

PROGRESS HOUSING GROUP LIMITED

Consolidated and Company financial statements for the year ended 31 March 2025

Co-operative and Community Benefit Society (FCA) No: 28685R

Regulator of Social Housing Registration No: LH4189

Progress Housing Group Limited
Financial statements for the year ended 31 March 2025

Contents

Members of the board and executive officers	3
Five year consolidated financial highlights	4
Report of the board	5
Statement of the board’s responsibilities	24
Independent auditor’s report to the members of Progress Housing Group Limited	25
Consolidated and company Statement of Comprehensive Income	29
Consolidated and company Statement of Financial Position	30
Consolidated Statement of Changes in Reserves	31
Company Statement of Changes in Reserves	32
Consolidated Statement of Cashflows	33
Notes to the financial statements	34

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Members of the board and executive officers

Members of the board (all of whom are non-executive directors):

Gavin Cawthra	
Tim Cooper	Appointed 2 September 2024
Adam Dennett	
Yasmin Fearon	Deputy Group Chair
Penny Fell	Resigned 31 January 2025
Nigel Ingram	
Elaine Johnstone	
Sheena McDonnell	Group Chair – appointed 2 September 2024
Maggie Shannon	
Neil Townsend	
Anna Urbanowicz	
Samantha Veal	
Nigel Wright	Former Group Chair - retired 2 September 2024

The following serve as independent members of the Group's committees and are not members of the board:

Nicola Bevan	Group Audit and Risk Committee (resigned 8 July 2024)
Kylie Blackham	Group Governance Committee
Zarina Chowdrey	RWP Committee (appointed 2 September 2024)
Angela Kos	Group Audit and Risk Committee (appointed 2 September 2024)
Ruth Lowry	Group Audit and Risk Committee
Jennifer McGuinness	RWP Committee (resigned 2 September 2024)
Jennifer McGuinness	Progress Homes Committee (appointed 2 September 2024)
Mahua Nandi	RWP Committee (resigned 22 April 2024)
	Group Audit and Risk Committee (resigned 22 April 2024)
James Shutt	RWP Committee

Company Secretary Deborah Atherton, ACCA

Registered office Sumner House, 21 King Street, Leyland, PR25 2LW

Executive officers	Jacqui De-Rose BSc, MCIH	Group Chief Executive
	Deborah Atherton ACCA	Executive Director (Governance, People & Communications)
	Tammy Bradley BA (Hons), MCIH	Executive Director (Operations, Services & Support)
	Andy Speer MBA, ACMA, BA (Hons)	Executive Director (Finance & Corporate Services)
	Les Warren FCA, MBA	Executive Director (RWP & Development)

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

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Five year consolidated financial highlights

for the financial years ended 31 March	2025 £000's	2024 £000's	2023 £000's	2022 £000's	2021 £000's
Statement of Comprehensive Income					
Turnover	128,098	121,648	115,934	99,840	86,171
Operating surplus	21,023	15,042	16,741	13,806	17,016
Underlying surplus after tax	11,595	8,576	9,308	7,543	10,248
Gain on gift of subsidiary	-	-	-	19,368	-
Surplus after tax	11,595	8,576	9,308	26,911	10,248
Statement of Cashflows					
Cash inflow from operating activities	47,290	29,802	29,636	25,180	26,151
Cash outflow from investing activities	(45,241)	(41,757)	(34,208)	(34,816)	(17,972)
Cash inflow/(outflow) from financing activities	1,077	9,205	8,048	9,503	(11,855)
Net debt	(282,784)	(275,216)	(255,852)	(244,293)	(228,057)
Statement of Financial Position					
Tangible fixed assets	674,094	637,266	603,101	576,597	538,003
Net current assets	2,898	7,588	10,566	9,492	1,208
Debt due after more than one year	326,776	304,355	256,918	241,905	226,676
Pension liabilities	957	1,708	1,512	9,502	19,402
Net assets	351,466	340,294	332,653	312,861	274,475
Key financial ratios and indicators					
Operating margin	16.1%	12.2%	13.9%	13.6%	19.7%
Interest cover	207%	159%	195%	179%	263%

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board

The board presents its report and the audited consolidated financial statements of Progress Housing Group Limited and its subsidiary undertakings (the “Group”) for the year ended 31 March 2025.

Strategic report

Strategy and objectives

The Group’s vision is to ensure everyone has a place to call home and the opportunity to live their best life. The Group Strategic Plan and Business Priorities covers the period 2024 to 2029 (the “Strategic Plan”) and sets out the Group’s vision and priorities for the five years to 2029, highlights the priority issues for it to address, and shows how it will measure its successes. Business priorities are identified across three strategic aims as follows:

Homes

- Invest in our existing homes and neighbourhoods to meet tenant expectations, high standards and embed our Environmental Sustainability and Asset Management Strategies.
- Development of new affordable supported, general needs, independent living for people over 55 and Extra Care accommodation to meet our future tenants’ needs. Providing high-quality housing for key workers in Lincolnshire.
- A continued focus on keeping our tenants safe in their homes by investing in property compliance and keeping them informed and engaged.

Independence

- Providing high-quality services and efficiencies.
- Understanding our tenants and their needs.
- Improving our independent living offer.
- A greater voice for all tenants.
- Being a leading national TEC provider, ensuring a positive contribution to social housing.

Opportunities

- Supporting access to training, education and employment.
- Encouraging tenant involvement in the management and scrutiny of our social housing services.
- Making a positive impact on our communities.
- Supporting colleagues to access personal development, training and career development opportunities to develop professionalism and empathy.

The full Strategic Plan can be found on the Group’s website: www.progressgroup.org.uk

Values

The Group’s colleagues and board members are committed to working together to achieve the organisation’s strategic aims. The Group has identified the following values, which underpin everything it does:

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Values (continued)

- People focused - People are at the heart of the Group's business. By treating everyone fairly and understanding diverse needs and strengths, the Group can serve people better and provide services and opportunities that positively impact the lives of tenants, customers and colleagues.
- Forward thinking - Colleagues work together to search for and implement innovative solutions and ideas that overcome challenges our tenants, customers, communities, partners and colleagues face.
- Expert - Colleagues use their knowledge, expertise and learning to invest in a positive future for all and aim to excel in all they do to provide the best possible standards of service.
- Genuine - Colleagues are open and honest, with a friendly, enthusiastic and energetic way of working, which is true to what the Group stands for.
- Collaborative - Colleagues work in partnership with our tenants, customers, colleagues, local communities and other experts, bringing everyone together to achieve more.

Cross-cutting themes

The Group's cross-cutting themes influence every part of its business and enable the Group to maximise its support for tenants and customers and achieve its business outputs. The cross-cutting themes are:

- to place tenants and customers at the heart of what we do
- to challenge inequality in our society
- to deliver our environmental objectives
- to be a strong organisation
- to operate and behave as one team.

Governance structure

The Progress Housing Group Limited board has overall responsibility for setting the strategic direction of the Group, alongside maintaining control of the Group's governance and compliance. The legal structure of the Group is as follows:

- Progress Housing Group Limited (the "Parent") is a non-charitable registered provider, a Community Benefit Society, registered with the Financial Conduct Authority.
- Progress Housing Association Limited is a charitable registered provider, a Community Benefit Society, registered with the Financial Conduct Authority. It has a common board of management with Progress Housing Group Limited.
- Reside Housing Association Limited is a charitable registered provider, a Community Benefit Society, registered with the Financial Conduct Authority. It also has a common board of management with Progress Housing Group Limited.
- Key Unlocking Futures Limited is a registered charity, not a registered provider. A Grouping Deed ties Key Unlocking Futures Limited into the Group's governance structure.
- Concert Living Limited (operating under the Concert Homes brand) is a wholly owned company limited by shares and is tied to the Parent by a Procedure Agreement.
- New Progress Housing Association Limited – is a dormant company. Dissolved 13/05/2025.

The Group has seven sub-committees that have delegated authority in a number of areas. Each sub-committee has terms of reference approved by the board. The composition of each sub-committee and a brief overview of its role is set out below.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Governance structure (continued)

Group Audit and Risk Committee

This committee has responsibility for all Group members for oversight of the financial reporting process, the system of internal control and the internal and external audit process, approval of accounting policies and providing support and assurance to the boards with its responsibility regarding to the design and operation of the risk management framework. The committee acts independently of the executive and board, to ensure that stakeholder interests are properly protected in relation to financial reporting and internal control.

Group Governance Committee

This committee is responsible for setting the remuneration policy for employees and the board members and other policies as delegated by the board. In addition, the committee oversees the appraisal of the Group Chief Executive and recommends their remuneration to the board for approval. The committee also oversees the processes of non-executive director recruitment and appraisal and makes recommendations for appointments to the board and committees.

RWP Committee

This committee has been established to hear the voice of the Group's supported living tenants. Its role is to shape, influence and review service delivery and performance. It recommends and reports to the board on how the tenant voice can be heard through insight and engagement activity to influence the strategic plan.

Progress Homes Committee

This committee has been established to hear the voice of the Group's tenants, excluding supported living (see RWP Committee above). Its role is to shape, influence and review service delivery and performance, with a focus on continuous improvement. It recommends and reports to the board on how the tenant voice can be heard through insight and engagement activity to influence the strategic plan.

Executive Board

This board consists of the Executive Leadership Team. It receives operational performance and management information, oversees operational risk management and compliance.

Financial Appraisal Team

This is a sub-committee of the Executive Team, which acts as the development sub-committee, appraising housing development and acquisitions on behalf of the Group's registered providers.

Tenants' Voice – Improving Services Group

This group completes reviews on different areas of the organisation. It identifies what the Group does well and recommends improvements. Tenant members carry out various activities as part of this group, including interviewing employees, considering performance information and tenant survey results, mapping out processes from the tenants' perspective and benchmarking against other housing providers.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Business model

The Group operates its business model across business streams. Each is defined from the point of view of its tenants and customers, and each serves a discrete group of tenants and customers and provides a distinctive set of services. The Strategic Plan sets out the Group's overarching strategic aims. Each business stream then has a business plan to support these aims.

Progress Housing Group

The Group is a leading provider of affordable housing and housing for people over 55, especially in the Central Lancashire and Fylde Coast areas. It is expanding throughout the region and into West Yorkshire.

RWP

RWP is a national leader in providing supported living accommodation largely for people with a learning disability, and/or autism, acquired brain injury or enduring mental health conditions.

Progress Lifeline

Progress Lifeline is a national leader in Technology Enabled Care Services (TECS), supporting over 65,000 people to maintain independence in their own homes.

Key Unlocking Futures

Key Unlocking Futures is a specialist charity in Lancashire providing support to individuals and families, including people experiencing homelessness and women fleeing domestic abuse.

Progress Living

Progress Living supports the health service by providing with high-quality keyworker accommodation in Lincolnshire.

Concert Living Limited trading as Concert Homes

Concert Homes provides high quality homes for market sale across the North West.

How the Group manages performance

The Group has a performance management framework, including key performance indicators (KPIs) and value for money (VFM) metrics, that underpins the vision and strategic aims identified within its Strategic Plan. KPIs are set by the board and assess performance against financial, customer and community, learning and growth and operating process targets.

The performance management framework ensures a robust process is in place to capture and report on all KPIs and VFM.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Review of risk

In the Strategic Plan, the Group has set its priorities, related measures and targets under its three strategic aims. As part of this, business planning and risk assessment are complementary. The Group has a Risk Management Strategy, which defines the Group's risk management framework and board risk appetite.

The continued importance of housing in the political agenda exposes the Group to political, statutory and regulatory risks. Along with UK and global economic risks, the board continuously monitors these risks and how they will impact the financial position of the Group and hence the delivery of services to tenants and customers.

Risk is considered at each board meeting and an updated strategic risk register is presented and discussed on a quarterly basis with board and Group Audit and Risk committee. The board and the Group Audit and Risk Committee undertake periodic deep dives into the Group's strategic risks and an assurance map is in place for each.

The Group undertakes extensive stress testing annually (as part of the long-term financial plan update) and when the need arises throughout the year. Specific mitigating strategies have been developed and documented to ensure the Group is best placed to respond to a risk should it crystallise. The Group's long-term financial plans contain a number of assumptions, such as inflation, interest rates and unit sales based on current information and validated by a third-party review where possible.

The table below details the current risks the board considers the Group face and how it mitigates and controls them.

Strategic objective/cross-cutting theme	Risk	Mitigation and controls
Developing a stronger organisation	Economic impact - the Group could suffer a significant reduction in operating surplus or financial pressures requiring a change in priorities due to increasing costs or a reduction in income affecting both the reinvestment in existing stock and provision of tenant and customer services, as well as the supply of new homes.	The Group has a wide range of tools that help constantly monitor internal performance and the risk and impact of external influences. These include budgetary control, business plan flexibility, review of long-term financial plan assumptions, stress testing, golden rules, mitigation strategies, treasury strategy, contract management, monitoring of unsold property, and arrears management with sufficient bad debt provisions.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Review of risk (continued)

Strategic objective/cross-cutting theme	Risk	Mitigation and controls
Developing a stronger organisation	Health and safety - if the Group does not have adequate arrangements to comply with statutory health and safety requirements, it could lead to property compliance or health and safety breaches, putting people at risk of harm. This includes poor data quality or inadequate property compliance and health and safety management systems.	The Group has a Health & Safety Policy, property compliance policies and compliance and monitoring mechanisms reporting to the board. Any actions arising are tracked through to implementation. In addition, it undertakes mandatory employee training sessions and employee and board awareness sessions and has in-house expertise. The Group's Data Assurance Framework includes health and safety data approved by the board.
Developing a stronger organisation	Cyber security and Data Protection breaches lead to financial loss, issues with business continuity and/or reputational damage.	The Group has controls and preventative measures including antivirus/malware software, breach monitoring systems, threat management systems, multifactor authentication, cloud-based disaster recovery, penetration testing and internal expertise. In addition, cyber risk awareness is a key factor in the culture of the organisation backed up with a regularly tested business continuity plan in place and other risk transfer arrangements. The Group has cyber insurance.
Customers at the heart	Customer voice - if the Group fails to hear the tenant/customer voice and deliver quality and timely services, this could result in dissatisfied tenants, leading to reputational and regulatory consequences.	The Group has various tools to help monitor tenant and customer positioning. These include service standards, customer insight (consultation/research), engagement activities and reporting on the customer voice Board. The Group also operates a complaints framework in accordance with the Housing Ombudsman Code. Two new tenant committees have been established.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Review of risk (continued)

Strategic objective/cross-cutting theme	Risk	Mitigation and controls
Providing more and better homes	Poor data quality or an inadequate strategic asset management framework could lead to a decline in the quality of the Group's existing housing stock, which could result in reputational, financial and regulatory consequences.	The Group has an asset management programme and sufficient provision for stock investment within its long-term financial plan. Significant monitoring and reporting on disrepair cases and compliance with the Decent Homes Standard exist. An asset register is regularly updated and the board has approved a data assurance protocol. The Group closely monitors and responds to complaints in a timely manner, ensuring they are dealt with satisfactorily.
Stronger organisation	Oversight and compliance with regulation – poor board oversight and decision making or failing to respond to changing regulation could result in regulatory, reputational and financial consequences.	The Group has adopted the National Housing Federation (NHF) Code of Governance. The governance structure is regularly reviewed, including a periodic independent assessment, and training and development plans are in place for board members. Continuous monitoring of the regulatory horizon takes place as well as engagement with the NHF.

Treasury management

The Group has an internal treasury management function led by the Executive Director (Finance and Corporate Services), which manages treasury activities in line with the Group's Treasury Management Policy and annual Treasury Management Strategy. Advice is also received from the Group's financial and corporate advisers, who review the Treasury Management Policy and strategy annually.

The primary objective of the Group's treasury management activity is to provide the financial resources necessary to achieve the Group's purpose and to manage the financial and operational risks, that might threaten its ability to do so. The treasury management function is not a profit centre however it is committed to achieving value for money in treasury management and employing suitable measurement techniques within the context of effective risk management.

The Group funds its activities using operating cash flows, grants on new developments and external debt. Debt is secured against the Group's housing properties which are independently valued at least once every five years.

The Group borrows money at both fixed and floating rates of interest as well as entering into standalone interest rate hedging products. Managing interest rate risk is a key element of the Group's Treasury Strategy which is updated annually to ensure it remains relevant and effective.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Treasury management (continued)

Debt providers require compliance with both financial and non-financial covenants. The Group's actual and forecast compliance with these covenants is regularly monitored and reported to board quarterly. Compliance is also tested when setting budgets and updating the Group's long-term financial plans.

During 2024-25 Progress Housing Association agreed a total £70m in new loan facilities. £40m is long term debt with Scottish Widows, and security charging completed prior to drawdown in April 2025. £30m is a revolving credit facility through a restatement and extension of an existing loan facility with Danske Bank and this facility was fully secured in May 2025.

Corporate governance

The Group has adopted the National Housing Federation's Code of Governance (published in 2020) and seeks to comply with both this and best practice with regards to corporate governance. In line with the Group's governance arrangements, compliance against the Code is reviewed on an annual basis and reported to the Group Governance Committee.

The Regulator of Social Housing's Governance and Financial Viability Standard requires that the Group adopts an appropriate Code of Governance and reports any variation on a "comply or explain" basis; this statement, therefore, forms part of the Group's regulatory compliance. A review of compliance against the NHF 2020 Code of Governance has concluded that the Group remains compliant with the provisions of the Code. In addition, the annual review of compliance against the Regulator of Social Housing's Regulatory Standards has confirmed the Group's compliance with the Governance and Financial Viability Standard.

Statement of internal control

The board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This applies for all subsidiaries within the Group.

The board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk within the board's risk appetite and provide reasonable assurance that key business objectives and expected outcomes will be achieved, that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The board has delegated authority to the Group Audit and Risk Committee for oversight of the Group's internal audit provision. This includes the approval of a risk-based annual plan of internal audit work, the approval of management actions and reviewing progress to implement agreed internal audit recommendations. The Internal Audit Team work in conformance to the Global Internal Audit Standards. A series of deep dives help the Group Audit and Risk Committee gain an in-depth understanding of areas linked to strategic risks and help provide the committee with confidence that appropriate controls and assurance mechanisms are in place.

In meeting its responsibilities, the board has adopted a risk-based approach to internal controls, which are embedded within management and governance processes. This approach includes the regular

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Statement of internal control (continued)

evaluation of the nature and extent of risks to which the Group is exposed and is consistent with best practice. The key features of the Group's system of internal controls include:

Governance

- Corporate governance arrangements including the adoption of the National Housing Federation's Code of Governance (2020). The Code is built around the key values of accountability, integrity, openness, equality, diversity, and inclusion. It has robust frameworks for board and committee recruitment, performance management and succession planning.
- Key Unlocking Futures Limited operate to the Charity Governance Code for larger charities, and Concert Living Limited operates to the UK Corporate Governance Code.
- A framework of delegation consisting of the Constitution, Intra-group Agreement, Standing Orders and Scheme of Delegation including terms of reference, Financial Regulations and strategic and operational policies and procedures.
- The Group has appointed employees, consultants, Non-Executive Directors and Independents, with the required specialist skills to undertake specific business activities.
- The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues and new investment projects. The Board has adopted and disseminated the Group's Code of Conduct to all employees. This sets out the Group's policies with regard to the quality, integrity and ethics of its employees, including non-executive directors and independents as well as involved customers. It is supported by a framework of policies and procedures with which employees must comply.

Financial management:

- A robust framework of budgeting, financial planning, scenario modelling and stress testing is in place to assess and mitigate strategic risks. The Board maintains and monitors annually against its updated 'Golden Rules' (which quantify the Group's overall appetite for financial risk) reflecting requirements from the Regulator of Social Housing, current funders, and the Board Risk Appetite. The framework is also used to assess risks associated with potential new areas of business.
- The Group has appointed Beever and Struthers as their external auditors. Beever and Struthers has not identified any significant control weaknesses during their external audit work in respect of 2024/25.
- Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Board. The Board reviews the management accounts each quarter, which highlights and explains any significant budget variances. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Performance management:

- The Board has implemented a framework of self-assessment and performance management.
- All staff are appointed on the basis of robust selection and recruitment processes, with comprehensive induction and training programmes.
- The Group's appraisal process has continued to guide and assist staff and managers on how to effectively manage performance.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Statement of internal control (continued)

- The Board has continued to receive a quarterly compliance statement (which identifies areas of non-compliance in the areas of legal, regulation, finance, health and safety, policies and property compliance) throughout the year.
- The Group monitors individual service areas to ensure they are sufficiently resourced to deliver their operational plans and business strategies.

Risk management:

- The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review and the Board approved and updated its risk appetite statement in full in March 2025.
- The strategic and business stream risks, controls and sources of third-party assurance are attributed to risk owners and are actively monitored on a quarterly basis by the Group Board, its subsidiary boards, and the Group Audit and Risk Committee.
- Operational risk registers and controls are owned and monitored at transactional level and form part of the internal audit scope on each assignment.
- All decisions being made by the Board are supported with an analysis of the risks involved and within the context of the Board Risk Appetite and any impact on Golden Rules.
- The Group has in place a Raising Concerns at Work policy, as well as a dedicated whistleblowing page on its website. Details of identified frauds are maintained in a Group Fraud Register which is reviewed quarterly by the Group Audit and Risk Committee on behalf of the Board, prior to being submitted to the Regulator of Social Housing, through the annual return process. No material loss has been identified this year as a result of fraud.
- The Group's insurance portfolio has been subject to its annual review the Senior Leadership Team (overseen by the Insurance Manager and Director (Business Assurance)) to confirm that cover remains up to date and fit for purpose.

Strategy:

- The Board has an approved Strategic Plan and Business Priorities for 2024 to 2029 which is reviewed and monitored annually.
- An Equality, Diversity & Inclusion framework, including a strategy and action plan, captures the Group's legal requirements and its commitment to being a responsible social landlord and to challenge inequality in society. This activity contributes to the Group meeting the equality and legal requirements under the Equality Act 2010.
- The Group's Value for Money Strategy and annual position statement are aligned to the Strategic Plan's objectives.
- Asset Management and Development Strategies outline the Group's approach to maintaining quality homes and growth and are both linked to the Strategic Plan.
- The Environmental Sustainability Strategy has specific provision within the budget and long-term financial plan together with performance measures.

Health and Safety Management:

- A comprehensive health and safety framework is in place to prevent staff, tenants and other stakeholders from harm. The Framework is supported by assurance mechanisms and Board scrutiny and reporting processes.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Statement of internal control (continued)

Cyber Security:

- Significant investment has been (and continues to be) made to ensure that the Group is well protected from cyber security threats and data breaches.
- The Group's Cyber Security Forum has met on a quarterly basis and continues to monitor/manage new and existing cyber/data risks.

Regulatory Compliance:

- In December 2024, the Regulator of Social Housing confirmed of the Group's top G1 V1 rating following an annual Stability Check.
- The Board receives an annual assessment against the regulatory standards and considers that the Group is compliant with all aspects of them.

The Group Chief Executive has reviewed the internal control and assurance arrangements by reference to the above and has reported to the board that she is satisfied with the effectiveness of the control systems. The Group Audit and Risk Committee has also expressed its satisfaction with these arrangements in its review of the effectiveness of internal control systems (assisted by the Internal Audit Annual Assurance Statement). Through the work undertaken by the Committee, it can confirm that, to the best of its knowledge, there have been no significant weaknesses in controls resulting in material losses, contingencies or uncertainties, which would have required disclosure in the financial statements.

Directors

The names of the non-executive directors and the independent committee members who have served during the year are shown on page 3.

Environmental, employee, social and community matters

Environment

The Group has undertaken several initiatives to help reduce its long-term environmental impact and help tackle fuel poverty for tenants following the aims laid out in its Environmental Sustainability Strategy. Activities included:

- Delivering the final year of the two-year social housing decarbonisation fund (SHDF) retrofit project, installing energy efficiency measures ranging from external wall insulation to air source heat pumps to a total of 79 properties across Lancashire and Cumbria with the aim of bring all properties to EPC rating C or better.
- Total of 247 properties upgraded from EPC D or below to C or above, raising overall compliance to 72.87%.
- Average SAP rating across stock has increased from 72 to 72.5.
- Completion of communal lighting upgrades cutting electricity use by up to 33.5% in three independent living schemes.
- 418 homes fitted with water-saving measures, reducing daily usage by 18,500 litres.
- Successfully secured Warm Home Social Housing Fund wave 3 Grant funding of just over £3m to retrofit energy efficiency measures, renewables, and low carbon heating to over 400 properties over three years to bring them up to EPC C.
- 80% of stock has a live EPC with 430 EPCs completed since April 24.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

People

The Group has a board approved People Strategy in place, which aligns with the Strategic Plan and supports the delivery of its vision and values. It is divided into five pillars; attracting talent, developing talent, leading by example, managing performance and rewarding and recognising contribution. These 5 pillars not only encompass the full employee life cycle but also employer brand, our reputation as an employer and candidate journey.

The Group recognises that a strong colleague experience can drive a strong customer experience. The Group's most recent engagement survey had a response rate of 71% with an Engagement Index Score of 84% and an Employee Net Promoter Score (how likely employees were to recommend the organisation) of +38 which is 14 points higher than last year. The Group's focus going forward is on employee wellbeing, workload, recognition and reviewing processes and systems.

The implementation of RAMP (Resolve issues, Adapt our service, Make it easy and Proactive communication), our customer service style framework has been rolled out across the Group which supports our values and behaviours. It guides the way we interact with both our external and internal customers and will help us to deliver consistent excellent customer service, no matter what our role is.

The design and embedding of 'Your Progress' following listening groups with colleagues has resulted in a performance management framework of regular meaningful 121's and quarterly objective setting, engaging interactive team meetings and at least an annual development conversation producing a personal development plan. Learning and development continues to be a key area of focus.

Diversity and inclusion

To be an employer of choice, the Group's culture must be considered enabling, inclusive and valuing diversity. The Group's EDI Strategy and action plan demonstrate a commitment to promoting equality and diversity and a desire to embed a culture that actively values difference.

The publication of the Group's first Equality, Diversity and Inclusion annual report in 2024 summarises the impactful work and achievements made over the past year to reduce inequalities and promote diversity and inclusion within our organisation and the communities we serve.

The Group's gender pay gap position is reported annually. Outside of the regulatory reporting requirement, the Group continues to use several data sets to inform its equality and diversity agenda.

In January 2025, the Group welcomed cohort four of the Project SEARCH internship programme, helping young people with learning disabilities and autism to access high-quality work-related learning, leading to a much-improved opportunity to access long-term, full-time paid employment.

In addition to the Group's People Forum, there are several network groups, including Roots, Pride at Progress, Carers Together and Meno Movers. These network groups are run by colleagues for colleagues, encouraging discussion, promoting better understanding and providing a space to support each other.

The Group is an accredited Living Wage Employer.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Customer Voice

Placing tenants and customers at the heart of what the Group does is a cross-cutting theme influencing every part of the business. The Group wants tenants to be able to influence or make those decisions that affect them the most. The Group aims to deliver excellent results for tenants and customers and is committed to involving tenants in shaping services. The Group focuses on gaining insight into what matters most to tenants via community engagement, scrutiny activity, Tenant Satisfaction Measures surveys, transaction and perception satisfaction surveys in addition to listening to and acting upon the voice of the customer via complaints & compliments.

With reference to the Tenant Satisfaction Measures, results for 2024/25 showed overall satisfaction at 76.3% which is an improvement of the previous years' results and how residents are treated fairly and with respect at 79.4% which is at the same level as previous year's results. There has been an improvement in 9 out of the 12 tenant perception measures, including complaints handling, which has been a key area of focus for the Group over the past year.

The scope of the customer insight working group has been reviewed during 2024/25. This ensures key themes for improvement opportunities identified as a result of listening to the voice of our customers across all services including value for money and cost of living, are acted upon.

The Group continues to report on the Customer Promises which, following consultation with tenants, have been reviewed to more closely align to our in-house customer service style framework 'RAMP' :

- Resolve issues
- Adapt our service
- Make it easy
- Proactive communication

A customer promise supports each of the above headings and has a number of measures agreed upon with tenants which are monitored regularly.

Tenants' Voice – improving services is a tenant-led group that supports the work of the Group by carrying out scrutiny reviews on specific service areas. The scrutiny reviews focus on the tenant perspective and the customer experience of the service, culminating in a report making recommendations to improve performance and customer experience. The Tenants' Voice group is supported by our partners Forvis Mazars, helping volunteer tenants to develop skills and confidence in their scrutiny activities. This year the Group has completed three reviews with a total of 22 recommendations to deliver service improvements in delivery of the aids and adaptations service, management of communal areas and scrutiny of our rent and service charge review. These resulted in the following services improvements:

- Improved and more tailored communication and information in relation to aids and adaptations
- Identifying opportunities to more effectively utilise communal areas
- Reduction in queries as a result in the clearer communication linked to rent and service charge changes

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Customer Voice (continued)

Scrutiny activity is further supported by volunteer tenants who provide feedback on their experience when contacting the Group. Volunteer tenants also carry out community checks on the area where they live, providing information on key areas, including grounds maintenance and the general appearance of their community. This valuable information is used to identify what works well and what could be improved.

The Group's Progress Futures initiative creates training, education and employment opportunities for all customers. It is a free service that adopts a person-centred approach to work with individual tenants and their family members to help them achieve their personal goal of entering training, education, volunteering or employment.

Business performance

Financial performance for the year

The Group's financial performance for the year improved from prior year due to the continuing strength of its core social housing business streams and the implementation of mitigating strategies for those non-social housing business streams that had been underperforming financially.

Turnover increased by 5.3% due predominantly to annual rental increases and strong shared ownership sales performance. 63 first tranche shared ownership sales completed in the year resulting in a net surplus on sale of £1.2m.

Operating costs increased by 1.6% mainly driven by repairs and maintenance costs and the impairment of the remaining assets held within Concert Living Limited. Repairs and maintenance costs continue to increase above inflation due to continued high demand, price inflation and a sector-wide focus on building quality. The Group continues to manage its exit from its outright sales subsidiary Concert Living Limited, and its remaining assets have been marketed for sale or sold, subject to contract. Expected sales values are below current book value, resulting in an impairment charge of £2.1m.

As a result of the above, operating surplus, prior to gain on disposal of property, plant and equipment, has improved to £20.6m from £15.0m last year with surplus after tax also improving to £11.6m.

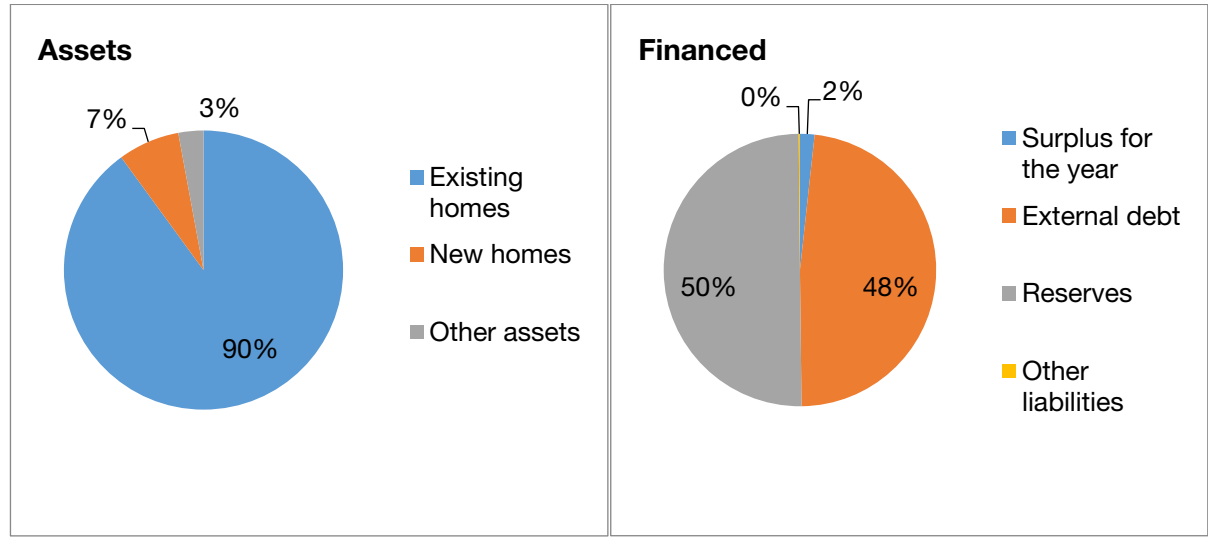
Total fixed assets increased by £37.4m to £676.3m. Capital spend on new homes was £36.2m for the year, with capital grant of £12.3m. 146 new homes were completed, slightly below the target of 200. Capital spend on existing homes was £12.2m for the year. Investment in existing homes included £0.8m of spend towards the Group's environmental sustainability goals which was subsidised by £0.3m of grant funding from the Social Housing Decarbonisation Fund.

Reserves increased by £11.2m to £351.5m. The Group is not for profit and therefore its reserves are fully reinvested to deliver its strategic objectives as can be seen below:

Progress Housing Group Limited
Financial statements for the year ended 31 March 2025

Report of the board (continued)

Financial performance for the year (continued)



Key performance indicators (KPIs) and Value for Money (VFM) – 2024/25 review

The Group’s underlying financial performance demonstrates its financial strength and resilience. The Group is compliant with all loan covenants and indicators including interest cover and gearing show a strong position over time. For a full list of the Group’s KPIs and current performance against target please visit the Group’s website: www.progressgroup.org.uk

The board has conducted a comprehensive assessment of VFM for the year, which is also available on the Group’s website. This VFM position statement gives stakeholders a full and honest assessment of how the Group performed against its VFM targets for 2024/25, its progress since last year and its forward-looking targets that demonstrate a continuing commitment to VFM. A summary of VFM performance is included below – the board is confident that the Group has fully complied with the VFM Standard 2018.

In addition to ensuring that business activity delivers VFM for the Group, the aim is to provide value to the broader community and the public purse. One example is Progress Lifeline’s work with adult social care commissioners using technology to increase the quality of life and reduce the cost of social care for thousands of older people.

The Group’s strategic targets aim to deliver VFM and are ambitious and stretching. Examples are included below with commentary on the 2024/25 performance.

Strategic target	2024/25 performance
Provide new homes over the next five years in line with the capital capacity identified within the long term financial plan, to help reduce the massive shortage of good quality, low cost housing and supported housing.	£39m was spent on new developments, which is below the target of £51m. 146 new homes were delivered consisting of 87 general needs and 29 shared ownership properties, and 30 supported living properties.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)*Key performance indicators (KPIs) and Value for Money (VFM) – 2024/25 review (continued)*

Strategic target	2024/25 performance
Approved investment of £78.9m over five years to deliver on average 2,100 new components each year (e.g. bathrooms and kitchens).	£11.9m was spent in the year (£11.7m on 1,717 replacements and £0.2m on compartmentation works) against a target of £12.8m.
Operating margin is set to increase steadily by 3.2% over the next five years due to contributions from shared ownership sales, growth in Progress Lifeline and rental income increases.	The Group achieved an operating margin of 16.1% against a target of 16.4%, an increase of 3.7% compared to the prior year.
VFM is considered part of all procurement activity.	The Group re-procured contracts totalling £34.4m in the year, resulting in £0.4m of savings and improved services for tenants.
Maximise income by managing arrears and minimising losses from voids.	<p>The Group exceeded its overall target of 6.0% for current tenant arrears by 1.6%.</p> <p>There has been an increase in void rent loss which was expected and have met the 7.0% target. The Group's void rent loss performance is adversely affected by the nature of its supported living accommodation which takes longer on average to re-let than other forms of social housing.</p>
Social housing cost per unit is a key focus, with a target for overall headline cost per unit for 2024/25 of £7,836 split between supported living (£12,597) and general needs/independent living (£5,056).	<p>Actual overall headline cost per unit for 2024/25 was behind target at £7,729, with supported living £44 above target at £12,555 and general needs/independent living £299 ahead of target at £4,757.</p> <p>For 2025/26, this target is increasing to £8,044 overall (£12,459 for supported living and £5,659 for general needs/independent living) reflecting inflation and increased investment in existing stock, including property compliance.</p>

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)*Key performance indicators (KPIs) and Value for Money (VFM) – 2024/25 review (continued)**Performance against the VFM Standard*

The table below shows how the Group has performed across the nine prescribed VFM metrics and its anticipated performance compared to the sector median, based on the latest available information.

		Peers Global Accounts	ACTUAL		TARGET
No	Metric	2023 / 24	2023 / 24	2024 / 25	2025 / 26
1	Reinvestment %	7.6%	7.2%	7.2%	9.2%
2a	New supply delivered (social housing units)	1.4%	1.5%	1.4%	2.0%
2b	New supply delivered (non-social housing units)	0.0%	0.1%	0.0%	0.0%
3	Gearing %	46%	44%	43%	43%
4	EBITDA MRI % of interest (cash surplus)	120%	216%	201%	170%
5	Headline social housing cost per unit	£5,136	£7,511	£7,729	£8,044
5a	Headline social housing cost per unit (general needs and independent living)	£4,819	£4,627	£4,757	£5,659
5b	Headline social housing cost per unit (supported housing)	£12,029	£12,206	£12,555	£12,459
6a	Operating margin (social housing lettings only)	20.4%	15.6%	19.4%	17.9%
6b	Operating margin (overall)	18.5%	12.3%	16.1%	17.3%
7	Return on capital	2.8%	2.3%	3.1%	3.1%

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)*Key performance indicators (KPIs) and Value for Money (VFM) – 2024/25 review (continued)**Performance against the Group's additional VFM metrics*

The table below shows how the Group has performed across its additional VFM metrics and its anticipated performance compared to the sector median, based on the latest available information.

			PEERS	ACTUAL		TARGET
No	Indicator	Peer source	2023 / 24	2023 / 24	2024 / 25	2025 / 26
8	% of overall tenant satisfaction	Tenant satisfaction measures	72.4%	75.2%	76.3%	78%
9	% of current tenant arrears	Global Accounts	3.6%	4.6%	4.4%	4.3%
10	% of former tenant arrears	Global Accounts	1.1%	0.8%	0.8%	0.8%
11	% of rent collected	Housemark	99.7%	99.9%	99.2%	99.5%
12	Responsive repairs completed within target timescale**	Tenant satisfaction measures RSH	83.3%	83.2%	84.0%	92.0%
13	Rent lost due to vacant properties	Global Accounts	1.2%	7.0%	7.0%	6.9%
14	% of vacant social housing stock at 31/03	Statistical Data Return	3.2%	5.0%	5.2%	3.5%
15	% of time lost due to employee sickness	Office of National Statistics	3.4%	4.4%	4.6%	4.2%
16	% of employees leaving the Group – voluntary	Housemark	12.2%	9.9%	8.3%	>8% and <10%

** Indicators taken from the tenant satisfaction measures of the Consumer Standard.

Regulation

The registered provider companies (Progress Housing Group Limited, Progress Housing Association Limited and Reside Housing Association Limited) are regulated by the Regulator of Social Housing (RSH). Following an annual stability check, the Group's top G1/V1 rating has been confirmed. The board monitors its ongoing compliance with both the economic and consumer Regulatory Standards and compliance is reported to the board annually with any changes or implications arising within the year being reported on an ad hoc basis. In line with the requirements of the Accounting Direction for Private Registered Providers of Social Housing 2022, the board confirms compliance with these standards up until the signing of the accounts.

Donations

During the year ended 31 March 2025, the Group made no political contributions (2024: £nil) and any charitable donation were made during the course of its ordinary activities.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Report of the board (continued)

Going concern

For the Group and Company, after making appropriate enquiries, the board is satisfied that no significant risks or exposures exist other than those disclosed in the financial statements and the Group is well placed to understand and manage the challenges and business risks ahead.

The board has approved a budget for each Group subsidiary for the coming year and also the Group's long-term financial plans. The long-term financial plans reflect ongoing compliance and include net zero carbon commitments, new development programmes and also the delivery of the Group's planned maintenance programmes.

The long-term financial plans show that the Group has sufficient funding to deliver the Strategic Plan and support its business activities. It can service its debt facilities whilst complying with lenders' covenants. Sensitivities have been put through the long-term financial plans for the Group to test going concern and assure the board that it has a resilient plan in place.

For these reasons, the board considers it has a reasonable expectation that the Group and Company will be able to continue in operation and meet their liabilities as they fall due for a period of at least 12 months following the signing of the accounts. The board therefore continues to adopt the going concern basis in the financial statements.

Statement of compliance

This strategic report has been prepared in accordance with best practice guidance and the board, in approving the financial statements, is also approving the associated Group strategic report.

Statement of disclosure to the auditor

At the time of approval of this report:

- a) so far as the board is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- b) the board has taken all steps that they ought to have taken as board members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Annual General Meeting

The Annual General Meeting of the Group will be held on 1 September 2025.

The report of the board was approved by order of the board and signed on its behalf by:

DocuSigned by:

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Deborah Atherton

Company Secretary

28 July 2025

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Statement of boards' responsibilities

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

Co-operative and Community Benefit Society law and social housing legislation requires the board to prepare financial statements for each financial year. Under these regulations, the board has elected to prepare the financial statements in accordance with UK Accounting Standards.

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

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

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

The board is responsible for keeping appropriate accounting records that are sufficient to demonstrate and explain the Group and Company's transactions, and disclose with reasonable accuracy at any time the financial position of the Group and Company, enabling the board to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The board, responsible for safeguarding the assets of the Group and Company, is expected to take reasonable steps to prevent and detect fraud and other irregularities.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the corporate and financial data held on the Group's website is the responsibility of the board.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Independent auditor's report to the members of Progress Housing Group Limited

Opinion

We have audited the financial statements of Progress Housing Group Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Independent auditor's report to the members of Progress Housing Group Limited (continued)

Other information

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 24, 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.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Independent auditor's report to the members of Progress Housing Group Limited (continued)

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

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

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

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

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Independent auditor's report to the members of Progress Housing Group Limited (continued)


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

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the members of the Association, 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Beever and Struthers

Statutory Auditor

One Express

1 George Leigh Street

Manchester

M4 5DL

Date: 14-08-2025

Progress Housing Group Limited

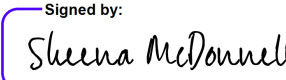
Financial statements for the year ended 31 March 2025

Consolidated and Company Statement of Comprehensive Income**For the year ended 31 March 2025**

	Note	Group		Company	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Turnover	2	128,098	121,648	13,550	13,867
Operating expenditure	2	(100,457)	(98,834)	(12,754)	(13,591)
Cost of sales	2	(7,062)	(7,793)	-	-
		20,579	15,021	796	276
Gain/(loss) on disposal of property, plant and equipment	6	444	21	(1)	-
Operating surplus	2	21,023	15,042	795	276
Movement in fair value of investment properties	12	52	(4)	40	-
Movement in fair value of derivative financial instruments	23	(39)	(64)	-	-
Interest receivable	7	1,607	1,209	468	444
Interest payable and financing costs	8	(10,719)	(7,964)	(41)	(35)
Share of joint venture profit	14	196	89	-	-
Debt forgiveness	16	-	-	(581)	(900)
Surplus/(deficit) before tax		12,120	8,308	681	(215)
Tax on surplus on ordinary activities	9	(525)	268	(237)	(311)
Surplus/(deficit) after tax	5	11,595	8,576	444	(526)
Actuarial (loss) on pension schemes	31	(704)	(1,404)	(231)	(663)
UK deferred tax attributable to other comprehensive income		58	166	58	166
Movement in fair value of hedged financial instruments	23	(167)	426	-	-
Movement in joint venture hedge reserve	14	390	(123)	-	-
Total comprehensive income / (loss) for the year		11,172	7,641	271	(1,023)

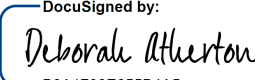
The notes on pages 34 to 71 form an integral part of the financial statements.

The financial statements were approved by the board on 28 July 2025.

Signed by:

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Sheena McDonnell
 Board member

Signed by:

 1635E7FF255E4FE...
Yasmin Fearon
 Board member

DocuSigned by:

 B9A1708E655B4A5...
Deborah Atherton
 Company Secretary

Co-operative and Community Benefit Society (FCA) No: 28685R
 Regulator of Social Housing No: LH4189

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Consolidated and Company Statement of Financial Position**As at 31 March 2025**

	Note	Group		Company	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Fixed assets					
Housing properties at cost	10	659,541	623,677	-	-
Other tangible fixed assets	11	9,099	9,448	3,056	3,169
Investment property	12	5,454	4,141	2,596	1,110
Investment in joint venture	14	2,258	1,673	-	-
Fixed asset investments	13	-	-	-	-
Total fixed assets		676,352	638,939	5,652	4,279
Current assets					
Stock	17	10,922	15,863	-	-
Debtors	18	12,925	11,751	2,171	2,710
Investments	19	279	270	-	-
Cash and cash equivalents		9,451	6,309	1,098	2,276
Total current assets		33,577	34,193	3,269	4,986
Less: Creditors amounts falling due within one year	20	(30,679)	(26,605)	(2,214)	(2,365)
Net current assets		2,898	7,588	1,055	2,621
Total assets less current liabilities		679,250	646,527	6,707	6,900
Creditors					
Amounts falling due after more than one year	22	(326,778)	(304,512)	-	(29)
Provisions for liabilities					
Pension liabilities	31	(957)	(1,708)	(518)	(953)
Other provisions	15	(49)	(13)	-	-
		(1,006)	(1,721)	(518)	(953)
Net assets		351,466	340,294	6,189	5,918
Reserves					
Share capital	24	-	-	-	-
Revaluation reserves		144,394	147,174	681	698
Designated reserves		770	676	-	-
Restricted reserves		19	6	-	-
Cashflow hedge reserve	23	259	426	-	-
Income and expenditure reserves		206,024	192,012	5,508	5,220
		351,466	340,294	6,189	5,918

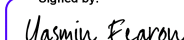
The notes on pages 34 to 71 form an integral part of the financial statements.

The financial statements were approved by the board on 28 July 2025.


Signed by:

**Sheena McDonnell****Board member**

Signed by:

**Yasmin Fearon****Board member**

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**Deborah Atherton****Company Secretary**

Co-operative and Community Benefit Society (FCA) No: 28685R

Regulator of Social Housing No: LH4189

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2025 Group	Revaluation reserves	Designated reserves	Restricted reserves	Cashflow hedge reserves	Income & expenditure reserves	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	147,174	676	6	426	192,012	340,294
Surplus for the year	-	-	-	-	11,595	11,595
Increase on joint venture hedge reserve	-	-	-	-	390	390
Decrease on cashflow hedge	-	-	-	(167)	-	(167)
Net actuarial (loss) on pension schemes	-	-	-	-	(646)	(646)
Total comprehensive income for the year	-	-	-	(167)	11,339	11,172
Reserve transfers:						
Designated reserves	-	94	-	-	(94)	-
Restricted reserves	-	-	13	-	(13)	-
Realisation of revaluation reserve in respect of:						
-Disposals of housing property	(211)	-	-	-	211	-
-Depreciation on revalued housing property	(2,650)	-	-	-	2,650	-
-Depreciation on impairment on revalued housing property	81	-	-	-	(81)	-
As at 31 March 2025	144,394	770	19	259	206,024	351,466

Group	Revaluation reserves	Designated reserves	Restricted reserves	Cashflow hedge reserves	Income & expenditure reserves	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	148,765	782	11	-	183,095	332,653
Surplus for the year	-	-	-	-	8,576	8,576
(Decrease) on joint venture hedge reserve	-	-	-	-	(123)	(123)
Increase on cashflow hedge	-	-	-	426	-	426
Net actuarial (loss) on pension schemes	-	-	-	-	(1,238)	(1,238)
Total comprehensive income for the year	-	-	-	426	7,215	7,641
Reserve transfers:						
Designated reserves	-	(106)	-	-	106	-
Restricted reserves	-	-	(5)	-	5	-
Realisation of revaluation reserve in respect of:						
-Disposals of housing property	(193)	-	-	-	193	-
-Depreciation on revalued housing property	(1,398)	-	-	-	1,398	-
As at 31 March 2024	147,174	676	6	426	192,012	340,294

The notes on pages 34 to 71 form an integral part of the financial statements.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Company Statement of Changes in Reserves**For the year ended 31 March 2025****Company****At 1 April 2024**

Surplus for the year

Net actuarial (loss) on pension schemes

Total comprehensive income for the year

Reserve transfers:

Realisation of revaluation reserve in respect of depreciation on revalued housing property

As at 31 March 2025

Revaluation reserves	Income & expenditure reserves	Total
£'000	£'000	£'000
698	5,220	5,918
-	444	444
-	(173)	(173)
-	271	271
(17)	17	-
681	5,508	6,189

Company**At 1 April 2023**

(Deficit) for the year

Net actuarial (loss) on pension schemes

Total comprehensive loss for the year

Reserve transfers:

Realisation of revaluation reserve in respect of depreciation on revalued housing property

As at 31 March 2024

Revaluation reserves	Income & expenditure reserves	Total
£'000	£'000	£'000
714	6,227	6,941
-	(526)	(526)
-	(497)	(497)
-	(1,023)	(1,023)
(16)	16	-
698	5,220	5,918

The notes on pages 34 to 71 form an integral part of the financial statements.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Consolidated Statement of Cashflows**For the year ended 31 March 2025**

	Note	Group 2025 £'000	2024 £'000
Cashflow from operating activities (see below)		47,290	29,802
Purchase of housing properties and components		(56,155)	(50,095)
Government grants received		11,010	8,227
Purchase of other tangible fixed assets	11	(1,322)	(1,100)
Impairment of intangible fixed assets		-	116
Proceeds from the sale of tangible fixed assets	6	1,226	1,095
Cashflow from investing activities		(45,241)	(41,757)
Interest received		664	429
Interest paid		(10,284)	(9,346)
Advances of existing borrowings		33,692	36,288
Repayments of existing borrowings		(22,936)	(18,092)
Investments placed		(9)	(24)
Capital element of finance lease rental payments		(50)	(50)
Cashflow from financing activities		1,077	9,205
Net change in cash and cash equivalents		3,126	(2,750)
Cash and cash equivalents at 1 April		6,309	9,059
Cash and cash equivalents at 31 March		9,435	6,309
Operating surplus		21,023	15,042
(Decrease)/Increase in stock		4,940	(781)
Depreciation of tangible property fixed assets	5	13,608	12,823
Impairment of housing	5	(98)	(250)
Impairment of intangible fixed assets	5	-	116
Impairment of land and stock	5	2,095	583
Amortisation of grants and intangible fixed assets	3a/5	(101)	(290)
Pension costs less contributions paid		(563)	(332)
Share of operating surplus in joint venture	14	196	89
Development for sale proceeds	2	5,493	3,665
Surplus on development for sale	2	(1,177)	(987)
Adjustment for investing activities - disposal of tangible fixed assets	6	(444)	(21)
Taxation paid		(565)	380
(Increase) in trade and other debtors		(89)	(1,343)
Increase in trade and other creditors		2,972	1,108
Cashflow from operating activities		47,290	29,802
<i>Reconciliation of net cashflow to movement in net debt</i>			
Increase / (decrease) in cash in the period		3,126	(2,747)
Investments realised	28	9	24
Change in loans - principal repaid (borrowed)	28	(10,426)	(18,140)
Change in loans - amortisation	28	-	1,508
Change in loans - amortisation of borrowing costs	28	(330)	(56)
Cash (used in) / generated by repaying finance lease capital	28	50	50
(Increase) in net debt		(7,571)	(19,361)
Net debt at 1 April		(275,213)	(255,852)
Net debt 31 March	28	(282,784)	(275,213)

The notes on pages 34 to 71 form an integral part of the financial statements.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements

1 Accounting policies

(1) *Basis of accounting*

Basis of preparation

The financial statements of the Group and Company are prepared in accordance with Financial Reporting Standard 102 (FRS 102) – the applicable financial reporting standard in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 (SORP) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation currency of these financial statements is GBP sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

The Group and Company business activities, their current financial position, and factors likely to affect their future development, are set out within the strategic report. The Group has in place long-term borrowing facilities which provide adequate resources to finance reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service debt facilities, whilst continuing to comply with lenders' covenants.

On this basis, the board has a reasonable expectation that the Group and Company have 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 financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Basis of consolidation

The consolidated accounts incorporate the financial statements of Progress Housing Group Limited and its subsidiaries and also its share of the joint venture, Leeds Independent Living Accommodation Company Holdings Limited (LiLAC). Further details of the subsidiaries are disclosed in note 29. Intra-group transactions are eliminated on consolidation. Subsidiaries' financial statements are made up to 31 March and the LiLAC joint venture has financial statements made up to 31 December.

(2) *Turnover*

Turnover comprises rental income and service charges receivable net of voids, fees and revenue grants from local authorities and Homes England, social housing grant amortisation, income from first tranche shared ownership sales, income from properties built for sale and income receivable from other sources. Company turnover is mainly comprised of corporate recharges to Group companies.

Rental income is recognised on the basis of the amount receivable for the year. Rental income received in advance is disclosed within creditors in the Statement of Financial Position.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(2) Turnover (continued)

The Group operates both fixed and variable service charge regimes depending on the scheme and tenure of property. Service charges under both regimes are initially budgeted based on estimates of the costs of service charge goods and services to be supplied.

Under the variable service charge regime, a reconciliation of the actual service charge goods and services carried out, versus the budget, is carried out in September each year, for the previous financial years' service charges, with any under or over recovery on a scheme-by-scheme basis apportioned and then debited or credited to each variable service charge property, and thus reflected as a debtor or creditor accordingly.

Service charge income is thus recognised on the basis of the amount receivable for the year based on estimated service charges, as well as the variable service charge adjustment for the previous year.

An element of the variable service charges for leaseholders relates to the replacement of components and major repairs for their block, which is held within sinking funds ring-fenced specifically for this use. These sinking funds are shown as creditors on the Statement of Financial Position.

Revenue grants are recognised within income in the same period as the related expenditure, provided that the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model.

Income from first tranche sales and properties built for open market sale is recognised when legal completion occurs.

(3) Housing properties

Housing properties completed prior to 1 April 2014 are stated at 'deemed cost' as permitted by the transitional arrangements of FRS 102 para 35.10d and are accounted for under the cost model. The valuation in place at the transition date, 1 April 2014, was deemed cost. This value is then depreciated each year, and stated at net book value which is equivalent to cost less depreciation. All housing properties acquired after 1 April 2014 are accounted for at cost, and then subsequently depreciated.

Completed housing properties are split between their land and structure costs and a specific set of major components that require periodic replacement. Refurbishment or replacement of such a component is capitalised and then depreciated on a straight line basis over the estimated useful economic life of the component as detailed in accounting policy 27.

A small number of staff flats included within property, plant and equipment are held at historic cost net book value as these units do not generate any rental cash flows.

Freehold land is not depreciated.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(3) *Housing properties (continued)*

Housing properties in the course of construction are stated at cost and are transferred to housing properties held for letting when completed. Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction.

(4) *Social housing grant and other capital grants*

Social housing grant (SHG) can be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met.

The net SHG received and not spent is included in current liabilities, taking into account all properties under construction. SHG allocated to lease properties is included in current liabilities and amortised over the lease term.

In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt. Other capital grants are also repayable under certain conditions and may be secured by first legal charge on the housing property.

Social housing grants received in the year are recognised in current and non-current liabilities based on the accrual model and are amortised over their useful life which is generally 80 years unless specific conditions apply.

(5) *Capitalisation of interest and development overheads*

Interest is capitalised on loans financing schemes in development up to the point of practical completion. This is calculated by reference to the Group's cost of borrowing and relevant development costs. Administration costs relating to development activities are capitalised based on an apportionment of the support costs directly incurred on this activity.

(6) *Other tangible fixed assets and depreciation*

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis, at rates considered appropriate to write off the assets over their effective working lives as detailed in accounting policy 29.

- Fixtures and fittings: Straight line basis over 3-15 years
- Commercial properties: Straight line basis over 30 years
- TECS equipment: Straight line basis over 3-5 years
- Computer equipment: Straight line basis over 3-5 years
- Office freehold properties: Straight line bases over 50-80 years
- Motor vehicles: Straight line bases over 5 years

(7) *Investment properties*

Investment properties are properties which are not social housing properties, which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(7) *Investment properties (continued)*

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income.

(8) *Pension scheme accounting*

The Group participates in the Lancashire County Council's Superannuation Fund and the Social Housing Pension Scheme defined benefit schemes. For current service, mandatory contributions to the defined benefit pension schemes are calculated as a percentage of the pensionable salaries of employees, determined in accordance with actuarial advice. The cost of providing pensions is charged to the period over which the Group benefits from the employee's service, in accordance with FRS102.

The valuation of defined benefit pension scheme obligations has a number of critical underlying assumptions, including standard rates of inflation, mortality, discount rates and anticipation of future salaries. Variation in these assumptions may significantly impact the net asset/liability and the annual expense.

Both schemes' assumptions and calculations are based on independent actuarial reviews. The board is satisfied that these assumptions are appropriate.

(9) *Major repairs and improvements*

Expenditure incurred relating to improvements, defined as an increase in the net rental stream or the life of a property in the SORP, is capitalised as components. The carrying amount of components replaced is written off to operating expenditure.

Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the Statement of Comprehensive Income in the period in which it is incurred.

(10) *Taxation*

The Group is liable to United Kingdom Corporation Tax. Where applicable, taxation is provided for at the rates prevailing at the Statement of Financial Position date and comprises of current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Provision is made for deferred tax in respect of timing differences that have originated but not reversed at the Statement of Financial Position date where an event has occurred that results in an obligation to pay more or less tax in future. Deferred tax is measured at the average tax rates that are expected to reverse, based on tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(10) Taxation (continued)

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

(11) Value Added Tax (VAT)

The Group is registered for VAT. A large proportion of its income, including rents, is exempt from VAT. Most of its expenditure is therefore subject to VAT which cannot be reclaimed and expenditure is therefore shown inclusive of VAT. Any VAT recovered under the partial exemption calculation is credited to the Statement of Comprehensive Income.

(12) Stock

Stock represents the share of unsold completed shared ownership properties, completed properties for outright sale, land held for development and for sale, van stock and work in progress on development in Concert Living Limited.

Shared ownership stock consists of both completed properties to be sold and work in progress. These elements are split between fixed assets and current assets, according to the proportion of the property that will be sold at first tranche.

Stock of properties for sale is held at the lower of cost and net realisable value.

(13) Bad and doubtful debts

The Group provides against rent arrears of current and former tenants and other trade debtors to the extent that they are considered to be irrecoverable.

(14) Operating leases

Rental payments on operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

(15) Interest payable and finance costs

Interest, agency fees, non-utilisation fees and consent fees are expensed within the financial year. Amortisation relates to loan arrangement fees which are written off over the period of the loan.

Interest is capitalised on loans financing schemes in the course of development as explained in accounting policy 5.

Also included within finance costs is interest in respect of the defined benefit pension schemes. A pension interest charge is included in respect of scheme liabilities.

(16) Housing loans

Housing loans are classified as creditors and are held at amortised cost using the effective rate of interest.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(17) Service charges and sinking funds

Where periodic expenditure is required a provision may be built up over the years, in consultation with residents. Until these costs are incurred this liability is held in the Statement of Financial Position within creditors. A separate bank account is used to hold these funds separately from the Group's bank accounts.

(18) First tranche shared ownership sales

The Group has adopted the accounting treatment in the SORP such that:

- shared ownership properties are split proportionally between current and fixed assets based on the first tranche sale proportion;
- first tranche sale proportions are accounted for as current assets and the related sales proceeds shown in turnover; and
- the remaining element of the shared ownership property is accounted for as a fixed asset so that any subsequent sale is treated as a part disposal of a fixed asset.

(19) Designated reserves

The designated reserves are in respect of Key Unlocking Futures Limited, a charitable subsidiary. The designated funds cover redundancy, sickness and running costs for a level of three to six months in accordance with its reserves policy.

(20) Properties managed on behalf of others

All income and expenditure relating to the management of properties for other agencies is included in the Statement of Comprehensive Income. The assets and liabilities relating to this income and expenditure are included in the Statement of Financial Position.

(21) Properties managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income. Where the agency carries the majority of the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Statement of Financial Position.

(22) Supporting People

Supporting People (SP) contract income is received from Administering Authorities, plus support charges to individual tenants. When accounted for as part of rent, the income is shown as "charges for support services" in income from social housing lettings. The related costs are shown as "support expenditure" in expenditure from social housing lettings.

If the charges to individuals are not dealt with as part of rent, the income and related costs are shown as "charges for support services" in other social housing activities.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(22) *Supporting People (continued)*

SP contract income received from Administering Authorities and not dealt with as part of rent is shown as “charges for support services” in other social housing activities.

(23) *Impairment of fixed assets*

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

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset’s remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

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

(24) *Joint venture accounting*

The Group includes a third share of LiLAC, which is a joint venture contracted through a PFI arrangement. To account for this, a third share of LiLAC’s assets and liabilities are recognised as an investment balance in the Group consolidated financial statements.

(25) *Service concession arrangements*

The Group elected to take the ‘first time adopter’ exemption permitted by para 35.10(i) of FRS 102 to continue to account for Service Concession Arrangements that were in existence at the date of transition, under the pre 1 April 2014 UK GAAP methodology.

(26) *Financial instruments*

All financial instruments other than the interest rates swaps meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 and are accounted for in the statement of financial position at gross proceeds less the cost of raising funds that are amortised over the life of the loan. These include bank loans and other capital debt.

Hedging

The Group’s interest rate swaps meet the criteria of non-basic financial instruments as defined in section 12 of FRS 102. They are recognised on the Statement of Financial Position and are measured at fair value at each reporting date.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(26) *Financial instruments (continued)*

Hedging (continued)

The Group has designated some of its interest rate swaps as hedges against existing drawn floating rate debt. To the extent the hedge is effective movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness are recognised in income and expenditure.

Any interest rate swaps that do not have a documented economic relationship against existing drawn floating rate debt are not eligible for hedge accounting and therefore fair value movements are recognised in income and expenditure.

(27) *Depreciation of housing properties – components*

Components of housing properties are depreciated on a straight line basis over their useful economic lives at the following rates, determined by the length of time the individual component will be used before it is replaced:

Structure:	shorter of 80 years or the remaining length of the lease
Rewires:	40 years
Kitchen:	10-20 years
Bathrooms:	15-30 years
Boilers:	15 years
Heating system:	30 years
Windows and doors:	30 years
Lifts:	25 years
Photo voltaic installations:	25 years
Unadopted roads:	80 years
Septic Tanks	30 years
External Wall Insulation	30 years

The useful lives are determined by reviewing stock condition survey data and component replacement cycles, and also through regular benchmarking of the industry.

(28) *Significant judgements and estimates*

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration 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.
- The measurement basis to determine the recoverable amount of assets where there are indicators of impairment. Factors taken into consideration include the value of the asset in use and the depreciated replacement cost.
- The anticipated costs to complete development schemes. These are based on anticipated construction costs, the effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale, is determined. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

(28) Significant judgements and estimates (continued)

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation, such as standard rates of inflation, mortality, discount rate and anticipated future salary increases.
- Whether leases entered into by the Group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.
- The basis of the bad debt provision, which considers the age of the debts.

Other key sources of estimation and assumptions

- 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 periodically 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.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**2 Turnover, operating expenditure and operating surplus**

Group Consolidated	2025			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£'000	£'000	£'000	£'000
Social housing lettings (note 3a)	105,334	-	(84,852)	20,482
Other social housing activities				
Charges for support services (note 3b)	474	-	(579)	(105)
First tranche shared ownership sales	5,493	(4,316)	-	1,177
Activities other than social housing (note 3c)				
Lettings	5,480	-	(4,595)	885
Progress Lifeline services	7,137	-	(7,383)	(246)
Development for outright sale	2,636	(2,746)	(2,399)	(2,509)
Other	1,544	-	(649)	895
Total	128,098	(7,062)	(100,457)	20,579
Gain on disposal of property, plant and equipment (note 6)				444
Total				21,023

	2024			
	Turnover	Cost of sales	Operating expenditure	Operating surplus/(deficit)
	£'000	£'000	£'000	£'000
Social housing lettings (note 3a)	98,846	-	(83,429)	15,417
Other social housing activities				
Charges for support services (note 3b)	518	-	(657)	(139)
First tranche shared ownership sales	3,665	(2,679)	-	986
Activities other than social housing (note 3c)				
Lettings	5,089	-	(4,391)	698
Progress Lifeline services	6,701	-	(8,015)	(1,314)
Development for outright sale	5,421	(5,114)	(1,707)	(1,400)
Other	1,408	-	(635)	773
Total	121,648	(7,793)	(98,834)	15,021
Gain on disposal of property, plant and equipment (note 6)				21
Total				15,042

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

2 Turnover, operating expenditure and operating surplus (continued)

Company	2025		
	Turnover	Operating expenditure	Operating surplus
	£'000	£'000	£'000
Activities other than social housing (note 3c)			
Lettings	48	(9)	39
Other	13,502	(12,745)	757
Total	13,550	(12,754)	796
Loss on disposal of property, plant and equipment (note 6)			(1)
Total			795

	2024		
	Turnover	Operating expenditure	Operating surplus
	£'000	£'000	£'000
Activities other than social housing (note 3c)			
Other	13,867	(13,591)	276
Loss on disposal of property, plant and equipment (note 6)			-
Total			276

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**3(a) Income and expenditure from social housing lettings**

Group consolidated	General needs	Housing for older people	Supported housing	Shared ownership	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable net of identifiable service charges	31,028	6,347	50,556	1,446	89,377	82,500
Service charge income	665	1,838	11,078	160	13,741	13,923
Charges for support services	-	314	20	-	334	301
Amortised government grants	30	-	40	31	101	333
Void guarantee and revenue grants	10	-	1,445	-	1,455	1,499
Other income	127	31	163	5	326	290
Turnover from social housing lettings	31,860	8,530	63,302	1,642	105,334	98,846
Expenditure						
Management costs	(4,604)	(729)	(8,925)	(214)	(14,472)	(13,457)
Service charge and support costs	(987)	(2,371)	(11,516)	(103)	(14,977)	(15,702)
Routine maintenance	(6,443)	(1,592)	(8,345)	(77)	(16,457)	(14,820)
Planned maintenance	(1,374)	(431)	(1,400)	(9)	(3,214)	(3,797)
Major repairs expenditure	(2,517)	(811)	(3,524)	(20)	(6,872)	(7,032)
Bad debts	(150)	(28)	(139)	-	(317)	(640)
Property operating lease charges	-	-	(13,211)	-	(13,211)	(12,916)
Depreciation of housing properties	(5,656)	(1,156)	(4,047)	(241)	(11,100)	(10,334)
Impairment released / (charged) on housing properties	41	25	32	-	98	250
Other costs	(1,147)	(233)	(2,949)	(1)	(4,330)	(4,981)
Operating costs on social housing lettings	(22,837)	(7,326)	(54,024)	(665)	(84,852)	(83,429)
Operating surplus on social housing lettings	9,023	1,204	9,278	977	20,482	15,417
Void losses (included within turnover)	(309)	(101)	(6,709)	-	(7,119)	(6,921)

Other costs include £2.4m of development costs that cannot be capitalised (2024: £2.7m) and £1.2m of council tax costs (2024: £1.3m).

A number of the void losses above are subject to agreements where the Group is compensated for its losses, either by way of charges to third parties or by deductions in lease rent payable. These amounts, which are not included in the void losses above, totalled £2.8m (2024: £2.7m).

Impairment charges include impairment of previously revalued housing properties. There is a transfer to revaluation reserves of £0.1m (2024: £nil) which appears as a credit in the Statement of Changes in Reserves. The impairment on a historic cost basis is (£0.1m) (2024: (£0.3m)) due to the reversal of prior impairment charges that are no longer deemed necessary upon review.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**3(b) Turnover from other social housing activities**

	Group	
	2025	2024
	£'000	£'000
Other		
Support services contract income	474	518
Total	474	518

3(c) Turnover from non-social housing activities

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Lettings				
Key worker accommodation	4,967	4,647	-	-
Other rented	445	371	48	-
Commercial properties	68	71	-	-
	5,480	5,089	48	-
Other				
Progress Lifeline services	7,137	6,701	-	-
Support services for young people	1,179	945	-	-
Corporate services provided to other group companies	-	-	13,277	13,512
Lease income	200	233	-	-
Development for outright sale	2,636	5,421	-	-
Other	165	230	226	355
	11,317	13,530	13,503	13,867

4 Accommodation in management**Group consolidated**

	General needs - social rent No.	General needs - affordable rent No.	Low cost home ownership No.	Supported housing No.	Intermediate rent No.	Other No.	Total No.
Opening unit numbers	4,281	923	384	5,466	54	836	11,944
New stock acquired	17	70	24	25	-	-	136
New stock into management	-	-	-	23	-	-	23
Other gains	1	-	-	17	1	-	19
Sales to open market	-	-	-	(9)	-	-	(9)
Sales to tenants freehold	(4)	-	(2)	-	-	-	(6)
Other losses	(3)	-	-	(100)	-	-	(103)
Movement within categories	10	-	-	(11)	-	1	-
Net change to stock	21	70	22	(55)	1	1	60
Closing units numbers	4,302	993	406	5,411	55	837	12,004

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**4 Accommodation in management (continued)**

Supported housing units represent the number of tenancies, rather than the number of properties, as some properties are shared by multiple tenants.

5 Surplus for the year

		Group		Company	
	Note	2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Is stated after charging/(crediting):					
Auditor's remuneration (excluding VAT)					
In their capacity as auditors		117	115	22	22
In respect of other services		2	4	-	-
Depreciation of tangible fixed assets					
- Housing properties		11,994	11,216	-	-
- Other fixed assets		1,614	1,607	667	690
Amortisation of intangible fixed assets		-	42	-	-
Impairment of tangible fixed assets					
- Impairment of housing properties	3a	(98)	(250)	-	-
- Impairment recognised in the SOCI		113	17	-	-
- Reversal of impairment recognised in the SOCI		(211)	(267)	-	-
Impairment of intangible fixed assets					
- Impairment of goodwill		-	116	-	-
Impairment of current assets					
- Impairment of land, stock of completed properties and work in progress		2,095	583	-	-
Hire of other assets - operating leases					
- Housing properties		13,211	12,916	-	-
- Other fixed assets vehicles		968	1,068	-	-

6 Gain/(loss) on disposal of property, plant and equipment

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Sale proceeds	1,226	1,095	-	-
Cost of disposals	(715)	(863)	(1)	-
Operating costs associated with sales	(67)	(211)	-	-
Gain/(loss) on disposals	444	21	(1)	-

Impairment charges of £0.3m (2024: £0.2m) have been released in the year on housing property disposals. The gain on disposal is split between housing properties of £355k (2024: £19k) and other assets £89k (2024: £2k).

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**7 Interest receivable**

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank interest receivable	188	165	41	57
Interest received on derivative financial instruments	246	85	-	-
Interest receivable on loans to group companies	-	-	21	68
Interest on loan to joint venture company	207	207	-	-
Pension scheme finance credit	966	752	406	319
	1,607	1,209	468	444

8 Interest payable and financing costs

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank loans	8,674	7,291	-	-
Other loans	2,643	2,643	-	-
Amortisation of loan issue costs	364	155	-	-
Pension scheme finance cost	74	62	41	35
Recycled capital grant fund	-	4	-	-
Loan remeasurement	-	(1,508)	-	-
	11,755	8,647	41	35
Less : interest capitalised	(1,036)	(683)	-	-
	10,719	7,964	41	35

Amortisation of loan issue costs include £253k of arrangement fees that are an expense arising from the derecognition of a loan facility.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**9 Taxation on surplus on ordinary activities****(a) Analysis of the charge in the period**

The tax charge on the surplus/(deficit) on ordinary activities for the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Current tax:				
UK corporation tax charge for the year	-	(15)	129	147
Total current tax	-	(15)	129	147
Deferred tax:				
Origination and reversal of timing differences	525	(253)	108	164
Tax on surplus/(deficit) on ordinary activities	525	(268)	237	311

(b) Factors affecting tax charge for the period

Surplus/(deficit) on ordinary activities before tax	12,098	8,308	681	(215)
Surplus/(deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	3,025	2,077	170	(54)
Effects of:				
Profits arising in charitable activities	(3,323)	(2,631)	-	-
Items not allowable for tax purposes	-	8	-	8
Other timing differences	-	-	-	-
Change in tax rates	-	-	-	-
Fixed asset differences	7	-	7	-
Non-taxable adjustments arising on consolidation	(226)	146	-	-
Adjustments in respect of prior periods	(85)	7	(85)	7
Movement in deferred tax not recognised	1,127	-	-	-
Impairment on investments	-	125	-	125
Intercompany write off	-	-	145	225
	525	(268)	237	311

(c) Factors that may affect future tax changes

A deferred tax liability has been recognised on the Group's fixed assets, primarily IT assets, pensions, and other temporary timing differences including provisions.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**10 Tangible fixed assets – housing properties**

	Housing properties completed £'000'	Housing properties Under construction £'000'	Shared ownership completed £'000'	Shared ownership Under construction £'000'	Total £'000
Cost					
At 1 April 2024	716,987	31,518	23,829	4,287	776,621
Additions	12,310	31,349	67	4,704	48,430
Transferred on completion	19,006	(19,006)	4,143	(4,143)	-
Disposals	(3,261)	-	(107)	-	(3,368)
As at 31 March 2025	745,042	43,861	27,932	4,848	821,683
Depreciation					
At 1 April 2024	151,878	-	1,066	-	152,944
Charge for the year	11,175	-	242	-	11,417
Depreciation on disposals	(1,826)	-	(7)	-	(1,833)
Impairment charge for the year	(98)	-	-	-	(98)
Impairment released on disposals	(288)	-	-	-	(288)
As at 31 March 2025	160,841	-	1,301	-	162,142
NBV					
As at 1 April 2024	565,109	31,518	22,763	4,287	623,677
As at 31 March 2025	584,201	43,861	26,631	4,848	659,541

The value of secured properties (including charged to third parties) £458.1m (2024: £521.0m).

Completed housing properties above includes £21.6m of assets (2024: £21.4m) which are not considered to be social housing properties. These assets consist of key worker accommodation £17.8m (2024: £18.3m) and other rented £3.8m (2024: £3.1m). The related rental income of these properties is presented as 'non-social housing income' as the rent falls outside of the usual rent setting. They are not however investment properties as the nature of their arrangements still fits the definition of social benefit and therefore it is appropriate to account for these assets at historic cost.

During the year income received relating to the capital components totalling £135k (2024: £82k), of which £52k was from Westmorland & Furness Council, and £83k was from the Lancashire Consortium, as part of the social housing decarbonisation fund (SHDF).

The above cost in respect of housing properties and shared ownership completed comprises:

	Housing properties completed		Shared ownership completed	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Freehold properties	532,958	512,335	25,972	22,096
Long-leasehold properties	51,031	52,625	659	667
Short-leasehold properties	212	149	-	-
Total	584,201	565,109	26,631	22,763

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**10 Tangible fixed assets – housing properties (continued)**

	2025 £'000	2024 £'000
Most recent Existing Use Value for Social Housing (EUV-SH) as at 31 March 25	<u>749,813</u>	<u>666,558</u>

The above EUV-SH valuation figure includes key worker accommodation at £28.4m (2024: £29.7m) and other rented at £3.9m (2024: £4.3m).

Capital additions include £1.0m (2024: £0.7m) of interest capitalised at an average of 3.75% in the year (2024: 3.75%). Property costs include an apportionment of development staff time directly spent on the administration of development activities amounting to £1.0m (2024: £0.8m) and on in-house legal costs amounting to £0.7m (2024: £0.8m).

Major repairs, renewals and improvements

	2025 £'000	2024 £'000
Capitalised components	9,030	8,136
Capitalised structure	3,170	1,932
Charged to revenue	<u>7,291</u>	<u>7,291</u>
Total major repairs revenue and capital	<u>19,491</u>	<u>17,359</u>

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**11 Tangible fixed assets - other****Group consolidated**

	Commercial and office properties						
	Leasehold	Freehold	Fixtures & fittings	Computer hardware & software	Plant & machinery	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	1,805	4,498	5,192	6,291	330	40	18,156
Additions	6	185	790	329	11	1	1,322
Disposals	-	(81)	(235)	(349)	-	(41)	(706)
Reclassification of assets	-	-	128	213	(341)	-	-
At 31 March 2025	1,811	4,602	5,875	6,484	-	-	18,772
Depreciation							
At 1 April 2024	577	1,087	2,288	4,391	330	35	8,708
Charge for the year	177	122	759	554	11	4	1,627
Depreciation on disposals	-	(81)	(194)	(348)	-	(39)	(662)
Reclassification of assets	-	-	128	213	(341)	-	-
At 31 March 2025	754	1,128	2,981	4,810	-	-	9,673
Net book value							
At 1 April 2024	1,228	3,411	2,904	1,900	-	5	9,448
At 31 March 2025	1,057	3,474	2,894	1,674	-	-	9,099

The reclassification of asset relates to changes in Reside Housing Association. Assets have been reclassified from plant & machinery to fixtures & fittings and computer hardware & software.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**11 Tangible fixed assets – other (continued)**

<u>Company</u>	Other equipment	Office properties	Fixtures & fittings	Computer hardware & software	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2024	251	1,344	389	6,290	8,274
Additions	-	200	25	331	556
Disposals	-	(80)	(22)	(248)	(350)
At 31 March 2025	251	1,464	392	6,373	8,480
Depreciation					
At 1 April 2024	171	394	150	4,390	5,105
Charge for the year	51	26	36	555	668
Depreciation on disposals	-	(81)	(22)	(246)	(349)
At 31 March 2025	222	339	164	4,699	5,424
Net Book Value					
At 1 April 2024	80	950	239	1,900	3,169
At 31 March 2025	29	1,125	228	1,674	3,056

Commercial and office properties, fixtures and fittings, computer hardware and software and other equipment are held at cost less accumulated depreciation.

12 Investment properties

	Group		Company	
	Investment properties completed 2025	Investment properties completed 2024	Investment properties completed 2025	Investment properties completed 2024
	£'000	£'000	£'000	£'000
Valuation				
At 1 April 2024	4,141	3,152	1,110	-
Additions	1,261	1,062	1,446	1,110
Reclassification of Asset	-	(69)	-	-
Movement in fair value / Revaluation	52	(4)	40	-
At 31 March 2025	5,454	4,141	2,596	1,110

The investment property portfolio has been valued in the year by Jones Lang Lasalle and Parkinson Real Estate (both professional external valuers). The valuations are based on market value and were undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation, Global Standards 2020 (RICS Global Red Book). This involved the assessment of market conditions and movements in market values in similar geographical areas and similar build and structure.

The investment property additions in year relate to 4 market rent units purchased from Concert Living, cumulative total of £2.6m.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**13 Fixed asset investments**

The Company holds a £500,000 fixed asset investment in Concert Living Limited (note 30). Although the investment is still in place, the asset value in the Company is nil as it was fully impaired during 2023/2024.

14 Investment in ordinary shares of joint venture

Group	2025 £'000	2024 £'000
Share of net assets / (liabilities)	536	(49)
Subordinated debt loaned to joint venture company	1,722	1,722
Provision for share of assets	2,258	1,673
Share of profit on ordinary activities after tax	196	89
Share of other comprehensive income/(losses)	390	(123)

Progress Housing Association Ltd holds 33.3% (£333) of the equity share capital of Leeds Independent Living Accommodation (Holdings) Limited a Private Finance Initiative commissioned by Leeds City Council to fund the reprovision of accommodation for people with learning difficulties and autism to live independently. This is a joint venture with two other shareholders, Civic PFI Investments Limited and Jack Lunn (Properties) Limited, each holding 33.3% of the equity share capital.

The Group has recognised an asset for its investment in Lilac and its share of Lilac's net assets.

15 Other provisions

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At the start of the year	13	45	-	-
Released in the year	(3)	(30)	-	-
Transfer (to)/from Statement of Comprehensive Income	39	(2)	-	-
At 31 March	49	13	-	-

The closing balance relates to a Shared ownership essential repairs provision (£39k) and an onerous lease provision (£10k), comprising of one leased in property due to expire in 2028.

16 Debt forgiveness (Company)

During the year Progress Housing Group agreed to write off loans to Concert Living to the value of £0.6m (2024: £0.9m).

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**17 Stock**

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Property services - van stock	279	244	-	-
Completed properties held for sale	2,168	3,558	-	-
Land held for sale	6,958	7,226	-	-
Work in progress on properties held for sale	1,517	4,835	-	-
	10,922	15,863	-	-

18 Debtors

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year :				
Rent and service charge arrears	5,656	5,033	-	5
Less provision for rental bad debts	(1,277)	(1,262)	-	(5)
	4,379	3,771	-	-
Trade debtors	1,847	1,990	2	19
less provision for sundry and trade debtor bad debts	(425)	(444)	(2)	(2)
Amounts owed by group companies	-	-	577	694
Loans owed by group companies	-	-	-	298
Prepayments and accrued income	5,201	5,176	1,523	1,644
Fair value of derivative financial instruments	156	362	-	-
Other debtors	316	291	71	57
Grants receivable	1,451	187	-	-
	8,546	7,562	2,171	2,710
Total debtors excluding deferred tax	12,925	11,333	2,171	2,710
Deferred tax				
Deferred tax - pension asset	-	-	-	-
Deferred tax - fixed asset and other timing differences	-	418	-	-
Total debtors	12,925	11,751	2,171	2,710

Loans owed by group companies are repayable on demand and interest is charged at 6% and paid quarterly in arrears.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**19 Current asset investments**

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deposits held for leasehold schemes	279	270	-	-
	279	270	-	-

20 Creditors: amounts falling due within one year

		Group		Company	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Bank balances		16	-	-	-
Loans	22	8,828	8,413	-	-
Obligations under finance leases	22	29	50	29	50
Rent and service charge received in advance		1,943	1,950	3	-
Trade creditors		4,726	898	328	7
Accruals and deferred income		12,545	12,823	894	1,430
Government grants relating to assets	22	449	385	-	-
Corporation tax		108	147	108	147
Other current liabilities		600	542	396	331
Recycled capital grant fund	21	-	46	-	-
Employer liabilities		941	939	295	289
Sinking funds for planned maintenance		333	301	-	-
Deferred tax		161	111	161	111
		30,679	26,605	2,214	2,365

Sinking funds are deposits held in a separate interest bearing account for any planned maintenance required to leasehold properties, collected through service charges.

21 Recycled capital grant fund

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April	203	124	-	-
Grants recycled	2	75	-	-
Interest accrued	-	4	-	-
Recycling of grant	(203)	-	-	-
At 31 March	2	203	-	-
Amount of grant due for repayment	-	-	-	-
Due within 1 year	-	46	-	-
Due after 1 year	2	157	-	-

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**22 Creditors: amounts falling due after more than one year**

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Housing loans	283,642	273,300	-	-
Obligations under finance leases	-	29	-	29
Government grants	43,134	31,026	-	-
Recycled capital grant fund	2	157	-	-
	326,778	304,512	-	29

Maturity of debt

		Group		Group	
		Bank loans		Other loans	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Repayable in instalments:					
Within one year	20	8,828	8,413	-	-
Between one and two years		9,263	8,828	-	-
Between two and five years		42,672	59,210	-	-
After five years		133,199	106,424	100,000	100,000
		185,134	174,462	100,000	100,000
Less loan issue costs		(752)	(688)	(740)	(474)
Amounts falling due after more than one year		184,382	173,774	99,260	99,526
Total housing loans		193,210	182,187	99,260	99,526

The Company does not hold bank and building society loans or housing loans.

Housing Loans are secured by fixed charges on the individual properties. The loans payable by instalments are repaid annually at fixed or variable rates of interest ranging from 0.91% to 5.02% (2024: 0.91% to 5.79%). The final instalments fall to be repaid in 2037. Loans not repayable by instalments are interest only at varying fixed or variable rates from 2.57% to 5.6% (2024: 2.57% to 6.34%). The principal falls due to be repaid in the period 2028 to 2058.

To manage its interest rate risk, the Group has entered into floating to fixed interest rate swaps with a notional value of £20m (2024: £20m). Of these derivative financial instruments, swaps with a notional value of £16.2m (2024: £16.2m) are accounted for as a cash flow hedge – see note 23.

At 31 March 2025 the Group has committed undrawn facilities of £42.1m (2024: £56.0m) and uncommitted undrawn facilities of £64.4m (2024: £nil).

Reserves in the Statement of Financial Position include £123.4m (£81.2m at transition to FRS102 1 April 2014) of Financial Assistance and Government Grants. £1.8m has been recognised in the Statement of Comprehensive Income since transition to FRS102 (2024: £1.7m).

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**22 Creditors: amounts falling due after more than one year (continued)****Obligations under finance leases**

	Note	Group		Company	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Repayable in instalments:					
Within one year	20	29	50	29	50
Between one and two years		-	29	-	29
Total lease obligations		29	79	29	79

Government grants relating to housing assets

	Note	Group	
		2025	2024
		£'000	£'000
At 1 April		31,411	24,700
Grants receivable		12,273	7,043
Amortisation to Statement of Comprehensive Income		(101)	(332)
		12,172	6,711
At 31 March		43,583	31,411
Due within one year	20	449	385
Due after one year	22	43,134	31,026

Grants due after one year includes £18.6m in respect of assets under construction (2024: £4.7m).

Total accumulated social housing grant received or receivable at 31 March

	Note	2025	2024
		£'000	£'000
Recognised in the Statement of Comprehensive Income		1,777	1,676
Held as Deferred Income		43,583	31,411
At 31 March		45,360	33,087

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

23 Derivative financial instruments

	Note	2025 £'000	2024 £'000
Debtors			
Derivatives designated as hedges	18	259	426
Derivatives not designated as hedges	18	(103)	(64)
At 31 March		156	362

The Group has two interest rate swaps with an aggregate notional value of £20m, maturing on 22 December 2028. A swap for £16.2m has an economic relationship documented and hedged against a term floating loan. A swap for £3.8m does not have an economic relationship documented and is not eligible for hedge accounting.

Derivatives not designated as hedges are £103k (2024: £64k including (£132k) hedge ineffectiveness on the £16.2m swap recognised at inception and £68k fair value movement on the £3.8m swap).

24 Non-equity share capital

<u>Group consolidated and Company</u>	2025 £	2024 £
Allotted issued and fully paid:		
At 1st April	11	10
Issued during the year	2	3
Surrendered during the year	(2)	(2)
At 31st March	11	11

The shareholders do not have a right to any dividend or distribution upon winding-up. Each shareholder has full voting rights and £1 non-equity shares.

Two shareholders ceased to hold shares in 2024/25 as they stepped down from their roles as members of the board. Two shares were issued to newly appointed members of the board.

25 Capital commitments

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Capital expenditure contracted but not provided for in the financial statements	31,896	37,447	-	-
Capital expenditure that has been authorised by the board but has not yet been contracted for	3,290	6,837	-	-
	35,186	44,284	-	-

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**25 Capital commitments (continued)**

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Expected to be financed with:				
Grants	2,850	7,154	-	-
Committed loan facilities and free cash flow	32,336	37,130	-	-
	35,186	44,284	-	-

Commitments for payables and receivables in relation to non-cancellable operating leases are analysed below:

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Housing, land & buildings				
Leased from external bodies				
Not later than 1 year	5,417	6,311	20	5
Later than 1 year and not later than 5 years	6,059	7,051	23	-
More than 5 years	3,438	2,945	-	-
	14,914	16,307	43	5

	Group	
	2025	2024
	£'000	£'000
Leased to external bodies		
Not later than 1 year	333	304
Later than 1 year and not later than 5 years	490	675
More than 5 years	12	25
	835	1,004

	Group	
	2025	2024
	£'000	£'000
Other leases		
Leased from external bodies		
Not later than 1 year	728	869
Later than 1 year and not later than 5 years	331	1,018
	1,059	1,887

All leases contain permitted user clauses which limits the use to that permitted by the lease. Under FRS102 20.30c, the Group does not have any significant leasing arrangements or unusual or material restrictions.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

26 Emoluments of the board and the directors

Analysis of non-executive director emoluments

	2025 £'000	2024 £'000
Non executives remuneration (including expenses) £6k (2024 : £4k)	193	157

The Group provides emoluments to non-executive directors. During the year there were no benefits, other than wages and salaries and travel as part of the normal course of business payable to non-executive directors. Details on individual non-executive director remuneration can be obtained from the Group's website.

Analysis of directors' emoluments

	2025 £'000	2024 £'000
The directors of the Group are its members and the executive officers. All emoluments are contained in the Company.		
Emoluments of the Group's directors including pension contributions	922	836
Emoluments of the Group's directors excluding pension contributions	825	748
Emoluments of the Group Chief Executive, who was the highest paid director, excluding pension contributions	238	225

There are no other individual pension arrangements to which the Group makes a contribution on behalf of the Group Chief Executive.

27 Employee information

	Group		Company	
	2025 No.	2024 No.	2025 No.	2024 No.
The average number of full time equivalent persons employed during the year was:	706	724	147	143

Full time equivalents are calculated based on a standard working week of 36.25 hours for all employees except for 39 hours for property services employees and 36.5 hours for Key Unlocking Futures Limited employees.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**27 Employee information (continued)****Employee costs (for the above persons)**

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Wages & salaries	28,056	27,574	7,375	6,909
Social security costs	2,677	2,570	767	711
Other pension costs	2,119	2,087	645	610
	32,852	32,231	8,787	8,230

Group: wages and salary cost includes £0.04m (2024: £0.2m) of restructuring costs.

The key management personnel comprise the executive and non executive directors. The total employee benefits of the key management personnel were £1.1m (2024: £1.0m).

Remuneration bandings for all employees earning over £60,000

	Group		Company	
	2025	2024	2025	2024
£60,000 - £70,000	21	19	10	5
£70,001 - £80,000	4	9	2	6
£80,001 - £90,000	6	6	5	3
£90,001 - £100,000	6	3	3	2
£100,001 - £110,000	2	6	2	4
£110,001 - £120,000	2	1	2	-
£120,001 - £130,000	1	-	-	-
£140,001 - £150,000	-	1	-	1
£150,001 - £160,000	1	2	1	2
£160,001 - £170,000	2	1	2	1
£170,001 - £180,000	1	1	1	1
£180,001 - £190,000	1	1	1	-
£220,001 - £230,000	-	1	-	1
£230,001 - £240,000	1	-	1	-
	48	51	30	26

Remuneration for the above includes salaries, pension, bonuses, benefits in kind and compensation for loss of office. The remuneration bandings for employees earning over £60,000 includes the directors disclosed in note 26.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**28 Cash flow statement**

	Note	31 March 2024 £'000	Cash flow £'000	Other non cash changes £'000	31 March 2025 £'000
Analysis of net debt					
Cash in hand, at bank and overdrafts		6,309	3,126	-	9,435
Current asset investments	19	270	9	-	279
Obligations under finance leases	22	(79)	50	-	(29)
Housing loans	22	(281,713)	(10,426)	(330)	(292,469)
Total		(275,213)	(7,241)	(330)	(282,784)

Other changes relate to amortisation of borrowing costs £0.3m (2024: £1.5m).

29 Related party transactions

The Group adopted the National Housing Federation Model Rules in April 2016, which removed constituency group representation on its boards of management. Therefore, at the end of the financial year there were no members of the boards who are tenants of the Group (2024: nil). The Group does not report any intercompany transactions under the exemption 33.1a of FRS 102. The membership of Concert Living Limited board by the Group Chief Executive and Executive Director (Finance & Corporate Services) does not amount to a disclosable related party transaction under clause 33.4 of FRS102.

During the year the Group and Company had the following intra-group transactions with non-regulated entities:

Purpose	Payment from:	Payment to:	Transactions		Balance owed at year end	
			2025 £'000	2024 £'000	2025 £'000	2024 £'000
Recharge of service costs incurred on behalf of subsidiary companies	Concert Living Ltd	Progress Housing Group Ltd	22	86	-	14
	Key Unlocking Futures Ltd	Progress Housing Group Ltd	40	40	3	3
Support (see below)	Progress Housing Association Ltd	Key Unlocking Futures Ltd	383	429	17	37
Loan	Progress Housing Group Ltd	Concert Living Ltd	284	449	-	298
Loan repayment and write off	Concert Living Ltd	Progress Housing Group Ltd	581	900	-	-
Interest on loan	Concert Living Ltd	Progress Housing Group Ltd	21	52	-	-

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

29 Related party transactions (continued)

Related party transactions between Progress Housing Association Ltd and Key Unlocking Futures Ltd consist of critical tenancy support, a community development project and management fees associated with single homeless schemes, refuges and income collection.

30 Parent undertakings and Group transactions

The Group comprises the following bodies which are 100% wholly owned subsidiaries:	No of shares held	Principal activity
Progress Housing Group Limited	N/A	Provision of corporate services and development
Progress Housing Association Limited	1	Provision of social housing, supported housing, key worker accommodation, property maintenance and Technology Enabled Care Services
Reside Housing Association Limited	1	Provision of supported housing
Key Unlocking Futures Limited	N/A	Charitable entity providing support for families and the homeless
Concert Living Limited	500,000	Development of homes for outright sale
New Progress Housing Association Limited (Previously PHA (1) Limited and Progress Housing Association Limited)	N/A	Dormant company

The Parent company has the ability to appoint and dismiss subsidiary directors.

Key Unlocking Futures Limited is incorporated as a company limited by guarantee without share capital incorporated under the Companies Act 2006 and is a registered charity under the Charities Act 2011.

31 Pension obligations

The Group participates in two pension schemes, Lancashire County Council's Superannuation Fund (LCC) and the Social Housing Pension Scheme (SHPS) administered by the Pensions Trust. The LGPS is a defined benefit scheme and SHPS has both defined benefit streams and defined contribution streams within its scheme, detailed regulations govern the rates of pension contribution by both employees and the Group. Benefits are normally in the form of a lump sum retirement grant plus an annual pension.

As a responsible employer, the Group proactively manages the defined benefit pension schemes whilst ensuring the pension offered is competitive, through closing defined benefit pension schemes to new membership, increasing employer contributions beyond those actuarially assessed and making additional lump sum payments where indicated by actuarial assessment.

For defined benefits LGPS employer's contributions are based on percentages of employees' earnings as recommended by the actuary of the fund in his valuation.

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**31 Pension obligations (continued)**

The ability of the pension funds to provide statutory benefits is assessed every three years by an independent professionally qualified actuary, and employer's contributions are reviewed in light of the actuary's report.

	Group	Company	Group	Company
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Net pension liabilities:				
Lancashire County Pension Fund	-	-	-	-
Social Housing Pension Scheme	957	518	1,708	953
	957	518	1,708	953

Actuarial gains/(losses):

Lancashire County Pension Fund	(1,072)	(440)	(837)	(345)
Social Housing Pension Scheme	368	209	(567)	(318)
	(704)	(231)	(1,404)	(663)

Lancashire County Council's Pension Fund

The most recent full actuarial valuation of the fund was as at 31 March 2022, the results of which were:

Valuation method	Projected unit
Value of assets	£10,712 million

The Group's employer's contributions to the fund during the year were 22.8% of pensionable salary in the year, and amounted to £219k. The following table details the numbers of staff who are members of the fund.

	Employers' contributions		No. staff	
	2025	2024	2025	2024
	£'000	£'000	Number	Number
Progress Housing Association	455	492	52	55
Progress Housing Group	219	211	17	17
Total Group	674	703	69	72

Actuarial assumptions	2025	2024
Rate of CPI Inflation	2.60%	2.70%
Rate of increase in salaries	4.10%	4.20%
Rate of increase in pensions	2.70%	2.80%
Discount rate	5.80%	4.90%

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**31 Pension obligations (continued)****Lancashire County Council's Pension Fund (continued)**

Asset information - Group	Market Value at 31 March 2025 £'000	% Split of Assets %	Market Value at 31 March 2024 £'000	% Split of Assets %
Equities	70	0.1%	67	0.1%
Other bonds	68	0.1%	68	0.1%
Property	826	1.2%	882	1.3%
Cash/liquidity	1,031	1.5%	1,222	1.8%
Other (includes credit funds, overseas pooled & private equity funds, infrastructure)	66,786	97.1%	65,616	96.7%
Total market value of assets	68,781	100.0%	67,855	100.0%
Present value of scheme liabilities	(42,468)		(48,462)	
Net pension asset	26,313		19,393	
Asset restriction	(26,313)		(19,393)	
Net pension asset/(liability) before tax asset	-		-	

The following disclosures relate to the Group and Company

Balance Sheet Items as at 31 March 2025	Group 2025 £000's	Company 2025 £000's	Group 2024 £000's	Company 2024 £000's
Present value of funded benefit obligations	42,439	16,426	48,426	18,696
Present value of unfunded benefit obligations	29	-	36	-
Total present value of benefit obligations	42,468	16,426	48,462	18,696
Fair value of plan assets	(68,781)	(27,295)	(67,855)	(26,876)
(Surplus) before deferred tax asset	(26,313)	(10,869)	(19,393)	(8,180)
Components of pension cost for period to 31 March	2025	2025	2024	2024
Current service cost	561	180	605	180
Net interest cost	(966)	(406)	(752)	(319)
Admin expenses	18	6	19	6
Total pension cost recognised in Income & Expenditure	(387)	(220)	(128)	(133)

Statement of recognised total recognised surpluses and deficits

	Group 2025 £000's	Company 2025 £000's	Group 2024 £000's	Company 2024 £000's
Statement of Recognised Total Recognised Surpluses and Deficits				
Remeasurements (liabilities & assets) before deferred tax asset	(5,848)	(2,249)	(3,236)	(1,279)
Asset restriction	6,920	2,689	4,073	1,624
Total Remeasurements included in Statement of Comprehensive Income	1,072	440	837	345

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**31 Pension obligations (continued)****Lancashire County Council's Pension Fund (continued)****Changes in benefit obligation during period to 31 March**

	Group 2025 £000's	Group 2025 £000's	Company 2025 £000's	Group 2024 £000's	Group 2024 £000's	Company 2024 £000's
	Unfunded Benefits	All Benefits	All Benefits	Unfunded Benefits	All Benefits	All Benefits
Benefit obligation at beginning of period	36	48,462	18,696	40	48,344	18,643
Current service cost	-	561	180	-	605	180
Interest on pension liabilities	2	2,326	899	2	2,279	881
Member contributions	-	214	82	-	219	78
Remeasurements (gain) on assumptions	(2)	(6,884)	(2,660)	(1)	(1,026)	(403)
Benefits/transfers paid	(7)	(2,211)	(771)	(5)	(1,959)	(683)
Benefit obligation at end of period	29	42,468	16,426	36	48,462	18,696

Change in plan assets during period to 31 March

	Group 2025 £000's	Group 2025 £000's	Company 2025 £000's	Group 2024 £000's	Group 2024 £000's	Company 2024 £000's
	Unfunded Benefits	All Benefits	All Benefits	Unfunded Benefits	All Benefits	All Benefits
Fair value of plan assets at beginning of period	-	67,855	26,876	-	63,665	25,200
Interest on plan assets	-	3,292	1,305	-	3,031	1,200
Remeasurements assets	-	(1,036)	(411)	-	2,210	876
Admin expenses	-	(18)	(6)	-	(19)	(6)
Employer contributions	7	685	220	5	708	211
Member contributions	-	214	82	-	219	78
Benefits/transfers paid	(7)	(2,211)	(771)	(5)	(1,959)	(683)
Fair value of plan assets at end of period	-	68,781	27,295	-	67,855	26,876
(Surplus)/deficit before deferred tax asset	29	(26,313)	(10,869)	36	(19,393)	(8,180)

Actual Return on Plan Assets	2,255	894	5,240	2,075
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Post retirement mortality assumptions

Non-retired members SAPS 4 / SAPS 4 middle CMI 23 [1.5%]
(112% Males, 101% Females)

Retired members SAPS 4 / SAPS 4 middle CMI 23 [1.5%]
(106% Males, 101% Females)

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

31 Pension obligations (continued)

Lancashire County Council's Pension Fund (continued)

Life expectancy

of a male (female) future pensioner aged 65 in 20 years time

22.3 (25.4) years

of a male (female) current pensioner aged 65

21.1 (23.6) years

Market value of total fund assets (£ millions)

11,956

Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last 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 company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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 the Court's determination expected no earlier than Summer 2025. 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.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT (LIABILITY)

	Group 31 March 2025 £,000	Company 31 March 2025 £'000	Group 31 March 2024 £,000	Company 31 March 2024 £'000
Fair value of plan assets	6,971	3,855	7,116	3,941
Present value of defined benefit obligation	(7,928)	(4,373)	(8,824)	(4,894)
Total defined benefit (liability)	(957)	(518)	(1,708)	(953)

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**31 Pension obligations (continued)****Social Housing Pension Scheme (continued)****RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION**

	Group	Company
	31 March 2025	31 March 2025
	£'000	£'000
Defined benefit obligation at start of period	8,824	4,894
Expenses	11	5
Interest expense	431	239
Actuarial losses due to scheme experience	426	236
Actuarial gains due to changes in financial assumptions	(1,578)	(904)
Benefits paid and expenses	(186)	(97)
Defined benefit obligation at end of period	7,928	4,373

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Group	Company
	31 March 2025	31 March 2025
	£'000	£'000
Fair value of plan assets at start of period	7,116	3,941
Interest income	357	198
Experience on plan assets (excluding amounts included in interest income) - loss	(784)	(459)
Contributions by the employer	468	272
Benefits paid and expenses	(186)	(97)
Total fair value of plan assets at end of period	6,971	3,855

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£427,000), Company (£261,000).

Defined benefit costs recognised in the Statement of Comprehensive Income

	Group	Company
	31 March 2025	31 March 2025
	£'000	£'000
Expenses	11	5
Net interest expense	74	41
Defined benefit costs	85	46

Defined benefit cost recognised in other comprehensive income

	Group	Company
	31 March 2025	31 March 2025
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - loss	(784)	(459)
Experience gains and losses arising on the plan liabilities - loss	(426)	(236)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	1,578	904
Total amount recognised – gain	368	209

Progress Housing Group Limited

Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)**31 Pension obligations (continued)****Social Housing Pension Scheme (continued)****Assets**

	Group	Company	Group	Company
	31 March 2025	31 March 2025	31 March 2024	31 March 2024
	£'000	£'000	£'000	£'000
Global equity	781	432	709	393
Absolute return	-	-	278	154
Distressed opportunities	-	-	251	139
Credit relative value	-	-	233	129
Alternative risk premia	-	-	226	125
Liquid alternatives	1,293	715	-	-
Emerging markets debt	-	-	92	51
Risk sharing	-	-	417	231
Insurance-linked securities	22	12	36	20
Property	349	193	285	158
Infrastructure	2	1	719	398
Private Equity	6	3	6	3
Real assets	835	462	-	-
Private debt	-	-	280	155
Opportunistic Illiquid credit	-	-	278	154
Private credit	853	472	-	-
Credit	266	147	-	-
Investment grade credit	215	119	-	-
High yield	-	-	1	1
Cash	94	52	141	78
Long lease property	2	1	46	25
Secured income	116	64	213	118
Liability driven investment	2,111	1,168	2,896	1,604
Currency hedging	11	6	(3)	(2)
Net current assets	15	8	12	7
Total assets	6,971	3,855	7,116	3,941

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

Key assumptions

	Group	Company	Group	Company
	31 March 2025	31 March 2025	31 March 2024	31 March 2024
	% per annum	% per annum	% per annum	% per annum
Discount rate	5.96%	5.96%	4.93%	4.93%
Inflation (RPI)	3.04%	3.04%	3.08%	3.08%
Inflation (CPI)	2.80%	2.80%	2.80%	2.80%
Salary growth	3.80%	3.80%	3.80%	3.80%
Allowance for commutation of pension for cash at retirement		75% of maximum allowance		75% of maximum allowance

Progress Housing Group Limited
Financial statements for the year ended 31 March 2025

Notes to the financial statements (continued)

31 Pension obligations (continued)

Social Housing Pension Scheme (continued)

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

	Group	Company
	Life expectancy at age 65	Life expectancy at age 65
	(Years)	(Years)
Male retiring in 2025	20.5	20.5
Female retiring in 2025	23.0	23.0
Male retiring in 2045	21.7	21.7
Female retiring in 2045	24.5	24.5