



Directors' Report and Financial Statements

Year ended 31 March 2025

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Company information

Board of Directors

Chair

Phil Parramore

Vice Chair

Michelle Allott

Other members

Allen Barber (Appointed 3rd October 2024)

Lisa Breeze (Co-optee – appointed 3rd October 2024)

David Brown

Simone De Le Harpe (Appointed 18th March 2025)

Stuart Flynn (Appointed 15th May 2025)

Greig Lees

Julie Lynch

Sara Murphy (Resigned 12th April 2025)

Siraz Natha

Allan Ramsay (Resigned 25th July 2024)

Jonathan Saksena (Resigned 16th May 2024)

Aimee Stansfield-Law (Co-optee – Resigned 16th May 2024)

Sue Sutton (Appointed 7th February 2025)

Kerri Tucker (Resigned 18th November 2024)

Pam Watson

Executive Officers

Chief Executive

Rob Wakefield

Deputy Chief Executive and
Executive Director of Customers & Communities

Louise Mattinson

Executive Director of Resources and Company Secretary

Craig Garner

Registration Details

Registered Office:

Harbour House,
Portway,
Ashton on Ribble,
Preston,
PR2 2DW

Website

www.communitygateway.co.uk

Regulator of Social Housing (RSH) Number:

L4457

Community Benefit Society Number:

IP29838R

External Auditor:

Beever and Struthers
Statutory Auditor
One Express,
1 George Leigh Street
Manchester,
M4 5DL

Internal Auditor:

TIAA
Rutherford House,
Warrington Road
Birchwood
Warrington
WA3 6ZH

Banker:

Barclays Bank PLC
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

About Community Gateway Association

Principal activities and review of business

Community Gateway Association (CGA) is the main provider of social housing in Preston and was the first social landlord created using the "Gateway" model. Unlike most other housing associations, CGA's membership is open to all of our tenants, leaseholders and other residents living in the community. A key purpose of the organisation is to ensure that its members are involved in decision making processes and gain opportunities to determine the future of their local communities. This approach is designed to improve the quality of decision-making, leading to the delivery of better standards of service and improved value for money. CGA's Community Empowerment Strategy provides opportunities for tenants and communities both to develop community activity locally, and to engage with CGA.

CGA's primary activities include:

- Management and development of general needs social and affordable housing for rent, supported housing, extra care, and low-cost home ownership.
- Management of leasehold property.
- Provision of related services such as tenant financial wellbeing support and advice and social investment activities; and
- Regeneration of neighbourhoods and communities.

CGA is a Community Benefit Society and a Registered Provider that provides rented social housing accommodation. CGA is registered as a charity for tax purposes. As a charity CGA is exempt from corporation tax on the bulk of its operational activities. CGA has three subsidiaries, Preston Vocational Centre (PVC), Patterdale Developments Limited (PDL) and CGA Homes Limited (CHL).

PVC is a registered Charity that provides a range of construction based vocational training and wider learning and development opportunities to young people and adults of Preston and the surrounding area to assist them in progressing to apprenticeships, employment or further education and to take a positive step to achieving their personal, economic and social potential. PVC's accounts are consolidated into the Group Accounts.

CGA's two other subsidiaries, PDL and CHL, were set up to procure our new build programme in a more efficient way that not only saves on total build costs but allows us to more effectively cross-subsidise development activity. PDL commenced trading in 2019/20, and their accounts are consolidated into the Group Accounts. CHL remains dormant and was not operational during 2024/25 and has therefore not been consolidated into the Group Accounts

Where we operate/our homes



As at 31 March 2025

Local Authority	General Needs	Supported Housing and Housing for Older People	Shared Ownership	Market	Total
Preston	6,093	657	71	3	6,824
Blackpool	71	6	-	-	77
South Ribble	50	-	26	-	76
Fylde	22	6	17	-	45
West Lancashire	6	-	-	-	6
Chorley	6	-	-	-	6
Total	6,248	669	114	3	7,034

About Community Gateway Association (continued)

Principal activities and review of business (continued)

We are committed to doing our part to help address the national housing shortage. As noted above we own or manage 7,034 properties and continue to develop new affordable homes for a diverse range of people. During 2024/25 we increased our stock by 180 homes, offset by 25 RTB/RTA Sales, one 100% staircased low-cost home ownership sale and the demolition of 49 homes. Full details of the movement in unit numbers can be found at note 11.

Equality, Diversity and Inclusion

CGA is committed to Equality, Diversity and Inclusion (EDI) and we recognise that it plays an important part in everything we do. We value the unique and diverse communities in which we operate and are committed to ensuring they continue to flourish. We truly believe that an inclusive approach benefits all – it brings innovation to our processes, fosters an inclusive culture where our employees feel they belong, and most importantly it benefits our communities, increasing community cohesion, pride and enables people to reach their full potential.

We also recognise the importance of EDI for our colleagues from recruitment and selection, through training and development, appraisal and promotion, to retirement. It is our policy to promote an environment free from discrimination, harassment and victimisation. All decisions relating to employment practices are objective, free from bias and based solely on work criteria and individual merit. We are responsive to the needs of our employees, residents and the community at large. The Board is aware of its responsibilities in respect of equality and diversity and has approved an EDI strategy.

We closely monitor key EDI measures. In the last year the percentage of female colleagues was 39.86%, the percentage of colleagues from a black or minority ethnic background was 12.59% and the percentage of colleagues with a mental or physical disability was 9.79%.

We monitor our recruitment methods and have identified that almost 40% of all job applicants are from ethnic minority groups, and over 28% are shortlisted for interview. We have continued to use the 'Rooney Rule', where we offer an interview to applicants from ethnic minority groups where they are close to the shortlisting cut-off score.

CGA carried out Gender Pay Reporting using the guidance in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Based on data from the Office for National Statistics in 2024, it is pleasing to note that our results for the snapshot date of 5 April 2025 indicate that our gender pay gap is significantly lower than the UK average gender pay gap of 13.1% for all employees, at 8.16%.

Chair's Statement

I am pleased to present the Directors' Report and Financial Statements for the year ended 31 March 2025. This year has been the first of our new 2024-30 Corporate Plan and I'm delighted to say, despite the ongoing challenges facing both CGA and the wider sector, we have ended the year with improved performance levels in many areas. However, we are not complacent in our approach, and we continue to focus on those service areas where we are not performing as well as we'd like.

CGA was the very first housing association to be founded on the Gateway Model – this is a model centred on the principles of tenant involvement and engagement that seeks to encourage and empower tenants to get involved in what the organisation does and how it does it. As an organisation based on this Model, it is important that we have an effective engagement framework that allows as many people as possible to get involved and help shape our services to ensure that we remain tenant led.

We have undertaken regular consultation exercises across our communities, and the feedback has indicated that customers want us to concentrate on 'getting the basics right', 'providing quick and timely resolution of issues' and 'improved communication'. As a result of this feedback a number of initiatives and pieces of work are in progress including a Service Improvement team to support the delivery of our Service Transformation Strategy to drive up performance and customer service standards across the organisation.

Based on our rolling perception surveys during the year, we have seen satisfaction levels increase during the year, which suggests the Strategy and our supporting actions are starting to have an effect. Most pleasingly, 'satisfaction with the overall services provided' has increased from 78.6% to 86.2%, a trend which has seen increases in all twelve measures we review annually. These measures are part of a suite required by the Regulator of Social Housing (RSH) within their Tenant Satisfaction Measures (TSMs) which form part of their new regulatory framework including refreshed Consumer Standards.

When we compare these satisfaction results to our peers, initial indications suggest half of these measures are in the top quartile and five of the remaining six are in the middle-upper quartile – this indicates our performance is much better than most. More details on this are provided within the Value for Money Statement later in this report.

However, we are still mindful that there are areas where we can improve what we do and how we offer services to our residents. We want to sustain these levels of satisfaction whilst improving our complaint handling and communication. We intend to do this through improving our collection and use of customer data and insight to support more effective service delivery that is tailored to individual needs alongside more consistent learning from complaints.

Chair's Statement (continued)

One of our key Corporate Plan objectives is to '...provide safe, well-maintained homes'. As part of this, it is crucial we deliver an efficient, effective and timely repairs, maintenance and planned improvement service for the homes and communal spaces for which we are responsible. To ensure we monitor the quality and safety of our homes, we carry out a rolling programme of surveys alongside a comprehensive suite of safety checks. By 31st March 2025, almost 80% of our homes had been surveyed within the last 5 years. We plan to increase this to 95% during 2025/26 and over time reduce the timeframe to ensure all homes have been surveyed within a rolling 4-year period.

Our strong Health and safety culture also continues to be recognised, and we have successfully achieved the prestigious RoSPA Gold Medal Award for the 14th consecutive year, for demonstrating high health and safety standards. We have also achieved the British Safety Council's top-rated 5-Star status with a score of 97.6%. This provides an independent and comprehensive assessment of CGA's Health & Safety Management System against regulation and best practice in occupational health and safety

During the year we have seen a significant increase in the number of repairs we have undertaken. This, coupled with continued inflationary pressures and a strong focus on remedying any issues arising as a result of potential damp, mould and condensation cases has meant an overall increase of 34% in our spend.

Overall, we continue to invest in our existing homes spending £5.2m on key property components, such as kitchens, bathrooms and window replacement alongside carrying out day to day repairs to our homes. In line with our Asset Management Strategy, ensuring that all properties meet the required Homes Standard, work included completing 142 homes with window replacements, 243 electric rewires/upgrades, 133 new central heating systems, almost 100 new kitchens, 66 new roofs and over 40 new bathrooms. In addition, we completed over 23,000 responsive repairs and 474 empty home property repairs. We plan to increase our investment by almost £1.5m in 2025/26 to ensure that our homes are places where our tenants are proud to live.

As part of our Corporate Plan commitment to '...create a sustainable future', we continue to work on enhancing the energy efficiency ratings of our homes. At the year-end, 81.3% of CGA's homes met Energy Performance Certificate (EPC) Band C or above. We will enhance our work in this area over coming years with the support of £1.1m 'Warm Homes' grant funding. During 2025/26, we plan to improve the energy rating of a further 300+ homes and bring them up to EPC C.

During 2024/25 we have also developed a wider choice of homes and tenures, notably we completed the refurbishment of properties previously acquired combined with building more homes than we have ever done before – 197 in total. Each time we launch a new development we look to improve our carbon footprint a step further, without compromising on quality or style. We aim to achieve a minimum EPC B for all our new build homes developed.

Chair's Statement (continued)

Within the 197 new homes developed during the year, we have completed and let 61 apartments at our second Extra Care Scheme, The Atrium in Ribbleton, Preston. It's a fantastic development of 29 one and 32 two-bedroom apartments, set in landscaped grounds with lots of on-site facilities.

We have also completed works at our former Savick shops and Ainsdale House site in Lea, Preston. The development has seen dated, low-demand flats that were attracting anti-social behaviour replaced with much needed affordable family housing (25 homes in total) alongside community facilities, namely a new library and a retail unit. We are continuing the regeneration of this area with the construction of 17 homes as part of a final phase at the previous Lea Church site.

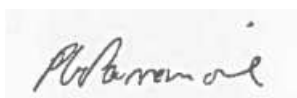
We also completed the development of two mixed tenure schemes at Miller Road in Ribbleton and Avondale Drive, Lostock Hall. These two developments include 128 homes (67 for affordable rent and 61 shared ownership) with a range of one-bedroom apartments and two, three and four-bedroom homes.

Our development programme will continue into 2025/26, albeit at a slower pace, but we have funding in place to build a further 364 new homes by 2029/30. All the sites for these new homes have been identified and in the majority of cases, the land is already in CGA's ownership.

As I noted earlier, the RSH has introduced a new regulatory framework which saw the launch of a revised set of consumer standards that will set the requirements that registered providers must meet. As part of this new regime, the RSH carries out intermittent 'Inspections' of all registered providers. CGA has recently been the subject of one of these regulatory inspections, and I am proud to note that CGA has had its governance and viability ratings confirmed as 'G1' and 'V1' and its consumer rating as 'C2'.

G1 and V1 are the top gradings we can receive from the RSH and means that we meet its stringent governance and viability standards. This result goes against the current trend which has seen many other Registered Providers being re-graded to a 'V2'. It therefore provides reassurance that we are managing our risks effectively, despite current operating conditions. It also shows that the RSH remains confident we continue to have strong governance combined with a resilient business plan that can manage a number of concurrent risks. This confirms we have effective management and financial stewardship arrangements in place. The C2 grading reflects effective compliance with consumer standards but acknowledges opportunities for improvement which we will strive to make.

I would like to thank everyone involved in CGA's achievements during the past year. I am confident that going forward CGA will continue to deliver its objectives and provide services that meet, and indeed, exceed our customers' expectations.



Phil Parramore

Chair of the Board

Strategic Report

- **Overview of 2024/25**
- **Financial Review (incl. 5-year summary)**
- **Value for Money Statement**

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Strategic Report

Overview of 2024/25

Operating Context

The current economic environment in which we operate continues to be an uncertain and challenging one. As highlighted within the Regulator's Sector Risk Profile 2024 housing associations (and local authorities) have been experiencing many challenges in recent years, driven by various internal and external pressures. This has led to a continued trend of increasing spend on existing homes which, combined with higher levels of interest rates, has meant a much-reduced level of financial headroom and therefore weakened resilience. This has meant Boards across the sector have been considering their priorities and choices around the need to carry out repairs and improvements to existing homes opposed to delivering more social homes to meet the demand across the country.

This weakened financial position has, for the first time since 2009, seen the sector's cost of servicing debt exceeds net earnings, i.e. interest cover has fallen below 100%. Projections for the next five years suggest that, on aggregate, this is only 111%. This has been evidenced by the increasing number of regulatory downgrades (for viability).

The most recent regulatory publications suggest this position continues with forecasts showing that a further deterioration is expected and is particularly challenging in London. Whilst performance varies among individual landlords some of the lowest levels of interest cover are driven by high levels of spend on existing stock by some large providers.

It is evident the issues facing the sector are commonplace, and whilst we are not exposed to all of the risks identified across the sector, e.g. diversification and high-rise buildings, we are still facing a number of risks. As a result, we are experiencing the same financial capacity pressures as other housing associations in the sector and the Board have reluctantly agreed to reduce our proposed development programme by around 10% as a consequence.

Against the uncertain economic environment, housing associations need to ensure they deliver against the expectations of the refreshed consumer standards. Notable requirements include the continuing need to ensure our housing stock meets the expected standards with tenants feeling safe in their homes and communities.

Despite these challenges CGA's Business Plan remains resilient and current performance compares favourably when compared to the sector. Pleasingly, the RSH has recently carried out its cyclical inspection of CGA and assessed our compliance with their regulatory standards. This resulted in strong, compliant grades of G1, V1 and C2, reflecting our clear strategy, effective Board skills and knowledge, appropriate financial governance, and delivery of outcomes against the consumer standards.

Overview of 2024/25 (continued)

A Review of the Year (continued)

2024/25 saw the first year of our new 2024-30 Corporate Plan. Reflecting on our current performance, listening to and reflecting on the valuable feedback from our tenants, staff and wider stakeholders, and considering the challenging environment in which we are currently operating the Board have set seven clear strategic priorities and outcomes as summarised in the table below.

Priority	Outcome
We will provide great customer service.	Our tenants benefit from great customer service, and value and trust CGA as their landlord.
We will provide safe, well-maintained homes.	Our tenants live in safe, well-maintained homes.
We will provide more affordable homes.	We will continue to grow and provide a greater choice of good quality, affordable homes.
We will make a difference in our communities.	Our tenants live in well-kept neighbourhoods and are actively involved in making their communities better places to live.
We will be a great place to work.	We have a skilled, talented, and engaged workforce and a working environment that allows them to provide excellent customer service.
We will manage our business to the highest standards.	We are efficient, resilient, and well-run.
We will create a sustainable future.	Our tenants live in homes that are energy efficient. We have a clear strategy in place to become carbon neutral by 2050.

The Board have agreed a suite of Key Performance Indicators (KPIs) which they will use to assess delivery of our Corporate Plan objectives. Of these Corporate Plan KPI's we achieved 25 out of the 33 (76%) and narrowly missed four. It is pleasing to note that 16 of the 32 benchmarkable KPI's are in the upper quartile, (including 2 KPI's where we narrowly missed our target) with a further 9 in the upper middle quarter when compared to our peer group, (including 2 KPI's where we narrowly missed our target). We achieved excellent performance in many measures including current tenant rent arrears, tenant satisfaction and the percentage of properties meeting the Decent Homes Standard. More details on these KPIs are provided within the Value for Money Statement later in the report. However, highlighted below are some of the key achievements from 2024/25:

We will provide great customer service.

- Our satisfaction measures relating to customer service have all increased during the year, as indicated from a rolling perception survey we undertook between October 2024 and February 2025. Of these twelve measures 6 are in the top quartile and a further 5 are in the middle-upper quartile compared to our peer group. Overall tenant satisfaction with services is very strong at 86.2%.

Overview of 2024/25 (continued)

A Review of the Year (continued)

We will provide great customer service (continued)

- During the year we carried out a number of 'customer journey mapping' sessions where valuable insight was gained into the tenant experience in relation to a range of services including responsive repairs and damp, mould and condensation works, improvement works, gas and electrical servicing, allocations and our complaints service. During the sessions tenants who had recently accessed these services were asked to provide feedback on what worked well and where improvements were required.
- We continue to carry out Tenant Scrutiny exercises where a group of engaged tenants review specific service areas and suggest recommendations for improvement. During 24/25 this included a review of accessibility, timeliness and equitable outcomes from our services, as well as a review of our written communication. We collate all recommendations and learnings from our insight activities and report progress on implementing the actions to our tenant committee, Gateway Central.
- We are committed to providing the best possible service to all our customers, but we know we're not perfect and sometimes we might get things wrong. In the last year we received 216 complaints (a reduction of 6 compared to 2023/24), with 72% of these being upheld or partially upheld (76% in 2023/24). Complaints data (in addition to other insight collected) has been used to shape and improve the services we provide to our tenants, and this has contributed to the reduction seen.
- Satisfaction with our complaint handling has increased by 8.2% from 76% in 2023/24 to 84.2% in 2024/25 following a review of our processes which has ensured that complaints are dealt with quickly and effectively. We have also enhanced our focus on the root cause of the service failure rather than reactive fixes and this has helped to ensure that learning is informing policy and ways of working.
- In the last year, we also received 410 compliments about the services we provide and the people who work for us; this was a significant increase of 288 when compared to the 122 received in 2023/24. Gateway PropertyCare received the most compliments, with tenants praising the efficient service delivered by the team.
- Some examples of service improvements we have made as a result of feedback from customers include:
 - the introduction of a new repairs system which enables us to book follow on repairs during the initial home visit, reducing the need for call backs.
 - enhanced training for our call handlers, leading to improved service quality and increased customer satisfaction.
 - Introduction of our 'Customer Service Commitments' clearly outlining the level of service tenants can expect from us.

Overview of 2024/25 (continued)

A Review of the Year (continued)

We will provide safe, well-maintained homes.

- The percentage of customers satisfied that CGA provides a home that is well maintained is over 84% as measured by our perception surveys. This is an increase of almost 8% from 2024 and above our target of 78%. It is worth noting that this satisfaction level is upper quartile when compared to our peer group.
- We continue to ensure our homes meet the required regulatory standards, as evidenced by 100% compliance with the Decent Homes Standard.
- We also take our safety obligations very seriously and this is demonstrated by the fact 100% of relevant homes have a valid Landlord Gas Safety Record (LGSR). We also meet the same standard for those homes which require a fire risk assessment to be carried out. For those homes which require a valid electrical inspection we were at 99.96% on 31 March 2025, with only 3 homes missing their target date. Pleasingly 2 were completed in April.
- Following the increased focus on Damp, Mould and Condensation (DMC) we continue to take a proactive approach to identifying, responding to and resolving cases of DMC. We have previously launched a mandatory DMC course for all colleagues as we believe that it is vital that all colleagues understand their responsibilities with regards to ensuring our tenants' homes are safe and decent. Performance in this area has also improved with DMC cases as a proportion of our homes falling to 1.49% compared with 2.06% at the previous year-end. Whilst we are not complacent in our work in this area, it is pleasing to note that our performance is upper quartile compared to our peers.
- Reflecting on our work to ensure our homes are safe, tenants have provided assurance they feel the same way, with 88.5% who have responded to our surveys suggesting they are satisfied that their home is safe.

We will provide more affordable homes.

- During 2024/25 we acquired, refurbished and developed a record 197 new homes. Over the period of our 2024-30 we have funding in place to deliver a further 364 homes, all of which we have identified land for. The majority of these will be for affordable rent but will also include some shared ownership.
- We increased our Supported Housing offer in line with our older persons plan, through our Extra Care scheme, The Atrium (61 apartments), which opened in May 2024.
- We have built on our approach to providing a range of accommodation through design of a further 51 homes/apartments for older people at another scheme in Preston recently approved by the Board.
- Within the 197 homes developed, we have worked in partnership with Preston City Council to bring 9 empty homes back into management and a further 17 homes to assist refugees fleeing from Afghanistan and Ukraine.

Overview of 2024/25 (continued)

A Review of the Year (continued)

We will make a difference in our communities

- We are delighted to see a notable increase in satisfaction that CGA makes a positive contribution to the neighbourhood. Based on our perception surveys this increased by over 14% to 80.1% and again, this is top quartile compared to our peers.
- We dealt with 1,200 referrals and improved our customers' financial wellbeing by securing additional benefits and grants of £4.6m.
- During PVC's academic year ending 31st July 2024, we delivered specialist vocational provision to a total of 208 students from 23 schools across Lancashire. Of these 38% were from schools that support behaviour, emotional and social difficulties, 40% were from mainstream schools; and 15% were from schools with special educational needs or disabilities. The remaining 7% were post-18 and adult learners.
- We invested over £16,000 through our Community Fund, supporting a total of eight community projects aimed at creating safer, cleaner and greener communities.
- We continue to look to make a positive difference in our communities by listening to local tenants. Ways in which we have done this include – working in partnership with the police and residents to carry out community 'clean up' days; working with Lancashire County Council to plant trees and create a 'micro-wood' in Ingol; and working with local schools to help create awareness around keeping the community safe and clean.
- Over the course of the year our engagement activities saw us engage with over 1,200 individual tenants, resulting in almost 2,000 views and feedback.
- We have 1,150 tenants active on our Tenant Hub including 590 members on our tenant only Facebook Group.

We will be a great place to work.

- During 2024/25, we launched our new set of values setting out how we do things at CGA, as follows-
 - **We put tenants at the heart of all we do** – we know, value and respect our tenants, and work with them to make a difference
 - **We do the right thing** – we act with honesty and integrity, we ask questions and think differently, and do the things that matter
 - **We aim high** – we are creative and resourceful, constantly seeking improvements to achieve the highest possible standards
 - **We are one team** – we value and support each other, build positive relationships, and work together to achieve more
 - **We own it** – We take responsibility for our own actions, and we deliver on our promises.

Overview of 2024/25 (continued)

A Review of the Year (continued)

We will be a great place to work (continued)

- Pleasingly, these values have been embraced by colleagues and satisfaction levels with CGA as a place to work have increased by over 8% to almost 93%.
- We recognise the benefits of having a highly skilled and motivated team, and we have invested significantly in training colleagues on our 'Every Customer Matters' programme aimed at transforming the customer service we deliver internally and externally. Based on our latest customer satisfaction surveys, it seems this has started to have an impact.
- During the year we continued to focus on colleague wellbeing, introducing various initiatives to support colleagues mental, physical and financial wellbeing as we have noted absence levels have increased slightly from 2023/24.
- We continue to provide apprenticeships and work with them to support them into permanent roles within CGA.
- We have and continue to be a proud Living Wage employer, and we recognise the benefits of appropriate pay and benefits.

We will manage our business to the highest standards.

- We have exceeded our rent performance targets, with our collection rate being 100% and current tenant arrears at 0.42% - we believe this performance to be one of the best across the whole social housing sector.
- We continue to undertake work to improve our underlying IT infrastructure to enable more flexible working across our business estate, improve information security and to pave the way for the future introduction of innovative digital technologies to support the management of our homes. To complement this, we have undertaken a 'data maturity assessment' and have developed our first Data Strategy to strengthen our approach to and use of data and record-keeping.
- We have continued to strengthen our expertise and resilience around cybersecurity. We acknowledge this is a significant risk across the sector and more widely. As such, we carry out regular activity to assess our security in this area.
- We have previously assessed that 35% of customers choose to access services online. With an increased appetite for these types of services we will be looking to develop further opportunities to access our services online, including a customer portal.
- We have maintained our strong financial management, as demonstrated through our continued compliance with the Financial Viability Regulatory Standard. This was re-confirmed through the RSH's recent Inspection which confirmed our continued highest governance and viability rating, i.e., G1 and V1.

Overview of 2024/25 (continued)

A Review of the Year (continued)

We will create a sustainable future.

- We continue to focus on the energy efficiency of our homes and on 31 March 2025, we have 81.3% at EPC Band C or above.
- We have sourced 'Warm Homes' grant funding to the value of £1.1m and will use this to support our future programme of energy efficiency works.
- Our 2024-27 Development and Regeneration Strategy targets an energy efficiency rating of at least EPC B for our newbuild homes. During 2024/25 we have delivered 197 homes of which 171 have been newbuild with 135 having an EPC B rating and 36 having an EPC C rating. The EPC C rated homes relate to homes build under our previous strategy which was less onerous.

Future Prospects

The Board has recognised the operating environment continues to be a difficult one to navigate. As such, they have reviewed underlying strategies and agreed to several key priorities for 2025/26.

- Great Customer Service – we recognise that we can still improve our customer service and further work is required around enhancing our general communications alongside ensuring that we consistently deliver on promised outcomes. This priority has a focus on improved use of customer data to deliver more cost-effective services that contribute to sustaining the strong levels of tenant satisfaction we have witnessed in the last 12-18 months.
- Improved efficiency and effectiveness of our repair and maintenance service – the focus here is around ensuring that our tenants continue to live in safe, well-maintained homes. We want repairs to be undertaken in a timely manner, meeting required timescales whilst completing works to a high quality and improving tenant satisfaction.
- Improving financial resilience – in the context of the sector's challenging operating environment, it is crucial CGA maintains its financial strength. Therefore, enhancing the efficiency of our repair and maintenance service, including a greater focus on re-letting empty properties and sustaining our rent collection performance will help improve our financial resilience and capacity.

We have an agreed set of measures and targets alongside an improvement action plan that will help determine the success of delivery against the priorities for 2025/26.

Overview of 2024/25 (continued)

Financial Review

Financial Headlines

We have continued to deliver solid financial performance in 2024/25. We recognise the importance of being financially strong and this enables us to continue to invest in our existing homes; build and acquire new homes; and provide a wide range of services to our tenants. By remaining financially strong we also ensure that we have the capacity to manage change and remain resilient to the risks that we face as a housing provider.

Statement of Comprehensive Income

During the year CGA reported a surplus of £5.850m (after actuarial losses) for the Group. Financial Performance remained strong due to some notable operational performance such as our strong rent collection and arrears performance combined with our successful Treasury Management Strategy which ensured strong returns on our cash investments. Equally we saw both demand and cost pressures on our expenditure especially on our Responsive Repairs expenditure. A summary of CGA's Statement of Comprehensive Income over the past five years is shown below.

	2020/21	2021/22	2022/23	2023/24	2024/25
	Group	Restated	Group	Group	Group
	£'000	Group	£'000	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Turnover	31,810	34,995	37,526	38,193	45,985
Operating Surplus	8,341	8,782	11,375	9,569	11,002
Net Interest & financing costs	(4,403)	(4,466)	(4,114)	(3,355)	(4,399)
Movement in Investment Properties	-	-	-	-	(228)
Surplus	3,938	4,316	7,261	6,214	6,375
Actuarial gains/(losses) on pensions	(5,352)	6,336	165	(905)	(525)
Comprehensive Income for Year	(1,414)	10,652	7,426	5,309	5,850
Reserves at 31 March	53,136	65,622	73,048	78,357	84,207

Note: Following a change in accounting policy, Development programme interest was capitalised from 2022/23 onwards. 2021/22 was also restated to reflect this change.

Financial Review (continued)

Statement of Comprehensive Income (continued)

Turnover has increased by £7.792m (20.4%) during the year, mainly due to:

- an increase in Social Housing lettings turnover (£4.590m) following the 7.7% rent increase, the full year impact of the 210 homes handed over in 2023/24 and the part year impact of the 197 homes handed over/brought back into management during 2024/25. This was offset by 25 homes sold under the RTB/RTA scheme and the staircasing to 100% of one shared ownership property. The 49 units demolished were void when purchased during 2023/24 and did therefore not result in any reduction in income.
- the impact of the increase in shared ownership sales (£3.296m); during the year there were 50 first tranche sales, plus the staircasing to 100% of one shared ownership property and the staircasing of an additional 1% of a further 2 properties compared to 8 sales first tranche sales in the previous year. This reflected a higher number of shared ownership homes available through our development programme on our two shared ownership schemes completed during the year; offset by
- other net reductions (£0.094m) on non-social housing activity.

Operating surplus has increased by £1.433m (14.96%) during the year due to:

- an increase in turnover of £7.792m as noted above; and
- An increase in the gain on disposal of properties (£0.383m) due to a higher number of RTA sales compared to RTB sales. RTA sales generate a surplus whereas RTB sales break even. In 2024/25 there were 14 RTA and 11 RTB sales compared to 8 RTA and 18 RTB in 2023/24; offset by
- an increase in investment in our housing stock of £2.910m (29.29%) principally due to an increase in the volume of Responsive Repairs and void repairs.
- a rise in depreciation costs (£0.068m) due to
 - a) increased property asset values following (i) our investment programme, which included the replacement of a number of key components such as kitchens, bathrooms and boilers and (ii) the completion of new homes on our development programme; offset by
 - b) a reduction in the impact of accelerated depreciation on components replaced before they had been fully depreciated.
- An increase in the bad debts write off during the year of £0.142m due to the debt written off during the year combined with the age profile of the debt.

Financial Review (continued)

Statement of Comprehensive Income (continued)

- An increase in Regeneration activity £0.376m, including purchase of leaseholder properties and the demolition of 3 blocks of flats at Ribble Heights.
- other net increases of £0.033m principally on management costs/service costs, other social housing activity and non-social housing activity notably as a result of the investment we have made into our services as a result of our service improvement programme in line with our 2024-30 Corporate Plan.
- An increase in Shared Ownership – cost of sales £3.207m reflecting the increased volume of sales as noted above.

Net Interest and financing costs increased by £1.044m (31.12%) for the year primarily reflecting a reduction in interest receivable on CGA cash balances (£0.627m) due to lower cash balances during the year and a reduction in interest capitalised (£0.366m) due to the timing of spend on the development programme.

The pension valuations resulted in

- an actuarial gain on The Social Housing Pension Scheme (SHPS) of £0.027m (2024: loss £0.467m) – see note 26
- an actuarial loss on The Local Government Pension Scheme (LGPS) of £0.522m (2024: loss £0.438m). Whilst there is an actuarial loss in the year the scheme is in an overall surplus position of £13.727m (2024: 10.541m). As in the previous two years this surplus has not been recognised (i.e. the Statement of Financial Position asset has been restricted to nil) resulting in the actuarial loss. This is to comply with the requirements of FRS 102 which restricts the recognition of any surplus to the economic benefits that could be realised either through reduced contributions in the future, or through refunds from the plan - see note 27
- liabilities, on both schemes, reducing over the period due to the changes in financial assumptions, in particular, the discount rate and increases in bond yields over the period, which significantly reduced the liabilities at 31 March 2025. In the LGPS, changes in demographic assumptions also reduced the liabilities, but not to the extent of the level of the changing discount rate.
- assets on both schemes increasing over the period. Assets in the LGPS increased by more than those in SHPS. A key factor is that SHPS is heavily invested in Liability Driven Investment (LDI) funds which aims to match the movements in the liabilities because of market conditions. This means that any reduction in liabilities was largely offset by a corresponding reduction in assets.

Financial Review (continued)

Statement of Financial Position

The value of our housing properties at historic cost totalled £281.0m (2024: £270.4m). This increase reflects the ongoing development and improvement work during 2024/25, where we added 197 homes into management. As a result, the value of our housing properties increased by £10.647m.

As at 31 March 2025 drawn loans totalled £135m of our £195m facilities and this is detailed under note 19 - Creditors: amounts falling due after more than 1 year and note 20 – Debt Analysis.

Our revenue reserve (including pension liability) now stands at £84.207m, an increase of £5.850m as a result of the surplus for the financial year offset by the net actuarial loss on the Defined Benefit Pension Schemes.

Profit for purpose

CGA is a housing association with a robust “profit for purpose” model. PDL, our Development Company, generated a £2k surplus position (2024: £127k surplus); the reduction is due to the lower number of sites in the course of construction compared to the previous year. The 2024 surplus was gift-aided back to the charitable element of the Group. We aim to be as efficient as possible, striving to be a top-quartile performer and maximise our surplus to invest in the delivery of our current and future Corporate Plans. The more efficient we are as an organisation, the more of the added value work we can carry out to improve our communities and the lives of our tenants who live there.

Pension Costs

CGA participates in three pension schemes, being the Lancashire County Council Local Government Pension Scheme; Social Housing Pension Scheme (SHPS) - Defined Benefit; and SHPS - Defined Contribution. We are fully compliant with the requirements of auto-enrolment with all eligible employees enrolling into SHPS - Defined Contribution. We will continue to review our pension provision to ensure it remains affordable and appropriate for CGA and our colleagues.

The cost of defined benefit contributions 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.

Right to Buy/Right to Acquire Sales/Other sales

In relation to property sales, a Right to Buy (RTB) sharing agreement exists with Preston City Council (PCC) which was agreed at transfer. RTB sales totalled 11 in the year, generating total receipts of £0.567m. There were 14 property sales under the Right to Acquire scheme generating receipts of £1.494m.

Financial Review (continued)

Right to Buy/Right to Acquire Sales/Other sales (continued)

During the year CGA continued its shared ownership programme, completing the two schemes on site including a total of 61 shared ownership homes of which 26 have handed over during the year (35 during 2023/24). 50 homes were sold during the year generating receipts of £4.093m plus one property staircasing to 100% and 2 properties staircasing by an additional 1%, resulting in an overall surplus on shared ownership sales of £0.181m. In 2023/24 8 sales first tranche sales were completed with no additional staircasing of properties.

Risk & Regulation

CGA continued to manage its key financial risks during the year, with a clear focus on income recovery, cost control and treasury management. Performance in the year supports this focus with rent collection rates remaining high at 100.0% and current tenant arrears standing at 0.42% at 31 March 2025.

Similarly, financial control was strong with all loan covenants being comfortably achieved together with strong performance against the VfM Metrics (including our Operating Margin and Headline Social Housing cost per unit). Our proactive approach to treasury management ensured that we retained sufficient cash to fund our activities.

Treasury Management

Treasury Policy & Capital Structure

Our treasury policy is to retain minimum cash whilst ensuring sufficient funds are available to resource our operational management and maintenance activities and support the ongoing improvement and development programmes. Cash projections are used to continually monitor future borrowing requirements.

The borrowing strategy, which is approved annually by the Board, is to aim over time to fix interest rates on a minimum 60% of net debt in order to reduce exposure to any future interest rate increases and to create a degree of guarantee over future interest payments. CGA has fixed rate loans of £125m (92.6% of gross debt) at 31 March 2025 as shown in Note 20 of the Financial Statements.

Financial Review (continued)

Treasury Management (continued)

Loan Facilities

Our £195m loan facilities provides capacity within our Business Plan to support our growth ambitions. The £195m includes

- £95m long-term funding through a Private Placement, with maturity dates of 25 to 32 years.
- £80m medium-term security, with the loan maturity ranging from approximately 2 years 8 months (32 months) to 4 years 8 months (56 months). During the year (20th September 2024) we increased our Revolving Credit Facility (RCF) by £20m and have also recently extended it to 28th November 2029; and
- £20m due for repayment on 30 June 2025; the additional £20m RCF noted above will be utilised to repay this £20m debt with Barclays.

Our loan facilities provide sufficient funding, based on current forecasts, until January 2027.

The loan maturity dates are as set out in the table below.

Loan Facility Structure for the year ending 31 March 2025

Maturity	2025 £m	2024 £m
Less than one year	20	-
Less than two years	-	20
Between two and five years	80	60
Between 5 and 10 years	-	-
After 10 years	95	95
Total	195	175

Cash Flow and Liquidity

The net cash inflow from operating activities before interest costs was £20.087m. This funded the net cash outflow on our Investment activities (including investment in existing and new homes) and interest costs resulting in an overall net cash inflow of £1.532m. Bank balances and short-term investments were £8.778m at the year-end and borrowing totalled £135m.

Value for Money Statement

Our Approach

CGA's objectives are set out in our 2024-30 Corporate Plan. The Plan has seven strategic themes:

- We will provide great customer service.
- We will provide safe, well-maintained homes.
- We will provide more affordable homes.
- We will make a difference in our communities.
- We will be a great place to work.
- We will manage our business to the highest standards.
- We will create a sustainable future.

Value for Money (VfM) runs through everything we do and is an integral theme across our corporate plan and objectives. VfM and continuous improvement underpins 'managing our business to the highest standards' objective. The Board use our VfM metrics as key measures to assess and understand our performance against our peer group and the sector as a whole.

To monitor performance across these seven strategic themes we have clearly defined Key Performance Indicators (KPIs) and targets by which the Board can track progress and ultimately assess delivery. This year's results allow us to assess our achievements against the first year of our Corporate Plan.

Decision-making framework

Our effective decision-making process supports the delivery of VfM. It is important for us to know the impacts of decisions, whether these are about improvements to services or cost reductions, as this allows priorities to be set and agreement reached. Our decision-making framework includes:

- A robust corporate planning structure involving the Board, tenants, staff and wider stakeholders in the production of our corporate plan.
- Annual team plans are prepared by each service area which focus on service improvements. These provide a forward view of resource requirements, and therefore include VfM targets, alongside wider social and environmental gains.
- The collection of customer satisfaction feedback, coupled with committed tenant involvement ensures that our customers' views are used to shape services.
- Financial performance is reviewed monthly by the Executive Leadership Team and quarterly by the Board. This enables corrective action to be taken in a timely manner, including consideration of short- and medium-term implications.
- Our KPI's provide the Board, management and tenants with an understanding of current performance against target and how they compare to sector and peer group benchmarks.

Value for Money Statement (continued)

Decision-making framework (continued)

- A project management framework exists to assess and approve new business initiatives. This ensures each has been fully evaluated, appraised against the corporate objectives and is managed in a consistent manner.

Reporting on Performance and VfM

We recognise the importance of measuring how the business is performing and use this knowledge to help us challenge whether the quality of our services could be improved or delivered more cost effectively. We set ourselves challenging targets to sustain or improve year-on-year.

The Board track progress in delivering the Corporate Plan through a bi-annual performance report which includes a number of KPIs across the nine main objectives. Board also receives regular reports throughout the year on our financial position (including the VfM Metric targets). Performance in 2024/25 against our suite of Corporate Plan KPI targets compared to our peers is set out below.

When comparing our performance against peers, we use HouseMark's North-West, North-East and Yorkshire & Humberside benchmarking group for all housing associations with more than 2,500 units.

This consists of 45 housing providers (including CGA), and these are listed in Table 3. This peer group was selected to represent similar housing associations, in the North of England and to provide the most meaningful and useful comparisons.

In addition, we also compare ourselves to live performance data compiled by HouseMark through their monthly pulse surveys. This helps us understand if sector wide issues are impacting on CGA to a greater or lesser extent. Where we have pulse survey information available, we have used this measure as the Upper Quartile benchmark.

Value for Money Statement (continued)

Table 2 - Key Performance Indicators					24-25 Target	24-25 Performance		Quartile	Upper Quartile		
Compliance											
Properties not meeting the Decent Homes Standard (%) (TSM)					0	0				0	
Homes with a valid gas safety record (LGSR) (%) (TSM)					100	100				100	
Homes with a valid Electrical Installation Condition Report (%) (EICR)					100	99.96				100	
Homes for which all required fire risk assessments have been carried out (%) (TSM)					100	100				100	
Repairs Service											
Homes in Band C and above - energy rating (%)					80	81.31				75.22	
Emergency repairs completed within target timescale (%) (TSM)					99	98.86				98.7	
Non-emergency repairs completed within target timescale (%) (TSM)					88	79.58				90.4	
DMC cases as a % of stock					2	1.49				1.69	
Housing Services											
Number of new homes developed or acquired (y/e forecast)					184	197			n/a	-	
Tenancy turnover (%)					7	6.88				5.01	
Complaints (Stage 1) (per 1,000 homes) (TSM)					28	24.00				12.59	
Complaints (Stage 2) - (per 1,000 homes) (TSM)					2.9	4.48				1.32	
Complaints (Stage 1) - responded to within Ombudsman's timescales (TSM)					100	98.19				98.4	
Complaints (Stage 2) - responded to within Ombudsman's timescales (TSM)					100	100				100	
ASB cases (per 1,000 homes) (TSM)					38.6	32.42				11.41	
Tenant Satisfaction											
Satisfaction with the overall service provided (TSM)					80	86.23				84.00	
Satisfaction with repairs service (if had a repair in the last 12 months) (TSM)					80	84.29				84.90	
Satisfaction with time taken to complete most recent repair (if had a repair in the last 12 months) (TSM)					75	79.00				82.00	
Satisfaction that home is well maintained (TSM)					78	84.34				83.10	
Satisfaction that the home is safe (TSM)					80	88.49				88.80	
Satisfaction that the landlord listens to tenant views and acts upon them (TSM)					68	76.31				77.50	
Satisfaction that the landlord keeps tenants informed about things that matter to them (TSM)					76	86.68				84.00	
Agreement that the landlord treats tenants fairly and with respect (TSM)					82	87.65				88.20	
Satisfaction with approach to handling complaints (if made a complaint in the last 12 months) (TSM)					45	50.00				48.30	
Satisfaction that landlord keeps communal areas clean and well maintained (TSM)					71	84.25				77.90	
Satisfaction that landlord makes a positive contribution to the neighbourhood (TSM)					67	80.09				80.00	
Satisfaction with landlord’s approach to handling ASB (TSM)					60	62.34				74.20	
Finance											
Operating margin (%)					21.2	20.2					23.40
Rent loss through voids (%)					2.35	2.53				1.2	
Current arrears as a percentage of net rent debit					1.00	0.42				2.84	
Colleagues											
Colleague turnover					18.00	16.12				12.1	
Average number of days lost to absence per colleague					8.00	8.03				8.07	
Colleagues very or fairly satisfied with CGA as a place to work (Annual)					85%	92.89				85.85	
Quartile Key	Upper Quartile		Lower Middle		Performance Key	Target Met		Slightly off Target <1% of target			
	Upper Middle		Lower Quartile			Off Target ≥1% of target					

Value for Money Statement (continued)

Table 3 – Benchmarking Peer Group

Accent Group	Irwell Valley Housing Association Limited	Regenda Limited
Beyond Housing	Leeds Federated Housing Association Limited	Rochdale Boroughwide Housing Limited
Bolton at Home Ltd	Lincolnshire Housing Partnership Limited	Salix Homes Limited
Broadacres Housing Association	Livv Housing Group	South Lakes Housing
Calico Homes	Magenta Living	South Liverpool Homes Ltd
Castles & Coasts Housing Association Ltd	Mossclare St Vincent's Housing Group	South Yorkshire Housing Association
Cheshire Peaks and Plains Housing Trust	Muir Group Housing Association Limited	Southway Housing Trust (Manchester) Limited
Cobalt Housing		The Riverside Group
Community Gateway Association Ltd	One Manchester	Together Housing Group Limited
Connect Housing Association Limited	One Vision Housing Limited	Torus Group
ForHousing	Ongo	Wakefield and District Housing Limited
Golden Lane Housing Limited	Onward Group Limited	Weaver Vale Housing Trust Limited
Great Places Housing Group Limited	Plus Dane Housing Limited	Wythenshawe Community Housing
Halton Housing	Prima Housing Group Limited	Yorkshire Housing Limited
Inclusion Housing Community Interest Company	Progress Housing Group	Your Housing Group Limited
Incommunities Limited		

Commentary on KPI's

Table 2 shows that despite the challenges of the current operating environment, there have again been a number of positive areas of performance with 25 out of the 33 (76%) targets being achieved with a further 4 being narrowly missed. The KPI targets were stretching ones, to ensure that focus was given to areas of strategic priority to sustain or improve current performance.

Property Compliance KPIs ended the year in a very strong position with 3 of the 4 key indicators both being on target and top quartile. Performance on the remaining KPI – 'Electrical Installation Condition Reports', has dipped just outside of target during the final quarter due to 3 homes being without a valid 5-year EICR at the end of March due to access issues. Two of these have now been completed and the Tenancy Management Team are assisting in gaining access to carry out the outstanding inspection.

Value for Money Statement (continued)

Investment in our existing housing stock remains strong as demonstrated by 100% of our properties meeting the minimum **"Decent Homes Standard"** and 81.31% of our homes being at a **'band C and above energy rating'** (slightly exceeding our target of 80%).

Performance on **non-emergency repairs** completed within the target time despite missing the target shows an improving trend during the year. Performance for Quarter 4 was 85.50% compared to 70.38% in Quarter 1 reflecting the positive impact of changes we have introduced including introducing an improved van stock to increase the number of repairs completed 'right first time' and rebalancing the trade operative mix through focused recruitment to drive improvements in this area. Performance on **emergency repairs** whilst just below target, continues to benchmark in the upper quartile. Our repairs service will continue to be an area of focus during 2025/26

Number of **new homes developed or acquired** – we exceeded our target with 197 homes having been built/acquired against the target of 184.

We achieved our **Tenancy Turnover** target of 7% with performance of 6.88%

Our Performance on **Stage 1 complaints responded to within Ombudsman timescale** improved when compared to the previous year and pleasingly **Stage 2 responses within timescale** remain at 100%. The 3 complaints outside the timescale occurred during quarter 1 and measures have been put in place by the Complaints Team to avoid this happening again in the future.

The number of **Stage 1 complaints received per 1,000 homes** is within target and in the upper middle quartile compared to our peers. However, **the number of Stage 2 complaints received** is not on target and is in the lower quartile. Reducing the number of Stage 2 complaints remains an area of focus for the organisation with ongoing support and training provided to investigating managers to improve handling of complaints.

The **Number of Anti-Social (ASB) cases received per 1,000 homes** is within target. However, over the last 12 months we have started to see an increase in the number of cases that include a safeguarding element, and this will be an area of focus during 2025/26. Satisfaction with our approach to handling ASB (TSM) gradually improved over the year with performance being 62.34% at year end, compared to 54.72% in 23/24, following the learnings and changes made from tenant feedback (e.g. complaints and focus groups).

Value for Money Statement (continued)

Tenant Satisfaction as measured by the Tenant Satisfaction Measures (TSMs) is very positive with all 12 TSMs being on target and improved compared to the Quarter 4 2023/24 performance. 6 of the 12 indicators are in the top quartile, with a further 5 in the upper middle quartile. 'Satisfaction with landlord's approach to handling ASB' is in the lower middle quartile, however, has improved to 62.34% (target 60%) compared to 54.72% in Quarter 4 2023/24. Overall satisfaction is strong at 86.23% and targets for the coming year have been set to improve performance even further across all TSMs, recognising room for more improvement in some areas.

We again achieved outstanding **rent collection performance** at 100% for the year resulting in a low level of **arrears as a percentage of net debt** at 0.42%; this is an excellent achievement in a challenging environment. This demonstrates the impact of the financial wellbeing support we provide and is further evidenced with just 2.31% of customers leaving their tenancy due to affordability issues compared to our target of 5%. This is an increase when compared to the 2023/24 performance of 1.7%. We achieved our excellent performance by continuing to support customers to obtain welfare benefits/grants equating to annualised gains of £4.67m. The introduction of Rent Sense software also played a crucial role in enhancing efficiency by using predictive analytics to manage caseloads, reducing reliance on manual processes, and improving communication methods. We also launched the Discretionary Assistance Fund (DAF) to support vulnerable tenants, providing essential financial assistance where other support avenues were insufficient.

Looking ahead, we will continue to focus on maintaining high performance and supporting tenants through various initiatives. The ongoing utilisation of RentSense and CX systems will streamline case management and improve service delivery.

Void Rent Loss ended the year 0.18% higher than target due to the impact of the earlier than expected handover (and phased letting) of The Atrium. Managing our voids has been targeted as a key area of focus for improvement during 2025/26 through more streamlined processes, improving performance management and enhancing visibility of the various stages of works to help ensure that any potential blockages are identified, understood and addressed.

Colleague turnover has been a challenge for everyone in recent years, and it is pleasing to note that turnover of 16.12% is within our target of 18% and has improved since 2023/24 (21.41%). We are keen to build on this and seek further improvements over the next 12 months.

Value for Money Statement (continued)

Average number of days lost to absence per colleague ended the year at 8.03 days, marginally above the target of 8 days. This is an increase compared to our record performance of 6.51 in 2023/24 and reflects the range, severity and complexity of colleague absences during the year.

Colleague engagement remains strong with 92.89% of colleagues very or fairly satisfied with CGA as a place to work exceeding our target of 85%. We were also thrilled to win the 'Excellence in Company Culture and Employee Development' award at the Northern Housing Awards in May 2025, providing external validation of our positive approach to supporting our employees and fostering an environment where they can thrive.

We continue to gather feedback from our employees at all stages of the employment lifecycle to target our approach to attendance, retention and engagement.

























VfM Regulatory Metrics – our current performance

The VfM Standard and supporting code of practice requires Registered Providers to annually publish evidence to understand the provider's performance against its own VfM targets and the metrics set out by the RSH, alongside how that performance compares to peers.

Table 4 below provides VfM performance in 2024/25 and provides a comparison against the target for the year, the previous two years and our peer group (detailed in Table 3) - and the sector (based on data provided in the 2024 VfM Global Accounts).

Value for Money Statement (continued)

VfM Regulatory Metrics – our current performance

Table 4	22-23	23-24	24-25 Target	24-25 Actual Group	Comparison to CGA's Peer Group median (Based on 2024 data)		Comparison to Sector Consolidated median (Based on 2024 data)	
					Peer Group Median	CGA Quartile	Sector Median	CGA Quartile
Metric 1 - Reinvestment % Investment in properties (existing stock as well as New Supply) as a % of the value of total properties held.	12.78%	14.44%	10.31%	6.41% 	10.4%		7.70%	
Metric 2a - New supply delivered (Social Housing Units) No. of new units as a % of total units.	1.59%	2.27%	2.64%	2.56% 	1.30%		1.40%	
Metric 2b New supply delivered (Non-Social Housing Units) No. of new units as a % of total units.	0%	0%	0%	0%	0%	n/a	0%	n/a
Metric 3 - Gearing % The proportion of assets that are made up of debt.	42.54%	46.83%	47.72%	44.51% 	43.00%		45.60%	
Metric 4 - EBITDA MRI % Measurement of liquidity.	241%	202%	178%	192% 	111%		122%	
Metric 5 - Headline Social Housing Cost per Unit £ Cost per unit for social housing activities.	£3,056	£3,685	£4,140	£4,231 	£4,950		£5,136	
Metric 6a - Operating margin % (Social Housing Lettings) Measurement of financial efficiency.	31.39%	26.41%	28.6%	27.00% 	15.5%		20.4%	
Metric 6b - Operating margin % (Overall Margin) Measurement of financial efficiency.	26.86%	22.96%	21.24%	21.37% 	15.5%		18.50%	
Metric 7 - Return on Capital Employed % Measurement of efficiency of investment.	4.10%	3.32%	3.17%	4.02% 	2.90%		2.80%	

Quartile Key	Upper Quartile		Lower Middle		Performance Key	Target Met		Slightly off Target	
	Upper Middle		Lower Quartile			Off Target			

Commentary on the metrics

Despite missing 4 VfM metric targets, with 1 target being narrowly missed, our metrics for the year show a strong position, with 6 out of the 8 applicable metrics in the upper quartile, 1 in the lower-middle quartile and just 1 metric in the lower quartile when compared to our peer group. Similarly, when compared to the sector as a whole, 5 out of the 8 metrics are in the upper quartile, 2 in the upper-middle quartile and just 1 metric in the lower-middle quartile. There is no measure for metric 2b as all our new supply was Social Housing.

Value for Money Statement (continued)

Commentary on the metrics (Continued)

Metric 1- Reinvestment %: this metric has dropped into the lower quartile when compared to our peer group and lower-middle quartile when compared to the sector. This is due to timing of commencing new schemes on the Development programme, which have been delayed due to a combination of seeking planning, confirming grant funding and reviewing the costs of schemes. This metric is forecast to increase to 11.32% in 2025/26 (based on planned Development programme spend) and if achieved would place us in the upper middle quartile when compared to our peer group and the sector

Metric 2a - New Supply Delivered (Social housing Units): This metric has increased steadily to 2.56% in 2024/25 and places us in the upper quartile when compared to both our peer group and the sector. Unfortunately, we narrowly missed our target due to the timing of handing over some new homes.

Metric 3 - Gearing % - at 44.51% this ratio is marginally below the median when compared to our peer group and places us in the lower-middle quartile. However, when compared to the sector it is marginally above the median and places us in the upper-middle quartile. This means we have more borrowing capacity than approximately half of the other associations in the sector. The ratio has improved from 2023/24 due to an increase in our asset base compared to our net debt.

Metric 4 - EBITDA-MRI This metric performed strongly at 192% with the target of 178% being exceeded. This places us in the upper quartile when compared to the sector and our peer group and indicates a strong financial position.

Metric 5 - Headline Social Housing Cost: this indicator has remained consistently strong and places us in the upper quartile when compared to our peer group and the sector. Included within our Headline Social Housing Cost per unit of £4,231 are management costs which equate to £1,068 per unit (2023/24: £1,011).

Metric 6a/6b - Operating Margin %: Despite the planned increase in expenditure on our repair and maintenance service approved as part of the revised budget for the year our overall operating margin target was achieved with a year-end margin of 21.37% placing us in the upper quartile when compared to our peer group and upper middle quartile when compared to the sector. Our Operating margin (social housing lettings) of 27% place us in the upper quartile when compared to both our peer group and sector.

Value for Money Statement (continued)

Commentary on the metrics (Continued)

This strong position reflects our income maximisation, with excellent rent collection performance of 100% and low level of arrears at 0.42%. It is worth noting our turnover per social housing unit of £6,426¹ is in the lower quartile of the sector because of the low rental values within the Preston area. This clearly adversely impacts both our EBITDA-MRI and Operating margin metrics and means that our Headline Social Housing Cost per unit needs to be low in comparison to others to achieve a strong performance in these areas.

This reflects the continued focus on managing our cost base. Despite our cost control, we continue to deliver effective outcomes, with the percentage of customers satisfied with the service provided in the upper quartile at 86.23% (based on TSM survey data).

Metric 7 – Return on Capital Employed %: At 4.02%, this compares favourably to our peer group and to the sector, being in the upper quartile.

VfM Regulatory Metrics – our Business Plan forecasts

We recognise the need to maintain this strong position and the metrics calculated from our future financial plans are shown in Table 5 below.

¹ Based on data provided by the Regulator of Social Housing (RSH) Global accounts 23/24.

Value for Money Statement (continued)

Table 5	24-25 Actual	25-26 Forecast	26-27 Forecast	27-28 Forecast	28-29 Forecast	29-30 Forecast	Peer Group Median	Sector Median
Metric 1 - Reinvestment %	6.41%	11.32%	15.72%	5.56%	1.79%	2.87%	9.63%	7.70%
Metric 2a - New supply delivered (Social Housing Units)	2.56%	0.45%	0.90%	3.66%	0.00%	0.00%	1.30%	1.40%
Metric 2b New supply delivered (Non-Social Housing Units)	0%	0%	0%	0%	0%	0%	0%	0%
Metric 3 - Gearing %	44.51%	48.45%	50.30%	50.23%	47.17%	46.02%	43.51%	45.60%
Metric 4 – EBITDA-MRI %	192%	155.79%	144.43%	155.04%	210.47%	159.30%	111.18%	122.00%
Metric 5 - Headline Social Housing Cost per Unit £	£4,231	£4,681	£4,687	£4,679	£4,632	£5,331	£5,100	£5,136
Metric 6a - Operating margin % (Social Housing Lettings)	27.0%	29.51%	32.11%	31.33%	32.59%	32.44%	15.5%	20.4%
Metric 6b - Operating margin % (Overall Margin)	21.37%	23.45%	26.32%	24.91%	25.11%	27.11%	15.78%	18.50%
Metric 7 - Return on Capital Employed %	4.02%	3.39%	3.57%	3.53%	4.56%	3.87%	2.84%	2.80%

VfM Regulatory Metrics – our Business Plan forecasts

Our latest Business Plan has provision to grow to own almost 7,300 homes by March 2030. This will see us increase our **Reinvestment %** to 15.72% in 2026/27 and **New supply delivered** metric to a peak of 3.66% in 2027/28, demonstrating strong upper quartile performance when compared to our peer group and the sector (based on 2023-24 Global Accounts VfM data). The new homes we develop will help us meet a range of housing needs, including those for Independent Living alongside many for families, in a variety of locations in and around Preston.

We will draw on finances we have secured to deliver a long-term sustained return. This increased level of debt funding means our **Gearing** ratio will begin to rise and our **EBITDA-MRI** reduces in the short-term. The reduction in our **EBITDA-MRI** in 2025-26 and 2026-27 reflects the interest costs of the additional borrowing and higher interest rates combined with increased investment in existing homes as reflected by our stock condition data.

Value for Money Statement (continued)

VfM Regulatory Metrics – our Business Plan forecasts (continued)

Our approved business plan assumes continued increases in capital investment in our existing homes. This impacts the **Headline Social Housing Cost per unit** which shows a downward trend when compared to 2024/25.

Operating margin and Return on Capital Employed remains relatively stable over the forecast period as we continue to focus on managing our operational costs and identify efficiencies where possible.

2024/25 was the first year of new Corporate Plan to 2030. Following a review of delivery against this Plan, we have considered our targets to ensure they remain appropriate and help us to maintain or improve our record of strong operational and financial performance.

Our priority plans for 2025/26 include:

- Continuing to focus on the delivery of a more effective and efficient repairs and maintenance service with improved performance levels and increased tenant satisfaction.
- Improved financial resilience through a more efficient delivery of our repair and maintenance programmes, combined with continued maximised income recovery, including rent loss from empty homes.
- Greater use of tenant data and insight to deliver more cost-effective services that contribute to sustaining strong levels of tenant satisfaction.

In developing our strategic priorities beyond 2024/25 we have considered how we manage the cost pressures for both CGA and our customers arising from the current challenging macro-economic operating environment. We will continue to ensure that our plans remain appropriate and affordable within the Business Plan.

Due to the evidence set out in this report, the Board believes it fulfils the requirements of the RSH's Value for Money standard.

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Governance

Board Members

The Board members that have served during the period from 1 April 2024 up to the date these statements have been signed are set out on page 3. The Board of Directors of CGA are the Board of Management, as defined by the Accounting Direction for Private Registered providers of Social Housing 2022. The Board of Management's responsibilities are as stated on page 46 below.

The Board members are drawn from a wide background bringing together professional, commercial and housing experience and have a range of skills, experience and qualities required to take decisions and monitor CGA's performance.

In recognition of the challenges and responsibilities facing the Board and the time and effort they put into performing their duties, Board members have been remunerated for the last three years, i.e. from 1 April 2022. None of the Board members receive any pension benefits from CGA (note 12).

The Board Members are term-limited to enable the Board to adjust its leadership to suit changing organisational needs. To ensure that Board members have the right skills, the Board has a regularly reviewed succession plan in place.

The focus of the Board is on CGA's Corporate Plan, and it also has responsibility for overseeing performance. The Board delegates certain governance responsibilities to committees, which have their own approved terms of reference. Day-to-day performance management is delegated to the Chief Executive, who in turn leads the Executive Leadership Team.

The CGA Board currently consists of 4 tenant members, 6 independent members, one member nominated by Preston City Council and a co-optee. Tenant members have the same rights and responsibilities as other Board members.

Executive Directors

The Executive Officers listed on page 3 of this report have served during the period from 1 April 2024 up to the date these statements have been signed. They are responsible for the day-to-day management of CGA and meet on a weekly basis. The Executive Officers hold no financial interest in CGA and are not members of the Board.

Governance Structure

The committees supporting the Board and the governance arrangements during the year under review were the:

Audit and Risk Committee

This committee's primary role is to independently contribute to the Board's overall process for ensuring that an effective internal control system is maintained and to oversee the implementation of the risk management strategy.

Gateway Central

Gateway Central is a strategic tenant body which oversees development and delivery of the Community Empowerment Strategy, monitors customer service performance and oversees all tenant consultation activity. Gateway Central is a sub-committee of the Board and includes up to 12 members including up to 3 Tenant Board members. The Chair of Gateway Central reports twice a year to the Board on all matters within its responsibilities.

Governance and Remuneration Committee

This committee is responsible for supporting the Board in governance and succession planning matters alongside reviewing the Group's policy on employee remuneration and benefits. It also appraises the performance of the Chief Executive and considers matters relating to the remuneration of the Board and Executive Leadership Team.

Governance review

CGA carries out a triennial Governance Review, with the last Independent Review of Board Effectiveness being conducted in 2023/24. The review concluded that CGA's governance arrangements are effective with individual Board Members and the collective Board providing competent and appropriate oversight of the business. The annual Board appraisal exercise was also conducted as part of this Independent Review. The minor recommendations arising from the Independent Review and individual and collective development requirements arising from the appraisals have been fed into the Governance Action Plan, designed to further improve CGA's corporate governance. We are also undertaking an internal review of our Governance arrangements to ensure that they remain fit for purpose in the future, and any changes arising from this review will be effective during 2025/26.

Governance Structure (continued)

Code of Governance

CGA's Board has also adopted the National Housing Federation's (NHF) Code of Governance 2020. A full review of CGA's compliance against this Code has been completed and in summary, of the 162 requirements within the Code CGA is:

- Fully compliant with 161 (99.4%) requirements.
- Partially compliant with 1 (0.6%) requirement.

The one requirement where CGA demonstrates partial compliance is minor in nature and relates to section 3.7(5) of the Code. This section requires the Code's requirements on tenure to apply to offices held across all Boards and Committees.

Preston Vocational Centre (PVC) does not comply with all the Code's requirements regarding tenure on the basis that it would be in PVC's best interests to retain a maximum tenure of nine years as permitted under the Charity Governance Code for small Charities adopted by PVC.

Governance and Viability Standard

Our robust governance arrangements were assessed by the RSH following an inspection carried out during 2025/26 when CGA retained its G1, V1 regulatory grading (the highest level of compliance). This rating is reviewed on an annual basis through the annual Stability Check review carried out by the RSH.

A review has also been undertaken to assess CGA's current level of compliance against the RSH Governance and Financial Viability Standard. In summary, of the 21 areas of the Standard requiring a statement of compliance, CGA is able to evidence compliance in all areas.

Internal Control and Risk Management

Key risks

CGA has embedded a culture of risk management. The ongoing process to identify, evaluate and manage the risks faced by CGA has been in place throughout the year up to the date of approval of the report and financial statements.

CGA has a fully embedded Risk Management Strategy setting out our strategic approach to managing risk. The Board’s Risk Appetite Statement is included within the Strategy and Board undertook a full, independently facilitated review of its appetite for risk during 2024/25. Our Risk Management Strategy is supported by an integrated Risk Management and Assurance Framework.

The Audit & Risk Committee plays a key role in the framework and in seeking assurance that risks are being managed and relevant policies and processes are being followed. Corporate and Management risk and assurance frameworks are reviewed by the Audit & Risk Committee at each meeting with all updates and changes to the risk registers reported to the Committee. The Corporate Risk and Assurance Framework is also considered by the Board quarterly including any recommendations from the Audit & Risk Committee. Each of the subsidiaries within the CGA Group also have their own risk registers which are regularly reviewed by the Board of the relevant subsidiary.

In order to provide the ongoing assurance to both Board and Audit & Risk Committee members, that risk is being effectively managed, resourced, and where necessary, mitigated, the corporate and management risk and assurance frameworks are reviewed on a quarterly basis by the Risk Review Group, an officer group chaired by the Executive Director of Resources and consisting of members of the Senior Management Team. The Corporate Risk and Assurance Framework includes:

Key Risk	Description	Controls
Health & Safety	Failing to ensure the health, safety and welfare of employees and any other persons affected by CGA, there is a risk of harm, legal action, increased costs and reputational damage.	Health & safety management system; qualified staff; Health & Safety Committee; Detailed risk register reviews.
Asset Management	Properties fail to reach legal requirements which could lead to legal action, increased costs, regulatory downgrade and reputational damage.	Asset Management Strategy; Decent Homes framework; In-house services; annual stock condition reviews; active asset management approach.
Development Programme	Due to the increased scale and diversity of the development programme, this could result in cash flow pressures and diminished financial viability.	Development strategy; financial regulations; steering group oversight; approval process via Board; financial planning/stress testing.

Internal Control and Risk Management (continued)

Key risks

Key Risk	Description	Controls
Regulatory Assurance	As a result of the evolving nature of regulation, our governance and assurance framework or the Board is not judged to be effective and/or compliant with the regulatory framework could lead to a downgrade and a greater level of intervention by the Regulator.	Governance framework, including rules and standing orders; skilled board; Board succession planning; regulatory compliance framework in place.
Key Supplier ceases trading	As a result of a key contractor/supplier ceasing to trade there is a risk that there is significant service failure which could lead to unforeseen costs and damage to CGA's reputation.	Procurement/due diligence processes in place; financial controls/checks; monitoring performance including sub-contractors; contractual arrangements.
Cyber Security	The threats from cyber security attacks not being effectively managed, our systems and data could be compromised leading to a loss or corruption of service and/or data resulting in reputational damage and financial penalties.	Technology strategy; data breach procedure; staff awareness/training; systems access/permissions; cyber security action plan; systems configuration and monitoring.
Safeguarding	An ineffective approach could mean our customers, or their dependents, partners, contractors or colleagues may be put at risk of abuse, which could result in a Serious Case Review, prosecution or other action leading to reputational damage or other serious detriment.	Policies and procedures; staff awareness/training; collaborative working with partners; DBS checks; contractor engagement.
Colleague Turnover	Due to the challenges of recruitment and retention, this could put increased pressure and demands on colleagues, which may impact on morale, wellbeing and resilience and our ability to deliver effective services.	Employment package/offer; marketing strategies; recruitment and selection processes; colleague engagement activities.
Macro-economic Climate	The recent impact of economic and political uncertainty has led to volatility in markets and increasing inflation which puts pressure on costs, income collection and service delivery, ultimately reducing the organisation's financial resilience.	Financial planning, including stress testing and resilience planning; financial and operational environmental scanning; performance monitoring/management.
Data Management	Good quality data management is crucial to ensure appropriate decision-making which aids the provision of great customer service and delivery of core landlord responsibilities, such as maintaining the quality and safety of our homes.	Key data sets stored on robust systems with inherent controls and external support. In-house administrators/external support in place to assist in the management of data. Interfaces to ensure consistency of key data sets. Reconciliation processes in place where required.

Internal Control and Risk Management (continued)

Key risks (continued)

Key Risk	Description	Controls
Carbon Neutral	The future financial requirements to achieve carbon neutral could put undue pressure on the organisation's ability to deliver other corporate objectives.	Flexible delivery plan/phased approach; engagement with partners and supply chain; financial planning; environmental scanning.
Damp, Mould & Condensation (DMC)	If we don't manage DMC in our homes effectively, living conditions can become unacceptable and property condition deteriorate. This can affect peoples' health and wellbeing.	DMC policy and procedure; inspections and treatment carried out by trained professionals; targeted communications with colleagues and customers; disrepair and complaints processes; data driven/risk-based approach.

Continued strong governance, clear leadership and effective management are essential in order that we can manage the broad range of risks and challenges facing CGA and the wider housing sector. We believe that the Board, working in partnership with our colleagues and tenants, are well placed to meet these challenges and continue to ensure that CGA remains a successful tenant-led organisation.

The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public assets and money are safeguarded and properly accounted for, and that they are being used economically, efficiently and effectively.

Internal Controls Assurance

A wide range of internal control mechanisms are in place and being operated to help the organisation meet its strategic objectives, to operate within the law, to make effective use of public money and to report activities accurately. These bring together information from all significant parts of the business and provide assurance to the Board that an effective system of internal controls is in place. The most significant sources are through:

- Our approach to assurance, based around the three lines model.
 - The 1st line describes controls operated by day-to-day management.
 - The 2nd line covers more independent checks carried out by other internal teams or via Governance arrangements.
 - The 3rd line incorporates external assurance obtained from auditors and other sources of independent assurance.
- The existence of the Audit & Risk Committee, with appropriate terms of reference.
- An independent internal audit function.
- Risk management framework.

Internal Control and Risk Management (continued)

Internal Controls Assurance (continued)

- Financial and non-financial performance monitoring and management.
- Appropriate communications structures.
- Effective customer scrutiny arrangements.
- Effective strategies, policies and procedures.
- External stakeholders, including the RSH and accreditation bodies.

Internal Controls Framework

A comprehensive framework of internal controls is in place consisting of sources of assurance that, when brought together, provide a complete picture of all significant parts of the business. CGA has a system of operational controls in place supported by risk management and compliance checks.

The internal control framework is designed to manage and reduce, rather than eliminate the risk of failing to achieve the objectives of the business. It can only provide the Board with reasonable, and not absolute assurance against material misstatement or loss.

The key features of the system of internal control include:

- An established management structure operating across CGA with clearly defined levels of responsibility and delegated authorities. To support this, we have Standing Orders and Financial Regulations that are reviewed annually by the Board.
- A robust risk management system (including health and safety) established by the Board to enable the identification, evaluation and management of the strategic and operational risks we face.
- Adopting and complying with the principal recommendations of the National Housing Federation's (NHF's) 2020 Code of Governance and accepting this as our code of good practice.
- Audit & Risk Committee assurance – the Committee meets quarterly to review our corporate risks, alongside receiving reports which provide assurance over compliance matters and that internal control systems are operating effectively. The Committee also reviews any follow-up action to correct identified weaknesses. All Board members receive the minutes of Audit & Risk Committee meetings.
- Internal audit assurance – the internal audit function is provided by TIAA and is based around a three-year risk-based programme linked to our corporate risks. The Audit & Risk Committee review and approve the audit programme and receive regular reports from the internal auditors. This includes an annual review at the end of each programme year. The 2024/25 Internal Audit Programme included audits reviewing our Risk Management Framework, Gas Safety, Rent Arrears processes, Budgetary Control, Voids and Lettings, Payroll and compliance with several areas of the Regulator's Safety and Quality Standard.

Internal Control and Risk Management (continued)

Internal Controls Framework (continued)

- Other Audit/Specialist Reviews - During the year several other audit activities or third-party specialist reviews have taken place which provide additional assurance around Electrical Installation, Gas Safety and our Health and Safety Management system and culture.
- External audit assurance – external auditors provide a management letter, and interim findings report identifying any internal control weaknesses. The audit letter is required to report where 'a satisfactory system of control over transactions has not been maintained'. In accordance with best practice, the Audit & Risk Committee and the Board consider this letter.
- Well established procedures that ensure the employment, retention, training and development of suitably qualified colleagues to manage the activities of the business.
- Comprehensive Board member appraisal and training programme to ensure that Board members remain professionally updated and are equipped with the skills to meet the needs of the business.
- A number of steps have been taken to improve the control environment including updating policies and procedures, reviewing assurance maps and associated controls, our risk appetite statement, and stress testing of the business plan.
- The preparation and monitoring of budgets and long-term business plans that enable the Executive Leadership Team and Board to regularly review financial performance throughout the year and investigate and act upon any key variances.
- The Board approve the treasury management policy and strategy on an annual basis and regularly review treasury management activity; we also receive independent advice from specialist advisors.
- A clear process for reviewing all investment decisions – all such major decisions are subject to appraisal and approval of the Executive Leadership Team and, where appropriate, the Board.
- A register of frauds and attempted frauds is in place and is reviewed regularly by the Audit & Risk Committee on behalf of the Board.
- A strong ethical and performance management framework embedded into the culture of CGA with reporting designed and implemented to give the Board a regular and clear picture of performance and facilitate prompt remedial action if necessary.

In their internal audit annual report for 2024/25 which was submitted to the April 2025 Audit & Risk Committee meeting, TIAA state: 'TIAA is satisfied that, for the areas reviewed during the year, Community Gateway Association has reasonable and effective risk management, control and governance processes in place.'

Internal controls assurance conclusion

The Board has reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board as being appropriate for that purpose.

Internal Control and Risk Management (continued)

Internal controls assurance conclusion (continued)

The Board is satisfied that there is sufficient evidence to confirm that adequate systems of internal control have existed and have operated throughout the year, and that those systems have been aligned to the management of significant risks facing the organisation.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within its governance and management processes. This approach includes the regular evaluation of the nature and extent of risks to which CGA is exposed.

The Board has delegated authority to the Audit & Risk Committee to review the effectiveness of internal control and has received regular reports throughout the year through a quarterly risk management update report.

The Audit & Risk Committee has also received the Chief Executive's annual report on the effectiveness of internal controls, together with the annual report from the internal auditor, and reported its findings to the Board.

The Board has reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2025 and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss which require disclosure in the financial statements.

Health & Safety

CGA is committed to providing a safe working environment to its workforce and aims to lead by example with its partner contractors. The Board is aware of its health and safety responsibilities and has a policy statement in place and receives regular briefings on health and safety matters. The Health and Safety Committee monitors performance, addresses health & safety issues, and reports into the Audit & Risk Committee. Advice and support to colleagues is provided by a Health and Safety Manager. Demonstrating the strength of our Health and Safety culture, systems and processes we have been awarded the internationally renowned Royal Society for the Prevention of Accidents (RoSPA) President's Award (14 consecutive Golds). This is a tremendous accolade and one of the highest awards that RoSPA confer. It recognises over a decade of achievements in ensuring the highest standards of health and safety across the whole business. We also have the highest 5-star health and safety rating, by the British Safety Council.

Qualifying third party indemnity provisions

CGA has insurance policies that indemnify its board members and executive directors against liability when acting for CGA.

Statement of Board's responsibilities in respect of the Board's report and the financial statements

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

The Co-operative and Community Benefit Societies Act 2014, and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the Group's and Association's income and expenditure for the year then ended.

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that 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 in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities.

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

Going concern

The Board has a reasonable expectation that CGA 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. Therefore, the Board continues to adopt the going concern basis in the financial statements.

Statement of Board's responsibilities in respect of the Board's report and the financial statements (continued)

Annual General Meeting (AGM)

The AGM will be held on Saturday 13th September 2025.

Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 Statement of Recommended Practice (SORP) for Registered Social Housing Providers and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Provision of information to the auditor

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Beever and Struthers have been appointed as CGA's External Auditors. A resolution for the re-appointment of Beever and Struthers as auditors of the Group is to be proposed at the forthcoming Annual General Meeting.

The Strategic Report was approved on 31st July 2025 and signed by order of the Board.



Craig Garner

Company Secretary

Financial Statements 2024/25

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Financial Statements 2024/25

Independent auditor's report to the members of Community Gateway Association Limited

Opinion

We have audited the financial statements of Community Gateway Association Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in 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 2025 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.

Independent auditor's report to the members of Community Gateway Association Limited (continued)

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual 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 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:

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept proper accounting records; or
- the 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.

Independent auditor's report to the members of Community Gateway Association Limited (continued)

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities in respect of the Board's report and the financial statements set out on page 46, 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's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Independent auditor's report to the members of Community Gateway Association Limited (continued)

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

- We obtained an understanding of laws, regulations and guidance 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, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the NHF Code of Governance 2020, the Regulatory Standards, 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 the 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 was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and 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.

Independent auditor's report to the members of Community Gateway Association Limited (continued)

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

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.



Beever and Struthers
Statutory Auditor
One Express,
1 George Leigh Street
Manchester,
M4 5DL

Date: 16th September 2025

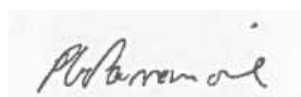
Consolidated and Association Statement of Comprehensive Income

For the year ended 31 March 2025

		Group	Group	Association	Association
	Note	2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Turnover	4	45,985	38,193	45,541	37,761
Operating expenditure	4	(36,159)	(29,424)	(35,753)	(29,025)
Gain on disposal of property	6	1,183	800	1,183	800
Loss on disposal of other fixed asset		(7)	-	(7)	-
Operating surplus		<u>11,002</u>	<u>9,569</u>	<u>10,964</u>	<u>9,536</u>
Interest receivable and other income	7	788	1,415	786	1,415
Interest and financing costs	8	(5,187)	(4,770)	(5,187)	(4,770)
Gift Aid		-	-	126	114
Movement in fair value of investment properties	16	(228)	-	(228)	-
Surplus before taxation		<u>6,375</u>	<u>6,214</u>	<u>6,461</u>	<u>6,295</u>
Taxation on surplus from ordinary activities	10	-	-	-	-
Surplus for the financial year		<u><u>6,375</u></u>	<u><u>6,214</u></u>	<u><u>6,461</u></u>	<u><u>6,295</u></u>
Actuarial gains/(losses) on SHPS defined benefit pension scheme	26	27	(467)	27	(467)
Actuarial losses on LGPS defined benefit pension scheme	27	(552)	(438)	(552)	(438)
Total comprehensive income for year		<u><u>5,850</u></u>	<u><u>5,309</u></u>	<u><u>5,936</u></u>	<u><u>5,390</u></u>

The Consolidated and Association's results relate wholly to continuing activities and the notes on pages 59 to 95 form an integral part of these financial statements.

The financial statements on pages 54 to 95 were approved and authorised for issue by the Board of Directors on 31 July 2025 and were signed on its behalf by:



Phil Parramore
Chair



Michelle Allott
Vice Chair



Craig Garner
Secretary

Consolidated and Association Statement of Financial Position

At 31 March 2025

	Note	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Fixed assets					
Tangible fixed assets - housing properties	14	281,045	270,398	281,432	270,785
Tangible fixed assets - other	15	8,440	8,307	8,396	8,247
Investment properties	16	1,094	1,503	1,094	1,503
		290,579	280,208	290,922	280,535
Current assets					
Stocks	17	1,197	4,841	1,197	4,841
Debtors - receivable within one year	18	2,584	4,473	2,668	4,410
Cash at bank and in hand		8,778	7,249	8,473	6,971
		12,559	16,563	12,338	16,222
Creditors: amounts falling due within one year	19	(29,788)	(8,933)	(29,762)	(8,861)
Net current (liabilities)/assets		(17,229)	7,630	(17,424)	7,361
Total assets less current liabilities		273,350	287,838	273,498	287,896
Creditors falling due after more than one year	19	(188,791)	(208,814)	(188,776)	(208,795)
SHPS Liability	26	(352)	(667)	(352)	(667)
LGPS Pension Liability	27	-	-	-	-
Net assets		84,207	78,357	84,370	78,434
Capital and reserves					
Income and expenditure reserve		84,559	79,024	84,722	79,101
Pension reserve		(352)	(667)	(352)	(667)
		84,207	78,357	84,370	78,434

The notes on pages 59 to 95 form an integral part of these financial statements.

The financial statements on pages 54 to 95 were approved and authorised for issue by the Board of Directors on 31 July 2025 and were signed on its behalf by:



Phil Parramore
Chair



Michelle Allott
Vice Chair



Craig Garner
Secretary

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

Group	Income and expenditure reserve	Pension reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2024	79,024	(667)	78,357
Surplus for the year	6,375	-	6,375
Actuarial loss recognised in the pension schemes	(525)	-	(525)
Total comprehensive income for the year	5,850	-	5,850
Reserve Transfers:			
Transfer of pension movement from income and expenditure reserve	(315)	315	-
Balance at 31 March 2025	84,559	(352)	84,207

Association	Income and expenditure reserve	Pension reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2024	79,101	(667)	78,434
Surplus for the year	6,461	-	6,461
Actuarial loss recognised in the pension schemes	(525)	-	(525)
Total comprehensive income for the year	5,936	-	5,936
Reserve Transfers:			
Transfer of pension movement from income and expenditure reserve	(315)	315	-
Balance at 31 March 2025	84,722	(352)	84,370

The notes on pages 59 to 95 form an integral part of these financial statements

Consolidated and Association Statement of Changes in Reserves for the year ended 31 March 2024

Group	Income and expenditure reserve	Pension reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2023	73,525	(477)	73,048
Surplus for the year	6,214	-	6,214
Actuarial loss recognised in the pension schemes	(905)	-	(905)
Total comprehensive income for the year	5,309	-	5,309
Reserve Transfers:			
Transfer of pension movement from income and expenditure reserve	190	(190)	-
Balance at 31 March 2024	79,024	(667)	78,357

Association	Income and expenditure reserve	Pension reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2023	73,521	(477)	73,044
Surplus for the year	6,295	-	6,295
Actuarial loss recognised in the pension schemes	(905)	-	(905)
Total comprehensive income for the year	5,390	-	5,390
Reserve Transfers:			
Transfer of pension movement from income and expenditure reserve	190	(190)	-
Balance at 31 March 2024	79,101	(667)	78,434

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

Cash flow from operating activities	2025	2024
	£'000	£'000
Surplus for the financial year	6,375	6,214
Adjustments for:		
Depreciation of fixed assets - housing properties	6,793	6,725
Depreciation of fixed assets - other	807	754
Fair Value of Investment Properties	228	-
Amortised grant	(2,616)	(2,554)
Interest payable and finance costs	5,187	4,770
Interest receivable	(788)	(1,415)
Difference between net pension expense and cash contribution	(343)	(314)
Surplus on the sale of fixed assets - housing properties	(1,175)	(800)
Decrease/(Increase) in trade and other debtors	1,155	(2,239)
Increase in trade and other creditors	820	160
Decrease/(Increase) in stock	3,644	(1,432)
Net cash generated from operating activities	20,087	9,869
Cash flows from investing activities		
Purchase of tangible fixed assets - housing properties	(16,783)	(38,472)
Purchase of tangible fixed assets - other	(949)	(704)
Purchase of investment properties	(89)	(519)
Net proceeds from sale of fixed assets - housing properties	1,751	1,513
Grants received	2,517	7,508
Interest received	266	998
Net cash used in investing activities	(13,287)	(29,676)
Cash flows from financing activities		
Interest paid	(5,267)	(5,231)
Net cash (used in) from financing activities	(5,267)	(5,231)
Net increase/(decrease) in cash and cash equivalents	1,532	(25,038)
Cash and cash equivalents at beginning of year	7,246	32,284
Cash and cash equivalents at end of year	8,778	7,246

The notes on pages 59 to 95 form an integral part of these financial statements

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

1. Legal Status

Community Gateway Association Ltd 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 (RSH) as a Private Housing Association. The registered office is Harbour House, Portway, Ashton-on-Ribble, Preston PR2 2DW. Community Gateway Association Limited's principal activity is to provide social housing. The group comprises the following entities:

Name	Incorporation	Registered/Non-Registered
Community Gateway Association Ltd (CGA)	Co-operative & Community Benefit Societies Act 2014	Registered
Patterdale Developments Ltd (PDL)	Companies Act 2006	Non-Registered
CGA Homes Ltd (CHL)	Companies Act 2006	Non-Registered
Preston Vocational Centre Ltd (PVC)	Companies Act 2006	Non-Registered

All subsidiaries within the group are 100% owned by Community Gateway Association Ltd

2. Principal Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and in accordance with FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis of Consolidation

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Going Concern

CGA's latest Business Plan including sensitivity analysis and stress testing demonstrates that it has sufficient funding facilities in place that will meet planned development and other expenditure, and that it is fully able to service its debt facilities. After a thorough review including considering all assets, liabilities and commitments the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due. The Group is able to mitigate a worst-case scenario and avoid a covenant breach by reducing expenditure on non-core services combined with managing the timing of development and repairs expenditure. CGA also has access to undrawn loan facilities set out in Note 20.

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

Principal Accounting Policies (continued)

The Board has a reasonable expectation that CGA 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. Therefore, the Board continues to adopt the going concern basis in the financial statements.

Parent Association disclosure exemptions

In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemption available in FRS 102:

- No statement of cash flows has been presented for the parent Association.

Income

Income is measured at the fair value of the consideration received or receivable. CGA generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting).
- Sales of properties through the Right to Buy or Right to Acquire Scheme.
- Sale of first tranche Low-Cost Home Ownership properties.
- Service charge receivable; and
- Revenue grants and amortisation of capital grants.

Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from first tranche sales and proceeds from the sale of land or property are recognised at completion of the sale.

Rent and service charge agreements

CGA has both fixed and variable service charges for its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

The Group has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Grants

Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income when the conditions for receipt of agreed grant funding are met.

Capital grant is released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic lives of the housing property structure and components have been selected.

Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income in the year.

Interest payable

Interest payable is charged to the Statement of Comprehensive Income in the year.

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

Principal Accounting Policies (continued)

Leased assets

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

VAT

CGA, CHL and PVC are VAT registered as part of the Group's registration. A large proportion of their income, (rents and service charges) are exempt for VAT purposes thus giving rise to a partial exemption calculation. PDL is registered separately for VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Taxation

No corporation tax is payable on the surpluses of charitable activities of CGA as it has charitable status. CGA did not undertake any taxable non-charitable activities in the year.

Tangible Fixed Assets

Housing properties

Housing properties are principally properties which are available for rent and are stated at cost less depreciation and impairment. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing housing properties

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised. Works that, over the lives of the properties, result in an increase in net rental income, a reduction in maintenance costs or a significant extension to the life of the property thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Provision for major repairs is only made where a contractual liability exists for work undertaken. Due to the establishment of regular programmes of repair and maintenance, CGA does not make provision for cyclical repairs, but charges actual cost incurred to the Statement of Comprehensive Income.

Shared ownership properties and staircasing

Under low-cost home ownership arrangements, the Association disposes of a long lease on low-cost home ownership units for a share ranging between 10% and 100% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low-cost home ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset. The remaining element is classed as Property, Plant and Equipment (PPE) and included in completed housing properties at cost, less any provisions needed for depreciation or impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

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

Principal Accounting Policies (continued)

Depreciation of housing properties

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Land is not depreciated on account of its indefinite useful economic life. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Structure 60 to 100 years	Land – n/a
Central Heating Carcass 30 Years	Central Heating Boilers 15 years
Roofs 70 Years	Windows & doors 30 Years
Bathrooms 30 Years	Kitchens 20 Years

Impairment

CGA's housing property portfolio is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or Cash Generating Units (CGUs) for which impairment is indicated to their recoverable amounts. Initially the Association compares the fair value less costs to sell by reference to EUV-SH. If this is lower than the net book value, the CGUs are then assessed for their value in use by calculating a Depreciated Replacement Cost (DRC) for each CGU.

The DRC will be based upon the lower of:

- the cost of constructing an equivalent asset on the same site together with the original land costs; or
- the cost of acquiring an equivalent asset on the open market.

The Association defines CGUs as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or CGU is lower than its carrying value, an impairment is recorded through to the Statement of Comprehensive Income.

As our Housing Stock is performing strongly as demonstrated by the high demand for our stock. We have a very strong waiting list for our homes and based on lettings during the last quarter; the average waiting time ranged from 16 months for a 2-bed property to 85 months for a 4-bedroom property. We have also seen a c300% increase in applications for recently advertised properties when compared to applications last time they were advertised. This demonstrates that demand for our homes remains high. This combined with the fact that a) there are no anticipated future rent reductions; and b) any real cost increases in management costs associated with our properties will be offset by corresponding reductions in costs; indicate that there is no evidence to suggest that an impairment of our housing properties is required as detailed in note 3.

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

Principal Accounting Policies (continued)

Impairment (continued)

The Investment properties valuation carried out in accordance with the Investment Properties note below confirms no change to the value of the properties held at 1st April 2024, however a reduction in the value of the property handed over during the year.

CGA have considered the impact of the current macro-economic environment not to have a material impact on the value of Housing Stock or Investment properties as at 31 March 2025 as mitigation actions have been taken to maintain the overall financial viability of the Business Plan.

Depreciation of Other tangible fixed assets

Other fixed assets, other than investment properties, are stated at historic cost less accumulated depreciation. Depreciation is provided on a straight-line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives.

The principal annual rates used for other assets are:

Freehold and leasehold office property 5 to 80 years	Office fixtures and fittings 3 to 15 years
Office Furniture 5 to 10 years	ICT equipment 3 to 10 years
Plant and Machinery 3 years	Scheme Assets 5 to 15 years

Useful economic lives of all tangible fixed assets are reviewed annually.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business.

Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from either Market Value – Vacant Possession (MV-VP) or Market Value – Subject to Tenancies (MV-ST). The rental income of each property has been individually assessed and for certain properties it has been ascertained that in arriving at MV-ST no deduction from the prevailing MV-VP needs to be made. No depreciation is provided.

The valuation has been based on the following assumptions -

- the proposed use of the Property is consistent with the current use.
- the Property is in good condition.
- No construction materials have been used that are deleterious, or likely to give rise to structural defects.
- No hazardous materials are present.
- All relevant statutory requirements relating to use or construction have been complied with.

Changes in fair value are recognised in the statement of comprehensive income.

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

Principal Accounting Policies (continued)

Properties for sale

Shared ownership properties where the first tranche is unsold, and properties under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal. They are also reviewed for impairment as part of determining the net realisable value.

Materials stock

Stock is stated at the lower of cost and net realisable value. Costs comprise parts and materials for use by our in-house repairs team for the repair of our housing properties. Stocks are valued at purchase price. Materials stock is held in the van fleet.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price.

Bad and doubtful debts provisions

CGA estimates the recoverable amount of rental and other receivables, and a provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable.

The provision for Bad debts on tenant arrears is calculated as follows:

- Former Tenant Arrears – 100% of debt
- Housing Benefit Overpayments – 100% of debt
- Current Tenant Arrears – on a sliding scale as detailed below:

1 – 4 weeks	Nil
5 – 8 weeks	10%
9 – 12 weeks	25%
13 – 25 weeks	50%
26 weeks and over	100%

The provision for Bad debts on other non-rent debts is calculated as follows based on age of debt:

Less than 121 Days	Nil
121 Days to 180 Days	25%
181 Days to 270 Days	50%
271 Days to 360 Days	75%
Greater than 360 Days	100%

Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

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

Principal Accounting Policies (continued)

Provisions for Liabilities and Charges

Provisions are made to the extent that CGA has no discretion to avoid the expenditure provided for. Provisions have been calculated in line with the guidance contained in FRS 102.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

Holiday pay accrual

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

Finance costs

The cost of raising loan finance is initially capitalised and offset against the loan principal and is amortised to the statement of comprehensive income on a straight-line basis over the term of the loan. Any discount or premium realised on the issue of a bond or similar financial asset is capitalised and offset or added to the bond principal and is then amortised to the statement of comprehensive income on a straight-line basis over the term of the asset.

Government Grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Capital Grant received in relation to newly acquired (SHG or AHG) or existing housing properties (Gap Funding) is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018.

Grant is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic lives of the structure and components have been selected (see table of useful economic lives above).

Where a social housing grant (SHG) or affordable housing grant (AHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property.

If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Grants due from government organisations or received in advance are included as current assets or liabilities.

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

Principal Accounting Policies (continued)

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Association adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Cash and cash equivalents

The Group has £3.197m invested in various instant access accounts. Cash and cash equivalents represent the current bank account balance adjusted for un-presented cheques and monies held on deposit.

Pensions

CGA participates in two funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS) and the Local Government Pension Schemes (LGPS) administered by Lancashire County Council. At 31 March 2025 there were 14 active members of the SHPS scheme and 20 active members of the LGPS scheme.

CGA has fully adopted accounting standard FRS 102 and the recognition, measurement and disclosure requirements for post-employment benefits are in accordance with this standard.

For these schemes, assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and are discounted as appropriate using high-quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group. The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

CGA also participates in a defined contribution scheme operated by the Social Housing Pension Scheme with 240 active members. Contributions payable under this scheme are charged in the Statement of Comprehensive Income in the period to which they relate.

Pension Valuations

The Social Housing Pension Scheme (SHPS) and the Lancashire County Council Local Government Pension Scheme (LGPS) – the valuation of assets and liabilities is dependent on estimates and assumptions. Following receipt of the FRS102 pension cost accounting valuation from The Pensions Trust (TPT) and Mercers (LCC's actuary), the assumptions used in the valuation have been reviewed in consultation with First Actuarial (CGA's Pension advisor). As a result of the review, the assumptions set out in Notes 26 and 27 below have been used rather than the default SHPS/LGPS assumptions.

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

Principal Accounting Policies (continued)

Pension reserve

CGA's Pension Reserve of (£0.352m) relates to a reserve to cover the FRS 102 Net Pension Scheme Liability on the Social Housing Pension Scheme's Defined Benefits Fund as set out in Note 26.

The Lancashire County Council Pension Fund surplus position of £13.727m has been restricted to £nil in the financial statements as set out in Note 27 and therefore no pension reserve is required.

Income Expenditure Reserves

This constitute a free reserve and is not designated for a specific purpose.

Gift Aid

During the year CGA was gifted £126k (2024: £114k) from Patterdale Development Limited (PDL) as approved by PDL Board on 29th July 2024. The receipt of gift aid from PDL is based on PDL's taxable surpluses for the year.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with accounting principles requires the use of certain critical accounting estimates and judgements. The material areas of either estimation or judgement are set out below. Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events.

Pension Asset

FRS 102 requires that defined benefit plan surpluses are recognised only to the extent that they are recoverable either through reduced contributions in the future or through refunds from the plan. The accounting valuation of the Lancashire County Pension Fund at 31 March 2025 identified an accounting surplus of £13.727m.

The scheme's actuary has confirmed that they can demonstrate no economic benefit arising to CGA from an 'asset ceiling' calculation comparing the present value of future service costs to the present value of future contributions. The actuary has also confirmed that any refunds from the plan are contingent on future events.

Accordingly, CGA judge that there is insufficient evidence to support the recoverability of the plan's surplus and therefore has not recognised the pension asset position, restricting the surplus to £nil, and reducing actuarial gains by the same amount.

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

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Impairment Indicators

Whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Despite the impact of the macro-economic pressures, we have maintained strong performance levels during the 2024/25 financial year as seen through the Value for Money Statement KPI's. We continue to review our operational costs to maintain our long-term financial plan.

This, combined with the fact that there are no anticipated future rent reductions and any real cost increases in management costs associated with our properties will be offset by corresponding reductions in costs, there is no evidence to suggest that an impairment of our housing properties is required as disclosed in the accounting policies set out in note 2 above. The Investment properties valuation carried out in accordance with the Investment Properties note above confirms no change to the value of the properties held at 1st April 2024, however a reduction in the value of the property handed over during the year. CGA have considered the impact of current macro-economic climate not to have a material impact on the value of Housing Stock or Investment properties as at 31 March 2025.

Development Expenditure

The Group capitalises development expenditure. 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.

Other Judgements

- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership properties between current and fixed assets.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.
- The recoverability of the rent receivable balances outstanding at year end. A Provision for bad debts is calculated as disclosed in the accounting policies set out in note 2 above.

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

Key sources of estimation uncertainty

Investment Properties (Note 2 and 16)

Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers (as disclosed in the accounting policies set out in note 2 above).

The fair value of the property held within these investments is estimated noting there is difficulty in predicting the outlook of the UK property market. A sensitivity analysis is provided below.

Change in assumption		Change in Value (£'000)
Investment Properties	Increase/decrease of 10%	£109k

Tangible Fixed Assets (Notes 2, 14 and 15)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

The table below shows the financial impact to changes to the useful economic lives.

Component	Change in assumption	Increase in annual charge (£'000)
Structure	Component life reduced by 10 years	193
Central Heating Carcass	Component life reduced from 30 years to 25 years	70
Central Heating Boilers	Component life reduced from 15 years to 10 years	382
Roofs	Component life reduced from 70 years to 50 years	182
Bathrooms	Component life reduced from 30 years to 25 years	104
Kitchens	Component life reduced from 20 years to 15 years	550
Windows and Doors	Component life reduced from 30 years to 25 years	169

Pensions

The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. The table below shows the financial impact to changes in those assumptions.

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

Judgements in applying accounting policies and key sources of estimation uncertainty Key sources of estimation uncertainty (continued)

Pensions (continued)

Change in assumption	Change in Liabilities LGPS £000	Change in Liabilities SHPS £000
Discount Rate – Increase of 0.5%	(1,277)	(182)*
Inflation – Increase of 0.25% per annum	672	96
Salary Growth – Increase 0.25% per annum	140	22
Life Expectancy – increased by 1 year	417	60

*Discount Rate increase of 0.3%

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

4. Particulars of Turnover, operating expenditure, and operating surplus

Group	Note	Turnover	2025 Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000
Social Housing Activities				
Income and expenditure from lettings	5	41,206	(30,079)	11,127
Other Social Housing Activity				
Community Regeneration			(1,446)	(1,446)
Shared Ownership Sales		4,093	(3,912)	181
Non-Social Housing Activities				
Lettings income and expenditure		212	(286)	(74)
Other		474	(436)	38
Total		45,985	(36,159)	9,826

Group	Note	Turnover	2024 Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000
Social Housing Activities				
Income and expenditure from lettings	5	36,616	(26,944)	9,672
Other Social Housing Activity				
Community Regeneration		3	(1,070)	(1,067)
Shared Ownership Sales		797	(705)	92
Non-Social Housing Activities				
Lettings income and expenditure		315	(276)	39
Other		462	(429)	33
Total		38,193	(29,424)	8,769

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

4. Particulars of Turnover, operating expenditure and operating surplus

Association	Note	Turnover	2025 Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000
Social Housing Activities				
Income and expenditure from lettings	5	41,206	(30,079)	11,127
Other Social Housing Activity				
Community Regeneration		-	(1,446)	(1,446)
Shared Ownership Sales		4,093	(3,912)	181
Non-Social Housing Activities				
Lettings income and expenditure		212	(286)	(74)
Other		30	(30)	-
Total		45,541	(35,753)	9,788

Association	Note	Turnover	2024 Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000
Social Housing Activities				
Income and expenditure from lettings	5	36,616	(26,944)	9,672
Other Social Housing Activity				
Community Regeneration		3	(1,070)	(1,067)
Shared Ownership Sales		797	(705)	92
Non-Social Housing Activities				
Lettings income and expenditure		315	(276)	39
Other		30	(30)	-
Total		37,761	(29,025)	8,736

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

5. Income and Expenditure from Social Housing Activities

Group & Association	General Needs Housing £'000	Supported Housing £'000	Low-Cost Home Ownership £'000	2025 £'000	2024 £'000
Rents receivable – net of identifiable service charges	31,975	3,158	455	35,588	31,548
Service charge income	828	1,712	24	2,564	2,140
Amortised government grants	2,222	289	100	2,611	2,548
Other Income	37	406	-	443	380
Total income from lettings	35,062	5,565	579	41,206	36,616
Expenditure					
Management	(4,978)	(1,957)	(30)	(6,965)	(7,000)
Service charge costs	(1,135)	(2,130)	-	(3,265)	(3,083)
Routine maintenance	(8,559)	(315)	(24)	(8,898)	(6,613)
Planned maintenance	(1,871)	(95)	-	(1,966)	(1,952)
Major repairs expenditure	(1,539)	(274)	-	(1,813)	(1,203)
Operating Lease Costs	(183)	-	-	(183)	(314)
Bad debts	(196)	-	-	(196)	(54)
Depreciation of housing properties:					
- annual charge	(5,287)	(759)	(128)	(6,174)	(5,544)
- accelerated on disposal of components	(607)	(12)	-	(619)	(1,181)
Total expenditure on lettings	(24,355)	(5,542)	(182)	(30,079)	(26,944)
Operating surplus on lettings activities	10,707	23	397	11,127	9,672
Void losses	961	2	-	963	969

6. Gains on disposal of property

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Sale proceeds	2,240	2,090	2,240	2,090
Carrying value of fixed assets	(568)	(713)	(568)	(713)
Less share of proceeds due to Preston City Council	(442)	(535)	(442)	(535)
Cost of Sales	(47)	(42)	(47)	(42)
	1,183	800	1,183	800

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

7. Interest receivable and other income

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Bank interest receivable	266	998	264	998
LGPS Interest	522	417	522	417
	788	1,415	786	1,415

8. Interest payable and similar charges

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
On loans repayable within five years	(2,713)	(2,709)	(2,713)	(2,709)
On loans repayable in more than five years	(2,554)	(2,522)	(2,554)	(2,522)
On Recycled Capital Grant Fund	(20)	(28)	(20)	(28)
Amortisation of Loan Fees	(94)	(80)	(94)	(80)
SHPS interest	(25)	(16)	(25)	(16)
	(5,406)	(5,355)	(5,406)	(5,355)
Less interest capitalised on housing properties under construction	219	585	219	585
	(5,187)	(4,770)	(5,187)	(4,770)

9. Surplus on ordinary activities before taxation

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Surplus on ordinary activities is stated after charging/(crediting):				
Depreciation of housing properties:				
- annual charge	6,174	5,544	6,174	5,544
- accelerated depreciation on replaced components	619	1,181	619	1,181
Depreciation of other tangible fixed assets	808	753	794	744
Operating lease charges - Vehicles	183	314	183	314
Statutory Auditor (excluding VAT)				
- Audit of the financial statements of the Association	40	40	40	40
- Audit of the financial statement of the subsidiaries	5	5	-	-
- Other services	6	11	6	10
Internal Auditor	34	34	34	34
Defined contribution pension cost	406	406	406	406
Amortised government grants	(2,611)	(2,548)	(2,611)	(2,548)

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

10. Taxation

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
UK Corporation Tax – Current tax	-	-	-	-

11. Residential accommodation owned and managed

Group and Association	2024	Additions	Disposals/ Demolitions	Other	2025	Units in Development as at 31st March 25
Social housing	No.	No.	No.	No.	No.	No.
General Needs - Social Rent	5,415	-	(67)	69	5,417	-
General Needs - Affordable Rent	742	91	(7)	5	831	49
Housing for older People/Supported Housing (Social Rent)	522	-	-	(69)	453	-
Housing for older People/Supported Housing (Affordable Rent)	158	63	-	(5)	216	-
Market Rent	3	-	-	-	3	-
Low-Cost Home Ownership	89	26	(1)	-	114	24
	6,929	180	(75)	0	7,034	73

12. Directors and Members Emoluments

Aggregate emoluments (including National Insurance and Pension contributions) payable to Executive Directors is as follows:

Executive Directors

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Wages and salaries	408	388	408	388
Social security costs	57	54	57	54
Expense allowances	32	30	32	30
Pension contributions	78	74	78	74
Total	575	546	575	546

Executive Directors include the Chief Executive and those officers who are executive directors and who report directly to the Chief Executive. Total remuneration of the Executive Directors amounted to £575k (2024: £546k) including National Insurance and Pension contributions. Relative to the size of the landlord this equates to £81.80 per social housing unit (2024: £78.82)

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

12. Directors and Members Emoluments (continued)

Remuneration payable to the Chief Executive (the highest paid director) in relation to the period of account amounted to £174k (2024: £166k) excluding National Insurance and Pension contributions. Relative to the size of the landlord this equates to £24.81 per social housing unit (2024: £23.99)

The Chief Executive is an ordinary member of the Local Government Pension Scheme (LGPS). The scheme is a career average salary scheme funded by contributions from the employer and employee. A contribution of £32k (2024: £31k) was paid by the employer in addition to those made by the Chief Executive himself.

The number of Executive Directors, including the highest paid Director who received emoluments (including pension contributions but excluding National Insurance contributions) in the following ranges was as follows:

		Group 2025	Group 2024	Association 2025	Association 2024
£130,001	£140,000	-	1	-	1
£140,001	£150,000	1	-	1	-
£150,001	£160,000	-	1	-	1
£160,001	£170,000	1	-	1	-
£170,001	£180,000	-	-	-	-
£180,001	£190,000	-	-	-	-
£190,001	£200,000	-	1	-	1
£200,001	£210,000	1	-	1	-
		3	3	3	3
Directors to whom retirement benefits are accruing in respect of qualifying services.		3	3	3	3

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

12. Directors and Members Emoluments (continued)

Non-Executive Directors emoluments

Board members are the non-executive Board Members of CGA. CGA adopts the NHF Code of Governance 2020. Payments made to non-executive members of the board were as follows:

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
David Yates	-	2	-	2
Michelle Allott	4	4	4	4
Julie Lynch	4	4	4	4
Allan Ramsay	1	4	1	4
David Brown	4	4	4	4
Zafar Coupland	-	1	-	1
Pam Watson	4	4	4	4
Phil Parramore	5	4	5	4
Sara Murphy	4	4	4	4
Kerri Tucker	2	4	2	4
Aimee Stansfield-Law	-	2	-	2
Greig Lees	4	1	4	1
Siraz Natha	4	1	4	1
Lisa Breeze	1	-	1	-
Sue Sutton	1	-	1	-
Allen Barber	2	-	2	-
Simone De Le Harpe	-	-	-	-
Total	40	39	40	39

There were no additional expenses paid to Board Members. Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £615k (2024: £585k).

13. Employee Information

The employee numbers are average Full Time Equivalents (FTE's). The FTE is based on an average 37-hour week calculated on a monthly basis, with the monthly FTE's averaged for the year.

	Group	Group	Association	Association
	2025	2024	2025	2024
	Average Number	Average Number	Average Number	Average Number
Chief Executive Team	11	12	11	12
Resources Team	30	27	30	27
Neighbourhoods Team	72	67	72	67
Homelessness Team	16	12	16	12
Maintenance Team	140	122	140	122
Development Team	5	5	5	5
Community Investment Team	19	18	9	9
	293	263	283	254

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

13. Employee Information (continued)

Aggregate emoluments (including National Insurance and Pension contributions) paid to all employees (including the 3 Executive Directors reported in Note 12 above) is as follows -

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Wages and salaries	10,464	9,080	10,161	8,788
Social security costs	1,061	909	1,033	884
Other pension costs	849	754	834	739
Compensation for loss of office	48	30	48	30
	12,422	10,773	12,076	10,441

The aggregate number of full-time equivalent staff employees (including the 3 Executive Directors reported in Note 12 above) whose remuneration (including pension contributions but excluding National Insurance contributions) exceeded £60,000 in the period is as follows:

	Group 2025	Group 2024	Association 2025	Association 2024
£60,001 - £70,000	5	2	5	2
£70,001 - £80,000	1	-	1	-
£80,001 - £90,000	2	5	2	5
£90,001 - £100,000	3	2	3	2
£100,001 - £110,000	1	-	1	-
£110,001 - £120,000	-	-	-	-
£120,001 - £130,000	-	-	-	-
£130,001 - £140,000	-	1	-	1
£140,001 - £150,000	1	-	1	-
£150,001 - £160,000	-	1	-	1
£160,001 - £170,000	1	-	1	-
£170,001 - £180,000	-	-	-	-
£180,001 - £190,000	-	-	-	-
£190,001 - £200,000	-	1	-	1
£200,001 - £210,000	1	-	1	-
	15	12	15	12

No loans (other than through the Cycle to Work Scheme) have been made to employees in the year.

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

14. Housing Properties

Group	Held for letting		Low-cost home ownership		Total
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	Housing properties £'000
Cost					
At 1 April 2024	265,412	48,526	11,905	3,667	329,510
Additions:					
- construction costs	831	10,060	785	1,119	12,795
- replaced components	5,212	-	-	-	5,212
Completed schemes	42,823	(42,823)	3,858	(3,858)	-
Disposals:					
- Property Sales	(805)	-	(52)	-	(857)
- replaced components	(1,018)	-	-	-	(1,018)
At 31 March 2025	312,455	15,763	16,496	928	345,642
Less: Depreciation					
At 1 April 2024	(58,995)	-	(117)	-	(59,112)
Charged for the year	(6,665)	-	(128)	-	(6,793)
Eliminated on disposals:					
- property sales	288	-	2	-	290
- replaced components	1,018	-	-	-	1,018
At 31 March 2025	(64,354)	-	(243)	-	(64,597)
Net book value at 31 March 2025	248,101	15,763	16,253	928	281,045
Net book value at 31 March 2024	206,417	48,526	11,788	3,667	270,398

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

14. Housing Properties (continued)

Association	Held for letting		Low-cost home ownership		Total
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	Housing properties £'000
Cost					
At 1 April 2024	265,412	48,913	11,905	3,667	329,897
Additions:					
- construction costs	831	10,060	785	1,119	12,795
- replaced components	5,212	-	-	-	5,212
Completed schemes	42,823	(42,823)	3,858	(3,858)	-
Disposals:					
- Property Sales	(805)	-	(52)	-	(857)
- replaced components	(1,018)	-	-	-	(1,018)
At 31 March 2025	312,455	16,150	16,496	928	346,029
Less: Depreciation					
At 1 April 2024	(58,995)	-	(117)	-	(59,112)
Charged for the year	(6,665)	-	(128)	-	(6,793)
Eliminated on disposals:					
- property sales	288	-	2	-	290
- replaced components	1,018	-	-	-	1,018
At 31 March 2025	(64,354)	-	(243)	-	(64,597)
Net book value at 31 March 2025	248,101	16,150	16,253	928	281,432
Net book value at 31 March 2024	206,417	48,913	11,788	3,667	270,785

The costs relating to component replacements are capitalised. All other major works costs/cyclical maintenance is expensed to revenue. The carrying value of secured assets is £116,218k (2024: £115,682k.)

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

15. Other Tangible Fixed Assets Group

	Freehold Buildings	Plant, machinery, & fixtures	Computer, hardware & software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2024	5,654	3,631	6,925	16,210
Additions	-	167	782	949
Disposals	-	(18)	-	(18)
At 31 March 2025	5,654	3,780	7,707	17,141
Less:				
Depreciation				
At 1 April 2024	(771)	(2,103)	(5,029)	(7,903)
Charge for the period	(76)	(274)	(458)	(808)
Disposals	-	10	-	10
At 31 March 2025	(847)	(2,367)	(5,487)	(8,701)
Net Book Value at 31 March 2025	4,807	1,413	2,220	8,440
Net Book Value at 31 March 2024	4,883	1,528	1,896	8,307

Association

	Freehold Buildings	Plant, machinery, & fixtures	Computer, hardware & software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2024	5,654	3,549	6,918	16,121
Additions	-	167	784	951
Disposals	-	(18)	-	(18)
At 31 March 2025	5,654	3,698	7,702	17,054
Less: Depreciation				
At 1 April 2024	(771)	(2,074)	(5,029)	(7,874)
Charge for the period	(76)	(263)	(455)	(794)
Disposals	-	10	-	10
At 31 March 2025	(847)	(2,327)	(5,484)	(8,658)
Net Book Value at 31 March 2025	4,807	1,371	2,218	8,396
Net Book Value at 31 March 2024	4,883	1,475	1,889	8,247

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

16. Investment Properties

(Group and Association)	Under	
	Completed	Construction
	£'000	£'000
At 1 April 2024	984	519
Additions	-	89
Transfer to housing properties	-	(270)
Completed Schemes	338	(338)
Movement in fair value	(228)	-
At 31 March 2025	1,094	-

The group's investment properties are valued annually on 31 March at fair value, as determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made are given in note 2. The Investment Properties under construction relate to a commercial property on the Savick Development Scheme.

17. Stock and Work in progress

(Group and Association)	2025 £'000	2024 £'000
Shared Ownership properties		
Completed	337	2,189
Under Construction	694	2,652
	1,031	4,841
Materials Stock	166	-
	1,197	4,841

18. Debtors

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Amounts receivable within one year:				
Arrears of rent and service charges	173	117	173	117
Former tenant arrears	449	373	449	373
Housing other debt	28	17	28	17
Less: Provision for bad and doubtful debts - Housing	(495)	(394)	(495)	(394)
	155	113	155	113
Other debtors	653	1,529	625	1,486
Employees	7	2	7	2
Insurance	45	104	45	104
Amounts due from group undertakings	-	-	149	100
Prepayments and accrued income	2,011	3,093	1,983	3,004
Taxation and social security	183	31	174	-
Less: Provision for bad and doubtful debts - Non housing	(470)	(399)	(470)	(399)
Total Debtors	2,584	4,473	2,668	4,410

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

19. Creditors

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Amounts falling due within one year:				
Pre-paid rent	1,462	1,175	1,462	1,175
Loan Interest	729	729	729	729
Accruals and deferred income	2,819	1,582	2,806	1,513
Taxation and social security	253	222	253	222
Trade creditors	2,034	2,695	1,714	1,471
Deferred capital grant (see note 22)	2,359	2,261	2,354	2,256
Amounts due to group undertakings	-	-	312	1,226
Recycled Capital Grant Fund (see note 21)	65	226	65	226
Leaseholders fund	67	43	67	43
Housing Loans (see note 20)	20,000	-	20,000	-
	29,788	8,933	29,762	8,861
Amounts falling due after more than one year:				
Housing loans (see note 20)	113,865	133,872	113,865	133,872
Recycled Capital Grant Fund (see note 21)	226	201	226	201
Deferred capital grant (see note 22)	74,700	74,741	74,685	74,722
	188,791	208,814	188,776	208,795

20. Debt Analysis & Net Debt Reconciliation

Debt Analysis	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Due within one year				
Loans	20,000	-	20,000	-
	20,000	-	20,000	-
Due after more than one year				
Loans	115,000	135,000	115,000	135,000
Less: issue costs	(1,135)	(1,128)	(1,135)	(1,128)
Total loans	133,865	133,872	133,865	133,872

Net Debt Reconciliation Group

	As at 31 March 24 £'000	Cashflows £'000	As at 31 March 25 £'000
Cash	(7,249)	(1,529)	(8,778)
Loans – Bank facility	40,000	-	40,000
Loans – Private Placement	95,000	-	95,000
	127,751	(1,529)	126,222

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

20. Debt Analysis & Net Debt Reconciliation (continued)

Net Debt Reconciliation Association	As at 31 March 24 £'000	Cashflows £'000	As at 31 March 25 £'000
Cash	(6,971)	(1,502)	(8,473)
Loans – Bank facility	40,000	-	40,000
Loans – Private Placement	95,000	-	95,000
	<u>128,029</u>	<u>(1,502)</u>	<u>126,527</u>

Loan Facility, Terms of repayment and interest rates

Total loan facilities are £195m, of which £95m has been secured via a Private Placement and £100m from a bank facility. £135m of the available facilities has been drawn leaving £60m remaining to be drawn, all of which can be drawn immediately.

As at 31 March 2025 £125m (92.6%) of the Group's funding is at fixed rates ranging from a total cost of funds of 2.47% to 6.98%.

Loan Security

Loan Security of up to 110% (EUV-SH) and up to 130% (MV-T) is required on our debt. Loans are secured by specific charges on CGA's individual housing properties.

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Less than one year	20,000	-	20,000	-
Less than two years	-	20,000	-	20,000
Two years or more but less than five years	20,000	20,000	20,000	20,000
Five years or more	95,000	95,000	95,000	95,000
Less: Issue cost	(1,135)	(1,128)	(1,135)	(1,128)
	<u>133,865</u>	<u>133,872</u>	<u>133,865</u>	<u>133,872</u>

21. Recycled capital grant fund

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
At 1 April 2024	427	480	427	480
Net sale proceeds recycled	148	40	148	40
Interest accrued	20	29	20	29
Acquisition of dwellings for letting	(304)	(122)	(304)	(122)
At 31 March 2025	<u>291</u>	<u>427</u>	<u>291</u>	<u>427</u>
Amounts 3 years or older where repayment may be required	-	-	-	-
Amounts due in less than 1 year	65	226	65	226
Amounts due in more than 1 year	226	201	226	201
	<u>291</u>	<u>427</u>	<u>291</u>	<u>427</u>

All balances relate to Homes England

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

22. Deferred capital grant

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April 2024	77,003	71,966	76,978	71,966
Grants received during the year	2,516	7,630	2,516	7,600
Grants recycled from the recycled capital grant fund	304	-	304	-
Grants recycled into the capital grant funds	(148)	(40)	(148)	(40)
Released to income during the year	(2,616)	(2,554)	(2,611)	(2,548)
	77,059	77,002	77,039	76,978
Amounts to be released <1 Year	2,359	2,261	2,354	2,256
Amounts to be released in >1 Year	74,700	74,741	74,685	74,722
	77,059	77,002	77,039	76,978

The total accumulated amount of Financial Assistance and other government grant received or receivable at 31 March 2025 is £106,982k (2024: £105,202k) (based upon properties owned at that date).

In addition, CGA have inherited Grant Liability of £8,438k on the 421 properties acquired following the stock transfers completed in March 2019, which is not included above.

23. Capital Commitments

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted but has not been provided for in the financial statements	4,382	6,016	4,382	6,016
Capital expenditure that has been authorised but has not yet been contracted for	40,783	45,045	40,783	45,045
	45,165	51,061	45,165	51,061

This will be funded through a combination of existing cash balances (£9.9m), future revenues and grant funding (£14.9m), sales income (£5.0m) and loan borrowings (£15.4m).

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

24. Operating leases

Operating lease costs are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease. CGA had total minimum lease payments under non-cancellable operating leases as set out below:

Vehicles and office equipment, expiring:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Within one year	677	-	677	-
One to five years	2,591	-	2,591	-
Beyond five years	-	-	-	-
	3,268	-	3,268	-

Offices, expiring:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Within one year		28		28
One to five years		-		-
Beyond five years		-		-
		28		28

25. Non-Equity Share Capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up. Shares in the Association issued to members are not transferable. Upon a shareholder ceasing to be a member, his/her share is forfeited.

Shares of 10p each issued

	2025	2024
At the beginning of the year	1,748	1,795
Shares issued during the year	81	60
Shares surrendered during the year	(83)	(107)
At the end of the year	1,746	1,748

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

26. Retirement Benefits – Social Housing Pension Scheme

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

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

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

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

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

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

26. Retirement Benefits – Social Housing Pension Scheme (continued)

Actuarial assumptions	At 31 March 2025	At 31 March 2024
Discount rate assumption	5.90%	4.90%
Inflation (RPI) assumption	3.00%	3.10%
Inflation (CPI) assumption	2.80%	2.80%
Pensionable earnings increase assumption	3.10%	3.10%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance
Life expectancy of a		
- current pensioner aged 65 Male/(Female)	20.3 (22.8) years	20.3 (22.8) years
- Future pensioner aged 65 in 20 years' time Male/(Female)	21.5 (24.3) years	21.6 (24.2) years

Reconciliation of fair value of plan assets	At 31 March 2025	At 31 March 2024
Value of Assets	£'000	£'000
Global Equity	324	283
Absolute Return	-	111
Distressed Opportunities	-	100
Credit Relative Value	-	93
Alternative Risk Premia	-	90
Liquid Alternatives	537	-
Emerging Market Debt	-	37
Risk Sharing	-	166
Insurance-Linked Securities	9	15
Property	145	114
Infrastructure	-	287
Private Equity	3	2
Real Assets	347	-
Private Debt	-	112
Opportunistic Illiquid Credit	-	111
Private Credit	354	-
Credit	111	-
Investment Grade Credit	89	-
Cash	39	56
Long Lease Property	1	18
Secure Income	48	85
Liability Driven Investment	877	1,157
Currency Hedging	5	(1)
Net Current Assets	6	5
Total value of assets	2,895	2,841
Present value of liabilities	(3,247)	(3,508)
Net Pension Liability	(352)	(667)

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

26. Retirement Benefits – Social Housing Pension Scheme (continued)

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and are discounted at the current rate of return on high quality corporate bonds of equivalent term and currency to the liability.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges and finance costs in the Statement of Comprehensive Income.

Reconciliation of present value of plan liabilities	2025	2024
	£'000	£'000
At the beginning of the year	(3,508)	(3,287)
Current service cost	(6)	(6)
Expenses	(6)	(6)
Interest cost	(173)	(159)
Member contributions	(98)	(92)
Actuarial gains/(losses)	495	(17)
Benefits paid	49	59
At the end of the year	(3,247)	(3,508)
Reconciliation of fair value of plan assets	2025	2024
	£'000	£'000
At the beginning of the year	2,841	2,810
Interest income on plan assets	148	143
Experience on plan assets	(468)	(450)
Member contributions	98	92
Employer contributions	325	305
Benefits paid and expenses	(49)	(59)
At the end of the year	2,895	2,841
Fair value of plan assets	2,895	2,841
Present value of plan liabilities	(3,247)	(3,508)
Net pension scheme liability	(352)	(667)

Amounts recognised in operating expenditure are as follows	2025	2024
	£'000	£'000
Current service cost	(6)	(6)
Administration expenses	(6)	(6)
	(12)	(12)

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

26. Retirement Benefits – Social Housing Pension Scheme (continued)

Amounts included in other finance costs	2025	2024
	£'000	£'000
Net interest cost	(25)	(16)
	(25)	(16)
Analysis of actuarial Gain/(Loss) recognised in Other Comprehensive Income	2025	2024
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(468)	(450)
Experience gains and losses arising on the plan liabilities – (loss)	(238)	(137)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	-	43
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	733	77
Total amount recognised in other comprehensive income – gain/(loss)	27	(467)

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before mid-2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

27. Retirement Benefits – Lancashire County Council Pension Fund

CGA participates in the Lancashire County Council Pension Fund. It is a funded defined benefit Local Government Pension Scheme (LGPS) where contributions payable are held in a trust separately for CGA. The most recent triennial valuation of the Fund was carried out as at 31 March 2022. This valuation has been updated for FRS 102 assumptions to 31 March 2025 by a qualified actuary:

Valuation date	31 March 2025
Valuation method	Projected Unit
Market value of assets	£33,067 million
Current Employer Contribution rate	19.8%
Investment return per annum:	3.36%

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

27. Retirement Benefits – Lancashire County Council Pension Fund (continued)

CGA is required to disclose further information on its share of assets and liabilities of the Fund on an FRS 102 market value basis at the end of the accounting period. This information is set out below;

Actuarial assumptions	At 31 March 2025	At 31 March 2024
Discount rate	5.90%	4.90%
Salary increase rate	3.10%	3.10%
Pension increase rate	2.80%	2.80%
Rate of inflation	2.80%	2.80%
Life expectancy of a male (female)		
- future pensioner aged 65 in 20 years' time	21.8 (24.4) years	21.9 (24.3) years
- current pensioner aged 65	20.9 (23.2) years	20.9 (23.2) years
Value of Assets	At 31 March 2025 £'000	At 31 March 2024 £'000
Equities	33	32
Government bonds	-	-
Other Bonds	33	33
Property	397	427
Cash/liquidity	496	591
Other	32,108	31,747
Total value of assets	33,067	32,830
Present value of liabilities	(19,340)	(22,289)
	13,727	10,541
Surplus not recognised	(13,727)	(10,541)
Net pension asset	-	-

The plan has a gross accounting surplus at the reporting date of £13.727m. In line with FRS 102 requirements CGA has recognised as an asset on the balance sheet 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 scheme's actuary has confirmed that they can demonstrate no economic benefit arising to CGA from an 'asset ceiling' calculation comparing the present value of future service costs to the present value of future contributions. The actuary has also confirmed that any refunds from the plan are contingent on future events.

Accordingly, CGA has not recognised the pension asset position, restricting the surplus to £nil, and reducing actuarial gains by the same amount.

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

27. Retirement Benefits – Lancashire County Council Pension Fund (continued)

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and are discounted at the current rate of return on high quality corporate bonds of equivalent term and currency to the liability.

The movement in the scheme is split between operating charges and finance costs in the Statement of Comprehensive Income.

Reconciliation of present value of plan liabilities	2025	2024
	£'000	£'000
At the beginning of the year	(22,289)	(22,220)
Current service cost	(187)	(188)
Interest cost	(1,066)	(1,050)
Member contributions	(94)	(90)
Actuarial gain	3,135	452
Benefits paid	1,161	810
Curtailments	-	(3)
At the end of the year	<u>(19,340)</u>	<u>(22,289)</u>
Reconciliation of fair value of plan assets	2025	2024
	£'000	£'000
At the beginning of the year	32,830	30,803
Interest income on plan assets	1,588	1,467
Member contributions	94	90
Employer contributions	224	219
Actuarial (losses)/gains	(501)	1,068
Administration expenses	(7)	(7)
Benefits paid	<u>(1,161)</u>	<u>(810)</u>
At the end of the year	<u>33,067</u>	<u>32,830</u>
Fair value of plan assets	33,067	32,830
Present value of plan liabilities	(19,340)	(22,289)
Net pension scheme asset	<u>13,727</u>	<u>10,541</u>

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

27. Retirement Benefits – Lancashire County Council Pension Fund (continued)

Amounts recognised in operating expenditure are as follows

	2025	2024
	£'000	£'000
Included in administrative expenses		
Current service cost	(187)	(188)
Administration expenses	(7)	(7)
Curtailment Loss	-	(3)
	<u>(194)</u>	<u>(198)</u>

Amounts included in other finance costs

	2025	2024
	£'000	£'000
Net interest income	522	417
	<u>522</u>	<u>417</u>

Analysis of actuarial (losses) recognised in Other Comprehensive Income

	2025	2024
	£'000	£'000
Remeasurements	<u>2,634</u>	<u>1,520</u>
	2,634	1,520
Surplus not recognised	<u>(3,186)</u>	<u>(1,958)</u>
	<u>(552)</u>	<u>(438)</u>

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

28. Related Party Transactions

The Board of Management includes positions for five Directors who are tenants of CGA. During the year the tenant Board Directors who held these positions are as follows:

Phil Parramore	Pam Watson
Sara Murphy	Kerri Tucker
Simone De La Harpe	

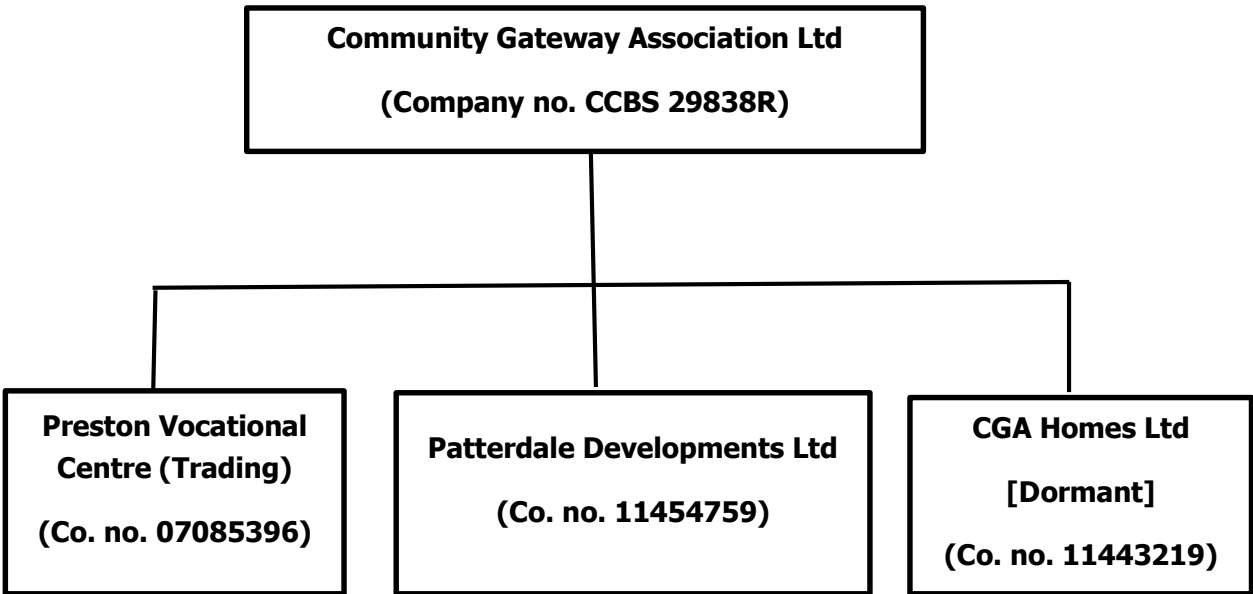
The terms of their tenancy arrangements are consistent with those offered to other tenants. The combined rent charged for the year was £32,615 (2024: £37,066) and the tenants had a combined credit balance of £711 at 31 March 2025 (2024: credit balance of £486).

The Board of Management includes one Director who is an elected member of Preston City Council. As at 31 March 2025 this was Siraz Natha.

CGA undertakes transactions with the Council at arm’s length in the normal course of business.

CGA is a member of the Local Government (LGPS) and the Social Housing (SHPS) multi-employer pension schemes. These schemes are fully disclosed in the accounts at notes 26 and 27.

CGA has 3 non-registered subsidiaries as follows:



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

28. Related Party Transactions (continued)

Preston Vocational Centre

CGA acquired Preston Vocational Centre (PVC) at nil value in August 2013 when PVC became a subsidiary of CGA. The accounts of PVC for the period 1 April 2024 to 31 March 2025 have been consolidated into CGA's Group accounts.

PVC Board consists of 8 members (appointed to the Board following a selection process) plus CGA's Chief Executive. The selection process ensures that PVC has a range of knowledge, skills and expertise, including commercial and educational experience.

Inter Group recharges are received by CGA from PVC to cover the running costs CGA incurs of managing and providing services. The total amount of charges payable by PVC amounted to £30k (2024: £30k). As at 31 March 2025 the amount outstanding was £51k (2024: £20k).

Patterdale Developments Ltd (PDL)

PDL was established during 2018/19 to deliver the Group's Development programme in the most cost-effective way.

PDL commenced trading during 2019/20. The accounts of PDL for the period 1 April 2024 to 31 March 2025 have been consolidated into CGA's Group accounts. CGA's Executive officers form the Board of PDL.

Inter Group recharges are received by PDL from CGA (£7.233m) (2024: £24.988m) to cover the cost of the development schemes (£7.161m) (2024: £24.741m) and a mark-up (£0.072m) (2024: £0.247m) for delivering the schemes. As at 31 March 2025 the amount outstanding was £0.312m (2024: £1.226m).

Inter Group recharges are received by CGA from PDL (£0.061m) (2024: £0.112m) to cover the cost of support provided by CGA to PDL in delivering the schemes.

During the year to 31 March 2025 Patterdale Developments Ltd declared a Gift Aid payment to the Association of £127k at 31 March 2025. (2024: £114k)

CGA Homes Ltd (CHL)

CHL was established during 2018/19 to carry out activities that sit outside the charitable remit of CGA.

CHL remained dormant during 2024/25 but is ready to commence trading.

CGA's Chief Executive plus four CGA Board members form the Board of CHL.