wholly or partly by Social Housing Grant (SHG) and other grants, the income is recognised in turnover (using the accruals model) over the estimated useful life of the assets (excluding land), which it funds. For housing properties this is over the estimated useful life of the structure of the asset.

Where major works have been financed wholly or partly by capital works grants, the revenue element of the grant income is recognised in turnover under the performance model, and the capital element is recognised in turnover (using the accruals model) over the estimated useful life of the components which it funds.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales and are recognised on legal completion.

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

Notes to the Financial Statements

2. Accounting Policies (continued)

Other income is included at the invoiced value of goods and services provided.

Donations received under the Gift Aid scheme to the parent association (Two Rivers Housing), from its subsidiaries are recognised as turnover upon receipt as it relates to the principal activities of the Association and is eliminated on consolidation.

Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis. Where variable service charges are used, the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to tenants by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the tenants; until these costs are incurred this liability is held in the Statement of Financial Position within long-term creditors.

Loan interest costs

Loan interest costs in relation to the private placement have been calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Taxation

As Two Rivers Housing is registered as an exempt charity with the Financial Conduct Authority, it is exempt from corporation tax. Two Rivers Developments Limited is liable to corporation tax on its taxable surpluses.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Financial Statements

2. Accounting Policies (continued)

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Association's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met, and;
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for ta

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable. The balance receivable or payable at the year-end is within the current assets or current liabilities.

Tangible fixed assets and depreciation

Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

Notes to the Financial Statements

2. Accounting Policies (continued)

UELs for identified components are as follows:

Traditional housing structure	100 years
Roofs	60 years
Non-traditional housing structure and garages	30 years
Electrics	30 years
Solar panels	30 years
External wall insulation	30 years
Doors and windows	20 years
Kitchens	20 years
Bathrooms	20 years
Heating and ventilation systems	15 years

The Group depreciates housing properties held on long-term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

Freehold offices:	
Doors and windows	20 years
Kitchens	20 years
Bathrooms	20 years
Heating systems	15 years
Electrics	30 years
Mechanical installations	20 years
Lift	15 years
External works	20 years
Furniture, fixtures, and fittings	5 years
Vehicles	5 years
Computer equipment	5 years

Notes to the Financial Statements

2. Accounting Policies (continued)

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Intangible assets

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

Computer software	5 years

Shared Ownership property sales

Shared Ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal, which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property, plant, and equipment.

Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or non-current assets.

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

Capitalisation of interest and administration costs

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

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Notes to the Financial Statements

2. Accounting Policies (continued)

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components, so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.
Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date.

Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income. There are no restrictions on realisation or remittance of income or disposal proceeds.

Investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each reporting date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to market value at each reporting date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements

2. Accounting Policies (continued)

Stock and properties held for sale

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment, are recognised in the Statement of Comprehensive Income in other operating expenses.

Social Housing Grant and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in 'turnover' over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grants (SHG) received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover.

When SHG, in respect of housing properties during construction, exceeds the total cost to date of those housing properties, the excess is shown as a current liability.
SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model where the grant is held as deferred income and released to income only when any performance-related conditions are met.

Notes to the Financial Statements

2. Accounting Policies (continued)

Recycling of Capital Grant

Where Social Housing Grant is recycled, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties or fire safety works, where recycled grant is known to be repayable it is shown as a creditor within one year.
For Shared Ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision.

On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remains within liabilities in the Statement of Financial Position related to this asset, is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement, which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.
The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the group has a participating interest. The pension scheme assets are measured at fair value, and liabilities are measured on actuarial basis using the projected unit credit method.

Defined Benefit Schemes

The Group participates in the Social Housing Pension Scheme (SHPS), an industry wide multi-employer defined benefit pension schemes where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. Membership to this scheme is restricted.

The amounts charged to operating surplus are the costs arising from the employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to surplus for the year and included within finance costs. Remeasurement of the net assets/defined liability are recognised in other comprehensive income. Defined benefit schemes are funded in separate trustee administered funds.

Notes to the Financial Statements

2. Accounting Policies (continued)

If the present value of the defined benefit obligation is less than the fair value of plan assets at the reporting date, the plan has a surplus. In this situation, the Group will only recognise the plan surplus as a defined benefit plan asset to the extent that it is able to recover the surplus, either through reduced contributions in the future or through refunds from the plan.

The actuarial valuation for the SHPS defined benefit scheme is obtained triennially and is updated at each reporting date.

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

Two Rivers Housing was a member of the Gloucester Local Government Pension Scheme (LGPS) until the cessation date of 14 November and is awaiting the final cessation outcome to be determined by the actuaries. For this scheme, Two Rivers Housing has applied the asset ceiling methodology, which assumes that the employer has no unconditional right to a refund from the fund and therefore there is no economic benefit available as a refund but assumes that the economic benefit is available as a reduction in future contributions.

Defined contribution scheme

The Group participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position. Assets of the scheme are kept separately from those of the Association.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement, and the amount can be reliably estimated. The Group makes a provision for rental arrears, which are considered to be non-recoverable. The full value of former tenant debt is provided for. The provision for current tenant debt is calculated based upon the value of the debt.

Revaluation reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

Notes to the Financial Statements

2. Accounting Policies (continued)

Reserves

Reserves are held to ensure, as far as is reasonably possible, that Two Rivers Housing's future expenditure objectives can be met. Reserves will be used for maintaining and improving housing properties. Reserves will be a minimum of six months of operating cost to meet short-term obligations and will not exceed three years of operating costs. Reserves will only be used providing all loan covenants can be met.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.

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

- Interest on borrowings specifically financing the development programme after deduction of interest on Social Housing Grant (SHG) in advance; or
- Interest on borrowings of the Association, after deduction of interest on SHG in advance, to the extent that they can be deemed to be financing the development programme.
- Other interest payable is charged to the income and expenditure account in the period.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets carried at amortised cost comprise rent arrears, trade and other receivables, and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs.

After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial liabilities are carried at amortised cost.
These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

2. Accounting Policies (continued)

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financial assets and financial liabilities are measured at transaction price initially plus, in the case of a financial asset or financial liability, not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) or 11.8(bA) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity, which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.
- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
    - Fair value with changes in fair value recognised in the Statement of Comprehensive Income if the shares are publicly traded or their value can otherwise be measured reliably, and;
    - At cost less impairment for all other such investments.

Financial instruments held by the Group are classified as follows:

- Cash is held at cost.
- Financial assets, such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are either held at amortised cost using the effective interest method or at transaction price plus transaction costs initially and subsequently at amortised cost.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity, which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Derivatives, such as interest rate swaps, are classified as financial assets or financial liabilities at fair value.

Financial assets and financial liabilities at fair value, are classified using the following fair value hierarchy:

a. The best evidence of fair value is a quoted price in an active market.
b. When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
c. Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

2. Accounting Policies (continued)

Loans

All loans held by the Group are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

Arrangement fees, agency fees and related legal fees payable when entering new loans are capitalised then charged to the Statement of Comprehensive Income over the life of the loan via the effective interest method or on a straight-line basis. Loan finance issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

Loan finance issue costs

Loan finance issue costs are amortised over the life of the related loan.
Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.
Where loans are redeemed during the year, any redemption penalty or break gain and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Notes to the Financial Statements

Two Rivers Housing

3. Particulars of turnover, cost of sales operating costs and operating surplus – Group

2026	Note	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus on disposal of fixed assets £'000	Operating surplus £'000
Social housing lettings	3a	30,912	–	(26,082)	–	4,830
Other social housing activities						
First tranche property sales		2,448	(1,672)	–	–	776
Other activities		103	–	–	–	103
Garages		149	–	(1)	–	148
		2,700	(1,672)	(1)	–	1,027
Activities other than social housing activities						
Market rent		86	–	(8)	–	78
Other		4	–	(76)	–	(72)
		90	–	(84)	–	6
Surplus on disposal of property, plant and equipment					909	909
Total		**33,702**	**(1,672)**	**(26,167)**	**909**	**6,772**

2025	Note	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus on disposal of fixed assets £'000	Operating surplus £'000
Social housing lettings	3a	29,375	–	(24,848)	–	4,527
Other social housing activities						
First tranche property sales		3,543	(2,518)	–	–	1,025
Other activities		51	–	–	–	51
Garages		159	–	(11)	–	148
		3,753	(2,518)	(11)	–	1,224
Activities other than social housing activities						
Market rent		88	–	–	–	88
Open market sales		–	–	–	–	–
Other		51	–	(577)	–	(526)
		139	–	(577)	–	(438)
Surplus on disposal of property, plant and equipment					1,021	1,021
Gain in respect of investment properties					–	–
Total		**33,267**	**(2,518)**	**(25,436)**	**1,021**	**6,334**

3. Particulars of turnover, cost of sales operating costs and operating surplus – Association

2026	Note	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus on disposal of fixed assets £'000	Operating surplus £'000
Social housing lettings	3a	30,912	–	(26,082)	–	4,830
Other social housing activities						
First tranche property sales		2,448	(1,672)	–	–	776
Other activities		103	–		–	103
Garages		149	–	(1)	–	148
		2,700	(1,672)	(1)	–	1,027
Activities other than social housing activities						
Market rent		86	–	(8)	–	78
Other		111	–	(72)	–	39
		197	–	(80)	–	117
Surplus on disposal of property, plant and equipment					909	909
Total		**33,809**	**(1,672)**	**(26,163)**	**909**	**6,883**

2025	Note	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus on disposal of fixed assets £'000	Operating surplus £'000
Social housing lettings	3a	29,375	–	(24,848)	–	4,527
Other social housing activities						
First tranche property sales		3,543	(2,518)	–	–	1,025
Other activities		51	–	–	–	51
Garages		159	–	(11)	–	148
		3,753	(2,518)	(11)	–	1,224
Activities other than social housing activities						
Market rent		88	–	–	–	88
Other		134	–	(575)	–	(441)
		222	–	(575)	–	(353)
Surplus on disposal of property, plant and equipment					1,021	1,021
Gain in respect of investment properties					–	–
Total		**33,350**	**(2,518)**	**(25,434)**	**1,021**	**6,419**

There was no gift aid received from subsidiary companies in 2025/2026 (2024/2025: £Nil).

Notes to the Financial Statements

3a. Particulars of income and expenditure from social housing lettings – Group and Association

2026	General Needs Housing £'000	Supported Housing and Housing for Older People £'000	Low Cost Home Ownership £'000	YTD 2026 £'000	Actual 2025 restated £'000
Income					
Rents receivable	24,388	3,257	1,574	29,219	27,944
Service charge income	317	760	36	1,113	1,081
Amortised government grant	388	–	–	388	292
Other grants	192	–	–	192	58
Turnover from social housing lettings	25,285	4,017	1,610	30,912	29,375
Expenditure					
Management	6,226	943	623	7,792	6,163
Service charge costs	502	961	58	1,521	1,480
Routine maintenance	4,691	710	–	5,401	5,500
Planned maintenance	2,662	403	–	3,065	2,514
Major repairs expenditure	1,649	250	–	1,899	2,897
Bad debts	210	32	21	263	222
Abortive development	29	–	–	29	6
Depreciation of housing properties	4,884	739	489	6,112	6,066
Impairment of housing properties					
Operating costs	20,853	4,038	1,191	26,082	24,848
Operating surplus social housing lettings	**4,432**	**(21)**	**419**	**4,830**	**4,527**
Void losses	412	73	7	492	380

Notes to the Financial Statements

4. Surplus on disposal of property, plant, and equipment – Group and Association

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Proceeds of sale	2,224	1,730	2,224	1,730
Costs of sale	(697)	(384)	(697)	(384)
Carrying value of fixed assets	(618)	(325)	(618)	(325)
Surplus on disposal of property, plant and equipment	**909**	**1,021**	**909**	**1,021**

5. Other finance income

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Bank interest receivable	323	890	323	890
Break gain	1,406	0	1,406	0
	1,729	**890**	**1,729**	**890**

The break gain relates to the early termination of loans totaling £62.850m.

6. Interest and financing costs

		Group		Association	
		2026	2025	2026	2025
	Note	£'000	£'000	£'000	£'000
Bank loans and overdrafts		5,392	5,374	5,392	5,374
Loan amortisation		288	85	288	85
Unwinding of discounts on provisions		(596)	(52)	(596)	(52)
Net interest on defined benefit liability	19	10	(318)	10	(318)
		5,094	5,089	5,094	5,089
Less interest capitalised		(729)	(662)	(729)	(662)
		4,365	**4,427**	**4,365**	**4,427**

Notes to the Financial Statements

6. Interest and financing costs continued

Total facilities available amount to £220m, of which £155m is currently drawn.

The funding is measured at fair value, net of transaction costs using the effective interest method. The fair value adjustment of the loan facilities in place at the end of the year is (£596,000) (2024/2025: £52,000).

Borrowing costs have been capitalised based on a capitalisation rate of 3.52% (2024/2025: 3.49%), which is the weighted average of rates applicable to the Group's general borrowings outstanding during the year.

7. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging/(crediting):

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Depreciation of housing stock	6,112	6,066	6,112	6,066
Depreciation of property, plant and equipment	284	269	284	269
Amortisation of intangible assets	13	12	13	12
Amortised government grants	(388)	(292)	(388)	(292)
Surplus on disposal of fixed assets	(909)	(1,021)	(909)	(1,021)
Auditors' remuneration (excluding VAT)	39	35	35	35
Fees payable to the company's auditors for other services			32	33
– Other services	3	3	3	3
– Tax compliance services	3	1	2	1
Operating lease rentals	260	262	260	262

Notes to the Financial Statements

8. Employee costs

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Wages and salaries	6,809	6,034	6,809	6,034
Social security costs	871	608	871	608
Other pension costs	929	812	929	812
	8,609	**7,454**	**8,609**	**7,454**

The full-time equivalent number of staff who received emoluments, excluding pension contribution, in excess of £60,000 were shown below:

Salary Band (£)	2026 Number	2025 Number
60,000 – 69,999	1	1
70,000 – 79,999	4	5
80,000 – 89,999	1	2
90,000 – 99,999		–
100,000 – 109,999	–	–
110,000 – 119,999	–	–
120,000 – 129,999	2	–
130,000 – 139,999		1
140,000 – 149,999	1	–
150,000 – 159,999	–	–
160,000 - 169,999	1	1
Total	**10**	**10**

Notes to the Financial Statements

8. Employee costs (continued)

The average number of employees (including Executive Directors) by category employed during the year:

	Group		Association	
	2026	2025	2026	2025
	Number	Number	Number	Number
Administration	76	68	76	68
Property management	28	23	28	23
Housing for older people and housing management	29	30	29	30
Repairs team	36	38	36	38
Cleaners and grounds maintenance	18	15	18	15
	187	**174**	**187**	**174**

Average number of full-time equivalent staff employed during the year (including Executive Directors):

	Group		Association	
	2026	2025	2026	2025
	FTE	FTE	FTE	FTE
	178	**164**	**178**	**164**

The basis of the calculation of the full-time equivalents was calculated on 40 hours per week for the repairs, grounds and cleaning teams, and 37 hours for all other staff.

Notes to the Financial Statements

9. Directors' remuneration and transactions

Directors who are executive staff members

	2026 £'000	2025 £'000
Wages and salaries	560	458
Social security costs	79	59
Pension costs	90	79
	729	**596**
Including benefits		

Remuneration of the highest paid director, excluding pension contribution	**2026** **£'000**	**2025** **£'000**
Emoluments	**168**	**163**

Remuneration payable to the highest paid director in relation to the period of account amounted to £168,000 excluding pensions (2024/2025: £163,000).

During the 2025/2026 financial year Hayley Selway was the Chief Executive of Two Rivers Housing Group.
She received remuneration for the year ending 31 March 2026 totaling £168k.
She is a member of the Social Housing Defined Benefit Pension Scheme. The scheme is funded in line with pension scheme guidelines. No enhanced or special terms apply.

9. Directors' remuneration and transactions (continued)

The following Non-executive Board Members received the following remuneration during the financial year.

	2026 £'000	2025 £'000
Bunmi Akinnitire	4	-
Debbie Innes-Turnhill	5	-
Kenny Kamal	4	-
Tim Jackson	8	6
Yvonne Leishman	6	7
Ted Pearce	12	8
Tim Sharpe	-	6
Memory Lamb	4	-
Jonathan Higgs	7	5
Charlotte Marshall	8	6
Sharon Wilkins	7	4
Audrey James	5	5
Richard Chappell	5	3
Anne Marie Millar	5	1
David Greenhalgh	8	1
	88	**52**

Notes to the Financial Statements

10. Taxation

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Corporation tax:				
Current tax on surplus for the year	64	25	–	–
Adjustments in respect of previous years	(64)	(25)		–
	–	–	–	–
Deferred Tax	–	–	–	–
Total tax	–	–	–	–
Reconciliation of the total tax charge				
Surplus on ordinary activities before tax	4,136	2,797	4,247	2,883
Tax charged at standard rate of 25% (2024: 25%)	1,034	699	1,062	721
Effect of:				
Utilisation of tax losses	(64)	(25)	–	–
Surplus arising with charitable status	(970)	(674)	(1,062)	(721)
Deferred tax not recognised	–	–	–	–
	–	–	–	–

Notes to the Financial Statements

11. Tangible fixed assets – housing properties – Group

	Completed properties £'000	Properties under construction £'000	Completed Shared Ownership £'000	Shared Ownership under construction £'000	Total £'000
Cost					
At 1 April 2025	251,275	5,683	30,598	2,335	289,891
Additions	–	16,554	–	7,723	24,277
Components capitalised	4,233	–	–	–	4,233
Disposals	(1,616)	–	(537)	–	(2,153)
Schemes completed in the year	10,508	(10,508)	4,041	(4,041)	–
Tenure changes	(108)	(256)	108	256	–
Transfers from properties held for sale	–	–	49	–	49
Transfer to properties held for sale	(16)	–	–	(2,603)	(2,619)
At 31 March 2026	**264,276**	**11,473**	**34,259**	**3,670**	**313,678**
Depreciation					
At 1 April 2025	(62,020)	–	(2,595)	–	(64,615)
Charge for the year	(5,857)	–	(255)	–	(6,112)
Eliminated on disposals	1,419	–	58	–	1,477
Eliminated on transfer to properties held for sale	10				10
Tenure changes	–	–	–	–	–
At 31 March 2026	**(66,448)**	**-**	**(2,792)**	**-**	**(69,240)**
Net book value					
At 31 March 2026	**197,828**	**11,473**	**31,467**	**3,670**	**244,438**
At 31 March 2025	189,255	5,683	28,003	2,335	225,276

Works to existing properties in year	2026 £'000	2025 £'000
Revenue	9,956	10,911
Capital	4,233	4,751
Total	**14,189**	**15,662**
New homes	24,277	20,381
Total	**38,466**	**36,043**

All property is freehold. Additions in the year include £729,000 of capitalised interest (2024/2025: £662,000) and £445,000 of capitalised development overheads (2024/2025: £368,000).

Notes to the Financial Statements

11. Tangible fixed assets – housing properties – Association

	Completed properties £'000	Properties under construction £'000	Completed Shared Ownership £'000	Shared Ownership under construction £'000	Total £'000
Cost					
At 1 April 2025	251,274	6,080	30,598	2,338	290,290
Additions	–	16,921	–	7,723	24,644
Components capitalised	4,233	–	–	–	4,233
Disposals	(1,616)	–	(537)	–	(2,153)
Schemes completed in the year	10,508	(10,508)	4,041	(4,041)	–
Tenure changes	(108)	(256)	108	256	–
Transfers from properties held for sale		–	49	–	49
Transfer to properties held for sale	(16)	–	–	(2,603)	(2,619)
At 31 March 2026	**264,275**	**12,237**	**34,259**	**3,673**	**314,444**
Depreciation					
At 1 April 2025	(62,020)	–	(2,595)	–	(64,615)
Charge for the year	(5,857)	–	(255)	–	(6,112)
Eliminated on disposals	1,419	–	58	–	1,477
Eliminated on transfer to properties held for sale	10				10
Tenure changes		–	–	–	–
At 31 March 2026	**(66,448)**	**-**	**(2,792)**	**-**	**(69,240)**
Net book value					
At 31 March 2026	**197,827**	**12,237**	**31,467**	**3,673**	**245,204**
At 31 March 2025	189,254	6,080	28,003	2,338	225,675

Works to existing properties in year	**2026 £'000**	**2025 £'000**
Revenue	9,956	10,911
Capital	4,233	3,371
Total	14,189	14,282
New homes	24,644	16,924
Total	**38,833**	**31,206**

All property is freehold. Additions in the year include £729,000 of capitalised interest (2024/2025: £662,000) and £313,000 of capitalised development overheads (2024/2025: £286,000).

Freehold land and buildings with a carrying amount of £124m (2024/2025: £110m) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Notes to the Financial Statements

12. Property, plant, and equipment – other – Group and Association

Group and Association	Office premises	Motor Vehicles	Computer Equipment	Fixtures and fittings	Plant and machinery	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2025	4,573	315	558	100	245	5,791
Additions	–	–	90	–	3	93
Disposals	–	–	(7)	–	–	(7)
At 31 March 2026	**4,573**	**315**	**641**	**100**	**248**	**5,877**
Depreciation						
At 1 April 2025	(1,474)	(73)	(376)	(100)	(127)	(2,150)
Charge for the year	(123)	(41)	(86)	–	(34)	(284)
Disposals	–	–	6	–	–	6
At 31 March 2026	**(1,597)**	**(114)**	**(456)**	**(100)**	**(161)**	**(2,428)**
Net book value						
At 31 March 2026	**2,976**	**201**	**185**	**-**	**87**	**3,449**
At 31 March 2025	3,099	242	182	–	118	3,641

Notes to the Financial Statements

13. Intangible fixed assets – Group and Association

Group and Association	Computer software £'000	Total £'000
Cost		
At 1 April 2025	498	498
Additions	6	6
At 31 March 2026	**504**	**504**
Amortisation		
At 1 April 2025	(476)	(476)
Charge for the year	(13)	(13)
At 31 March 2026	**(489)**	**(489)**
Net book value		
At 31 March 2026	**15**	**15**
At 31 March 2025	22	22

14. Investments

14a. Investment properties – Group and Association

	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Investment properties as at 1 April 2025	480	485	480	485
(Loss)/gain from adjustment in fair value	–	(5)	–	(5)
Investment properties as at 31 March 2026	**480**	**480**	**480**	**480**

Market rented properties are treated as investment properties. Changes in the value of market rented properties are taken to the Statement of Comprehensive Income. The last market valuation was carried out by a qualified valuer in accordance with the RICS Valuation – Professional Standards 2014 in March 2026. There was no change in the valuation.

14b. Principal Group investments

The parent Association and the Group have investments in the following subsidiary undertakings, associates and other investments, which principally affected the surpluses or net assets of the Group.

Subsidiary undertaking	Legal form	Principal activity	Holding (%)
Two Rivers Developments	Limited company	Developing properties on behalf of Two Rivers Housing	100

The assets of Centigen FM Limited were transferred to Two Rivers Housing on 31 March 2025.

Notes to the Financial Statements

15. Inventories and properties held for sale

Group and Association	2026 £'000	2025 £'000
Inventories		
Maintenance stock	85	71
Properties held for sale		
Shared Ownership first tranche sale properties – Completed	1,067	594
Shared Ownership first tranche sale properties – Under construction	1,657	1,183
Properties held for voluntary disposal	5	–
	2,729	**1,777**

16. Debtors – amounts falling due within one year

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Amounts falling due within one year:				
Rent arrears	1,708	1,464	1,708	1,464
Provision for bad debts	(1,536)	(1,297)	(1,536)	(1,297)
Trade debtors	751	14	751	14
Amounts owed by Group undertakings	–	–	137	82
Other debtors	17	8	17	8
Other taxation and social security	15	–	–	–
Prepayments and accrued income	1,726	879	1,726	879
	2,682	**1,068**	**2,804**	**1,150**

17. Creditors – amounts falling due within one year

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Bank loans		–	11,350	–	11,350
Rents received in advance		1,232	1,108	1,232	1,108
Trade creditors		951	1,036	951	1,036
Amounts owed to Group undertakings		–	–	342	883
Other taxation and social security		221	115	221	116
Other creditors		1,373	1,772	1,373	978
Government grants	18	322	292	322	292
Accruals and deferred income		6,272	4,161	5,967	4,070
		10,371	**19,834**	**10,408**	**19,833**

In line with government guidance, the Group's aim is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Notes to the Financial Statements

18. Creditors – amounts falling due after more than one year

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Bank loans	153,221	131,242	153,221	131,242
Government grants	26,536	25,243	26,536	25,243
Government grants - capital works	1,591	1,099	1,591	1,099
Recycled capital grant fund	75	43	75	43
	181,423	**157,627**	**181,423**	**157,627**

The loans are secured on freehold housing properties. Interest is payable at rates ranging from 2.45% to 5.26% (2024/2025: 2.45% to 6.18%).

The total accumulated amount of capital grant received or receivable at the Statement of Financial Position date is £28.524m (2024/2025: £22.677m).

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Bank loans				
Due within one year	–	11,350	–	11,350
Due between one and two years	–	6,500	–	6,500
Due between two and five years	–	35,000	–	35,000
After five years	155,000	90,000	155,000	90,000
	155,000	131,500	155,000	131,500
Effective interest rate adjustment	(566)	30	(566)	30
Less: facility arrangement fee	(1,213)	(288)	(1,214)	(288)
Due after one year	153,220	131,242	153,220	131,242
Total borrowings	**153,220**	**142,592**	**153,220**	**142,592**

Notes to the Financial Statements

18. Creditors – amounts falling due after more than one year (continued)

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Deferred income - Government grants				
At 1 April 2025	26,634	22,436	26,634	22,436
Grants receivable	2,274	4,248	2,274	4,248
Grant recycled	–	245	–	245
Transfer to RCGF	(30)	–	(30)	–
Transfer to other creditors	(50)	(3)	(50)	(3)
To profit/loss on disposal	9	–	9	–
Amortisation to Statement of Comprehensive Income	(388)	(292)	(388)	(292)
At 31 March 2026	**28,449**	**26,634**	**28,449**	**26,634**
Due within one year	322	292	322	292
Due after one year	28,127	26,342	28,127	26,342

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Recycled capital grant fund				
At 1 April 2025	43	279	43	279
Inputs to RCGF	30	–	30	–
Recycling of grant	–	(245)	–	(245)
Interest accrued	2	9	2	9
At 31 March 2026	**75**	**43**	**75**	**43**

Notes to the Financial Statements

Two Rivers Housing

19. Retirement benefit schemes

Defined contribution schemes

All the company's employees are eligible to join the Social Housing Pension Scheme (SHPS) defined contribution scheme.

Defined benefit scheme

During the year Two Rivers operated two legacy defined benefit schemes for which membership is restricted to specific roles – Gloucester Pension Fund (GPF) Local Government Pension Scheme, and the Social Housing Pension Scheme.

In November 2025, participation in the Gloucester Local Government Pension Scheme (LGPS) defined benefit scheme ceased and the scheme entered the formal cessation process. An actuarial assessment has been undertaken in relation to the cessation position. The Fund actuary has confirmed that the scheme does not have a deficit as at the cessation date and therefore no cessation liability is expected to arise.

The Fund remains in dialogue with the scheme actuary regarding the detailed findings and finalisation of the actuarial report. The actuary has advised that they will provide a further update as soon as possible regarding the outcome of their review and any subsequent steps required.

At the date of approval of these financial statements, no matters have been identified that would indicate the existence of a deficit or require recognition of a liability in respect of the scheme cessation.

The total net receipt charged to Statement of Comprehensive Income in the year ended 31 March 2026 was £250,000 (2024/2025: net receipt £368,000) broken down as follows:

	2026 £'000	2025 £'000
SHPS DB Scheme	(103)	(82)
LGPS DB Scheme	(147)	(286)
Total cost relating to defined benefit scheme	(250)	(368)

The Group operates defined contribution retirement benefit schemes for qualifying employees.

	2026 £'000	2025 £'000
SHPS DB Scheme	(144)	(222)
LGPS DB Scheme	–	–
Total cost relating to defined benefit scheme	(144)	(222)

Notes to the Financial Statements

19. Retirement benefit schemes (continued)

1) Gloucester Pension Fund

The Gloucester Pension Fund is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations 1997, as amended. Two Rivers Housing exited the scheme in November 2025.

As the formal cessation process is yet to be concluded, it has not been possible to provide a recent actuarial valuations of scheme assets and the present value of the defined benefit obligation. The financial position reported within these financial statements is therefore based on the valuation were carried out on 31 March 2025 by Hymans Robertson LLP. The present value of the defined benefit obligation, the related current service cost and past service cost are measured using the projected unit credit method.

	Valuation at 2025
Key assumptions used:	
Discount rate	5.80%
Salary increase rates	3.25%
Future pension increases (CPI)	2.75%

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current pensioners:	21.0 years	23.8 years
Future pensioners:	23.1 years	25.8 years

* Figures assume members aged 45 as at the last formal valuation date

Notes to the Financial Statements

19. Retirement benefit schemes (continued)

Historic mortality

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements is shown below:

Current pensioners	Future Pensioners
CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position.

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

All other demographic assumptions are as per the latest funding valuation of the employer.

Notes to the Financial Statements

19. Retirement benefit schemes continued

	2025 £'000
Current service cost	285
Net interest cost	(12)
	(273)
Recognised in other comprehensive income	
Income (OCI)	550
Total (income) / cost relating to defined benefit scheme	504

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2025 £'000
Present value of defined benefit obligations	(12,027)
Fair value of scheme assets	21,414
Effect of the asset ceiling on the net asset	(9,387)
Net asset recognised in the Statement of Financial Position	-

Movements in the present value of defined benefit obligations were as follows:

	2025 £'000
At 1 April	13,735
Service cost	285
Interest cost	665
Actuarial (gains) and losses	(2,362)
Contributions from scheme participants	114
Benefits paid	(410)
At 31 March	12,027

The service cost for 2025 included an allowance for administration expenses of 0.7% of payroll. The monetary value is based on a projected payroll of £1,325,000.

	2025 £'000	2024 £'000
At 1 April	20,578	18,667
Interest income	996	882
Actuarial gains and (losses)	114	102
Contributions from the employer	240	211
Contributions from scheme participants	(104)	1,211
Benefits paid	(410)	(495)
At 31 March	21,414	20,578

Notes to the Financial Statements

19. Retirement benefit schemes continued

Movements in the present value of defined benefit obligations were as follows:

	2025 £'000
At 1 April	20,578
Interest income	996
Actuarial gains and (losses)	114
Contributions from the employer	240
Contributions from scheme participants	(104)
Benefits paid	(410)
At 31 March	21,414

The estimated split of scheme assets at the Statement of Financial Position date was as follows:

Fair value of assets	**2025**
Equities	62%
Bonds	22%
Property	14%
Cash	2%

Sensitivity

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2025	**Approximate % increase to employer liability**	**Approximate monetary amount (£000)**
0.1% decrease in real discount rate	2%	221
One year increase in life member expectancy	**4%**	**481**
0.1% increase in salary increase rate	0%	13
0.1% increase in the pension increase rate	2%	214

Projected pension expense for the year to 31 March 2025

As we have ceased membership of the Gloucester Pension fund there will be no ongoing pension expenses in relation to this fund. The outcome of the cessation position however now be reflected in the 2026/27 financial statements.

Notes to the Financial Statements

19. Retirement benefit schemes continued

2) The Pensions Trust – Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme, which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004, which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last published triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a reduction in the scheme deficit from £1,560m in 2020 to £693m in 2023, a reduction of £867m.

Deficit contributions payable under the current Recovery Plan are allocated on a "share of liability" basis, based on each employer's percentage share of overall Scheme liabilities. A new Recovery Plan has been agreed to recover the overall Scheme level deficit of £693m. The new Recovery Plan has the same end date, and contributions will increase at a lower rate than the existing Recovery Plan. This took effect from 1 April 2025.

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

Contingent liability – Social Housing Pension Scheme

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2026 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.

Notes to the Financial Statements

19. Retirement benefit schemes continued

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)	31 March 2026 £'000	31 March 2025 £'000
Fair value of plan assets	1,509	1,349
Present value of defined benefit obligation	1,653	1,571
Surplus (deficit) in plan	(144)	(222)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(144)	(222)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Defined benefit obligation at start of period	1,571	1,683
Current service cost	15	2
Expenses	4	3
Interest expense	91	81
Member contributions	1	15
Actuarial losses (gains) due to scheme experience	59	79
Actuarial losses (gains) due to changes in demographic assumptions	14	-
Actuarial losses (gains) due to changes in financial assumptions	(34)	(227)
Benefits paid and expenses	(68)	(65)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	1,653	1,571

Notes to the Financial Statements

19. Retirement benefit schemes continued

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT ASSETS	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Fair value of plan assets at start of period	1,349	1,357
Interest income	81	68
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	14	(126)
Contributions by the employer	132	100
Contributions by plan participants	1	15
Benefits paid and expenses	(68)	(65)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	1,509	1,349

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £95,000 (2024/2025: (£58,000).

Contribution by the employer includes a past service deficit payment of £71,809 (2024/2025: £81,042).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Current service cost	15	2
Expenses	4	3
Net interest expense	10	13
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)	29	18

Notes to the Financial Statements

19. Retirement benefit schemes continued

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	14	(126)
Experience gains and losses arising on the plan liabilities – gain (loss)	(59)	(79)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(14)	–
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	34	227
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	(25)	22
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	–	–
Total amount recognised in other comprehensive income – gain (loss)	(25)	22

Notes to the Financial Statements

Two Rivers Housing

19. Retirement benefit schemes continued

ASSETS	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Global Equity	167	151
Absolute Return	–	–
Distressed Opportunities	–	–
Credit Relative Value	–	–
Alternative Risk Premia	–	–
Liquid Alternatives	269	250
Emerging Markets Debt	–	–
Risk Sharing	–	–
Insurance-Linked Securities	2	4
Property	74	68
Infrastructure	–	–
Private Equity	3	1
Real Assets	142	161
Private Debt	–	–
Opportunistic Illiquid Credit	–	–
Private Credit	182	165
Credit	60	52
Investment Grade Credit	89	42
High Yield	–	–
Cash	–	18
Corporate Bond Fund	–	–
Liquid Credit	–	–
Long Lease Property	–	–
Secure Income	46	23
Liability Driven Investment	460	409
Currency Hedging	–	2
Net Current Assets	15	3
Total assets	1,509	1,349

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

Notes to the Financial Statements

19. Retirement benefit schemes continued

Key assumptions

	31 March 2026 % per annum	31 March 2025 % per annum
Discount rate	6.18%	5.87%
Inflation (RPI)	3.28%	3.08%
Inflation (CPI)	3.03%	2.80%
Salary growth	4.03%	3.80%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (2026) (Years)	Life expectancy at age 65 (2025) (Years)
Male retiring in 2020	20.9	20.5
Female retiring in 2020	23.2	23
Male retiring in 2040	22.2	21.7
Female retiring in 2040	24.6	24.5

Notes to the Financial Statements

20. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

		Group		Association	
		2026	2025	2026	2025
	Note	£'000	£'000	£'000	£'000
Financial assets					
Measured at undiscounted amount receivable					
Rent arrears and other debtors	16	172	167	172	167
Amounts due from related undertakings	16	–	–	6	82
Trade debtors	16	751	14	751	14
Short-term investments		–	–	–	–
Cash and cash equivalents		9,921	13,098	9,364	12,799
		10,844	**13,279**	**10,293**	**13,062**
Financial liabilities					
Measured at amortised cost					
Loans payable	17,18	153,220	142,592	153,220	142,592
Pension deficit funding liability	19	144	222	144	222
Measured at undiscounted amount payable					
Bank overdraft	17	–	–	–	–
Rent received in advance	17	1,232	1,108	1,232	1,108
Trade creditors	17	951	1,036	951	1,036
Corporation tax	17	–	–	–	–
Amounts owed to related undertakings	17	–	–	– 342	883
Other taxation and social security	17	221	115	221	116
Other creditors	17	1,373	1,772	1,373	978
		157,142	**146,845**	**157,484**	**146,935**

Notes to the Financial Statements

20. Financial instruments continued

The Group's income, expense, gains, and losses in respect of financial instruments are summarised below:

	Group	
	2026 £'000	2025 £'000
Interest income and expense		
Total interest income for financial assets at undiscounted amount	1,729	890
Total interest expense for financial liabilities at amortised cost	4,365	4,096

Notes to the Financial Statements

21. Statement of cash flows

	2026 £'000	2025 £'000
Cash flow from operating activities		
Surplus for the year	4,136	2,797
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	6,396	6,339
Amortisation of intangible assets	13	12
(Increase) in inventories	1,659	2,544
Decrease/(increase) in debtors	(1,614)	(162)
Increase in creditors	(98	(239)
Corporation tax	–	–
Adjustments relating to pension scheme	(113)	(50)
Loss/(gain) in respect of investment properties	–	–
Adjustments for investing or financing activities:		
Gain on sale of property, plant and equipment	(909)	(1,021)
Government grants utilised in the year	(388)	(292)
Interest payable	4,365	4,427
Interest received	(1,729)	(890)
Taxation	–	–
Cash generated by operations	11,718	13,465
Cash and cash equivalents		
Cash at bank and in hand	9,921	13,098
Cash and cash equivalents	**9,921**	**13,098**

21a. Analysis of changes in net debt

	As at 1 April 2025	Cashflows	Other changes	As at 31 March 2026
	£'000	£'000	£'000	£'000
Cash	1,598	823	–	2,421
Money market deposits	11,500	(4,000)	–	7,500
				–
Banks loans due less than one year	(11,350)	11,350	–	–
Bank loans due more than one year	(131,242)	(22,287)	308	(153,221)
Finance lease commitments	(245)	(853)	–	(1,098)
Total	**(129,739)**	**(14,967)**	**308**	**(144,398)**

22. Financial commitments

Capital commitments are as follows:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Contracted for but not provided for	18,052	16,630	16,172	6,149
Approved by the directors but not contracted for	784	16,227	784	16,227
Total capital commitments	**18,836**	**32,857**	**16,956**	**22,376**

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

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Payments due:				
- within one year	240	204	240	204
- between one and five years	858	41	858	41
- after five years		–		–
Total operating leases	**1,098**	**245**	**1,098**	**245**

The leases mainly relate to vehicles but also include leases on photocopiers.

Notes to the Financial Statements

23. Housing stock

	Group		Association	
	2026	2025	2026	2025
	Units	Units	Units	Units
Social housing accommodation				
General needs housing accommodation	2,986	2,955	2,986	2,955
Housing accommodation at affordable rent	758	749	758	749
Housing accommodation at intermediate rent	14	14	14	14
Housing for older people accommodation	569	569	569	569
Shared Ownership accommodation	376	352	376	352
	4,703	**4,639**	**4,703**	**4,639**
Non-social housing accommodation				
Leaseholders	44	44	44	44
Market rent	2	2	2	2
Managed on behalf of others	10	10	10	10
	56	**56**	**56**	**56**
Total	**4,759**	**4,695**	**4,759**	**4,695**

23a. Housing stock reconciliation

	31 March 2025	Additions	Disposals	Conversions	31 March 2026
Social housing					
General needs housing accommodation	2,955	43	(12)	-	2,986
Housing for older people	569	-	-	-	569
Intermediate rent	14	-	-	-	14
Affordable rent	749	9	-	-	758
Shared Ownership accommodation	352	30	(6)	-	376
	4,639	**82**	**(18)**	**-**	**4,703**
Non-social housing					
Market rent	12	-	-	-	12
Units owned and managed	**4,651**	**82**	**(18)**	**-**	**4,715**

During the year, 82 new homes came into management made up of 81 newly developed homes and one mandatory buy back of a Shared Ownership home.

In addition to the housing properties, Two Rivers Housing owns 781 garages.

24. Related party transactions

Tenant representative Board Members who have served during the year on the Group or subsidiary Board rent properties from the Group under the same terms and conditions as all tenants in similar properties. The tenant representative for Two Rivers Housing is Audrey James.

The aggregate amount of rent and service charges received from Tenant Board Members in the year was £7,044 (2024/2025 £6,274). The value of rent arrears at year-end from Tenant Board Members was £nil (2024/2025: £nil).

Two Rivers Housing, which is registered in England and Wales is the ultimate parent undertaking of:

- Two Rivers Developments Limited – a company limited by shares and registered in England and Wales.

The table below details the intra-group transactions with Two Rivers Developments:

Non-regulated subsidiary	Transfers	Cost in year £'000	Income in year £'000	Balance at year end £'000
Two Rivers Developments Limited	Recharge of development staff and admin costs from Two Rivers Housing.	107		-
	Provision of design and build services from Two Rivers Developments to Two Rivers Housing in accordance with contract fees.		8,959	-
	Intercompany creditor	-	-	205

Two Rivers Housing has taken the exemption in section 33.1A of Financial Reporting Standard 102 not to disclose any further transactions with other Group members aside from those disclosed above in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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