Directors' Report and Financial Statements

Year ended 31 March 2026

Contents

Company information

Board of Directors

Chair	
Vice Chair	Phil Parramore
Other members	Michelle Allott
	Allen Barber
	Lisa Breeze (appointed 13th September 2025, Co-optee from 3rd October 2024)
	David Brown
	Simone De La Harpe
	Stuart Flynn (Appointed 15th May 2025)
	Greig Lees
	Julie Lynch (Resigned 31st July 2025)
	Sara Murphy (Resigned 12th April 2025)
	Stephanie Murphy (Co-optee – appointed 31st January 2026)
	Siraz Natha
	Sue Sutton
	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:
Menzies LLP
Statutory Auditor
One Express,
1 George Leigh Street
Manchester,
M4 5DL

Internal Auditor:
TIAA
Rutherford House,
Warrington Road
Birchwood
Warrington
WA3 6ZH

Banker:
BarclaysBankPLC
1st Floor
3HardmanStreet
Spinningfields
Manchester
M33HF

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 to be created using the "Gateway" model. Unlike most other housing associations, CGA's membership is open to all tenants, leaseholders and other residents living in the community. A central purpose of the organisation is to ensure members can play an active role in decision-making and have opportunities to help shape the future of their local communities. This approach is intended to strengthen decision-making, support higher standards of service and deliver improved value for money. CGA's Community Empowerment Strategy creates opportunities for tenants and communities both to develop local community activity and to engage directly with CGA.

CGA's principal activities include:

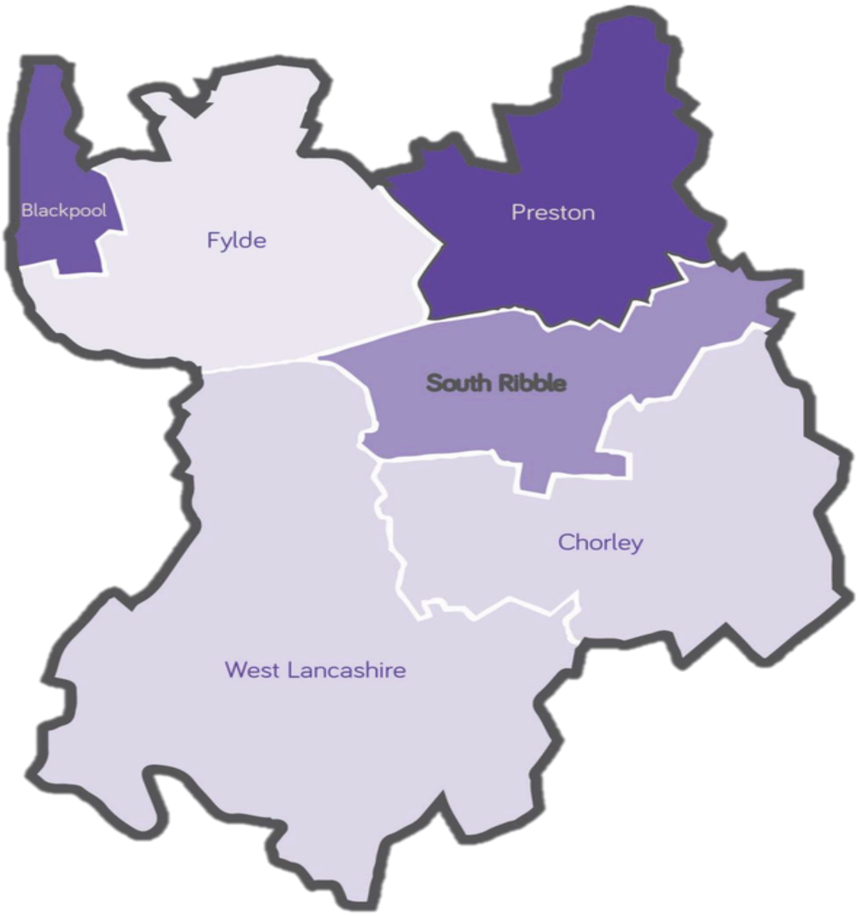
- Managing and developing general needs social and affordable housing for rent, supported housing, extra care and low-cost home ownership.
- Managing leasehold property.
- Providing related services such as tenant financial wellbeing support and social investment activities; and
- Regenerating neighbourhoods and communities.

CGA is a Community Benefit Society and a Registered Provider of rented social housing accommodation. It is also registered as a charity for tax purposes and is therefore exempt from corporation tax on the majority 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 in Preston and the surrounding area. Its aim is to help individuals progress into apprenticeships, employment or further education and to take a positive step towards 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 established to procure our new build programme more efficiently, helping not only to reduce overall build costs but also to support development activity more effectively through cross-subsidy. PDL commenced trading in 2019/20, and its accounts are consolidated into the Group Accounts. CHL remains dormant, was not operational during 2025/26 and has therefore not been consolidated into the Group Accounts.

Where we operate/our homes



As at 31 March 2026

Local Authority	General Needs	Supported Housing and Housing for Older People	Shared Ownership	Market	Total
Preston	6,077	665	70	3	6,815
Blackpool	70	6	-	-	76
South Ribble	50	-	26	-	76
Fylde	22	6	17	-	45
West Lancashire	6	-	-	-	6
Chorley	6	-	-	-	6
Total	6,231	677	113	3	7,024

About Community Gateway Association (continued)

Principal activities and review of business (continued)

We remain committed to playing our part in addressing the national housing shortage. As noted above, we own or manage 7,024 properties and continue to develop new affordable homes for a wide range of people. During 2025/26, our stock increased by 30 homes (21 homes through our Development programme, 8 homes converted from leasehold to supported and the purchase of 1 leasehold unit), offset by 39 RTB/RTA sales and one property that was temporarily converted into a depot for a contractor. Full details of movements in unit numbers are set out in note 11.

Equality, Diversity and Inclusion

Community Gateway remains committed to Equality, Diversity and Inclusion (EDI), recognising its importance in delivering strong services, supporting our workforce and contributing to cohesive and thriving communities. We value the diversity of the communities in which we operate and continue to embed an inclusive approach across all areas of our work, supporting innovation, improving colleague experience and strengthening community outcomes.

We are committed to ensuring that our employment practices are fair, transparent and free from discrimination, with decisions based on objective criteria and individual merit. This approach applies throughout the employee lifecycle, from recruitment and development through to progression and retention. The Board continues to oversee delivery of our EDI Strategy and maintain compliance with its responsibilities in this area.

Performance across key EDI measures remains strong. At year end, 40.97% of colleagues were female, 14.52% identified as being from ethnic minority backgrounds, and 9.35% declared a disability. Recruitment monitoring continues to demonstrate good levels of diversity, with 39% of applicants from ethnic minority groups and over 31% progressing to interview. The continued use of the Rooney Rule supports inclusive recruitment practices by ensuring diverse candidates are considered at the shortlisting stage.

Gender pay reporting indicates that our median gender pay gap at April 2026 was 8.18%, below the UK average of 12.8%. This reflects our ongoing focus on fair and equitable pay, with continued monitoring of pay, progression and representation across the organisation.

Overall, these outcomes demonstrate continued progress in embedding equality, diversity and inclusion, supporting both a positive workplace culture and the delivery of inclusive services to our communities.

Chair's Statement

It gives me greatpleasure,as Chair of the Board, to present the Directors' Report and Financial Statements for the year ended 31 March 2026. This has been the second year of our 2024–30 Corporate Plan and, while the year has brought its share of challenges for both CGA and the wider housing sector, I am pleased to be able to reflect on progress in many important areas. At the same time, we remain honest about where more needs to be done and are continuing to focus on the services where improvement is still needed. CGA was the first housing association to be founded on the Gateway Model, with tenant involvement, engagement and empowerment at its heart. That heritage continues to matter deeply to us. It is one of the things that makes CGA distinctive, and it remains central to how we think about our role as a Board. We know how important it is that tenants and residents feel able to influence what we do and how we do it, and we remain committed to maintaining an engagement framework that supports that ambition and helps ensure CGA stays true to its tenant-led roots.

As we began delivering our new Corporate Plan, customers told us clearly what mattered most to them: getting the basics right, resolving issues more quickly and communicating better. We have listened carefully to that feedback. In response, a number of initiatives and improvement projects have moved forward, including the creation of a dedicated Service Improvement team to support delivery of our Service Transformation Strategy and help raise performance and customer service standards across the organisation.

It has been encouraging to see satisfaction levels continue to rise through our rolling perception surveys during the year, suggesting that this work is beginning to make a real difference. Most notably, satisfaction with the overall services provided has increased from 86.2% to 88.4%, with eleven of the twelve Tenant Satisfaction Measures improving. These measures are an important part of the Regulator of Social Housing's refreshed consumer framework and give us valuable insight into how customers experience our services. Early comparisons with our peers suggest that ten of these measures are in the top quartile, which is a very positive reflection of the progress made. Further detail is provided in the Value for Money Statement later in this report.

That said, we are very aware that there are still areas where we must improve both what we do and how we do it. Our aim is not simply to maintain these strong levels of satisfaction, but to continue improving the experience of residents, particularly in areas such as complaint handling and communication. We will do this by making better use of customer insight and data so that services are more responsive to individual needs, alongside ensuring that we learn more consistently from feedback and complaints.

One of the clearest commitments in our Corporate Plan is to provide safe, well-maintained homes. This is fundamental to the trust that residents place in us. It relies on delivering a repairs, maintenance and planned improvement service that is efficient, effective and timely across the homes and communal spaces for which we are responsible.

Chair's Statement (continued)

To support this, we continue to oversee a rolling programme of surveys and a comprehensive suite of safety checks. By 31 March 2026, over 95% of our homes had been surveyed within the last five years, and we plan to increase this to 100% during 2026/27 as we move to a more frequent four-year cycle.

I am also pleased that our strong health and safety culture continues to be recognised externally. Achieving the RoSPA Gold Medal Award for the 15th consecutive year is a significant achievement and reflects the care and commitment shown across the organisation. This is reinforced by our very strong property health and safety compliance performance, with all areas of property safety, including gas and electrical servicing, fire safety and water safety, achieving 100% compliance with legal requirements during the year.

We have also continued to invest in our existing homes, spending £5.9m on key property components such as kitchens, bathrooms and window replacements, alongside day-to-day repairs. In line with our Asset Management Strategy and our commitment to ensuring all homes meet the required Homes Standard, this included completing 221 homes with energy efficiency works and 103 homes receiving insulation top-ups, 165 new kitchens, 61 homes with window replacements, 32 new roofs and 18 new bathrooms. In addition, almost 28,000 responsive repairs and 496 empty home repairs were completed during the year. Supporting a more sustainable future remains another important commitment in our Corporate Plan. We have therefore continued to focus on improving the energy efficiency of our homes. At the year end, over 83% of CGA's homes met Energy Performance Certificate Band C or above. This work will continue over the coming years, supported by £1.1m of Warm Homes grant funding, and during 2026/27 we plan to improve a further 139 homes to EPC Band C.

During 2025/26 our development activity reached a natural pause as we approached the end of our existing programme. Even so, we completed 21 homes during the year and remain committed to providing a wide choice of homes and tenures, with plans to deliver more than 630 homes over the next six years. In keeping with our sustainability ambitions, we will continue to look for ways to improve the carbon performance of each new development while maintaining the quality and design standards that matter to our customers, with a minimum EPC Band B targeted for all newly developed homes.

As I noted earlier, the Regulator of Social Housing (RSH) introduced a new regulatory framework in 2024, including a revised set of consumer standards for registered providers. As part of that regime, providers are subject to periodic inspection. As reported last year CGA was inspected during 2025/26 and the RSH confirmed our governance and viability ratings at G1 and V1, with our consumer rating assessed at C2. Since then, we have remained in constructive dialogue with the regulator and provided further evidence in line with our action plan. Following this regulatory engagement, I am now delighted to report that the RSH have reconfirmed our governance and viability ratings at G1 and V1 and have upgraded our consumer rating from C2 to C1.

Chair's Statement (continued)

G1,V1and C1 are the highest gradings awarded by the Regulator. The G1 and V1 gradings provide strong reassurance that CGA is well governed, financially resilient and managing its risks effectively in a demanding environment. At a time when many providers across the sector have faced more challenging outcomes, this is an important result and one the Board is very proud of. The C1 grading provides reassurance that we are fully compliant with each of the four consumer standards, demonstrate that we successfully deliver the outcomes required by these standards and we have effective systems for identifying issues and driving improvements.

I would like to close by offering my sincere thanks to everyone who has contributed to CGA's achievements over the past year — Board members, colleagues, tenants, partners and stakeholders. Their commitment, support and shared sense of purpose continue to make a real difference. Looking ahead, I am confident that CGA is well placed to continue delivering its objectives and to provide services that not only meet, but increasingly exceed, the expectations of our customers.

Phil Parramore

Chair of the Board

Strategic Report

Strategic Report

Overview of 2025/26

Operating Context

The operating environment for housing associations remains challenging, with continued uncertainty and sustained financial pressure. While the Regulator of Social Housing's Sector Risk Profile 2025 confirms that the sector remains financially resilient overall, rising costs, enhanced regulatory expectations, and significant investment requirements continue to constrain capacity. The proposed long-term rent settlement arrangements and capital funding support should provide greater confidence for investment in both existing stock and new supply.

The sector has operated within a challenging regulatory environment, with increased scrutiny from the Regulator of Social Housing following the introduction of proactive consumer regulation and strengthened requirements around tenant safety, engagement and service standards. Consequently, boards have needed to maintain a clear focus on governance, risk management, value for money and long-term financial sustainability while continuing to deliver positive outcomes for customers and communities.

During 2025/26, the sector has continued to experience inflationary pressure on repairs, maintenance, compliance, insurance and staffing costs. Higher interest rates have also increased borrowing costs and reduced financial flexibility. At the same time, landlords were required to increase investment in building safety, stock condition, damp and mould remediation, and decarbonisation programmes to meet regulatory expectations and resident needs. The introduction of Awaab's Law from October 2025 has further strengthened the requirement for social landlords to investigate and resolve serious damp, mould and emergency hazards within prescribed timescales, reinforcing the need for robust repairs processes, accurate property data, effective resident communication and clear assurance over compliance.

Demand for affordable housing and support services remained high, whilst pressures on household finances increased expectations on landlords to provide wider tenancy sustainment and customer support services. Against this backdrop, housing associations have needed to balance investment in existing homes, delivery of new affordable housing, regulatory compliance and service improvements, whilst maintaining financial resilience and covenant compliance.

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.

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 in setting the April 2026 Business Plan the Board has assessed key risks include rising repairs and maintenance costs to ensure the safety and quality of homes, the continued focus on damp and mould,

Overview of 2025/26 (continued)

Operating Context

following Awaab's Law alongside decarbonisation costs and delivering our development aspirations and the safety and quality of homes.

Despite these challenges CGA's Business Plan remains resilient and current performance compares favourably when compared to the sector. The latest RSH cyclical inspection of CGA assessing our compliance with their regulatory standards resulted in the highest, compliant grades of G1, V1 and C1, reflecting our clear strategy, effective Board skills and knowledge, appropriate financial governance, and delivery of outcomes against the consumer standards.

2025/26 saw the second year of our '2024-30 Corporate Plan – Moving Forward Together'. 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 26 out of the 35 (74%) and narrowly missed four. It is pleasing to note that 20 of the 30 benchmarkable KPI's are in the upper quartile, (including 2 KPI's where we missed our target) with a further 4 in the upper middle quartile when compared to our peer group, (including 1 KPI where we missed our target). We achieved excellent performance in many measures including current tenant rent arrears, tenant satisfaction and improving the quality and safety of our homes. 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 2025/26:

Overview of 2025/26 (continued)

AReviewofthe Year

We will provide great customer service

- During the year, we delivered Inclusive and Responsive Customer Service Training to all colleagues, focusing on understanding tenants' individual needs, accurately recording relevant information and tailoring services accordingly. This has helped us provide more personalised support and achieve better outcomes for tenants.
- Overall tenant satisfaction with services is very strong at 88.4%, an improvement from 86.2% in the previous year.
- We received 1,363 compliments about our services and colleagues, a substantial increase from 410 in 2024/25, reflecting both strong tenant feedback and improved capture of recognition across the organisation. Feedback highlighted the positive impact colleagues had on tenants' wellbeing, safety and quality of life, particularly where personalised support was provided to vulnerable tenants.
- While we are committed to providing the highest possible standard of service to all our customers, we do not always get things right and we use all feedback as an opportunity to learn and improve. We received 228 complaints, an increase of 12 compared with 2024/25, reflecting trends seen across the sector.
- Complaints data, alongside other customer insight, has been used to drive service improvements, contributing to higher levels of customer satisfaction and enhanced service delivery. Examples of service improvements made in response to customer feedback include strengthening the repairs inspection process to ensure all required works are identified during visits, agreed with tenants in real time and followed up with clear confirmation and next steps and also introducing new self-help repair guidance, including videos, to help tenants complete simple repairs safely where appropriate.

We will provide safe, well-maintained homes.

• The percentage of customers satisfied that CGA provides a home that is well maintained is over 87% as measured by our perception surveys and exceeds our target of 85%. This is an increase of over 3% from 2025 (and 7% from the start of our 2024-30 Corporate Plan in 2024). 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. It is also particularly pleasing to see that we have met our target of significantly increasing the number of homes for which a stock condition survey has been completed in the last 5 years, surpassing our year-end target of 95% at 95.38%.

• 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) and Electrical Installation Condition Report (EICR). We also meet the same standard for those homes which require a fire risk assessment to be carried out and those homes which require a legionella test to be carried out.

Overview of 2025/26 (continued)

A Review of the Year (continued)

We willprovidesafe,well-maintainedhomes(continued)

- FollowingtheincreasedfocusonDamp,MouldandCondensation(DMC)wereviewedourprocessesto ensuretheyremainedrobust,andasaresultcontinuetoreportalownumberofbothopenand recurring DMC cases resulting in both KPI's remaining within target.
- Reflectingonourworktoensureourhomesaresafe,tenantshaveprovidedassurancetheyfeelthe sameway,with89.91%whohaverespondedtooursurveyssuggestingtheyaresatisfiedthattheir home is safe.

We willprovidemoreaffordablehomes.

- During2025/26weacquired,refurbishedanddeveloped21newhomes.Overthenext6-yearperiod we havefundinginplacetodeliverafurther634homes,ofwhichwehaveidentifiedlandforoverhalf. The majorityofthesewillbeforsocialandaffordablerentbutwillalsoincludesomesharedownership. We
- havebuiltonourapproachtoprovidingarangeofaccommodationthroughthedesignofafurther 51 homes/apartmentsforolderpeopleataschemeinPrestonthatcommencedonsiteinMarch2026. We
- haveworkedinpartnershipwithPrestonCityCounciltobring4emptyhomesbackintomanagement and havecommencedtherefurbishmentofaformershelteredschemeintoaccommodationfor homelessfamilies withsupport of £700kfundingfromPrestonCityCouncil.

We will makeadifference in our communities

- We aredelighted to see a continued increaseinsatisfactionthatCGAmakesapositivecontributionto the neighbourhood. Based on our perceptionsurveysthisincreasedfrom80.1%inthepreviousyear to 81.61% andagain, this is top quartilecomparedtoourpeers.
- We dealt withover 1,000 referrals andimprovedourcustomers'financialwellbeingbysecuring additional benefits and grants of £4.5m.
- We have invested £20,000 through our Community Fund this year, supporting six community projects aimed at creating safer, cleaner and greener communities.
- Engagement levels have remained high across the year, with over 1,000 tenants engaging through a broad programme of activities, ensuring that the tenant voice reflects a wide range of experiences and perspectives. This is reflected in the strong TSM performance with 78.87% of tenants satisfied that we listen to views and act on them.

Overview of 2025/26 (continued)

A Review of the Year (continued)

We will make a difference in our communities (continued)

- We continue to make a positive difference in our communities as a direct result of tenant consultation. Through community pop-ups and our Shape Your Space approach, we have strengthened how we capture insight, enabling tenants to identify priorities, influence local decision-making and work alongside us and our partners to deliver targeted community improvements. This has resulted in clear and visible outcomes, including environmental improvements, community safety interventions and projects that have enhanced neighbourhoods and strengthened community pride. Alongside this, we have delivered a wide programme of consultation and engagement activities, ensuring that tenant feedback directly informs service improvements, policy changes and community investment decisions.
- During PVC's academic year ending 31st July 2025, 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 will be a great place to work

- We have continued to maintain a stable, capable and engaged workforce during 2025/26, with strong overall performance against key people indicators and clear evidence that our approach is supporting both organisational effectiveness and service delivery.
- Colleague engagement and culture remain strong, with overall satisfaction with CGA as a place to work at over 97%. Internal communications, engagement activity and targeted initiatives have supported a positive working environment, while ongoing focus remains on strengthening consistency across teams, enhancing two-way communication and improving the early colleague experience. Our approach was externally recognised through winning the Northern Housing Award for Excellence in Company Culture and Organisational Development, reinforcing the strength of our organisational culture and continued focus on colleague experience.
- Sickness absence performance improved over the year, with average days lost within target. This reflects the positive impact of targeted absence management and a range of wellbeing initiatives, focusing on mental and physical health.
- We have continued to make good progress in equality, diversity and inclusion. Representation across the organisation has strengthened, with increasing diversity within the workforce and no evidence of systemic pay inequality. While the median gender pay gap remains slightly outside target, this reflects organisational structure rather than inequity and is actively monitored alongside wider inclusion measures.

Overview of 2025/26 (continued)

AReview of theYear(continued)

We will be a great place to work (continued)

- Significant progress has also been made in strengthening capability, compliance and assurance, ensuring that colleagues have the skills, knowledge and behaviours required to deliver high-quality services.

- We 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 100.33% and current tenant arrears at 0.42% - we believe this performance to be one of the best across the whole social housing sector.
- During 2025/26, we continued to invest in our digital, data and technology capabilities to improve services to customers, strengthen operational resilience and support the delivery of our Corporate Plan. Significant progress has been made in delivering both our Digital Strategy and Data Strategy, including the implementation of new digital solutions to support customer services, repairs and complaints management, alongside improvements to reporting, data governance and information management.
- We have strengthened our approach to data by establishing formal data governance arrangements, improving data quality monitoring and increasing the availability of management information across the organisation. We have also commenced the transition towards a modern cloud-based data platform to support more effective use of data and business intelligence in the future.
- Cyber security and information protection remain key priorities. During the year, we continued to enhance our cyber security controls, monitoring capabilities and staff awareness programmes, helping to safeguard our systems, data and services against an evolving threat landscape.
- We have continued to expand opportunities for tenants to access services digitally. During the year, we engaged with customers to shape the development of a new Tenant Portal, ensuring that future digital services will provide greater access to information about their homes, appointments and tenancy, whilst improving convenience and self-service options.
- 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 Inspection during 2025/26 which confirmed our continued highest governance and viability rating, i.e., G1 and V1.

Overview of 2025/26 (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 2026, we have 83.19% 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 2025/26 we have delivered 21 homes of which 17 have been newbuild with all 17 having an EPC B rating.

Future Prospects

When setting our strategic priorities for 2026/27 and beyond, we considered the cost pressures facing both CGA and our customers in the current difficult economic environment. We will make sure our plans remain suitable and affordable within the Business Plan. The Board recognises that the operating environment remains challenging and has reviewed the key strategies. It has agreed several priorities for 2026/27, including:

- Improving the efficiency and effectiveness of our Repairs Service - Building on the positive progress achieved during 2025/26 we will continue to focus on the delivery of a more effective and efficient repairs and maintenance service with improved performance levels and increased tenant satisfaction.
- Improving financial resilience - Maintaining our financial strength and using our resources effectively remains a key focus. Further improvements to our void performance and a reduction in our void rent loss are targeted, as are efficiency improvements to our repairs service. Our ongoing work on service charges will also continue with a view to reducing the differential between costs and income recovered. As we actively deliver our development ambitions, the annual Treasury Strategy review will consider our future funding requirements.
- Great Customer Service - Our main focus for the coming year will be to continue improving customer service and helping tenants to live well. We will gather better information about tenants and their households so we can offer more tailored support where possible. Where other agencies are better placed to help, we will speak up for tenants and help them access the right support. We will also continue working with local authority partners to provide homes for those most in need and support tenants through services and initiatives that help them keep their tenancies.

Overview of 2025/26 (continued)

Financial Review

Financial Headlines

We have continued to deliver solid financial performance in 2025/26. 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 £8.035m (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 effectively managed 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.

	2021/22 Restated Group £'000	2022/23 Group £'000	2023/24 Group £'000	2024/25 Group £'000	2025/26 Group £'000
Turnover	34,995	37,526	38,193	45,985	44,303
Operating Surplus	**8,782**	**11,375**	**9,569**	**11,002**	**12,743**
Net Interest & financing costs	(4,466)	(4,114)	(3,355)	(4,399)	(3,955)
Movement in Investment Properties	-	-	-	(228)	23
Surplus	**4,316**	**7,261**	**6,214**	**6,375**	**8,811**
Actuarial gains/(losses) on pensions	6,336	165	(905)	(525)	(776)
Comprehensive Income for Year	**10,652**	**7,426**	**5,309**	**5,850**	**8,035**
Reserves at 31 March	**65,622**	**73,048**	**78,357**	**84,207**	**92,242**

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 ComprehensiveIncome(continued)

Turnover shows anetreductionof£1.682m(3.66%)duringthe year, mainly due to:

o a £3.731mreductioninsharedownershipsales.During the year there were 4 first tranche sales. This compareswith50firsttranchesalesintheprevious year. The reduction was due to fewer shared ownershiphomesbeingavailablethroughourdevelopment programme, as our two schemes includingsharedownershiphomescompletedintheprevious year. A further scheme with shared ownershiphomesiscurrentlyonsiteandisexpectedto complete in 2026/27; offset by

o an increaseinSocialHousinglettingsturnover(£2.043m) following the 2.8% rent increase, the full year impactofthe197homeshandedoverin2024/25, and the part year impact of the 30 homes handed overorbroughtintomanagementduring2025/26. This was offset by 39 homes sold under the RTB/RTAscheme;and

o other netincreases(£0.006m)onnon-socialhousingactivity.

Operating surplushas increasedby£1.741m(15.82%)duringthe year due to:

o an increase in SocialHousinglettingsturnoverof£2.043m, other income of £0.006m offset by a reductionin Sharedownershipsalesincomeof£3.731m as noted above; and

o A reduction in SharedOwnership–costofsales£3.573m reflecting the reduced volume of sales as noted above.

o A reduction in investment in our housing stock of £0.748m principally due to a reduction in the use of subcontractors achieved by bringing in house a greater proportion of work (including vehicle costs);

o A reduction in Regeneration activity £0.190m, including purchase of leaseholder properties and the demolition of 3 blocks of flats at Ribble Heights.

o A reduction in the bad debts write off during the year of £0.010m due to the debt written off during the year combined with the age profile of the debt; offset by

o A reduction in the gain on disposal of properties (£0.441m) due to a lower number of RTA sales compared to RTB sales. RTA sales generate a surplus whereas RTB sales break even. In 2025/26 there were 11 RTA and 28 RTB sales compared to 14 RTA and 11 RTB sales in 2024/25; and

o A rise in depreciation costs (£0.246m) 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; and

Financial Review (continued)

Statement of Comprehensive Income (continued)

b) an increase in the impact of accelerated depreciation on components replaced before they had been fully depreciated.

o other net increases of £0.411m 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 to support our service improvement programme in line with our 2024-30 Corporate Plan.

Net Interest and financing costs reduced by £0.444m for the year primarily reflecting an increase in interest on CGA's LGPS surplus balances (£0.293m) due to the surplus position on the scheme combined with a reduction in interest payable due to the repayment of a £20m fixed rate loan in June 2025.

The pension valuations resulted in

o an actuarial gain on The Social Housing Pension Scheme (SHPS) of £0.120m (2025: gain £0.027m) – see note 26

o an actuarial loss on The Local Government Pension Scheme (LGPS) of £0.896m (2025: loss £0.552m). Whilst there is an actuarial loss in the year the scheme is in an overall surplus position of £13.754m (2025: £13.727m). As in the previous three 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

o liabilities, on the SHPS, have reduced over the period. This is due to scheme experience and changes in financial assumptions – in particular, the discount rate and increases in bond yields over the period, which reduced the liabilities at 31 March 2026.

o liabilities on the LGPS have increased slightly over the period mainly due to member experience. Member experience reflects differences between actual experience of scheme members over the period and what was previously assumed. This factor tends to be more prominent following a three-yearly actuarial valuation (which is carried out to determine CGA's employer contribution rate). Data from the 31 March 2025 actuarial valuation has been used as the starting point for this year's FRS 102 figures, whereas last year's figures referenced data from 31 March 2022.

o assets on both schemes have increased slightly over the period. This is largely due to contributions paid over the period.

Financial Review (continued)

Statement of Financial Position

The valueofourhousingpropertiesathistoriccosttotalled£292.0m(2025:£281.0m).Thisincrease reflects the ongoingdevelopmentandimprovementworkduring2025/26,whereweadded30homes into management. As a result, the value of our housing properties increased by £11.0m.

As at 31March2026drawnloanstotalled£124mofour£175mfacilitiesandthisisdetailedunder note 19 - Creditors:amountsfallingdueaftermorethan1yearandnote20–DebtAnalysis.

Our revenuereserve(includingpensionliability)nowstandsat£92.242m,anincreaseof£8.035m as a result ofthesurplusforthefinancialyearoffsetbythenetactuariallossontheDefinedBenefit Pension Schemes.

Profit for purpose

CGA isahousingassociationwitharobust"profitforpurpose"model.PDL,ourDevelopment Company, generateda£5ksurplusposition(2025:£2ksurplus);The2025surpluswasgift-aidedbacktothe charitable elementoftheGroup.Weaimtobeasefficientaspossible,strivingtobeatop-quartileperformer and maximiseoursurplustoinvestinthedeliveryofourcurrentandfutureCorporatePlans.Themore efficient we areasanorganisation,themoreoftheaddedvalueworkwecancarryouttoimproveourcommunities and thelivesofourtenantswholivethere.

Pension Costs

CGA participatesinthreepensionschemes,beingtheLancashireCountyCouncilLocalGovernment Pension Scheme;SocialHousingPensionScheme(SHPS)-DefinedBenefit;andSHPS-DefinedContribution. We are fullycompliantwiththerequirementsofauto-enrolmentwithalleligibleemployeesenrolling into SHPS - DefinedContribution.Wewillcontinuetoreviewourpensionprovisiontoensureitremainsaffordable and appropriate forCGAandourcolleagues.

The cost of definedbenefitcontributionsandotherpost-employmentbenefitsaredetermined using actuarial valuations.Theactuarialvaluationinvolvesmakingassumptionsaboutdiscountrates,future salary increases, mortalityratesandfuturepensionincreases.Duetothecomplexityofthevaluation, the underlying assumptionsandthelong-termnatureoftheseplans,suchestimatesaresubjectto 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 28 in the year, generating total receipts of £1.455m. There were 11 property sales under the Right to Acquire scheme generating receipts of £1.166m.

Financial Review (continued)

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

During the year CGA sold its remaining 4 shared ownership properties, following completion of the two schemes on site during the previous year. The 4 homes sold during the year generated receipts of £0.362m resulting in an overall surplus on shared ownership sales of £0.023m. In comparison, during 2024/25, 50 first tranche sales were completed.

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 100.33% and current tenant arrears standing at 0.42% at 31 March 2026.

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.

As at 31st March 2026 CGA has total debt drawn of £124m from our £175m loan facility.

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 £115m (92.7% of gross debt) at 31 March 2026 as shown in Note 20 of the Financial Statements.

Financial Review (continued)

Treasury Management (continued)

Loan Facilities

Our £175m loan facilities provides capacity within our Business Plan to support our growth ambitions. The £175m includes

- £95m long-term funding through a Private Placement, with maturity dates of 24 to 31 years; and
- £80m medium-term security, with the loan maturity ranging from approximately 1 years 8 months (20 months) to 3 years 8 months (44 months).

Our loan facilities provide sufficient funding, based on current forecasts, until November 2027, when £20m of our debt is due to be repaid. The loan maturity dates are as set out in the table below.

Loan Facility Structure for the year ending 31 March 2026

Maturity	2026 £m	2025 £m
Less than one year	-	20
Less than two years	20	-
Between two and five years	60	80
Between 5 and 10 years	-	-
After 10 years	95	95
Total	**175**	**195**

As shown in the table above we repaid £20m of our loan facility in June 2025, reducing our facility from £195m to £175m. In March 2026 Board reviewed our Treasury Strategy and we have been working with our Treasury advisors to secure an additional £75m funding. This is intended to replace the £20m due to be repaid in November 2027 and provide medium term liquidity to fund our development programme aspirations for the initial period of the 2026-36 SAHP. We are targeting to have this additional funding in place by the end of 2026.

Cash Flow and Liquidity

The net cash inflow from operating activities before interest costs was £13.366m. 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 outflow of £4.260m. Bank balances and short-term investments were £4.518m at the year-end and borrowing totalled £124m.

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 second 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 insights including 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)

- Aprojectmanagementframeworkexiststoassessandapprove new business initiatives. This ensureseachinitiativehasbeenfullyevaluated,appraisedagainst the corporate objectives and is managed in a consistent manner.

Reporting on Performance and VfM Werecognisetheimportanceofmeasuringhowthebusinessisperforming and use this knowledge to help uschallengewhetherthequalityofourservicescouldbeimprovedordelivered more cost effectively. We set ourselves challenging targets to sustain or improve year-on-year. TheBoardtrackprogressindeliveringtheCorporatePlanthroughabi-annual performance report which includesanumberofKPIsacrossthesevenmainobjectives.Boardalsoreceives regular reports throughout theyearonourfinancialposition(includingtheVfMMetrictargets).Performance in 2025/26 against our suiteofCorporatePlanKPItargetscomparedtoourpeersissetoutbelow.
Whencomparingourperformanceagainstpeers,weuseHousemark's North-West, North-East and Yorkshire&Humbersidebenchmarkinggroupforallhousingassociations with more than 2,500 units but less than 15,000 units.

Thisconsistsof33housingproviders(includingCGA),andthesearelisted in Table 3. This peer group was selectedtorepresentsimilarhousingassociations,intheNorthofEngland and to provide the most meaningful and useful comparisons.

Inaddition,wealsocompareourselvestoliveperformancedatacompiled by Housemark through their monthlypulsesurveys.Thishelpsusunderstandifsectorwideissuesare impacting on CGA to a greater or lesser extent.

Community Gateway Association Limited
Year ended 31 March 2026

Value for Money Statement (continued)

Table2 - KeyPerformanceIndicators	25-26 Target	25-26 Performance		Quartile	Upper Quartile
Compliance					
Properties notmeeting the Decent HomesStandard(%) (TSM)	0	0			0
Propertieswith a validDHS Compliance Survey completed in thelast 5years Homeswitha	95	95.38		n/a	n/a
validgassafety record (LGSR) (%) (TSM) Homeswitha validElectrical InstallationCondition Report (%) (EICR)	100	100			100
Homesforwhichallrequiredfireriskassessmentshavebeencarriedout(%)(TSM) **Repairs**	100	100			99.96
Service	100	100			100
Homesin Band C andabove - energyrating (%)					
Emergencyrepairscompletedwithin targettimescale (%) (TSM) Non-	81	83.19			86.82
emergencyrepairscompletedwithin target timescale (%) (TSM)	99	99.15			99.70
Open DMC casesasa%ofhomes	90.40	85.03			89.30
DMC – recurringcases%	2	1.35		n/a	n/a
Housing Services	4	1.36		n/a	n/a
Number of newhomesdevelopedoracquired(y/eforecast)					
Tenancy turnover(%)	32	21		n/a	n/a
Complaints (Stage1)(per1,000homes)(TSM)	6.5	6.51			5.04
Complaints (Stage2)-(per1,000homes)(TSM)	20	24.90			32.4
Complaints (Stage1)-respondedtowithinOmbudsman'stimescales(TSM) Complaints	2.9	6.37			7.0
(Stage2)-respondedtowithinOmbudsman'stimescales(TSM)	100	99.42			100
ASB cases (per1,000homes)(TSM)	100	100			100
Tenant Satisfaction	27.0	21.65			19.4
Satisfactionwith theoverall service provided(TSM)					
Satisfactionwith repairsservice (if had arepairinthelast 12months)(TSM)	85	88.45			85.3
Satisfactionwithtimetakentocompletemostrecentrepair(ifhadarepairinthelast 12 months)	85	87.34			83.2
(TSM)	82	85.20			79.3
Satisfactionthat homeis well maintained(TSM)	85	87.33			81.0
Satisfactionthat the homeissafe(TSM)	89	89.91			86.9
Satisfactionthat the landlordlistensto tenant views and acts upon them(TSM)	77.5	78.87			74.0
Satisfactionthat the landlord keeps tenantsinformed about things thatmatter to them	85	87.44			87.00
(TSM)	88.2	91.79			86.8
Agreementthatthe landlordtreatstenants fairly andwith respect (TSM)	50	46.63			53.7
Satisfactionwithapproachtohandlingcomplaints(ifmadeacomplaintinthelast12 months) (TSM)	85	85.90			77.30
Satisfactionthat landlord keepscommunal areasclean and well maintained(TSM)	80	81.61			79.00
Satisfactionthatlandlordmakesapositivecontributiontotheneighbourhood(TSM)	65	64.11			72.3
Satisfactionwith landlord's approach to handling ASB(TSM)					
Finan ce					
Operatingmargin (%)	24.49	27.75			19.3
Rent lossthroughvoids(%)	1.5	1.42			0.82
Current arrears asa percentageof netrent debit	1.00	0.42			2.29
Colleagues					
Colleagueturnover	18.00	18.71			12.3
Average number of dayslost to absence percolleague	8.00	7.67			8.07
Colleagues veryor fairlysatisfiedwithCGA asa place towork(Annual)	90.00	97.03		n/a	n/a

Quartile Key				Performance Key			
Upper Quartile		**Lower Middle**		**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

Broadacres Housing Association	Irwell Valley Housing Association Limited	Prima Housing Group Limited
Calico Homes	Leeds Federated Housing Association Limited	Progress Housing Group
Castles & Coasts Housing Association Ltd	Lincolnshire Housing Partnership Limited	Regenda Limited
Cheshire Peaks and Plains Housing Trust	Livv Housing Group	Rochdale Boroughwide Housing Limited
Cobalt Housing	Magenta Living	Salix Homes Limited
Community Gateway Association Ltd	Mosscare St Vincent's Housing Group	South Lakes Housing
Connect Housing Association Limited	Muir Group Housing Association Limited	South Liverpool Homes Ltd
First Choice Homes Oldham Limited	One Manchester	South Yorkshire Housing Association
Golden Lane Housing Limited	One Vision Housing Limited	Southway Housing Trust (Manchester) Limited
Halton Housing	Ongo	Weaver Vale Housing Trust Limited
Inclusion Housing Community Interest Company	Plus Dane Housing Limited	Wythenshawe Community Housing

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 26 out of the 35 (74%) 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. The year-end performance position demonstrates continued strength across a number of key operational, compliance and financial measures, with the organisation maintaining strong delivery in several strategically important areas.

Property Compliance performance remains exceptionally strong. Full compliance has been achieved in relation to gas safety, electrical safety and fire risk assessment requirements, with all measures reported at 100%. Performance against the Decent Homes Standard is also fully achieved, with no properties failing the standard. In addition, 95.38% of properties have had a valid compliance survey completed within the last five years, marginally above target. Following the increased focus on damp and mould and condensation (DMC) issues and the phased introduction of Awaab's Law from October 2025, it is pleasing to note that both our KPI's around DMC were successfully achieved. The proportion of homes rated EPC Band C or above has also exceeded target at 83.19%. It is pleasing to note that the 4 KPI measures that can be benchmarked are all in the upper quartile compared to our peer group.

Value for Money Statement (continued)

Improving the efficiency and effectiveness of our Repairs & Maintenance service was a key aim this year, and good progress has been made with performance across repairs and asset-related indicators being generally positive.

Performance on emergency repairs completed within target timescale has improved during the year and is on target at 99.15% and in the upper middle quartile. Although performance on non-emergency repairs remains below target, with 85.03% completed within target timescales compared to the target of 90.40%, performance has consistently improved each quarter in 2025-26 and is in the upper middle quartile.

We continue to build on the positive progress achieved during the current year and 2026/27 will see work continue towards the stretch targets agreed by Board in March 2026 as part of the agreed areas for improvement. We are keen to retain satisfaction levels while sustaining the improvements made to the timeliness of our service during 2025-26. Improvements to working practices and learning from tenant feedback are anticipated to lead to greater efficiencies in productivity and a reduction in dissatisfaction in the form of complaints and disrepair costs.

Number of **new homes developed or acquired** – we missed our target with 21 homes having been built/acquired against the target of 32; this is due to the timing of completing schemes on our programme.

We are narrowly outside of our **Tenancy Turnover** target of 6.5% with performance of 6.51%.

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 1 complaint outside the timescale occurred during quarter 3 and measures have been put in place by the Complaints Team to avoid this happening again in the future.

The number of **Stage 1 and stage 2 complaints received per 1,000 homes** are both outside our target, reflecting an upward trend across the sector. Encouragingly, the proportion of complaints upheld has decreased significantly, from 73.15% at the end of 2024/25 to 56.01% at the end of 2025/26. Whilst both KPI's are outside our target they both benchmark in the upper quartile compared to our peers. 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. Reducing recurring and communication related complaints remains a priority, with debrief meetings introduced for all complaints to ensure robust root cause analysis and that lessons learnt are identified and embedded.
The **Number of Anti-Social (ASB) cases received per 1,000 homes** is within target and benchmarks in the upper middle quartile.

Value for Money Statement (continued)

Tenant Satisfaction, measured through the Tenant Satisfaction Measures (TSMs), remains very positive. 10 of the 12 measures are on target, and 11 have improved since 2024/25. 10 measures are also in the upper quartile. This shows that our continued focus on service standards, communication, using tenant data to better understand needs, and learning from complaints is helping to deliver great customer service and stronger satisfaction levels.

Overall satisfaction is strong at 88.45% and targets for the coming year have been set to sustain this strong performance, whilst improving performance for measures sitting outside the upper quartile – Complaints and ASB.

'Satisfaction with landlord's approach to handling ASB' is marginally below the 65% target and sits in the lower middle quartile, Performance continues to improve, increasing from 62.34% in Quarter 4 2024/5 to 64.11% in Quarter 4 2025/26. Transactional satisfaction with ASB handling remains significantly stronger at 93.94%. A communication plan is in place to support continued improvement in tenant perception.

Satisfaction with complaint handling at 46.63%, is below the 50% target and sits in the lower middle quartile. Complaints transactional survey satisfaction is higher at 81.3%. Improving consistency, communication and tenant experience remains a key priority.

We again achieved outstanding **rent collection performance** of over 100% for the year, with **arrears as a percentage of net debt** remaining low at 0.42%. This is an excellent result in a challenging environment. It reflects the impact of our financial wellbeing support, with only 2% of customers leaving their tenancy because of affordability issues, compared with our 5% target and 2.31% in 2024/25. We supported customers to access welfare benefits and grants worth an annualised £4.5m. Systems improvements also played a crucial role in improving efficiency by using predictive analytics to manage caseloads, reduce manual work, and improve communication. We also continued to use our Discretionary Assistance Fund to support vulnerable tenants where other support was insufficient, with over £9k allocated in 2025/26 to those most in need.

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

Value for Money Statement (continued)

Void Rent Loss ended the year at 1.42% compared to the target of 1.5%. Managing our voids was 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. Pleasingly void rent loss has reduced from the Quarter 1 high of 1.9% to the year-end position of 1.42%. We anticipate that this will continue to improve due to the improvements we have made.

Colleague turnover continues to be a challenge for everyone in recent years, and turnover of 18.71% is outside our target of 18%. A 'deep-dive' is being undertaken to understand themes, risks and potential mitigations around colleague turnover. Average days lost to absence per colleague is better than target at 7.67 days compared with the target of 8 days. We are pleased that colleague satisfaction remains particularly strong, with 97.03% of colleagues reporting that they are satisfied with the organisation as a place to work, significantly exceeding target.

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 2025/26 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 2025 VfM Global Accounts).

Value for Money Statement (continued)

VfM Regulatory Metrics – our current performance

Table 4	23-24	24-25	25-26 Target	25-26 Actual Group	Comparison to CGA's Peer Group median (Based on 2025 data)		Comparison to Sector Consolidated median (Based on 2025 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.	14.44%	6.41%	11.32%	6.41%	9.57%		7.57%	
Metric 2a - New supply delivered (Social Housing Units) No. of new units as a % of total units.	2.27%	2.56%	0.45%	0.43%	1.19%		1.27%	
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.	46.83%	44.51%	47.47%	40.51%	41.86%		45.52%	
Metric 4 - EBITDA MRI % Measurement of liquidity.	202%	192%	157%	241%	120%		113%	
Metric 5 - Headline Social Housing Cost per Unit £ Cost per unit for social housing activities.	£3,685	£4,231	£4,700	£4,249	£5,512		£5,576	
Metric 6a - Operating margin % (Social Housing Lettings) Measurement of financial efficiency.	26.41%	27.00%	29.51%	30.95%	17.79%		20.52%	
Metric 6b - Operating margin % (Overall Margin) Measurement of financial efficiency.	22.96%	21.37%	23.4%	27.1%	16.00%		17.57%	
Metric 7 - Return on Capital Employed % Measurement of efficiency of investment.	3.32%	4.02%	3.0%	4.23%	3.18%		3.05%	

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

Commentary on the metrics

Our metrics for the year show a strong position, with 6 out of the 8 applicable metrics meeting our target for the year. When compared to our peer group 5 of the metrics are in the upper quartile, 1 metric is in the upper-middle quartile and 2 metrics in the lower quartile. Similarly, when compared to the sector as a whole, 5 out of the 8 metrics are in the upper quartile, 1 in the upper-middle quartile, 1 in the lower-middle quartile and 1 metric in the lower 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 11.88% in 2026/27 (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 dropped to 0.43% in 2025/26 and places us in the lower quartile when compared to both our peer group and the sector. This is due to the timing of our Development programme as noted above. This metric is forecast to increase to 1.12% in 2026/27 (based on planned Development programme spend) and if achieved would place us just below the median when compared to our peer group and the sector. Our Business Plan has provision to deliver 634 homes over the next 5 years, and we commenced an 85-home scheme in March 2026. This is forecast to complete in 2027/28. We are also currently reviewing options for delivering a further scheme with over 200 homes.

Metric 3 - Gearing % - at 40.51% this ratio is places us in the upper-middle quartile compared to the sector and our peer group. This means we have more borrowing capacity than over 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 241% with the target of 157% 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 £4,249 are management costs which equate to £1,023 per unit (2024/25: £991).

Metric 6a/6b - Operating Margin %: Despite the continued pressure on our costs especially our repair and maintenance service our overall operating margin target was achieved with a year-end margin of 27.1% placing us in the upper quartile when compared to our peer group and the sector. Our Operating margin (social housing lettings) of 30.95% 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 100.33% and low level of arrears at 0.42%. It is worth noting our turnover per social housing unit of £6,540[1] 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 88.45% (based on TSM survey data).

Metric 7 – Return on Capital Employed %: At 4.23%, 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 24/25.

Value for Money Statement (continued)

Table 5	25-26 Actual	Peer Group Median	Sector Median	26-27 Forecast	27-28 Forecast	28-29 Forecast	29-30 Forecast	30-31 Forecast
Metric 1 - Reinvestment %	6.41%	9.57%	7.57%	11.88%	15.17%	11.09%	8.19%	5.83%
Metric 2a - New supply delivered (Social Housing Units)	0.43%	1.19%	1.27%	1.12%	0.97%	2.01%	2.98%	0.81%
Metric 2b New supply delivered (Non-Social Housing Units)	0%	0%	0%	0%	0%	0%	0%	0%
Metric 3 - Gearing %	40.51%	41.86%	45.52%	45.72%	49.86%	52.11%	51.83%	50.45%
Metric 4 – EBITDA-MRI %	241%	120%	113%	65%	155.20%	159.98%	104.95%	108.50%
Metric 5 - Headline Social Housing Cost per Unit £	£4,249	£5,512	£5,576	£5,722	£5,098	£5,029	£5,593	£5,796
Metric 6a - Operating margin % (Social Housing Lettings)	30.95%	17.79%	20.52%	19.92%	31.37%	30.49%	29.84%	30.43%
Metric 6b - Operating margin % (Overall Margin)	27.09%	16.00%	17.57%	14.56%	26.46%	25.45%	25.09%	23.95%
Metric 7 - Return on Capital Employed %	4.23%	3.18%	3.05%	2.44%	3.51%	3.91%	3.26%	3.42%

VfM Regulatory Metrics – our Business Plan forecasts

Our latest Business Plan has provision to grow to own almost 7,500 homes by March 2032. This will see us increase our **Reinvestment %** to 15.17% in 2027/28 and **New supply delivered** metric to a peak of 2.98% in in 2029/30, demonstrating strong upper quartile performance when compared to our peer group and the sector (based on 2024-25 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. Our **EBITDA-MRI** reduces in 2026/27 due to the impact of the one-off remediation work at The Courtyards. The reduction in our **EBITDA-MRI** in future years reflects the interest costs of the additional borrowing required for the increased investment in existing homes as reflected by our stock condition data combined with the additional 300 homes added to the development programme.

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 2025/26.

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. The metrics drop in 2026/27 due to the one-off remediation work noted above.

CGA's 2024-30 Corporate Plan runs for 6 years with 2025/26 being the second year of the plan. As we move into 2026/27, the third year of our Corporate Plan, the proposed areas of focus continue to be in line with the stated strategic priorities of this plan. They retain a clear focus on our intended outcomes and if successfully delivered will see us sustain and improve performance levels across the organisation. Principally, we will retain a focus on the quality of services we deliver, ensuring our tenants continue to live in safe, well-maintained homes. We will continue listening to our tenants and using their feedback, along with analysing the information we hold, to provide more informed and inclusive services to support our tenants to live well.

Our priority plans for 2026/27 include:

- Improving the efficiency and effectiveness of our Repairs Service - Building on the positive progress achieved during 2026/27 we will continue to focus on the delivery of a more effective and efficient repairs and maintenance service with improved performance levels and increased tenant satisfaction.
- Improving financial resilience - Maintaining our financial strength and effectively using our resources remains a key focus. Further improvements to our void performance and a reduction in our void rent loss are targeted, as are efficiency improvements to our repairs service. Our ongoing work on service charges will also continue with a view to reducing the differential between costs and income recovered. As we actively deliver our development ambitions, the annual Treasury Strategy review will consider our future funding requirements.
- Great Customer Service - Continuing our drive to deliver great customer service and support tenants tolive well will be the key area of focus for the coming year. We will continue to increase the level ofinformation we hold about our tenants and their households to provide tailored support where we areable to and advocate on their behalf with other agencies where they are best placed to do so. Wewill continue to work with our local authority partners to ensure access to housing for those most inneed and support tenants through a wide range of services and initiatives to sustain their tenancies.

Value for Money Statement (continued)

VfM Regulatory Metrics – our Business Plan forecasts(continued)

- Delivering our Development aspirations - Using thestrength of our business plan, we intend to complete the development of existing homes eitheron-site or at an approved stage, while also working up the medium-term programme as partofthe 2026-36 Social & Affordable Homes Programme

- Community Investment - We will continue to build on the positive contribution we make to neighbourhoods (nearly 82% of our tenants feel we make a difference) by delivering our Shape Your Space initiative across our local areas. These targeted interventions, informed directly by tenants views and the understanding we have about the areas we operate in, are intended to improve local communities by making them cleaner, greener and safer. We will also continue to work closely with partner agencies seeking to coordinate action that contributes effectively to making our communities safer and better places to live.

- Systems & Data: The key focus for the coming year will be the onboarding of the Microsoft Dynamics platform and the phased replacement of legacy systems. This transition will modernise CGA's core technology landscape, enabling better system integration, reducing reliance on legacy platforms, and creating more streamlined and resilient business processes. In parallel, the Data Strategy will continue to strengthen data governance, improve record-keeping, and expand our analytical capabilities through the development of modern data platforms and enhanced dashboard reporting. As part of this, we will introduce Microsoft Fabric to support improved reporting, insight, and data-driven decision-making across the organisation.

In developing our strategic priorities beyond 2025/26 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.

Governance

Governance

Board Members

The Board members that have served during the period from 1 April 2025 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 48 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 since 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 2025 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 Boardand 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.

Homes and Services Committee

This is a new Committee which is responsible for overseeing the development and implementation of strategies relating to housing and neighbourhood management, repairs and maintenance, property investment, property health and safety compliance and customer service. The Committee reviews a range of customer insight information and commissions tenant scrutiny reviews to drive continuous improvement in CGA's services. As part of its role, the Committee is responsible for overseeing CGA's compliance with the Regulator of Social Housing's Consumer Standards.

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 next review planned for 2026/27. The annual Board appraisal exercise will also be conducted as part of this Independent Review. All recommendations arising from the Independent Review and individual and collective development requirements arising from the appraisals will be fed into the Governance Action Plan, designed to further improve CGA's corporate governance. The previous Independent Review of Board Effectiveness was conducted in 2023/24 with the review concluding that CGA's governance arrangements are effective with individual Board Members and the collective Board providing competent and appropriate oversight of the business.

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.

In addition, the maximum six-year Board member tenure provision has not been applied to the Board of CGA's subsidiary, Patterdale Developments Limited, as this Board is constituted by members of CGA's Executive Leadership Team rather than independently appointed non-executive Board members.

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 and a further internal review in 2025/26. 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	Summary of Key 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; 'Speak Out' referral process; Health and Safety Risk Register.
Asset Management	Properties fail to reach legal requirements which could lead to legal action, increased costs, regulatory downgrade and reputational damage.	Asset Management Strategy; Stock Condition Surveys; Colleague Training; Speak Out referral process; In-house services; case management.
Development Programme	Due to the increased scale and diversity of the development programme, this could result in cash flow pressures and diminished financial viability.	Financial regulations; Financial appraisals; Individual scheme approval process; Annual financial capacity review; Resilience plan.

Internal Control and Risk Management (continued)

Key risks

Key Risk	Description	Summary of Key Controls
Regulatory Assurance	As a resultoftheevolvingnatureofregulation, our governanceandassuranceframeworkor the Boardisnotjudgedtobeeffectiveand/or compliant with the regulatory framework could lead to adowngradeandagreaterlevelof intervention by the Regulator.	Governance framework; Board recruitment process; Appraisals and succession planning; Regulatory compliance framework.
Cyber Security	If threatsfromcybersecurityattacksarenot being effectivelymanaged,oursystemsand data couldbecompromisedleadingtoalossor corruption of service and/or data resulting in reputational damage and financial penalties.	Technical safeguards; Incident Response and Continuity; Staff awareness/training; Systems access/ permissions; Cyber security insurance.
Safeguarding	An ineffectiveapproachcouldmeanour customers, ortheirdependents,partners, contractors orcolleaguesmaybeputatriskof abuse, whichcouldresultinaSeriousCase Review, prosecutionorotheractionleadingto reputational damage or other serious detriment.	Staff awareness/ training; collaborative working with local partners; DBS checks; Safeguarding resource; Speak Out referral process; Advice List.
Colleague Turnover	Due to thechallengesofrecruitmentand retention, this could put increased pressure and demands on colleagues, which may impact on morale, wellbeing and resilience and our ability to delivereffectiveservices.	Employment package/offer; marketing strategies; recruitment and selection processes; colleague engagement activities.
Macro-economic Climate	Due totheimpactofeconomicandpolitical uncertainty there is a risk of labour market and supply chain disruption affecting the price/availability of goods/services together with volatility in inflation which puts pressure on costs, incomecollectionandservicedelivery, ultimately reducing the organisation's financial resilience.	Annual financial capacity review; Financial and operational environmental scanning; Resilience Plan.
Data Management	Good qualitydatamanagementiscrucialto ensure appropriatedecision-makingwhichaids the provisionofgreatcustomerserviceand delivery ofcorelandlordresponsibilities,suchas maintaining the quality and safety of our homes.	Data Quality Tool; Data Governance and Accountability Framework; Inhouse data specialists; Interfaces between key systems.

Internal Control and Risk Management (continued)

Key risks (continued)

Key Risk	Description	Summary of Key Controls
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.	Framework for meeting the Decent Homes Standard; Clear Parameters and Timescales for handling cases; Data driven, risk-based approach; Energy efficiency improvement programme; inspections and treatment carried out by trained professionals; case management; Speak Out referral process.
Repairs Service: Demand and Expenditure	Due to increased demand for our repairs and maintenance service, alongside higher costs associated with more specialist works such as DMC, there is a risk that this impacts on the quality of our services, diminishes our financial viability and leads to a regulatory downgrade and reputational damage.	Asset Management Action Plan; framework in place to meet regulatory and inhouse standards; in house repairs and grounds maintenance services; annual financial capacity review; resilience plan; financial regulation with authorisation limits for repairs and maintenance expenditure.
Achieving EPC Band C by 2030	Delays in implementing energy efficiency improvement programmes, limited funding, supply chain constraints, failure to access properties or insufficient internal capacity, may result in CGA not achieving the government's target of all homes having an Energy Performance Certificate (EPC) rating of Band C or above by 2030. This could lead to regulatory non-compliance, reputational damage, reduced tenant satisfaction, and potential financial penalties or loss of access to future funding.	Energy Surveys; Stock Condition Surveys; Energy Efficiency Improvement Programme; Funding and Grant Management; Procurement framework; staff training and resources.

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 Control and Risk Management (continued)

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.
- 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.

Internal Control and Risk Management (continued)

Internal Controls Framework (continued)

- 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 scopes for each audit and receive regular reports from the internal auditors. This includes an annual review at the end of each programme year. The 2025/26 Internal Audit Programme included audits reviewing our complaints handling process; health and safety management arrangements in relation to asbestos, legionella and lifts, safeguarding arrangements, electrical safety, creditor payment processes; handling of Damp, Mould and Condensation cases, our fraud prevention framework and cyber security arrangements.
- 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 repairs and maintenance service.
- 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.

Internal Control and Risk Management (continued)

Internal Controls Framework (continued)

- A register of frauds and attempted frauds is in place and is reviewed quarterly 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 2025/26 which was submitted to the April 2026 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.

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 2026 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.

Internal Control and Risk Management (continued)

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 Board. 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 Boardisresponsibleforpreparingthereportandfinancialstatementsinaccordancewithapplicable 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 12th September 2026.

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.

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

The Strategic Report was approved on 17 August 2026 and signed by order of the Board.

Craig Garner

Company Secretary

Financial Statements 2025/26

Financial Statements 2025/26

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 2026 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 2026 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained issufficient and appropriate to provide a basis for our opinion.

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

Conclusions relating togoingconcern

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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 ofthe 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 48, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group'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.

Signed by:
Menzies LLP
83F726A2B19F426...

Menzies LLP
Statutory Auditor
One Express,
1 George Leigh Street
Manchester,
M4 5DL

Date: 02-Sep-2026

Consolidated and Association Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Turnover	4	44,303	45,985	43,858	45,541
Operating expenditure	4	(32,302)	(36,159)	(31,850)	(35,753)
Gain on disposal of property	6	742	1,183	742	1,183
Loss on disposal of other fixed asset		-	(7)	-	(7)
Operating surplus		12,743	11,002	12,750	10,964
Interest receivable and other income	7	1,016	788	1,016	786
Interest payable and similar charges	8	(4,971)	(5,187)	(4,971)	(5,187)
Gift Aid		-	-	2	126
Movement in fair value of investment properties	16	23	(228)	23	(228)
Surplus before taxation		8,811	6,375	8,820	6,461
Taxation on surplus from ordinary activities	10	-	-	-	-
Surplus for the financial year		**8,811**	**6,375**	**8,820**	**6,461**
Actuarial gains on SHPS defined benefit pension scheme					
Actuarial losses on LGPS defined benefit pension scheme	26	120	27	120	27
	27	(896)	(552)	(896)	(552)
Totalcomprehensive income for year		**8,035**	**5,850**	**8,044**	**5,936**

The Consolidated and Association's results relate wholly to continuing activities and the noteson pages 61 to 98 form an integral part of these financial statements.

The financial statements on pages 56 to 98 were approved and authorised for issue by the Board of Directors on 17 August 2026 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 2026

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Fixed assets					
Tangible fixed assets - housing properties	14	291,973	281,045	289,720	281,432
Tangible fixed assets - other	15	8,150	8,440	8,113	8,396
Investment properties	16	1,117	1,094	1,117	1,094
		301,240	290,579	298,950	290,922
Current assets					
Stocks	17	2,172	1,197	2,172	1,197
Debtors - receivable within one year	18	4,231	2,584	6,944	2,668
Cash at bank and in hand		4,518	8,778	4,331	8,473
		10,921	12,559	13,447	12,338
Creditors: amounts falling due within one year	19	(10,981)	(29,788)	(11,055)	(29,762)
Net current assets/(liabilities)		(60)	(17,229)	2,392	(17,424)
Total assets less current liabilities		**301,180**	**273,350**	**301,342**	**273,498**
Creditors falling due after more than one year	19	(208,870)	(188,791)	(208,860)	(188,776)
SHPS Liability	26	(68)	(352)	(68)	(352)
LGPS Pension Liability	27	-	-	-	-
Net assets		**92,242**	**84,207**	**92,414**	**84,370**
Capitaland reserves					
Incomeand expenditure reserve		92,310	84,559	92,482	84,722
Pensionreserve		(68)	(352)	(68)	(352)
		92,242	**84,207**	**92,414**	**84,370**

The notes on pages 61 to 98 form an integral part of these financial statements.

The financial statements on pages 56 to 98 were approved and authorised for issue by the Board of Directors on 17 August 2026 and were signed on its behalf by:

Phil Parramore	Michelle Allott	Craig Garner
Chair	Vice Chair	Secretary

Consolidated and Association Statement of Changes in Reserves for the year ended 31 March 2026

Group

	Income and expenditure reserve	Pension reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2025	**84,559**	**(352)**	**84,207**
Surplus for the year	8,811	-	8,811
Actuarial loss recognised in the pension schemes	(776)	-	(776)
Total comprehensive income for the year	8,035	**-**	**8,035**
Reserve Transfers:			
Transfer of pension movement from income and expenditure reserve	(284)	284	-
Balance at 31 March 2026	**92,310**	**(68)**	**92,242**

Association

	Income and expenditure reserve	Pension reserve	Total
	£'000	£'000	£'000
Balance as at 1 April2025	**84,722**	**(352)**	**84,370**
Surplus for the year	8,820	-	8,820
Actuarial loss recognisedin the pension schemes	(776)	-	(776)
Total comprehensiveincome for the year	8,044	**-**	**8,044**
Reserve Transfers:			
Transfer of pension movement from income and expenditure reserve	(284)	284	**-**
Balance at 31 March 2026	**92,482**	**(68)**	**92,414**

The notes on pages 61 to 98 form an integral part of these financial statements

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 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 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**

Consolidated Statement of Cash Flows for the year ended 31 March 2026

Cash flow from operating activities	2026	2025
	£'000	£'000
Surplus for the financial year	8,811	6,375
Adjustments for:		
Depreciation of fixed assets - housing properties	7,039	6,793
Depreciation of fixed assets - other	910	807
Fair Value of Investment Properties	(23)	228
Amortised grant	(2,657)	(2,616)
Interest payable and finance costs	4,971	5,187
Interest receivable	(1,016)	(788)
Difference between net pension expense and cash contribution	(261)	(343)
Surplus on the sale of fixed assets - housing properties	(742)	(1,175)
(Increase)/Decrease in trade and other debtors	(1,647)	1,155
Increase in trade and other creditors	938	820
(Increase)/Decrease in stock	(975)	3,644
Net cash generated from operating activities	**15,348**	**20,087**
Cash flows from investing activities		
Purchase of tangible fixed assets - housing properties	(18,554)	(16,783)
Purchase of tangible fixed assets - other	(620)	(949)
Purchase of investment properties	-	(89)
Net proceeds from sale of fixed assets - housing properties	1,524	1,751
Grants received	13,780	2,517
Interest received	201	266
Net cash used in investing activities	**(3,669)**	**(13,287)**
Cash flows from financing activities		
Interest paid	(4,939)	(5,267)
New secured loans	19,000	-
Repayment of borrowings	(30,000)	-
Net cash (used in) financing activities	**(15,939)**	**(5,267)**
Net (Decrease)/Increase in cash and cash equivalents	**(4,260)**	**1,532**
Cash and cash equivalents at beginning of year	8,778	7,246
Cash and cash equivalents at end of year	**4,518**	**8,778**

The notes on pages 61 to 98 form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 March 2026

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. The financial statements have been prepared under the historical cost basis except for the modification to the fair value basis for investment properties, as specified in the accounting policies below, and are presented in sterling £'000 for the year ended 31 March 2026.

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

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 is 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 has access to undrawn loan facilities set out in Note 20.

Notes to the Financial Statements for the year ended 31 March 2026

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 charges 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 2026

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 2026

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
Central Heating Carcass 30 Years
Roofs 70 Years
Bathrooms 30 Years

Land – n/a
Central Heating Boilers 15 years
Windows & doors 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.

Notes to the Financial Statements for the year ended 31 March 2026

Principal Accounting Policies (continued)

Impairment (continued)

The valuation carried out in accordance with the Investment Properties note below confirms a small increase to the value of the properties held at 31st March 2026.

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 2026 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 2026

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 2026

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 2026

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 £4.518m 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 2026 there were 16 active members of the SHPS scheme and 16 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 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 2026

Principal Accounting Policies (continued)

Pension reserve

CGA's Pension Reserve of (£0.068m) 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 £13.754m 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 constitutes a free reserve and is not designated for a specific purpose.

Gift Aid

During the year CGA was gifted £2k (2025: £126k) from Patterdale Development Limited (PDL) as approved by PDL Board on 21st July 2025. 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 Council Pension Fund at 31 March 2026 identified an accounting surplus of £13.754m.

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 2026

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 is subject to several different factors. Factors taken into consideration in reaching 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 2025/26 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.

Our Housing Stock is also performing strongly as demonstrated by the high demand for our stock. We have an extensive 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 an increase in the number of properties being accepted in areas of lower demand following the first advertising cycle. This demonstrates that demand for our homes remains high.

Our newly Developed properties also perform strongly, with the actual Net Present values of the schemes showing an improvement of almost 45% compared to the initial appraisal.

The factors above indicate that there is no evidence to suggest that an impairment of our housing properties is required. The valuation carried out in accordance with the Investment Properties note above confirms a small increase to the value of the properties held at 31st March 2026, due to a reassessment of internal consistency across individual parades. 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 2026.

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 asdisclosed in the accounting policies set out in note 2 above.

Notes to the Financial Statements for the year ended 31 March 2026

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%	£112k

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	203
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	390
Roofs	Component life reduced from 70 years to 50 years	184
Bathrooms	Component life reduced from 30 years to 25 years	105
Kitchens	Component life reduced from 20 years to 15 years	561
Windows and Doors	Component life reduced from 30 years to 25 years	177

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 2026

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%	(1,142)	(164)*
Inflation – Increase of 0.25% per annum	597	80
Salary Growth – Increase 0.25% per annum	60	20
Life Expectancy – increased by 1 year	430	51

*Discount Rate increase of 0.3%

Notes to the Financial Statements for the year ended 31 March 2026

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

Group	Note	Turnover	2026 Operating Expenditure	Operating Surplus/ (Deficit)
		£'000	£'000	£'000
Social Housing Activities				
Income and expenditure from lettings	5	43,249	(29,863)	13,386
Other Social Housing Activity				
Community Regeneration		-	(1,256)	(1,256)
Shared Ownership Sales		362	(339)	23
Non-Social Housing Activities				
Lettings income and expenditure		217	(362)	(145)
Other		475	(482)	(7)
Total		**44,303**	**(32,302)**	**12,001**

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**

Notes to the Financial Statements for the year ended 31 March 2026

4. Particulars of Turnover, operating expenditure and operating surplus

Association			**2026**	
	Note	**Turnover**	**Operating Expenditure**	**Operating Surplus/ (Deficit)**
		£'000	**£'000**	**£'000**
Social Housing Activities				
Income and expenditure from lettings	5	43,249	(29,863)	13,386
Other Social Housing Activity				
Community Regeneration		-	(1,256)	(1,256)
Shared Ownership Sales		362	(339)	23
Non-Social Housing Activities				
Lettings income and expenditure		217	(362)	(145)
Other		30	(30)	-
Total		**43,858**	**(31,850)**	**12,008**

Association			**2025**	
	Note	**Turnover**	**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**

Notes to the Financial Statements for the year ended 31 March 2026

5. Income and Expenditure from Social Housing Activities

Group & Association	General Needs Housing £'000	Supported Housing £'000	Low-Cost Home Ownership £'000	2026 £'000	2025 £'000
Rents receivable – net of identifiable service charges	33,150	3,719	507	37,376	35,588
Service charge income	695	2,095	34	2,824	2,564
Amortised government grants	2,263	289	100	2,652	2,611
Other Income	45	352	-	397	443
Total income from lettings	**36,153**	**6,455**	**641**	**43,249**	**41,206**
Expenditure					
Management	(5,069)	(2,085)	(28)	(7,182)	(6,965)
Service charge costs	(1,818)	(1,526)	-	(3,344)	(3,265)
Routine maintenance	(7,851)	(1,021)	-	(8,872)	(8,898)
Planned maintenance	(781)	(269)	-	(1,050)	(1,966)
Major repairs expenditure	(773)	(624)	-	(1,397)	(1,813)
Operating Lease Costs	(793)	-	-	(793)	(183)
Bad debts	(186)	-	-	(186)	(196)
Depreciation of housing properties:					
- annual charge	(5,477)	(793)	(134)	(6,404)	(6,174)
- accelerated on disposal of components	(620)	(15)	-	(635)	(619)
Total expenditure on lettings	**(23,368)**	**(6,333)**	**(162)**	**(29,863)**	**(30,079)**
Operating surplus on lettings activities	**12,785**	**122**	**479**	**13,386**	**11,127**
Void losses	511	75	-	586	963

6. Gains on disposal of property

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Sale proceeds	2,727	2,240	2,727	2,240
Carrying value of fixed assets	(755)	(568)	(755)	(568)
Less share of proceeds due to Preston City Council	(1,139)	(442)	(1,139)	(442)
Cost of Sales	(91)	(47)	(91)	(47)
	742	1,183	742	1,183

Notes to the Financial Statements for the year ended 31 March 2026

7. Interest receivable and other income

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Bank interest receivable	201	266	201	264
LGPS Interest	815	522	815	522
	1,016	788	1,016	786

8. Interest payable and similar charges

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
On loans repayable within five years	(2,323)	(2,713)	(2,323)	(2,713)
On loans repayable in more than five years	(2,668)	(2,554)	(2,668)	(2,554)
On Recycled Capital Grant Fund	(12)	(20)	(12)	(20)
Amortisation of Loan Fees	(120)	(94)	(120)	(94)
SHPS interest	(16)	(25)	(16)	(25)
	(5,139)	(5,406)	(5,139)	(5,406)
Less interest capitalised on housing properties under construction	168	219	168	219
	(4,971)	(5,187)	(4,971)	(5,187)

9. Surplus on ordinary activities before taxation

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Surplus on ordinary activities is stated after charging/(crediting):				
Depreciation of housing properties:				
- annual charge	6,404	6,174	6,404	6,174
- accelerated depreciation on replaced components	635	619	635	619
Depreciation of other tangible fixed assets	910	808	894	794
Operating lease charges - Vehicles	793	183	793	183
Statutory Auditor (excluding VAT)				
- Audit of the financial statements of the Association	42	40	42	40
- Audit of the financial statement of the subsidiaries	6	5	-	-
- Other services	10	6	9	6
Internal Auditor	27	34	27	34
Defined contribution pension cost	539	493	529	482
Amortised government grants	(2,657)	(2,616)	(2,652)	(2,611)

Notes to the Financial Statements for the year ended 31 March 2026

10. Taxation

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
UK Corporation Tax – Current tax	-	-	-	-

11. Residential accommodation owned and managed

Group and Association Social housing	**2025 No.**	**Additions No.**	**Disposals/ Demolitions No.**	**Other No.**	**2026 No.**	**Units in Development as at 31st March 26 No.**
General Needs - Social Rent	5,417	1	(36)	-	5,382	3
General Needs - Affordable Rent	831	21	(3)		849	65
Housing for older People/Supported Housing (Social Rent)	453	8	-	-	461	1
Housing for older People/Supported Housing (Affordable Rent)	216	-	-	-	216	66
Market Rent	3	-	-	-	3	-
Low-Cost Home Ownership	114	-	-	(1)	113	24
	7,034	**30**	**(39)**	**(1)**	**7,024**	**159**

12. Directors and Members Emoluments

Aggregateemoluments(includingNationalInsurance and Pension contributions) payable to Executive Directors is as follows:

Executive Directors

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Wages and salaries	422	408	422	408
Social security costs	66	57	66	57
Expense allowances	32	32	32	32
Pension contributions	67	78	67	78
Total	**587**	**575**	**587**	**575**

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 £587k (2025: £575k) including National Insurance and Pension contributions. Relative to the size of the landlord this equates to £83.77 per social housing unit (2025: £81.80).

Notes to the Financial Statements for the year ended 31 March 2026

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 £179k (2025: £174k) excluding National Insurance and Pension contributions. Relative to the size of the landlord this equates to £25.47 per social housing unit (2025: £24.81)

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 (2025: £32k) 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 2026	Group 2025	Association 2026	Association 2025
£140,001	£150,000	-	1	-	1
£150,001	£160,000	2	-	2	-
£160,001	£170,000	-	1	-	1
£170,001	£180,000	-	-	-	-
£180,001	£190,000	-	-	-	-
£190,001	£200,000	-	-	-	-
£200,001	£210,000	-	1	-	1
£210,001	£220,000	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 2026

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 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Phil Parramore	8	5	8	5
Michelle Allott	6	4	6	4
Julie Lynch	2	4	2	4
Allan Ramsay	-	1	-	1
David Brown	4	4	4	4
Pam Watson	4	4	4	4
Sara Murphy	-	4	-	4
Stuart Flynn	4	-	4	-
Stephanie Murphy	-	-	-	-
Kerri Tucker	-	2	-	2
Greig Lees	4	4	4	4
Siraz Natha	4	4	4	4
Lisa Breeze	3	1	3	1
Sue Sutton	4	1	4	1
Allen Barber	4	2	4	2
Simone De Le Harpe	4	-	4	-
Total	**51**	**40**	**51**	**40**

There were no additional expenses paid to Board Members. Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £638k (2025: £615k).

Notes to the Financial Statements for the year ended 31 March 2026

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 2026 Average Number	Group 2025 (Restated) Average Number	Association 2026 Average Number	Association 2025 (Restated) Average Number
Chief Executive Team	15	15	15	15
Resources Team	31	27	31	27
Neighbourhoods Team	72	71	72	71
Homelessness Team	16	16	16	16
Maintenance Team	139	140	139	140
Development Team	5	5	5	5
Community Investment Team	18	19	9	9
	296	**293**	**287**	**283**

The restated 2025 numbers reflects movements across business areas to allow a true comparison.

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 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Wages and salaries	10,928	10,464	10,614	10,161
Social security costs	1,408	1,061	1,372	1,033
Other pension costs	779	849	764	834
Compensation for loss of office	161	48	161	48
	13,276	**12,422**	**12,911**	**12,076**

Notes to the Financial Statements for the year ended 31 March 2026

13. Employee Information (continued)

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 2026	Group 2025	Association 2026	Association 2025
£60,001 - £70,000	5	5	5	5
£70,001 - £80,000	3	1	3	1
£80,001 - £90,000	2	2	2	2
£90,001 - £100,000	3	3	3	3
£100,001 - £110,000	1	1	1	1
£110,001 - £120,000	-	-	-	-
£120,001 - £130,000	-	-	-	-
£130,001 - £140,000	-	-	-	-
£140,001 - £150,000	-	1	-	1
£150,001 - £160,000	2	-	2	-
£160,001 - £170,000	-	1	-	1
£170,001 - £180,000	-	-	-	-
£180,001 - £190,000	-	-	-	-
£190,001 - £200,000	-	-	-	-
£200,001 - £210,000	-	1	-	1
£210,001 - £220,000	1	-	1	-
	17	**15**	**17**	**15**

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 2026

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					
At1 April 2025	312,455	15,763	16,496	928	345,642
Additions:					
-construction costs	507	10,007	25	2,246	12,785
-replaced components	5,937	-	-	-	5,937
Completed schemes	5,003	(5,003)	-	-	-
Disposals:					
-Property Sales	(1,137)	-	(9)	-	(1,146)
-replaced components	(1,468)	-	-	-	(1,468)
At31March 2026	321,297	20,767	16,512	3,174	361,750
Less:Depreciation					
At1April 2025	(64,354)	-	(243)	-	(64,597)
Charged for the year	(6,905)	-	(134)	-	(7,039)
Eliminated on disposals:					
- property sales	391	-	-	-	391
- replaced components	1,468	-	-	-	1,468
At 31 March 2026	(69,400)	-	(377)	-	(69,777)
Net book value at 31 March 2026	**251,897**	**20,767**	**16,135**	**3,174**	**291,973**
Net book value at 31 March 2025	248,101	15,763	16,253	928	281,045

Notes to the Financial Statements for the year ended 31 March 2026

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					
At1 April 2025	312,455	16,150	16,496	928	346,029
Additions:					
-construction costs	506	7,368	25	2,246	10,145
-replaced components	5,937	-	-	-	5,937
Completed schemes	5,003	(5,003)	-	-	-
Disposals:					
-Property Sales	(1,137)	-	(9)	-	(1,146)
-replaced components	(1,468)	-	-	-	(1,468)
At31 March 2026	**321,296**	**18,515**	**16,512**	**3,174**	**359,497**
Less: Depreciation					
At 1 April 2025	(64,354)	-	(243)	-	(64,597)
Charged for the year	(6,905)	-	(134)	-	(7,039)
Eliminated on disposals:					
-property sales	391	-	-	-	391
-replaced components	1,468	-	-	-	1,468
At31 March 2026	**(69,400)**	**-**	**(377)**	**-**	**(69,777)**
Net book value at 31 March 2026	**251,896**	**18,515**	**16,135**	**3,174**	**289,720**
Net bookvalueat31March 2025	**248,101**	**16,150**	**16,253**	**928**	**281,432**

The costs relating to component replacements arecapitalised. All other major workscosts/cyclical maintenance is expensed to revenue. The carrying value of secured assets is £114.9m (2025: £116.2m)

Notes to the Financial Statements for the year ended 31 March 2026

15. Other Tangible Fixed Assets

Group

	Freehold Buildings £'000	Plant, machinery, & fixtures £'000	Computer, hardware & software £'000	Total £'000
Cost				
At 1 April 2025	5,654	3,780	7,707	17,141
Additions	-	87	533	620
Disposals	-	-	-	-
At 31 March 2026	5,654	3,867	8,240	17,761
Less:				
Depreciation				
At 1 April 2025	(847)	(2,367)	(5,487)	(8,701)
Charge for the year	(73)	(270)	(567)	(910)
Disposals	-	-	-	-
At 31 March 2026	(920)	(2,637)	(6,054)	(9,611)
Net Book Valueat 31March 2026	**4,734**	**1,230**	**2,186**	**8,150**
Net Book Valueat 31March 2025	4,807	1,413	2,220	8,440

Association

	Freehold Buildings £'000	Plant, machinery, & fixtures £'000	Computer, hardware & software £'000	Total £'000
Cost				
At 1 April 2025	5,654	3,698	7,702	17,054
Additions	-	81	530	611
Disposals	-	-	-	-
At 31 March 2026	5,654	3,779	8,232	17,665
Less: Depreciation				
At 1 April 2025	(847)	(2,327) (258)	(5,484)	(8,658)
Charge for the year	(73)	(2,585)	(563)	(894)
Disposals	-		-	-
At 31 March 2026	(920)		(6,047)	(9,552)
Net Book Value at 31 March 2026	**4,734**	**1,194**	**2,185**	**8,113**
Net Book Value at 31 March 2025	4,807	1,371	2,218	8,396

Notes to the FinancialStatements for the year ended 31 March 2026

16. Investment Properties
(Group and Association)

	Completed £'000	Total £'000
At 1 April 2025	1,094	1,094
Movement in fair value	23	23
At 31 March 2026	**1,117**	**1,117**

The group's investment propertiesarevalued annually on31Marchat fair value, as determined by an independent, professionally qualifiedvaluer. The valuationswereundertaken in accordance with the Royal Institution of Chartered Surveyors'Appraisal and ValuationManual.Details on the assumptions made are given in note 2.

17. Stock and Work in progress
(Groupand Association)

	2026 £'000	2025 £'000
Shared Ownership properties		
Completed	-	337
Under Construction	1,972	694
	1,972	**1,031**
Materials Stock	200	166
	2,172	**1,197**

18. Debtors	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Amounts receivable within one year:				
Arrears of rent and service charges	161	173	161	173
Former tenant arrears	378	449	378	449
Housing other debt	30	28	30	28
Less: Provision for bad and doubtful debts - Housing	(430)	(495)	(430)	(495)
	139	**155**	**139**	**155**
Other debtors	1,548	653	1,463	625
Employees	11	7	11	7
Insurance	39	45	39	45
Amounts due from group undertakings	-	-	3,329	149
Prepayments and accrued income	2,332	2,011	2,328	1,983
Taxation and social security	710	183	183	174
Less: Provision for bad and doubtful debts - Non housing	(548)	(470)	(548)	(470)
Total Debtors	**4,231**	**2,584**	**6,944**	**2,668**

Notes to the Financial Statements for the year ended 31 March 2026

19. Creditors

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Amounts falling due within one year:				
Pre-paid rent	1,812	1,462	1,812	1,462
Loan Interest	781	729	781	729
Accruals and deferred income	3,167	2,819	3,134	2,806
Taxation and social security	-	253	-	253
Trade creditors	2,694	2,034	2,114	1,714
Deferred capital grant (see note 22)	2,372	2,359	2,367	2,354
Amounts due to group undertakings	-	-	692	312
Recycled Capital Grant Fund (see note 21)	58	65	58	65
Leaseholders fund	97	67	97	67
Housing Loans (see note 20)	-	20,000	-	20,000
	10,981	**29,788**	**11,055**	**29,762**
Amounts falling due after more than one year:				
Housing loans (see note 20)	122,788	113,865	122,788	113,865
Recycled Capital Grant Fund (see note 21)	284	226	284	226
Deferred capital grant (see note 22)	85,798	74,700	85,788	74,685
	208,870	**188,791**	**208,860**	**188,776**

20.Debt Analysis & Net Debt Reconciliation

Debt Analysis	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Due within one year				
Loans	-	20,000	-	20,000
	-	20,000	-	20,000
Due after more than one year				
Loans	124,000	115,000	124,000	115,000
Less: issue costs	(1,212)	(1,135)	(1,212)	(1,135)
Total loans	**122,788**	**133,865**	**122,788**	**133,865**

Net Debt Reconciliation Group	As at 31 March 25 £'000	Cashflows £'000	As at 31 March 26 £'000
Cash	(8,778)	4,260	(4,518)
Loans – Bank facility	40,000	(11,000)	29,000
Loans – Private Placement	95,000	-	95,000
	126,222	(6,740)	119,482

Notes to the Financial Statements for the year ended 31 March 2026

20. DebtAnalysis&NetDebtReconciliation(continued)

Net Debt Reconciliation Association	As at 31 March 25 £'000	Cashflows £'000	As at 31 March 26 £'000
Cash	(8,473)	4,142	(4,331)
Loans – Bank facility	40,000	(11,000)	29,000
Loans – Private Placement	95,000	-	95,000
	126,527	**(6,858)**	**119,669**

Loan Facility, Terms of repayment and interestrates

Total loan facilities are £175m, of which £95m has been secured via a Private Placement and £80m from a bank facility. £124m of the available facilities has been drawn leaving £51m remaining to be drawn, all of which can be drawn immediately.

As at 31 March 2026, £115m (92.7%) of the Group's funding is at fixed rates ranging from a total cost of funds of 2.69% to 6.98%.

Loan Security

Loan Security is required on all debt using two methodologies EUV-SH and MV-T. 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 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'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	9,000	20,000	9,000	20,000
Five years or more	95,000	95,000	95,000	95,000
Less: Issue cost	(1,212)	(1,135)	(1,212)	(1,135)
	122,788	**133,865**	**122,788**	**133,865**

21. Recycled capital grant fund

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
At 1 April 2025	291	427	291	427
Net sale proceeds recycled	104	148	104	148
Interest accrued	12	20	12	20
Acquisition of dwellings for letting	(65)	(304)	(65)	(304)
At 31 March 2026	**342**	**291**	**342**	**291**
Amounts 3 years or older where repayment may be required	**-**	**-**	**-**	**-**
Amounts due in less than 1 year	58	65	58	65
Amounts due in more than 1 year	284	226	284	226
	342	**291**	**342**	**291**

Allbalances relate to Homes England Grant

Notes to the Financial Statements for the year ended 31 March 2026

22. Deferred capital grant

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
At 1 April 2025	77,059	77,003	77,039	76,978
Grants received during the year	13,780	2,516	13,780	2,516
Grants recycled from the recycled capital grant fund	65	304	65	304
Grants recycled into the capital grant funds	(77)	(148)	(77)	(148)
Released to income during the year	(2,657)	(2,616)	(2,652)	(2,611)
	88,170	**77,059**	**88,155**	**77,039**
Amounts to be released <1 Year	2,372	2,359	2,367	2,354
Amounts to be released in >1 Year	85,798	74,700	85,788	74,685
	88,170	**77,059**	**88,155**	**77,039**

The total accumulated amount of Financial Assistance and other governmentgrant receivedorreceivable at 31 March 2026 is £120,013k (2025: £106,601k) (based upon properties ownedatthat date).

In addition, CGA have inherited Grant Liability of £8,411k on the 418 propertiesacquired following the stock transfers completed in March 2019, which is not included above.

23. Capital Commitments

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Capital expenditure that has been contracted but has not been provided for in the financial statements	29,097	4,382	29,097	4,382
Capital expenditure that has been authorised but has not yet been contracted for	15,190	40,783	15,190	40,783
	44,287	**45,165**	**44,287**	**45,165**

This will be funded through a combination of existing cash balances (£4.3m),future revenues and grant funding (£4.5m), sales income (£2.8m) and loan borrowings (£32.7m).

Notes to the Financial Statements for the year ended 31 March 2026

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 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Within one year	784	677	784	677
One to five years	2,242	2,591	2,242	2,591
Beyond five years	-	-	-	-
	3,026	**3,268**	**3,026**	**3,268**

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

	2026 No.	2025 No.
At the beginning of the year	**1,746**	**1,748**
Shares issued during the year	61	81
Shares surrendered during the year	(87)	(83)
At the end of the year	**1,720**	**1,746**

Notes to the Financial Statements for the year ended 31 March 2026

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 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the 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 2026

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

Actuarial assumptions	At 31 March2026	At 31 March2025
Discount rate assumption	6.30%	5.90%
Inflation (RPI) assumption	3.20%	3.00%
Inflation (CPI) assumption	2.90%	2.80%
Pensionable earnings increase assumption	3.20%	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)	20.7 (23.0)years	20.3 (22.8)years
- Future pensioner aged 65 in 20 years' time Male/(Female)	22.0 (24.4)years	21.5 (24.3)years

Reconciliation of fair value of plan assets Value of Assets	At 31March 2026 £'000	At31 March 2025 £'000
Global Equity	335	324
Liquid Alternatives	539	537
Insurance-Linked Securities	4	9
Property	148	145
Private Equity	7	3
Real Assets	285	347
Private Credit	365	354
Credit	120	111
Investment Grade Credit	178	89
Cash	1	39
Long Lease Property	-	1
Secure Income	92	48
Liability Driven Investment	922	877
Currency Hedging	-	5
Net Current Assets	29	6
Total value of assets	**3,025**	**2,895**
Present value of liabilities	(3,093)	(3,247)
Net Pension Liability	**(68)**	**(352)**

Notes to the Financial Statements for the year ended 31 March 2026

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	**2026**	**2025**
	£'000	**£'000**
At the beginning of the year	(3,247)	(3,508)
Current service cost	(40)	(6)
Expenses	(7)	(6)
Interest cost	(190)	(173)
Member contributions	(53)	(98)
Actuarial gains	282	495
Benefits paid	162	49
At the end of the year	**(3,093)**	**(3,247)**

Reconciliation of fair value of plan assets	**2025**	**2025**
	£'000	**£'000**
At the beginning of the year	2,895	2,841
Interest income on plan assets	174	148
Experience on plan assets	(162)	(468)
Member contributions	53	98
Employer contributions	227	325
Benefits paid and expenses	(162)	(49)
At the end of the year	**3,025**	**2,895**
Fair value of plan assets	3,025	2,895
Present value of plan liabilities	(3,093)	(3,247)
Net pension scheme liability	**(68)**	**(352)**

Amounts recognised in operating expenditure are as follows	**2026**	**2025**
	£'000	**£'000**
Current service cost	(40)	(6)
Administration expenses	(7)	(6)
	(47)	(12)

Notes to the Financial Statements for the year ended 31 March 2026

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

Amounts included in other finance costs	**2026**	**2025**
	£'000	**£'000**
Net interest cost	(16)	(25)
	(16)	**(25)**

Analysis of actuarial Gain/(Loss) recognised in Other Comprehensive Income	**2026**	**2025**
	£'000	**£'000**
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(162)	(468)
Experience gains and losses arising on the plan liabilities – gain/(loss)	101	(238)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	181	733
Total amount recognised in other comprehensive income – gain	**120**	**27**

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 Quarter 4 2026 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 2026 by a qualified actuary:

Valuation date	31 March 2026
Valuation method	Projected Unit
Market value of assets	£33,212 million
Current Employer Contribution rate	19.8%
Investment return per annum:	3.9%

Notes to the Financial Statements for the year ended 31 March 2026

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 2026**	**At 31 March 2025**
Discount rate	6.30%	5.90%
Salary increase rate	3.20%	3.10%
Pension increase rate	2.90%	2.80%
Rate of inflation	2.90%	2.80%
Life expectancy of a male (female)		
-future pensioner aged 65 in 20 years' time	21.8 (24.7) years	21.8 (24.4) years
-current pensioner aged 65	21 (23.5) years	20.9 (23.2) years

Value of Assets	**At 31 March 2026 £'000**	**At 31 March 2025 £'000**
Equities	33	33
Other Bonds	-	33
Property	465	397
Cash/liquidity	332	496
Other	32,382	32,108
Total value of assets	33,212	33,067
Present value of liabilities	(19,458)	(19,340)
	13,754	**13,727**
Surplus not recognised	(13,754)	(13,727)
Net pension asset	**-**	**-**

The plan has a gross accounting surplus at the reporting date of £13.754m. Inlinewith FRS 102 requirements an asset can be recognised on the balance sheet to the extent that it is recoverable, 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 2026

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	2026 £'000	2025 £'000
At the beginning of the year	(19,340)	(22,289)
Current service cost	(88)	(187)
Interest cost	(1,114)	(1,066)
Member contributions	(75)	(94)
Actuarial gain	182	3,135
Benefits paid	977	1,161
At the end of the year	(19,458)	(19,340)

Reconciliation of fair value of plan assets	2026 £'000	2025 £'000
At the beginning of the year	33,067	32,830
Interest income on plan assets	1,929	1,588
Member contributions	75	94
Employer contributions	174	224
Actuarial losses	(1,051)	(501)
Administration expenses	(5)	(7)
Benefits paid	(977)	(1,161)
At the end of the year	33,212	33,067
Fair value of plan assets	33,212	33,067
Present value of plan liabilities	(19,458)	(19,340)
Net pension scheme asset	13,754	13,727

Notes to the Financial Statements for the year ended 31 March 2026

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

Amounts recognised in operating expenditure are as follows	**2026**	**2025**
	£'000	**£'000**
Included in administrative expenses		
Current service cost	(88)	(187)
Administration expenses	(5)	(7)
	(93)	(194)

Amounts included in other finance costs	**2026**	**2025**
	£'000	**£'000**
Net interest income	815	522
	815	522

Analysis of actuarial (losses) recognised in Other Comprehensive Income	**2026**	**2025**
	£'000	**£'000**
Remeasurements	(869)	2,634
	(869)	2,634
Surplus not recognised	(27)	(3,186)
	(896)	(552)

Notes to the Financial Statements for the year ended 31 March 2026

28. Related Party Transactions

TheBoardofManagementincludes positions for up to five Directors who are tenants of CGA. During the year the fivetenantBoardDirectorswho held these positions are as follows:

PhilParramore
SimoneDeLaHarpe
SaraMurphy
Stuart Flynn
Pam Watson

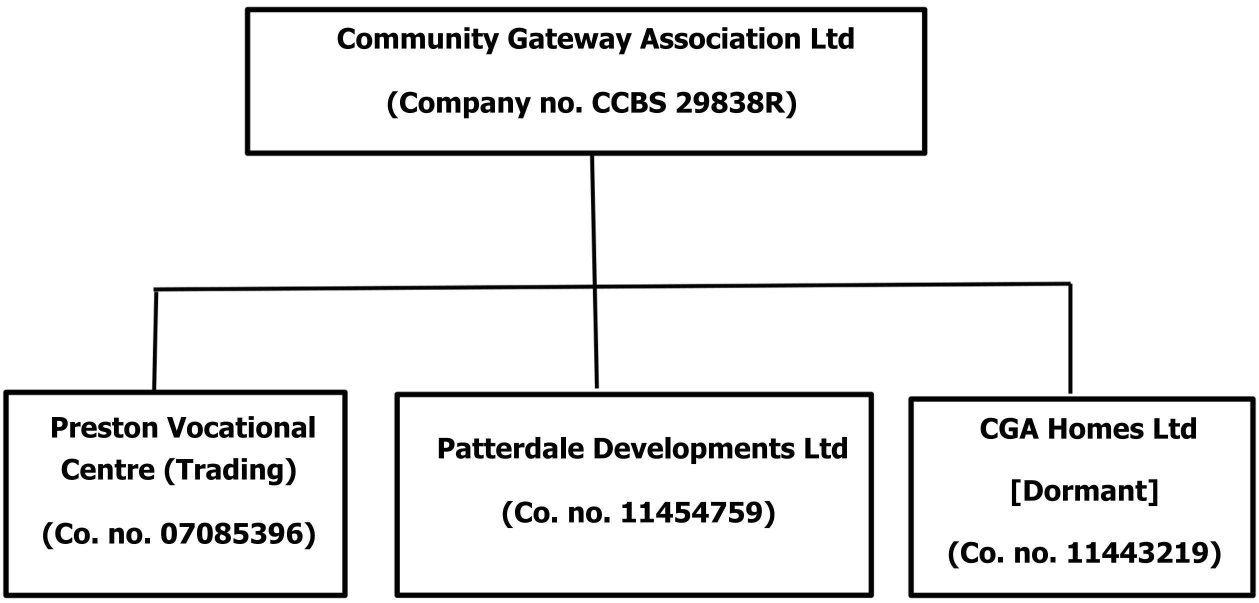
Thetermsoftheirtenancyarrangements are consistent with those offered to other tenants. The combined rent chargedfortheyearwas£33,572 (2025: £32,615) and the tenants had a combined credit balance of £1,473 at 31March2026(2025:creditbalance of £711).

TheBoardofManagementincludes one Director who is an elected member of Preston City Council. As at 31 March 2026 this was Siraz Natha.

CGAundertakestransactionswith the Council at arm’s length in the normal course of business.

CGAisamemberoftheLocalGovernment (LGPS) and the Social Housing (SHPS) multi-employer pension schemes. Theseschemesarefullydisclosed in the accounts at notes 26 and 27.

CGAhas3non-registeredsubsidiaries as follows:



Notes to the Financial Statements for the year ended 31 March 2026

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 2025 to 31 March 2026 have been consolidated into CGA's Group accounts.

PVC Board consists of 6 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 (2025: £30k).

As at 31 March 2026 the amount outstanding from PVC is £53k (2025: £51k) relating to £20k (2025: £20k) inter group recharge and £33k (2025: £31k) costs incurred by CGA to be fully reimbursed by PVC.

CGA invests surplus cash on behalf of PVC under an intra group agreement dated 1st April 2025. The amount held by CGA at 31st March 2026 was £145k.

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 2025 to 31 March 2026 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 (£7.550m) (2025: £7.233m) to cover the cost of the development schemes (£7.444m) (2025: £7.161m) and a mark-up (£0.106m) (2025: £0.072m) for delivering the schemes. As at 31 March 2026 the amount outstanding was £0.547m (2025: £0.312m).

Inter Group recharges are received by CGA from PDL (£0.093m) (2025: £0.061m) to cover the running costs CGA incurs of managing and providing services.

As at 31st March 2026, the amount outstanding from PDL is £0.131m (2025: £0.098m) relating to £0.093m (2025: £0.061m) inter group recharge and £0.038m (2025: £0.037m) costs incurred by CGA to be fully reimbursed by PDL.

During the year PDL commenced a development project under a 'golden brick' arrangement. As a result, at 31st March 2026, PDL owes £3.145m (2025: £nil) to CGA relating to this project.

During the year to 31 March 2026 Patterdale Developments Ltd declared a Gift Aid payment to the Association of £2k at 31 March 2026. (2025: £127k)

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 2025/26 but is ready to commence trading.

CGA's Chief Executive plus 1 CGA Board member form the Board of CHL.